



UPPER TRINITY REGIONAL WATER DISTRICT LEWISVILLE, TEXAS



WATER RECLAMATION

WATERSHED PROTECTION

WATER CONSERVATION

COLLECTION OF HOUSEHOLD HAZARDOUS WASTE

TREATED WATER

LONG-RANGE WATER SUPPLY

NON-POTABLE WATER



ANNUAL OPERATING AND CAPITAL BUDGETS OCTOBER 1, 2019- SEPTEMBER 30, 2020

**UPPER TRINITY REGIONAL WATER
DISTRICT
LEWISVILLE, TEXAS**

OPERATING AND CAPITAL BUDGETS

FISCAL YEAR 2019 - 2020

OCTOBER 1, 2019 – SEPTEMBER 30, 2020

Record Vote for Operating Budget

For: **23**
Against: **0**
Absent: **1**

Record Vote for Capital Budget

For: **23**
Against: **0**
Absent: **1**

**Adopted by the Board of Directors
September 5, 2019**

**UPPER TRINITY REGIONAL WATER DISTRICT
BOARD OF DIRECTORS
Fiscal Year 2019 – 2020**

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Ramiro Lopez, Vice President – Irving
Mike Fairfield, Treasurer – Lake Cities MUA
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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Upper Trinity Regional Water District
Texas**

For the Fiscal Year Beginning

October 1, 2018

Christopher P. Morill

Executive Director

The Governmental Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Upper Trinity Regional Water District** for its annual budget for the fiscal year beginning **October 1, 2018**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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MEMORANDUM

TO: Board of Directors

FROM: Larry N. Patterson, Executive Director

DATE: September 5, 2019

SUBJECT: FY 2019 - 2020 PROPOSED BUDGETS

I respectfully submit the proposed annual Operating and Capital Budgets for the Fiscal Year beginning October 1, 2019 for your consideration. The proposed budgets will fund ongoing operations, keep our capital improvement program moving forward, and prepare the District to respond to continued growth within our service area while also preparing for future expenses through development of adequate Reserve accounts.

Proposed Operating Budgets will allow the District to continue to provide the highest quality services in an efficient manner. Proposed Capital Improvements reflect the action on priority regional projects to meet on-going needs within the District's service area. Key projects are listed in the Executive Summary of the FY 2019 – 2020 Budget document.

With your continued support and guidance, I look forward to a productive fiscal year in 2020.

EXECUTIVE SUMMARY

FY 2019 - 2020 Adopted Budget

Staff is pleased to propose the FY 2019-2020 Budget for consideration by the Board of Directors. We continue to be committed to good fiscal stewardship, while providing the highest level of performance for on-going District programs.

The adopted operating budgets for the District's utility systems total \$64,406,455 for the fiscal year, an overall increase of 4.15% over last year's adopted budget. The District continues to face extraordinary growth and utilizes various reserves to offset rates when applicable. The adopted budget represents a practical approach to provide the highest quality service at a reasonable rate to its members and customers.

The adopted budget for capital improvements is recommended to be \$120,824,030, an 85.30% increase from last year's adopted budget. Approximately 83% of this increase is due to the Lake Ralph Hall and the Doe Branch Plant Expansion Phase 2 projects.

OPERATING BUDGETS

Staff has worked diligently to manage and control costs -- and to minimize rate increases. Following are Staff recommendations for rate adjustments:

Regional Treated Water Service	2.25%
Northeast Regional Water Reclamation System	3.70%
Lakeview Regional Water Reclamation System	0.00%
Peninsula Water Reclamation Plant	6.00%
Administration.....	0.00%
Non-Potable.....	0.00%
Household Hazardous Waste	0.00%

During the budget preparation process, all proposed expenditures were evaluated closely to keep cost impacts to a minimum. Highlights for the adopted operating budgets include:

- Seven new positions are requested for FY 2020. As the District continues to grow, additional personnel will be required to keep up with the increasing workload. The seven requested positions are:
 - One Project Engineer to provide professional engineering review and support for capital improvement projects.
 - One Maintenance Mechanic to assist with maintenance in the Northeast System.

- Two Wastewater Operators, one at the Doe Branch Plant and one at the Riverbend Plant to keep the Northeast Regional Wastewater Reclamation System operating effectively as it continues to grow. Each position is budgeted for the last 6 months of FY 2020.
- Two Water Operators at the Harpool Plant to begin 24-hour operations.
- One Transmission Operator split 50/50 between the Taylor Plant and the Lakeview Plant.
- The adopted budget includes an allowance of 4.0% to cover all promotions, merit increases and other increases in employee compensation.
- The adopted budget for the Regional Treated Water reflects a 1.6% cost increase for raw water from Dallas Water Utilities and the City of Denton. The adopted budget is based on anticipated water purchases from the various sources as follows:

Dallas Water Utilities	16.69 mgd
Denton	3.00 mgd
Chapman Lake	9.00 mgd
Reuse	3.33 mgd

- Funding for specific, on-going programs for the Water System are recommended at the following levels:
 - Water Conservation efforts to provide an on-going, strong water conservation program at \$0.02/1,000 gallons.
 - General planning for Future Water Resources at \$0.015/1,000 gallons
 - Watershed Protection Program at \$0.02/1,000 gallons.
- Reserves are an important component of our business:
 - Propose to increase the long-term reserve for future replacement of aging facilities (Capital Replacement Reserve) from \$0.09/1,000 gallons to \$0.10/1,000 gallons in the Regional Treated Water System and remaining at \$0.10/1000 gallons in the Lakeview Regional Water Reclamation System.
 - Propose to contribute \$517K to Lake Ralph Hall Reserve from the Dallas Water Utilities settlement with Sabine River Authority.
 - Propose to contribute to the Non-Bond Reserves in the amount of \$300K for the Lakeview Regional Water Reclamation System and \$3,835 for the Peninsula Water Reclamation Plant.

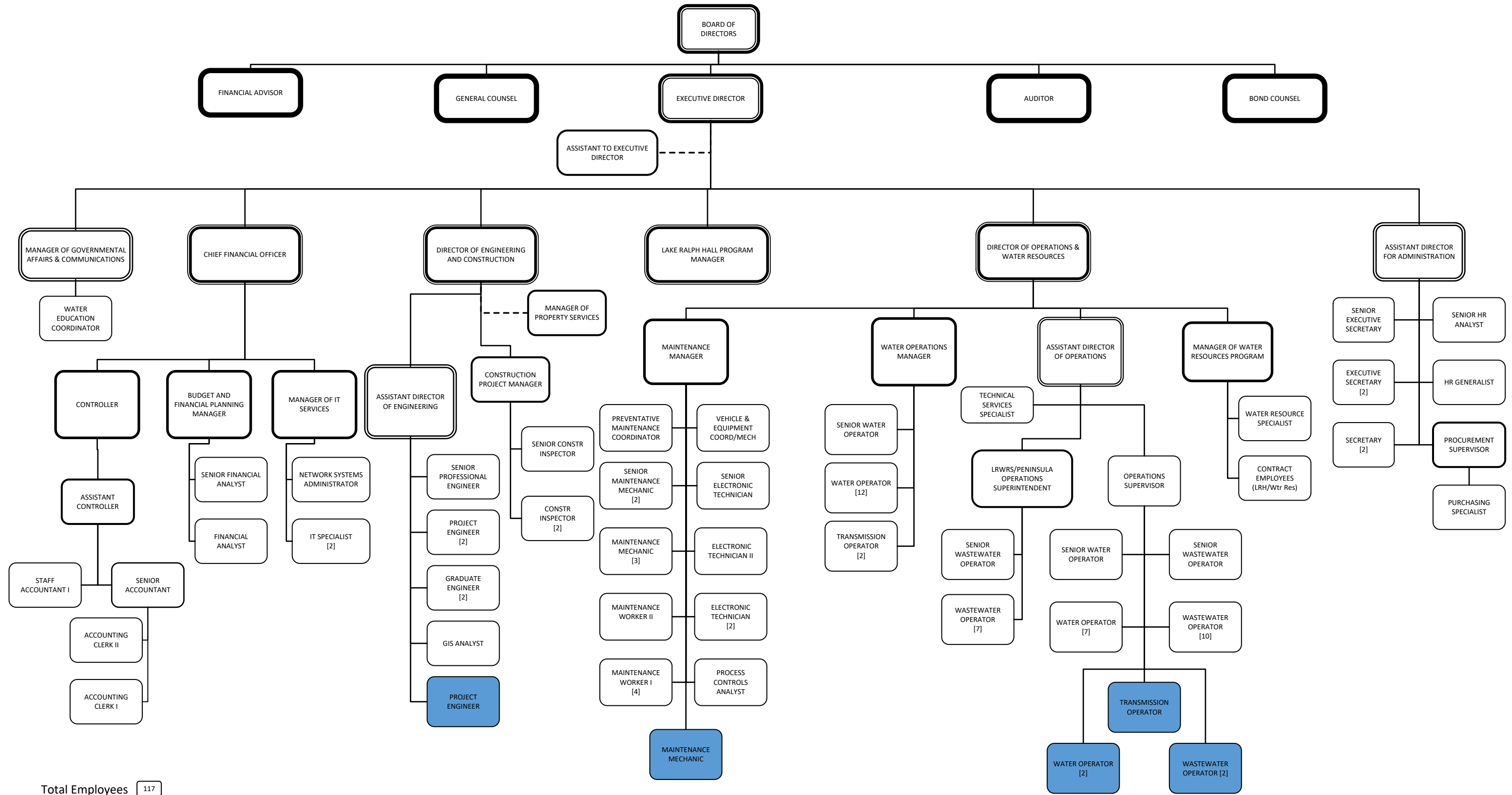
- Within the Household Hazardous Waste Program, the District continues to provide an interim service until cities choose to host their own programs, generally through their solid waste providers.
- Certain elements of the budgets are provided by Interfund transfers:
 - O&M Reserves for all operations are expected to be fully funded at FY 2020 year-end.
 - Pro-rata contributions will be made from all funds to the Vehicle and Equipment Replacement Fund to assist in future replacement of vehicles and heavy equipment as necessary.
- Debt Service for FY 2020 includes:
 - The Regional Treated Water System has a Commercial Paper interest rate decrease from 2.75% to 2.00%, Commercial Paper Line increase from \$50.0M to \$75.0M, Commercial Paper Letter of Credit rate of 45 basis points, which is a decrease of 20 basis points, and a Revenue Bond increase of \$1.1M for the conversion of \$20.0M of Commercial Paper to long-term debt. The second year of a deferred interest payment of \$125K on the TWDB Board Participation Loan for Lake Ralph Hall is due and the first year P&I payment of \$1.03M for the second TWDB Subsidized Interest Loan Issue of \$18.6M for the Parallel Pipeline Project will occur in FY 2020. An additional conversion of \$28.0M of Commercial Paper to long-term debt is scheduled for the last quarter of FY 2020 but debt payments will not be due until FY 2021.
 - The Northeast Regional Water Reclamation System has first full year interest payments for the Texas Water Development Board Series 2016 and 2017 bonds for the Riverbend Plant Expansion.
 - The Lakeview Regional Water Reclamation System debt payments are from previous bond series and are similar from last fiscal year.
 - The Peninsula Water Reclamation Plant will begin expansion utilizing customer contributions.

CAPITAL IMPROVEMENT PROGRAMS

Key capital projects include:

- Parallel Pipeline project will continue design / engineering and begin construction of a 72" diameter pipeline parallel to the existing transmission main from the Taylor Regional Water Treatment Plant to the Stone Hill Pump Station for additional pipeline capacity needed to meet customer needs.
- Harpool RWTP Phased Treatment Expansion, Phase I project includes expanded administration and maintenance facilities, increased raw water handling and membrane water treatment capability.
- Lake Ralph Hall project will continue due diligence to develop a new water supply by obtaining a 404 permit from the U.S. Corps of Engineers, maintaining strategic land acquisition, and broadening our design / engineering efforts for the proposed Lake Ralph Hall and associated transmission pipelines.
- Riverbend Plant Expansion, Phase 3 project will complete upgrades and construction for the expansion of the Riverbend Regional Water Reclamation Plant from 2.0 to 4.0 MGD.
- Doe Branch Plant Expansion, Phase 2 project will complete design / engineering and begin construction to expand the treatment capacity from 2.0 to 4.0 MGD.
- Peninsula WRP Expansion project will complete initial design / engineering and begin construction to expand the treatment capacity from 0.94 to 2.0 MGD.

FY 2020 ORGANIZATIONAL CHART



Total Employees 117
New Employees 7

Upper Trinity Regional Water District Total Adopted Positions

	2018 Adopted Budget	2019 Adopted Budget	2020 Adopted Budget		2018 Adopted Budget	2019 Adopted Budget	2020 Adopted Budget
Administration				Engineering/Construction			
Executive Director	1	1	1	Director of Engineering and Construction	1	1	1
Assistant to Executive Director	1	1	1	Assistant Director of Engineering	0	1	1
Manager of Governmental Affairs and Communications	0	0	1	Senior Professional Engineer	1	0	1
Manager of Customer Contracts/Support Services	1	1	0	Project Engineer	4	3	2
Water Education Coordinator	0	1	1	Project Engineer **	0	0	1
Senior Executive Secretary	1	1	1	Professional Engineer	0	1	0
Executive Secretary	3	3	2	Graduate Engineer	1	1	2
Assistant Director for Administration	0	0	1	GIS Analyst	1	1	1
Manager of HR and Purchasing	1	1	0	Manager of Property Services	1	1	1
Senior HR Analyst	1	1	1	Construction Project Manager	1	1	1
HR Generalist	1	1	1	Lake Ralph Hall Program Manager	0	0	1
Employee Benefits Specialist	1	0	0	Senior Construction Inspector *	1	1	1
Procurement Supervisor	1	1	1	Construction Inspector	2	2	2
Purchasing Specialist	2	1	1	Manager of Water Resources Program	0	1	1
Secretary	0	1	2	Water Resource Specialist	0	1	1
Total	14	14	14	Total	13	15	17
Business/Finance				Northeast Water/Wastewater Reclamation System			
Chief Financial Officer	0	0	1	Northeast Operations Manager	1	1	0
Director of Business Services	1	1	0	Operations Supervisor	1	1	1
Controller	0	0	1	Senior Water Operator	1	1	1
Accounting Manager	1	1	0	Water Operator III	4	4	3
Assistant Controller	0	0	1	Water Operator II	0	1	3
Senior Accountant	1	1	1	Water Operator II **	0	0	1
Staff Accountant II	1	1	0	Water Operator III **	0	0	1
Staff Accountant I	1	1	1	Water Operator I	1	1	1
Cash Coordinator	1	1	0	Water Operator I / Clerk	1	1	0
Accounting Clerk II	1	1	1	Senior Wastewater Operator	1	1	1
Accounting Clerk I	0	0	1	Wastewater Operator III	6	7	5
Budget and Financial Planning Manager	1	1	1	Wastewater Operator II **	0	0	1
Senior Financial Analyst	0	1	1	Wastewater Operator III **	0	0	1
Financial Analyst	1	1	1	Wastewater Operator II	0	0	1
Budget Analyst	1	0	0	Wastewater Operator I	3	3	4
Manager of IT Services	1	1	1	Transmission Operator	1	1	1
Network Systems Administrator	0	1	1	Total	20	22	25
IT Specialist	1	2	2	Lakeview Regional Water Reclamation System			
IT Technician	1	0	0	LRWS / Peninsula Operations Superintendent	0	0	1
Total	13	14	14	Wastewater Operations Superintendent	1	1	0
Operations/Maintenance				Senior Wastewater Operator	1	1	1
Deputy Executive Director	1	1	0	Wastewater Operator III	5	5	5
Director of Operations and Water Resources	0	0	1	Wastewater Operator II	0	0	1
Director of Operations	1	1	0	Wastewater Operator I	1	1	1
Assistant Director of Operations	0	0	1	Total	8	8	9
Technical Services Specialist	1	1	1	Regional Treated Water System			
Process Controls Analyst	1	1	1	Water Operations Manager	0	0	1
Maintenance Manager	0	0	1	Water Operations Superintendent	1	1	0
Maintenance Superintendent	1	1	0	Senior Water Operator	1	1	1
Preventative Maintenance Coordinator	1	1	1	Water Operator III	7	6	6
Vehicle & Equipment Coordinator / Mechanic	1	1	1	Water Operator II	2	1	1
Senior Electronic Technician	1	1	1	Water Operator I	3	5	5
Electronic Technician II	1	1	1	Transmission Operator	2	2	1
Electronic Technician I	2	2	2	Transmission Operator **	0	0	1
Senior Maintenance Mechanic	2	2	2	Total	16	16	16
Maintenance Mechanic	3	4	3	Total Authorized Positions	104	110	117
Maintenance Mechanic **	0	0	1				
Maintenance Worker II	3	3	1				
Maintenance Worker I	1	1	4				
Total	20	21	22				

* Previously Unfunded, but Funded for FY19 & FY 20 (1)

** New Positions (7)

UPPER TRINITY REGIONAL WATER DISTRICT ORGANIZATIONAL PROFILE

The Upper Trinity Regional Water District (The District) was created in 1989 by the Texas Legislature as a conservation and reclamation district, to provide towns, cities and utilities with a sound, long-term water supply. The District is authorized to provide water, wastewater, reclaimed water (non-potable), storm water, and watershed protection and water conservation services -- all on a wholesale basis. The boundaries of the District include all of Denton County, plus limited portions of Collin and Dallas Counties.

The District provides service directly and indirectly to 34 entities (23 cities and towns, 1 utility authority, 3 special districts, 5 water supply districts, 1 utility district, and the County). The District is governed by a Board of Directors appointed by member entities and is considered by many to be a model regional agency. Each member appoints a director to the governing body and Denton County appoints two directors, one of which serves at-large. Currently, the Board is composed of 25 directors. Non-public utilities have contracts under which they are represented on the governing body by the at-large director. The Board of Directors set the policies of the District and establishes regional programs as needed by members and customers. Current services include treated (drinking) water, non-potable water, water reclamation (wastewater treatment), collection of household hazardous wastes, and other water conservation and watershed protection activities.

History

The genesis of the District was in 1986, when a group of cities and utilities in the Denton County area began to meet informally with the City of Dallas to plan for adequate water supply. Also, they began to address needs for regional cooperation on a variety of issues, including compliance with water, wastewater, and solid waste regulations. After the cities and utilities decided to initiate a regional plan, the Texas Water Development Board (TWDB) awarded a grant to help develop the plan.

By 1988, the plan was complete, and legislation was drafted to create an independent water district to serve the Denton County area. Visionary leaders believed a new, independent district with fresh ideas, could provide the services most needed by the growing cities of the region. Support from the cities was unanimous and the legislature passed the bill, with the governor signing it on June 16, 1989. In 1995, an amendment was approved by the Legislature to enable the City of Irving to become a member. On May 3, 2001, the Governor signed SB 835, a second amendment, to include watershed protection as an activity.

The District has a very clear mission; to provide utility services that its members and customers need, all without any power of taxation. The District is a governmental enterprise that provides utility service on a wholesale basis, an enterprise that gets all of its revenue from the sale of needed services.

Treated Water Supply and Facilities

A priority mission of the District is to ensure an adequate water supply for members and customers throughout its service area. The District provides treated (drinking) water services on a wholesale basis to 19 retail utilities which include 29 communities. These retail utilities (including municipalities and water districts) deliver drinking water to retail customers for residential, commercial, industrial and municipal uses.

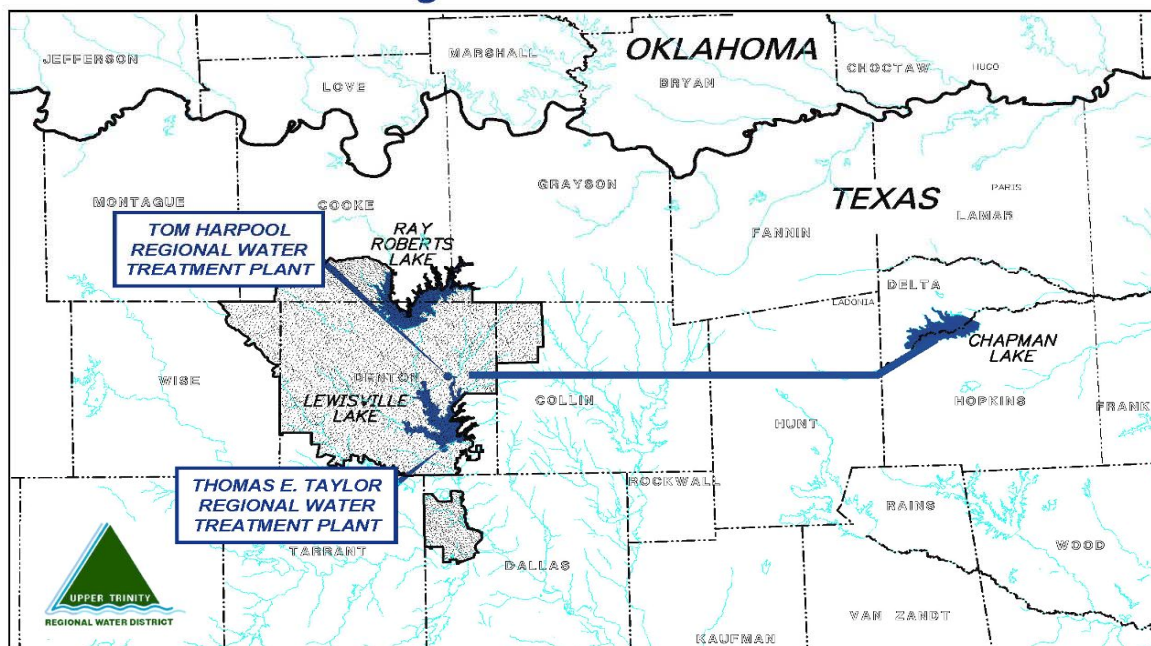
Using state-of-the-art technology and processes, the District prides itself in delivering high quality drinking water, while holding ourselves to higher water quality standards than what is traditionally required by state and federal regulations.

Long Term Water Supply Sources. Because ground water (water from wells) is so limited in this region, the most reliable source of water today, and for the future, is surface water (water from lakes). Therefore, to provide a reliable, secure and adequate water supply for this region, the District has developed a comprehensive and diversified portfolio of water supply sources. Present supplies are adequate for about 10 years and additional water is needed to comply with the 50 year state water planning criteria.

The District's Diversified Water Portfolio	
Lewisville Lake water (purchased from Dallas Water Utilities and the City of Denton)	
Chapman (Cooper) Lake in northeast Texas	
Reuse of water from water reclamation plants	
Proposed Lake Ralph Hall in Fannin County	
Possible additional water from Sulphur River Basin	

Water from Chapman Lake is delivered through a pipeline owned and operated by the City of Irving. A portion of the District's flows from Chapman Lake is delivered to the Tom Harpool Regional Water Treatment Plant in northeast Denton County, and a portion is discharged into Lewisville Lake for use at the Thomas E. Taylor Regional Water Treatment Plant in Lewisville. The following map illustrates the District's current and future water supply sources.

Upper Trinity Regional Water District Water System Service Area



These water supply sources will be adequate for about 10 years, after which time additional water supplies will be needed. More water conservation and more reuse of existing supplies are part of the answer. However, additional water sources are absolutely critical. The District is working to develop a new source of water in Fannin County - - Lake Ralph Hall.

Lake Ralph Hall, a proposed new water supply lake along the North Sulphur River in Fannin County will provide a safe, reliable water source for the entities that depend on the District. It is the most feasible and lowest cost source of new water available to the District, and it can be built in time to avoid a water shortfall.

Regional Treated Water System The District constructed its first regional water treatment plant in Lewisville, Texas in 1997 - - the Regional Treated Water Plant, designated as the Thomas E. Taylor Regional Water Treatment Plant in 2009. In order to meet the growing needs of its customers, the District completed the construction of its second water treatment plant in 2008 - - the Tom Harpool Regional Water Treatment Plant.

Thomas E. Taylor Regional Water Treatment Plant. Treating to its full 20 million gallon per day (MGD) capacity the first full year of operation, this water treatment plant was expanded to 70 MGD in 2001. Plant features include:

- Ozone as a primary disinfectant resulting in improved destruction of bacteria and viruses, fewer chlorination by-products, and removal of taste and odor components from lake algae and blooms.

- Granular activated carbon is used in the filter beds to remove organic compounds, including pesticides and herbicides.
- Flocculation slows the mixing and coagulation of solid material without using electrical power.
- State-of-the-art computer systems are used to monitor transmission flows, elevations in storage facilities and customer demand levels.

Tom Harpool Regional Water Treatment Plant. The Tom Harpool Plant provides treated drinking water to communities and utilities in northeastern Denton County and western Collin County. The plant also provides redundancy for the Taylor Regional Water Treatment Plant in Lewisville. Employing the latest in membrane technology, this plant provides very high quality drinking water.

The Tom Harpool Plant currently has a capacity of 20 MGD. The plant layout has been designed to accommodate future expansions when needed by the District's members and customers to a total capacity of approximately 240 MGD. Plant features include:

- Membrane filters that perform multiple functions - - reduce turbidity, remove harmful pathogens and reduce the amount of organic carbon in combination with the coagulant.
- A four million gallon clear well provides storage of finished water.
- A pump station to pump the treated water into the distribution system.

Transmission Facilities. The District's water transmission facilities includes approximately 103 miles of pipelines transporting water to its members and customers, along with pump stations and water storage facilities. All of these facilities, and treatment plants, are a part of the District's regional treated water system, and transport dependable, high quality drinking water to its members and customers.

Transmission Pipelines. The District has transmission pipelines that extend from Justin to Celina and from Flower Mound to Sanger.

Stone Hill Pump Station. Located in Flower Mound, the Stone Hill Pump Station includes two ground storage tanks and a pump station to deliver water to the District's customers in the western portion of its service area.

Temple Dane Pump Station. To provide drinking water to its customers in the northern portion of the service area, the District partnered with Mustang Special Utility District to construct a joint pump station and a one million gallon storage facility.

Water Reclamation Facilities

Lakeview Regional Water Reclamation System The District initiated wholesale wastewater treatment service to customers of the Lakeview Regional Water Reclamation System (LRWRS) in August 1996. When the service was initiated, the District assumed ownership and operational control of Lake Cities Municipal Utility Authority's (LCMUA) existing wastewater treatment plant with 1.0 mgd capacity and began treating all wastewater flows from LCMUA, plus a limited flow from the City of Corinth.

The LRWRS has been constructed in phases, with each phase being a group of project elements. A project element is a distinct physical part of the system to which costs are allocated for ratemaking purposes. Phase 1 of the project, which included the Corinth Pipeline and Joint Pipeline, was completed in the fall of 1996. The treatment plant portion was completed in September 1998 and increased the capacity to 3.5 mgd. Phase 2 of the project, which includes a pipeline to deliver flows from the City of Highland Village and a pipeline to deliver flows from additional LCMUA customers, was completed in October 1998. In 2003, LRWRS plant was expanded to 5.0 mgd and wholesale service was extended to six member entities: LCMUA, Corinth, Highland Village, Denton County Fresh Water Supply District #7, Double Oak and Bartonville. The District upgraded the plant's processing equipment and expanded its treatment capacity to 5.5 mgd in FY 2013.

Northeast Regional Water Reclamation System In 2003, wastewater service began in northeast Denton County serving six members and customers on a wholesale basis: Lincoln Park, Mustang Special Utility District and four Fresh Water Supply Districts (Denton County Fresh Water Supply District #9 later became The Town of Providence Village in 2010). During FY 2015, the Town of Lincoln Park dissolved with Mustang Special Utility District acquiring their utility system and taking assignment of their water and wastewater contracts. More recently, Mustang SUD acquired a majority of DCFWSD #10's subscribed capacity at the Riverbend Plant (0.5265 mgd) in August 2018 and the acquisition of the City of Aubrey's 0.28 mgd subscribed capacity reflected in the FY 2019 Adopted Budget. The District's Northeast Regional Water Reclamation System consists of two regional water reclamation plants, a lift station and associated force mains, and a regional system of wastewater collection interceptors.

Riverbend Plant. Constructed in 2003 to serve the portion of northeastern Denton County generally north of U.S. Highway 380 and east of U.S. Highway 377. The plant consists of an influent lift station, biological treatment in sequencing batch reactors, filtration, and final ultraviolet disinfection. During FY 2013, the District completed improvements to this plant's treatment processes which included upgrades to the sludge holding tank to enhance the reliabilities and performance of the plant's solids management to facilitate a 2.0 mgd treatment capacity. Due to the rapid growth experienced in the northeast service area, the treatment capacity of the Riverbend Plant was expanded from 2.0 to 4.0 mgd and became operational in April 2019.

East Side Lift Station. Constructed in 2003 on the Doe Branch Water Reclamation Plant property to serve developments in the Doe Branch service area. Prior to the Doe Branch plant becoming operational in November 2016, wastewater from this service area was pumped to the Riverbend Plant for treatment.

Doe Branch Plant. This 2.0 mgd water reclamation plant became operational in November 2016 and serves the cities of Celina and Prosper, as well as a portion of Denton County Fresh Water Supply District #10 (Artesia community) and Mustang Special Utility District. Similar to the Riverbend Plant service area, the Doe Branch Plant service area has experienced tremendous population growth. Therefore, construction to expand this Plant's treatment capacity from 2.0 to 4.0 mgd is scheduled to begin in FY 2020 and to be fully operational in FY 2021.

Peninsula Water Reclamation Plant Originally constructed and placed in service in 2003. The plant was a 0.325 MGD advanced treatment facility located between the cities of Oak Point and Cross Roads in Denton County, north of the Dallas/Fort Worth Metroplex. The Peninsula Plant discharges into the Cantrell Slough, and feeds directly into Lewisville Lake, which is a major source of drinking water for the North Texas area. As a result, the District ensures that the effluent is of an exceptionally high quality.

The Peninsula campus was designed and constructed to blend in with the rural area in which it is located. Existing trees and the natural grades and vegetation were incorporated as much as possible. The Peninsula Plant receives wastewater primarily from residential homes and some retail commercial businesses. The plant currently provides wastewater treatment for the Mustang Special Utility District. The City of Oak Point transferred its wastewater Certificate of Convenience and Necessity (CCN) and assigned its wastewater contract to the Mustang Special Utility District beginning in October 2015.

An expansion of the Peninsula Plant was completed in FY 2010 to increase its rated capacity to 0.94 mgd. The expansion also provided biological phosphorous removal (with chemical backup), a new headworks and biological odor control to better ensure that odors are not a nuisance to its neighbors. Due to continued growth in the service area of this Plant, the District is planning to begin initial design and engineering to begin expansion of its treatment capacity to 2.0 mgd in FY 2020.

Non-Potable (Reclaimed Water)

Believing that good stewardship of the water resource includes reuse, the District entered into a contract in 1995 with Denton County Fresh Water Supply District #1A to supply treated wastewater for golf course irrigation. Up to two million gallons per day (mgd) of treated effluent from the City of Lewisville wastewater treatment plant can be pumped to the Castle Hills golf course in Lewisville for irrigation.



The non-potable system consists of a pump station and a pipeline. The system provides both treated effluent and raw water service. Treated effluent is used for the irrigation of the golf course and other non-contact recreational areas. Raw water is used for the irrigation of parks and other contact recreational areas.

Watershed Protection Program

Protecting Our Water Supply Right Where We Live!

The area around the local water supply lakes in Denton County are being transformed from a rural setting to urbanized communities. Population growth and development continues. In the public interest, it is urgent that the potential effect on water quality and the water supply for this region not be taken for granted.



Communities in the local watersheds are knitted together by the many water ways that extend into and through neighborhoods. The District's coordinated program for Watershed Protection offers the opportunity to work with nearby communities on common strategies. Pursuing a shared vision about Watershed Protection allows communities to achieve better results. The District's goal is to preserve and safeguard the quality of water resources and quality of life - - *right where we live*.

On behalf of the communities in its service area, the District is coordinating a Watershed Protection Program for mutual benefit. Each community has a strategic opportunity to help preserve and protect natural features of the watershed, including creeks, flood plains, riparian zones, wetlands and greenbelts. Also, each citizen can become informed about their own watershed and can help protect water quality in everyday activities at home and at work. The regional Watershed Protection Program includes both education and outreach, including social media and digital advertisements, hands-on demonstration activities, and tours.

Rich Lubke Organic Community Vegetable Garden

The District expanded the concept of the Nancy Tam Water-Wise Demonstration Garden to include an organic community vegetable garden. The garden provides healthy vegetables and fruits for local food banks and promotes organic gardening practices that protect water quality- no harmful pesticides, fertilizers, or herbicides are required. Working with the Salvation Army, Wal-Mart, Knight-Light Charities, Inc., Christian Community Action, City of Highland Village, etc., the vegetable garden provides educational opportunities that promote the District's Watershed Protection Program. The garden currently has a total of 66 plots, growing healthy fruits and vegetables.



Water Conservation Program



To assure adequate water supplies for the future, conservation of existing resources must become a way of life - - for everyone. The District offers public outreach, programs and tours to educate about earth-friendly landscape techniques, irrigation practices and more efficient personal and business water usage. Additionally, as a demonstration for customer entities, the District developed and maintains the Nancy Tam Water-Wise Demonstration Garden to

showcase the beauty and practicality of water-conserving landscape. This garden includes more than 100 varieties of plants that are either native to Texas or are well adapted to the area.

Upper Trinity Conservation Trust (The Trust)

As a non-profit 501(c)(3), the Trust encourages the conservation, stewardship and enjoyment of riparian lands along and near waterways. To protect scarce water resources for future generations, the Trust works with individual landowners, communities and developers to preserve these special natural areas. The Trust leads a voluntary, non-regulatory approach to land conservancy and water quality protection. During the past several years, the Trust has focused on educating the various stakeholders about the importance of watershed protection and how the Trust can be a valuable and effective tool in protecting water quality in local streams and lakes.

The Denton County Greenbelt Plan, developed by the Trust, the District, and Denton County, is a great tool to identify potential riparian assets and greenbelt areas for preservation. The Plan prioritizes areas at risk of urbanization and identifies locations where land conservation and green infrastructure can promote water quality protection. Recommended strategies for voluntary implementation of the Plan were provided to municipalities, the development community, landowners, nonprofit organizations, and citizens. The Plan has been adopted by the Trust, the District, Denton County and several other area municipalities and utilities.

Household Hazardous Waste Program

The District provides a Household Hazardous Waste Collection Program to communities that have contracted for participation. Communities host special collection events for their citizens to dispose of household hazardous waste, such as paint, cleaning compounds, insecticides, and herbicides, in a safe and environmentally responsible manner. Collection events, such as these, help keep pollutants out of community waterways, drinking water sources, and landfills.



A collection event is a shared responsibility between the District and the entity. The District brings its special mobile collection trailer to a scheduled event - - providing a convenient and safe way for residents to dispose of their hazardous wastes. The District transports and disposes of the hazardous waste collected at the special event through a contract with the City of Fort Worth. After each collection event, the community is billed based on the number of households actually participating in the event.

The District offers three different methods for individuals who wish to safely and responsibly dispose of Household Hazardous Waste (HHW).

1. **Scheduled Event:** Household hazardous waste is delivered to a local collection event. Citizens of a participating community receive a notice of the date and time of the event.
2. **Contract Voucher:** If a city participates in the District's program for collection of household hazardous waste, a resident of that city may pick up a voucher from the HHW coordinator for your city. When the voucher is used, the city will be billed.

3. **Event / Fort Worth Voucher:** May be purchased by an individual directly from the District.

The District's program has been providing an interim service until cities are capable of hosting their own programs, generally through their solid waste providers. This initiative has been very successful in keeping pollution out of our watershed sources.

As a regional system for Denton and Collin Counties, the District provides vital services on a wholesale basis for cities, towns and utilities. By working together, our communities are able to achieve results and services on better terms and at lower costs than would otherwise be possible if each community acted alone.

The following chart reflects the District's services and the communities to which these services are provided.

UPPER TRINITY REGIONAL WATER DISTRICT

Entity Served	Treated Water	Water Reclamation	Household Haz. Waste	Other Services**
Argyle WSC				
Argyle*				
Aubrey				
Bartonville*				
Cross Timbers WSC				
Blackrock WSC				
Celina				
Copper Canyon*				
Corinth				
Cross Roads*				
Denton	***			
Denton County				
Denton County FWSD #1A				
Denton County FWSD #7				
Denton County FWSD #8A				
Denton County FWSD #10				
Denton County FWSD #11A				
Double Oak*				
Flower Mound				
Hickory Creek*				
Highland Village				
Irving	***			
Justin				
Krugerville*				
Krum				
Lake Cities MUA				
Lake Dallas*				
Lewisville	***			
Mustang SUD				
Northlake				
Oak Point*				
Pilot Point				
Ponder				
Prosper				
Providence Village				
Sanger				
Shady Shores*				

* Indirect Customer: Receives retail water and/or water reclamation service from a wholesale member or customer of Upper Trinity

** Other Services include Non-Potable Water, Joint projects, Growth program

*** Participating jointly with Upper Trinity in a water project

UPPER TRINITY REGIONAL WATER DISTRICT

BUDGET OVERVIEW

The adopted Operating and Capital Budgets for FY 2019-2020 represent a collective effort between the Board and Staff to deliver quality services and maintain sufficient reserves. The District continues to see a growing demand for water and water reclamation services in our area. Water reclamation plants are expanding to accommodate the projected demands on our Systems. The District continues to be committed to good fiscal stewardship: strategically prioritizing projects, allocating the most advantageous financial resources to complete projects, and maintaining a reserve supply to offset unexpected expenses.

The operating budget reflects an overall increase of approximately 4.15% over last year's adopted budget. The operating budgets represent necessary increases in expenditures to continue required operations while also considering minimal increases in rates. Operational budget requests from the various departments were prioritized, reviewed and vetted to ensure the necessity of proposed expenditures while retaining quality in service. Below is a list of budgetary decisions that have an effect on the operating budgets throughout the District.

- The adopted budget reflects 117 authorized positions. Seven new positions are requested in this year's budget: a Project Engineer, a Maintenance Mechanic, two Wastewater Operators, two Water Operators, and a Transmission Operator. The adopted budget includes a 4% allowance to cover promotions and merit increases.
- The District has financially prepared for a 15% increase in healthcare insurance rates to accommodate a new healthcare provider.
- The adopted budget reflects an increase of approximately 1.6% in the cost of raw water from Dallas Water Utilities and the City of Denton. The District will continue to utilize Chapman Lake water as a major source. The budget reflects the projected use of water from the various sources as follows for the fiscal year:

<u>Source</u>	<u>Average Usage</u>
Dallas Water Utilities	16.69 mgd
Denton	3.00 mgd
Chapman Lake	9.00 mgd
Reuse	3.33 mgd

- The Board of Directors continues to be diligent in funding the various Internal Reserve Funds. The District's commitment for the Operations and Maintenance (O&M) Reserves is to yield 25% of the annual operating expenditures of a system, not including debt service. These funds can be utilized to stabilize rates and charges, to assist with one-time purchases and/or to cover unpredictable expenditures. O&M Reserves for all operations are expected to be fully funded (at the 100% level) by the end of FY 2020.

- The allowance from rates to the long-term reserve for future replacement of aging facilities (Capital Replacement Reserve) is proposed to increase from \$0.09/1,000 gallons to \$0.10/1,000 gallons for the Regional Treated Water System. The Lakeview Regional Water Reclamation System remained at \$0.10/1,000 gallons for FY 2020.
- Contributions to the Vehicle and Equipment Replacement Fund are based on the established replacement schedule.
- Contributions to Non-Bond Capital Reserves continues to allow for cash funding, as authorized by the Board of Directors for certain portions of projects in the Capital Improvement Program. New contributions for the year are estimated at:
 - \$300,000 for the Lakeview Regional Water Reclamation System
 - \$3,835 for the Peninsula Water Reclamation Plant
- Overhead and administrative costs are spread equitably across all systems and capital projects of the District.

The Capital Improvements Program includes projects necessary to address long-term infrastructure needs for a growing regional presence. The FY 2020 capital improvement budget reflects an 85.30% increase over the previous fiscal year and contains the highest priority projects, which can be found in the CIP Funds section of this budget manual. The reason for such a large increase over the previous fiscal year is due to the Lake Ralph Hall and the Parallel Pipeline projects anticipating to start construction in FY 2020.

The District continues to be diligent in the planning and development of water and water reclamation systems. The Regional Treated Water System provides a long-term water treatment solution that is available to 29 entities. In the Regional Water Reclamation Systems, 18 entities are currently being served; and, to meet the ever-growing needs for water reclamation within the region, preparations continue to expand existing plants as needed.

Highlights of the Capital Program are:

- Parallel Pipeline project will continue design and engineering and begin construction of a 72" diameter pipeline parallel to the existing transmission main from the Taylor Regional Water Treatment Plant to the Stone Hill Pump Station for additional pipeline capacity and redundancy.
- Harpool RWTP Phased Treatment Expansion, Phase I project includes expanded administration and maintenance facilities, increased raw water handling and membrane water treatment capability.
- Lake Ralph Hall will continue due diligence to develop a new water supply by obtaining a 404 permit from the U.S. Corps of Engineers, maintain strategic land acquisition, and broaden design and engineering efforts.

- Riverbend Plant Expansion, Phase 3 project will complete upgrades and construction within the Northeast Water Reclamation System taking the plant capacity to 4.0 mgd.
- Doe Branch Plant Expansion, Phase 2 project will complete design and engineering and begin construction to expand the treatment capacity to 4.0 mgd.
- Peninsula Water Reclamation Plant expansion project will begin design and engineering for construction to expand treatment capacity to 2.0 mgd.

Financing for capital projects will employ funds from the most favorable sources including Commercial Paper, Texas Water Development Board Funds, Revenue Bonds, Non-Bond Capital Reserve Funds, Operating Funds, and participant contributions. Specific sources being budgeted for funding of the District projects include:

- Regional Treated Water System – Commercial Paper, Non-Bond Capital Reserve, Contribution Sources and SWIFT Deferred Interest and Board Participation Funds (Lake Ralph Hall) and SWIFT Subsidized Interest Funds (Parallel Pipeline – Taylor RWTP to the Stone Hill Pump Station)
- Lakeview Regional Water Reclamation System – Revenue Bond Proceeds, O&M Reserve, and Non-Bond Capital Reserve
- Northeast Regional Water Reclamation System (Riverbend) – Texas Water Development Board Funds, Non-Bond Capital Reserve, Plant Permitting Fee Reserve, and Contribution Sources
- Northeast Regional Water Reclamation System (Doe Branch) – Revenue Bond Proceeds, Non-Bond Capital Reserve, and Contribution Sources
- Peninsula Water Reclamation Plant – Contribution Sources, Non-Bond Capital Reserve, and Interfund Loans

The Regional Treated Water System's adopted Operating & Maintenance budget is approximately 2.64% above the FY 2019 budget. This increase is attributed to an increase in Personnel, O&M Expenses, and Equipment and Furniture \geq \$5,000.

There is a \$517K contribution budgeted for Lake Ralph Hall Reserve in FY 2020 represented as a credit due to the settlement between City of Dallas and the Sabine River Authority. There are no contributions budgeted for the Non Bond Capital Reserve.

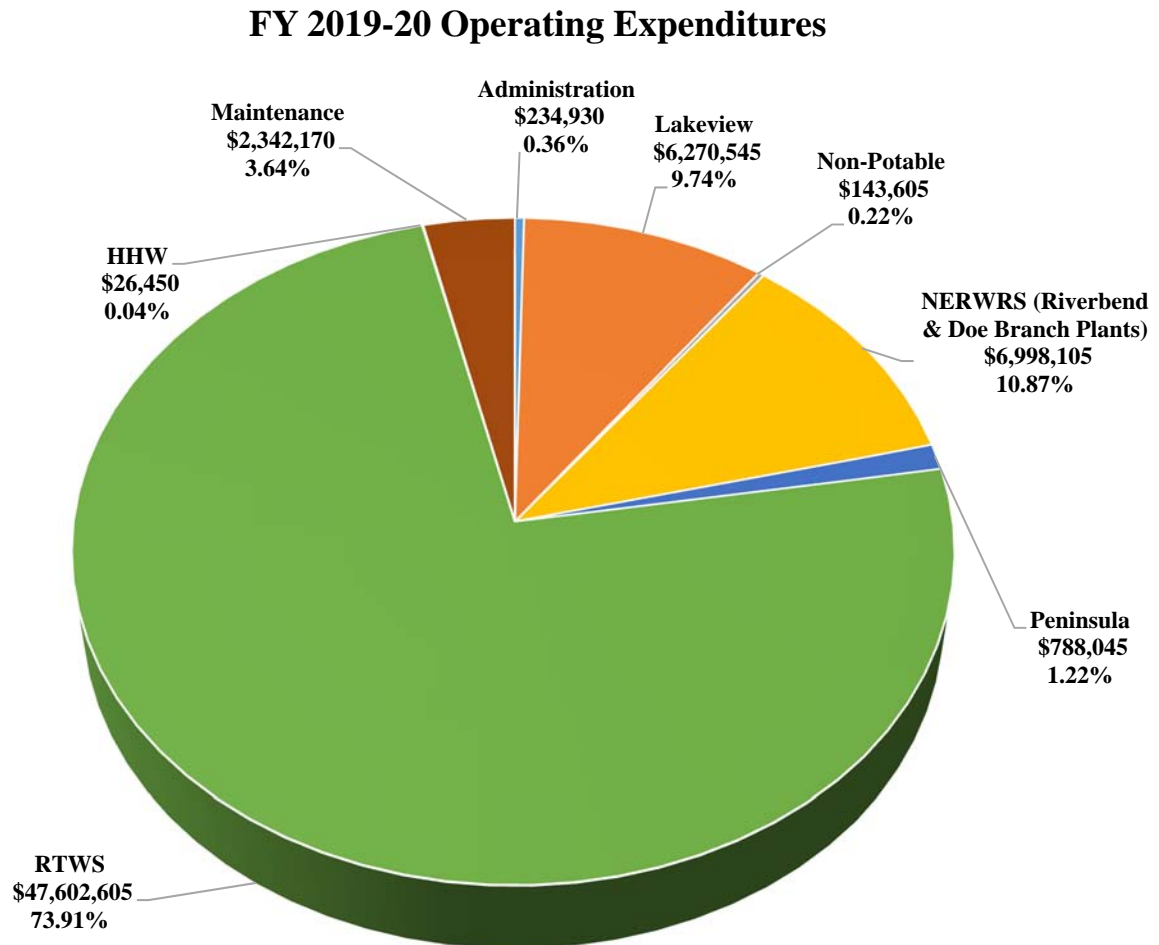
In the Northeast Regional Water Reclamation System Fund – the System shows a 19.45% increase in expenditures from the FY 2019 adopted budget as a result of an increase in Personnel, O&M Expenses, Equipment and Furniture \geq \$5K, and Debt Service.

The Peninsula Water Reclamation Plant's operating budget increase of 6.11% in expenditures from the FY 2019 adopted budget is due to an increase in Personnel.

The Lakeview Regional Water Reclamation System Fund has a FY 2020 budget at 0.13% more than FY 2019. There are no expenses anticipated for Furniture and Equipment \geq \$5K.

The Household Hazardous Waste Program for FY 2020 is a 21.38% decrease over the previous fiscal year. This is due to fewer entities participating in the program.

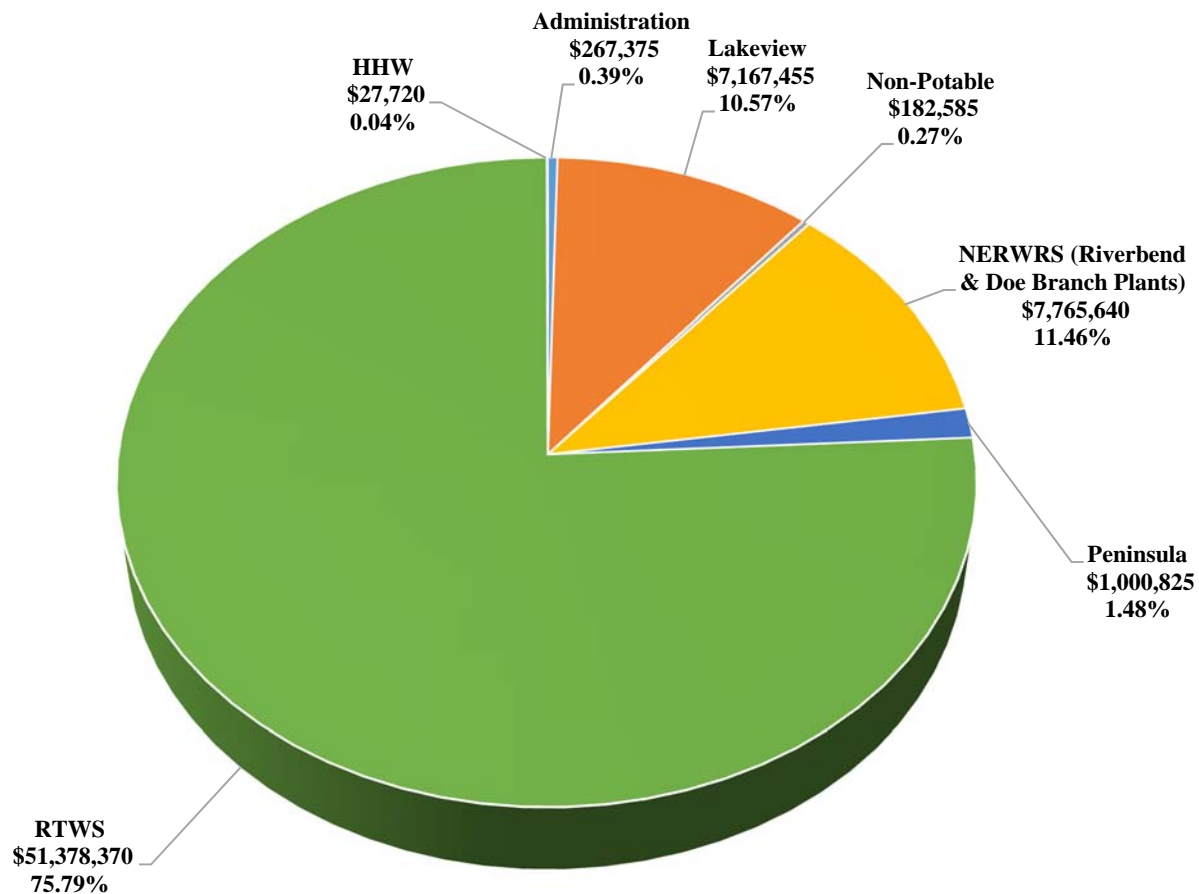
The following graph reflects each fund's impact related to the total operating budget:



Interest income is one of the most volatile sources of revenue in the budget. Interest earned on investments is budgeted according to current market conditions. Staff strives to maximize investment returns on available funds, within the District's established Investment Policy.

Continuing to provide quality service requires necessary rate and fee increases. Staff works diligently to manage and control costs, being good fiscal stewards of the funds available. Staff recommended a 2.25% blended increase in rates for the Regional Treated Water System. For water reclamation services, the Northeast Regional Water Reclamation System saw a 3.70% rate impact, the Lakeview Regional Water Reclamation System had a 0.00% rate impact, and the Peninsula Water Reclamation Plant required a 6.00% rate impact. Administration had a 0.00% increase, as did the Non-Potable System. Household Hazardous Waste did not see a fee increase for FY 2020.

FY 2019-20 Operating Revenue



Regional Treated Water System

An overall 2.25% blended rate impact to the various rates and charges within this Fund are identified below.

- The Volume Rate adopted for members is \$1.12/1,000 gallons and is a 2.75% increase from the FY 2019 rate.
- The Demand Charge increased to \$448,745 per million gallons/day (MGD), approximately a 2.07% increase over the FY 2019 rate.
- Temporary Service rate adopted by the Board shows a 2.43% increase (\$4.64/1,000 gallons) from the prior year.

The operating budget includes cost increases with an overall average increase of 2.64%. The most significant increases to the budget are highlighted below:

- Personnel reflects a 16% increase for two additional Water Operators, as well as an anticipated increase in health insurance.
- O&M Expenses reflects an 11% increase for Pipeline Maintenance for Smartball testing and pipeline repairs and Equipment and Furniture \geq \$5,000.
- Capital purchases include funding for the following:

Taylor Plant:

- Valve operator trailer
- New chemical metering pump and SCADA integration
- ATI chlorine analyzers for meter vaults
- Distribution system spare/repair parts
- Hypo cells
- New caustic tank

Harpool Plant:

- New truck
- Update emergency generator PLCs and auto-transfer switch
- Spare compressor/parts for membrane system
- Reserve Contributions
 - Funding for the O&M Reserve Fund contribution is adopted to ensure a 100% funding level at year end.
 - With the water rate strategy adopted by the Board, equity cash funding is generated for projects within the Capital Improvement Program. Funds have been internally loaned to other systems and when being paid back, these loan payments from other systems are included in the overall transfer to the reserve.

- Funding for specific, on-going programs for the Water System are included in the adopted budget at the following levels
 - A Water Conservation Program to promote and provide for an on-going water conservation program at \$0.02/1,000 gallons.
 - Planning for future water resources funding at \$0.015/1,000 gallons.
 - Funding for the Capital Replacement Reserve at \$0.10/1,000 gallons.
 - Funding for the Watershed Protection Program at \$0.02/1,000 gallons.

Lakeview Regional Water Reclamation System

The Lakeview System rates were set to keep the overall average rate impact at 0.00%.

- The Treatment Rate adopted is \$1.25/1,000 gallons and is a 0.00% increase from the FY 2019 rate.
- The adopted Fixed O&M Charge is \$403,500/mgd and is a 0.00% increase.
- Capital Charges for Joint/Individual Facilities are assessed to recover debt service costs associated with capital facilities for a particular customer. The FY 2020 capital charges are based on the allocated debt service requirement for each entity's individual pipeline(s) as well as their portion of joint debt.

The expenditures for Lakeview Plant operations reflect an overall increase of 0.13%. There are no capital purchases budgeted for FY 2020 in this System.

Northeast Regional Water Reclamation System – Riverbend and Doe Branch Plants

The Northeast Regional Water Reclamation System has a 3.70% rate impact for FY 2020. The various rates and charges within this Fund are identified below.

- The Treatment Rate adopted for members remains at \$1.25/1,000 gallons and for customers \$1.34/1,000 gallons, a 0.00% increase over the FY 2019 rate.
- The Joint Fixed O&M charge is \$563,500 per million gallons per day (MGD), and is a 5.67% increase.
- Capital Charges for Joint/Individual facilities are assessed to recover debt service costs associated with capital facilities for a particular customer. The FY 2020 capital charges are based on the allocated debt service requirement for each entity's individual pipeline(s) as well as their portion of joint debt.

The expenditures for the Northeast Regional Water Reclamation System operations reflect an overall increase of 19.45%. The most significance increases in the Northeast budget are highlighted below:

- Personnel reflects a 12% increase for two additional Wastewater Operators for half of the fiscal year and an anticipated increase in healthcare
- Administrative reflects a 33% increase due to the first year of insuring the expanded portion of the Riverbend Water Reclamation Plant

- An increase in O&M Expenses of 22% due to an anticipated increase for Biosolids Disposal as well as an increase in Electricity for a new meter at the Riverbend Water Reclamation Plant
- Debt Service reflects a 30% increase due to the first year of payments for the Texas Water Development Board series 2016 and 2017 bonds.

Capital purchases for the Riverbend plant include a replacement UV wiper system, sludge holding tank diffuser upgrade/rehab, a spare basin mixer, and a new forklift. For the Doe Branch Plant, a pump improvement project is planned.

Peninsula Water Reclamation Plant

For the Peninsula Water Reclamation Plant, a 6.00% rate impact was recommended. The various rates and charges within this Fund are identified below.

- The Treatment Rate adopted for members is \$1.58/1,000 gallons which is a 3.95% increase from the FY 2019 rate.
- The Joint Fixed O&M charge is \$655,100 per million gallons per day (MGD), and is a 7.04% increase from FY 2019.

The expenditures for the Peninsula Plant operations reflect an overall 6.11% increase. The most significant increase of 32% is in Personnel to account for the labor cost increase.

General Administration Fund

By Contract, each Member and Contract Utility pays for administration and planning costs of the District, generally according to population. The proposed per capita rate for populations up to 5,000 remained at \$0.435 per capita. For populations with 5,001 to 25,000, the rate remained at \$0.244 per capita. The final population category for over 25,000 remained at a rate of \$0.096 per capita.

Each system, operating and capital, is charged its pro-rata share of the actual cost that covers administration, management and planning. The FY 2020 budget includes a transfer from the Regional Treated Water System and the Riverbend Plant of the Northeast Water Reclamation System from the customer surcharge that assists in funding administration services from non-members. Rental revenue captures income from the rental property at 802 N. Kealy and is reallocated to operating funds to offset total allocated debt for the purchase of the building.

The expenditures for the Administration Fund reflect an overall 16.18% increase due to a 32% increase in the Administrative category for gutter work at the District's 802 N. Kealy location and new carpet at the 900 N. Kealy location. Also, a 35% increase in the Office Expenses category is due to the addition of two drones including software, licensing, and training, and Laserfiche Phase II licensing and training. Additionally, a 26% increase in the Professional Services category is to comply with recent legislature requiring video and audio recording of Board meetings.

Non-Potable Water System

There is a no change to the treated effluent rate, the raw water rate, or the demand charge from FY 2019. The treated effluent rate is \$0.45/1,000 gallons. The raw water rate is \$0.95/1,000 gallons and the demand charge is \$125,000.

Household Hazardous Waste Fund

The collection and disposal rate and the individual voucher remained at the FY 2019 amounts. The collection and disposal rate is \$91 per household and the individual voucher remained at \$61 per household. Participation in the Household Hazardous Waste Program declined from five participating entities in FY 2019 to two participating entities in FY 2020. The District's program has been providing an interim service until cities are capable of hosting their own programs, generally through their solid waste providers. This initiative has been very successful in keeping pollution out of our watershed sources.

Maintenance Fund

This fund is allocated to operating funds as follows and is based on work order distribution: Regional Treated Water System – 58.00%, Lakeview Water Reclamation System – 16.00%, Northeast Water Reclamation System – Riverbend and Doe Branch Plants – 17.00%, Peninsula Water Reclamation Plant – 7.00%, Non-Potable Water System – 1.00%, and Administration – 1.00%.

Total expenditures increased by 9.11% over the prior year's adopted budget. One new position – a Maintenance Mechanic – is funded to assist with increasing growth within the District. Within the adopted budget, the furniture and equipment over \$5,000 includes two trucks, a Wachs valve exerciser for maintaining valve systems, and a portable restroom trailer unit to be used at various District events.

UPPER TRINITY REGIONAL WATER DISTRICT BUDGET PROCESS

The Upper Trinity Regional Water District develops the budget pursuant to the Texas Water Code, which requires “a District that provides wholesale potable water and wastewater services shall adopt a program that provides such wholesale customers an opportunity to review and comment on the District's annual budget that applies to their services before that budget is adopted by the Board.”

Development

A Budget kick-off meeting is held in February to start the development process. Then, a Budget Preparation Manual containing instructions from the Budget office is provided to Superintendents, Managers and Directors. This manual includes guidelines detailing the budget request process. Budget requests are submitted in two forms – basic and supplemental. The basic request is for funding to maintain the current level of operations, while the supplemental request is for new personnel, services, or items that will expand or improve operations. Concurrent tasks are cost of services studies that will assist in establishing rates, fees and charges, as well as a review of Capital Improvement Projects (CIP) with the Engineering and Executive Staff.

Preliminary Rates, Fees and Charges

Upon approval of the budget request forms by the respective Director and review of the cost of services studies, the formulation of the preliminary operating budget begins. After review by the Executive Director, they are then presented to the Rate Committee and the Board of Directors at its regularly scheduled meeting in June. On or before June 15, preliminary rates, fees and charges for the next fiscal year are sent to all Members and Customers.

Preliminary Operating and Capital Budgets

Modifications to the preliminary rates, fees and charges are revised by the Budget staff and the preliminary operating budget is then presented to the Board at its July meeting.

In August, the preliminary capital improvement budget is also presented to the Board. After its review, and the finalizing of cost of services studies, the revised preliminary operating and capital improvement budgets are sent to all District Members and Customers not less than 40 days before the commencement of the new fiscal year.

Proposed Budget

After sending out the revised preliminary budget, the Budget staff begins finalizing the proposed operating and capital improvement budgets. During this time, any changes in estimated costs are analyzed, and, if necessary, rates are adjusted accordingly. In September, the proposed budgets and rates and charges are presented to the Board for review and adoption.

Mid-Year Budget Amendment

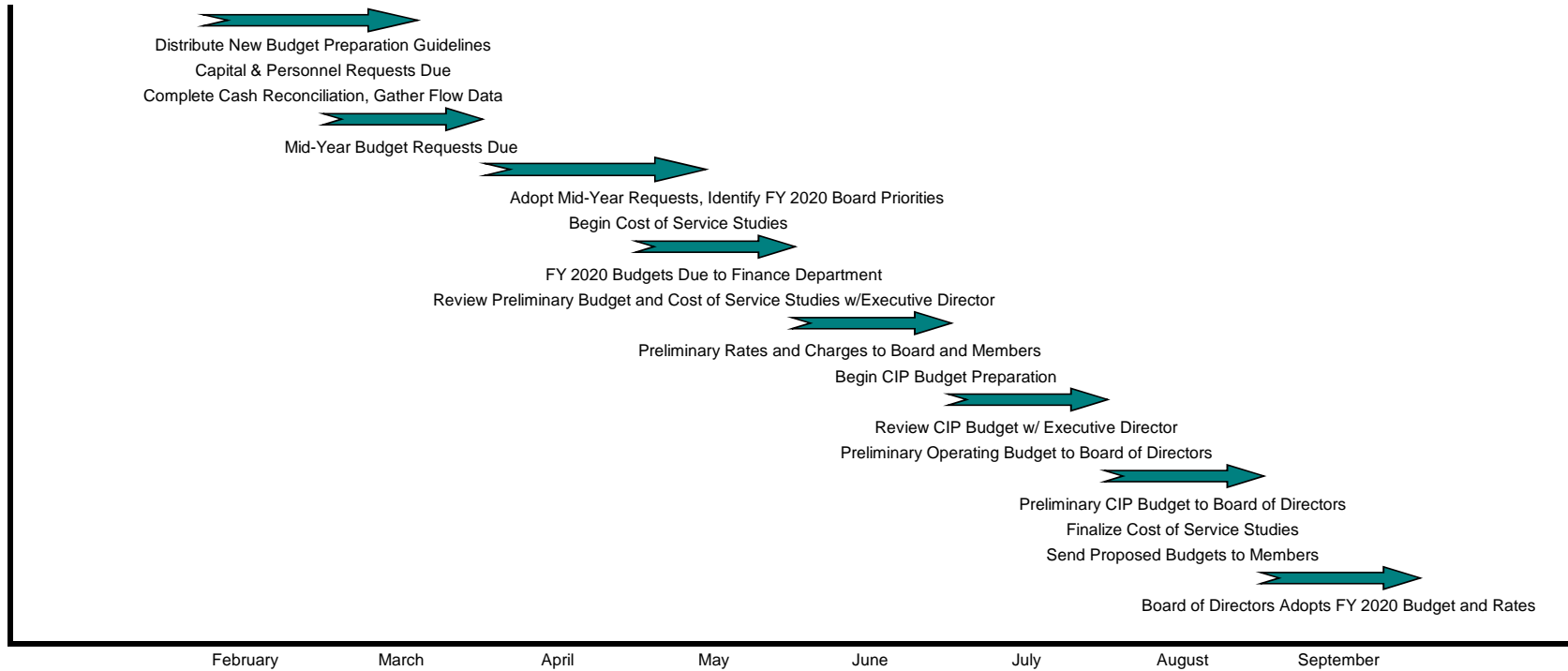
Modifications to the operating and capital improvement budgets are made primarily during the mid-year budget process. This process begins with meetings of the Operations and Engineering Departments to assess any changes that should be made in the budgets to accommodate changes in revenues and expenses for the remainder of the fiscal year. Mid-year budget amendments are then put together by the Budget Office for consideration. After review of the proposed mid-year budget with the Executive Director in March, it is presented to the Board in April for review and adoption.

Budget Calendar

Mid-January	Distribute budget calendar
January	Budget Preparation Manual and instructions are prepared for Superintendents, Managers and Directors
Mid February	Kick-off meeting for FY 2019 mid-year budget and FY 2020 budget; distribute Budget Preparation Manual
Late-February	Send out flow data request survey to members/customers Complete Beginning Cash Reconciliation Updates to Departmental Mission Statements, Goals and Objectives due to Business Services
Early March	FY 2019 mid-year budget requests due to Business Services FY 2020 new personnel requests due to Human Resources FY 2020 capital purchase requests due to Purchasing to assist in developing cost estimates FY 2020 Information Technology requests due
Mid-March	FY 2019 mid-year CIP meeting with Engineering Department FY 2019 mid-year budget salary and benefits forecast
Late March	Review proposed FY 2019 mid-year budget requests with Executive Director Complete FY 2019 mid-year budget amendments and resolution Receive flow data surveys
Early April	Adopt FY 2019 mid-year budget amendments and discuss FY 2020 budget priorities
Mid-April	FY 2020 budget request forms due to Directors Begin FY 2020 CIP review with Engineering Department FY 2020 budget request forms due to Business Services FY 2020 budget salary and benefit forecast

Mid-May	Review FY 2020 preliminary operating budget and rates with Executive Director Present preliminary rates to Rates and Charges Committee
Early June	Present preliminary rates, fees and charges to Board of Directors
Mid-June	Send preliminary rates, fees and charges to members/customers Complete cost of services studies based on modifications to FY 2020 preliminary operating budget Second review of FY 2020 preliminary operating budget with Executive Director
Early July	FY 2020 preliminary operating budget presented to Board of Directors
Mid-July	Finalize FY 2020 – 2024 CIP budget Review preliminary CIP budget with Executive Director
Early August	Present preliminary CIP budget to Board of Directors
Mid-August	Finalize cost of services studies Send revised FY 2020 preliminary operating and capital budgets to members/customers Final review of FY 2020 proposed operating and capital budgets and rate, fees and charges with Executive Director
September	Present FY 2020 proposed operating and capital budgets and rate resolutions to Board of Directors for adoption

Budget Preparation Timeline FY 2019-2020





REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2019 - 30

A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT ESTABLISHING WHOLESALE WATER RATES FOR PARTICIPATING MEMBERS AND CUSTOMERS OF THE REGIONAL TREATED WATER SYSTEM.

WHEREAS, the District, pursuant to participation contracts, provides wholesale treated water service for Members and Customers participating in the Regional Treated Water System; and,

WHEREAS, the District may enter into contracts for wholesale service with other Members and Customers in the future; and,

WHEREAS, the District desires that Participating Members and Customers maintain usage that will protect the Regional Treated Water System and generate an efficient load factor year around; and

WHEREAS, under guidelines promoted by State regulatory agencies, the District and its wholesale customers are expected to have rate structures that encourage conservation of water; and,

WHEREAS, each participant in the Regional Treated Water System is responsible for their pro-rata share of costs; and,

WHEREAS, as used in this resolution, the term "Water Year" refers to the annual period from June 1 to May 30 of each year; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2019-20 to determine current estimates of costs for FY 2019-20; and,

WHEREAS, the District bills for Demand based on subscribed (contracted) capacity, or actual experience or need, whichever is greater, in accordance with provisions of water contracts. Demand may increase and be billed in increments of 100,000 gallons during the year. Initial subscriptions for new participants typically are based on estimated Demands over a three to five-year period. Increases in Demand requested during the Water Year may require retroactive payment of Demand charges for the amount being requested back to the beginning of the Water Year; and,

WHEREAS, the Executive Director recommends adoption of the following rates for wholesale water services of the System; and,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors does hereby adopt the following rates for wholesale water service provided to participants in the Regional Treated Water System:

Member Volume Charge: \$1.12 per 1,000 gallons of water delivered and metered.
Customer Volume Charge: \$1.20 per 1,000 gallons of water delivered and metered.

Demand Charge: \$448,745 per year, per million gallons per day (mgd) of contracted Demand, pro-rated on a monthly basis (based on actual experienced or needed Demand or subscribed capacity, whichever is greater).

SECTION 2. That, except as otherwise provided, the Board of Directors does hereby adopt the following optional wholesale water rate (flat rate) for Member entities contracted for 0.50 mgd or less of capacity, or for others requiring temporary water for construction or other purposes.

Volume Charge: \$4.64 per 1,000 gallons of water delivered and metered.

SECTION 3. That for every Water Year, each participant in the Regional Treated Water System shall be responsible for payment of a minimum daily volume of water from the System equal to eighteen percent (18%) of the highest peak Demand actually taken from the System over the preceding five (5) Water Years.

SECTION 4. That the Executive Director is hereby authorized to establish temporary minimum flow requirements for specific pipelines if the Executive Director determines such to be reasonable and necessary to maintain water quality requirements or to comply with State or Federal Water Quality Standards.

SECTION 5. That the rates and provisions set forth in Sections 1 through 4 shall become effective October 1, 2019, and shall remain in effect through September 30, 2020, or until revised by the Board of Directors.

SECTION 6. That such other fees and charges which the Board of Directors may establish from time to time for participation in the Regional Treated Water System, for participation in other projects, and for the cost of Administration and Planning shall apply, in addition to the rates, fees and charges established in this Resolution.

SECTION 7. That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS 5TH DAY OF SEPTEMBER 2019.

Recommended:



Larry N. Patterson, Executive Director

Executed:



Richard Lubke, President

Attest:



Brian Roberson, Secretary



RESOLUTION

RESOLUTION # 2019 - 31

A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT ESTABLISHING RATES FOR WHOLESALE WASTEWATER TREATMENT SERVICES PROVIDED BY THE DISTRICT TO PARTICIPATING MEMBERS OF THE LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM.

WHEREAS, the District, pursuant to participation contracts, provides wholesale wastewater treatment service for Members participating in the Lakeview Regional Water Reclamation System; and,

WHEREAS, each participant in the System is responsible for a pro-rata share of System costs; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2019-20 to determine current estimates of costs for FY 2019-20; and,

WHEREAS, the Executive Director recommends adoption of rates for wholesale wastewater treatment services of the System.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors does hereby adopt the following rates for wholesale wastewater treatment service provided to participants in the Lakeview Regional Water Reclamation System:

Treatment / Transportation Rate:	\$ 1.25 per 1,000 gallons
Fixed O&M Charge:	\$403,500 per million gallons per day (mgd).
Facilities Capital Charge:	Joint and Individual Capital Charges are combined and identified below by individual entity.

Capital Charges for Joint / Individual Facilities:

Bartonville	\$ 21,400
Corinth	\$ 738,270
Denton County FWSD #7	\$ 794,375
Double Oak	\$ 14,195
Highland Village	\$ 904,075
Lake Cities MUA	\$ 525,530

SECTION 2. That should the Biochemical Oxygen Demand (BOD) or Total Suspended Solids (TSS) delivered by any participant to the System exceed 250 mg/l, the following surcharges will apply in addition to the rates set forth in Section 1:

Biochemical Oxygen Demand Surcharge:	\$ 0.007 x (BOD-250) per 1,000 gallons
Total Suspended Solids Surcharge:	\$ 0.005 x (TSS-250) per 1,000 gallons

SECTION 3. That Lake Cities Municipal Utility Authority will be given a credit on their flows delivered directly to the plant at the estimated transportation cost of \$0.11 per 1,000 gallons. Individual transportation charges between Double Oak & Highland Village, between Bartonville & DCFWSD #7, and between Corinth & DCFWSD #7 are established pursuant to respective contracts.

SECTION 4. That the rates and charges set forth in Sections 1 and 2 shall become effective October 1, 2019 and shall remain in effect until September 30, 2020, or until revised by the Board of Directors.

SECTION 5. That such other fees and charges which the Board of Directors may establish from time to time for participation in the Lakeview Regional Water Reclamation System, for participation in other projects, and for the cost of Administration and Planning shall apply in addition to the rates and charges established in this Resolution.


SECTION 6. That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS 5TH DAY OF SEPTEMBER 2019.

Recommended:


 Larry N. Patterson, Executive Director

Executed:


 Richard Lubke, President

Attest:


 Brian Roberson, Secretary



REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2019 - 32

A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT ESTABLISHING RATES FOR WHOLESALE WASTEWATER TREATMENT SERVICES PROVIDED BY THE DISTRICT FOR PARTICIPATING MEMBERS AND CUSTOMERS OF THE NORTHEAST REGIONAL WATER RECLAMATION SYSTEM.

WHEREAS, the District, pursuant to participation contracts, provides wholesale wastewater treatment service for Members and Customers participating in the Northeast Regional Water Reclamation System; and,

WHEREAS, each participant in the System is responsible for a pro-rata share of System costs; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2019-20 to determine current estimates of costs for FY 2019-20; and,

WHEREAS, the Executive Director recommends the adoption of rates for wholesale wastewater treatment services of the System.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors does hereby adopt the following rates for wholesale wastewater treatment services provided to Members and Customers in the Northeast Regional Water Reclamation System.

Treatment Rate (Member):	\$1.25 per 1,000 gallons
Treatment Rate (Customer):	\$1.34 per 1,000 gallons
Fixed O&M Costs:	\$563,500 per year per million gallons per day (mgd).

Capital Charges for Joint / Interim / Individual Facilities

Riverbend:

Denton County FWSD #8A	\$313,810
Providence Village:	\$476,680
Denton County FWSD #10	\$ 11,020
Denton County FWSD #11A	\$430,635
Mustang SUD	\$593,855

Doe Branch:

Celina	\$1,074,720
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SECTION 2. That should the Biochemical Oxygen Demand (BOD) or Total Suspended Solids (TSS) delivered by any participant to the Plant exceed 250 mg/l, the following surcharges will apply in addition to the rates set forth in Section 1:

Biochemical Oxygen Demand Surcharge:	\$ 0.007 x (BOD-250) per 1,000 gallons
Total Suspended Solids Surcharge:	\$ 0.005 x (TSS-250) per 1,000 gallons

SECTION 3. That the rates and charges set forth in Sections 1 and 2 shall become effective October 1, 2019, and shall remain in effect until September 30, 2020, or until revised by the Board of Directors.

SECTION 4. That such other fees and charges which the Board of Directors may establish from time to time for participation in the Northeast Regional Water Reclamation System, for participation in other projects, and for the cost of Administration and Planning shall apply in addition to the rates and charges established in this Resolution.

SECTION 5. That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS 5TH DAY OF SEPTEMBER 2019.

Recommended:


Larry N. Patterson, Executive Director

Executed:


Richard Lubke, President

Attest:


Brian Roberson, Secretary



REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2019 - 33

A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT ESTABLISHING RATES FOR WHOLESALE WASTEWATER TREATMENT SERVICES PROVIDED BY THE DISTRICT FOR PARTICIPATING MEMBERS OF THE PENINSULA WATER RECLAMATION PLANT.

WHEREAS, the District, pursuant to participation contracts, provides wholesale wastewater treatment service to Members participating in the Peninsula Water Reclamation Plant; and,

WHEREAS, each participant in the Plant is responsible for a pro-rata share of costs; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2019-20 to determine current estimates of costs for FY 2019-20; and,

WHEREAS, the Executive Director recommends the adoption of rates for wholesale wastewater treatment services of the Plant.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors does hereby adopt the following rates for wholesale wastewater treatment services provided to participants in the Peninsula Water Reclamation Plant:

Treatment Rate (Member):	\$1.58 per 1,000 gallons
Fixed O&M Costs:	\$655,100 per year per million gallons per day (mgd) of contracted capacity in the Plant, billed on a monthly basis.
Capital Charge for Facilities	\$69,690

SECTION 2. That should the Biochemical Oxygen Demand (BOD) or Total Suspended Solids (TSS) delivered by any participant to the plant exceed 250 mg/l, the following surcharges will apply in addition to the rates set forth in Section 1:

Biochemical Oxygen Demand Surcharge:	\$ 0.007 x (BOD-250) per 1,000 gallons
Total Suspended Solids Surcharge:	\$ 0.005 x (TSS-250) per 1,000 gallons

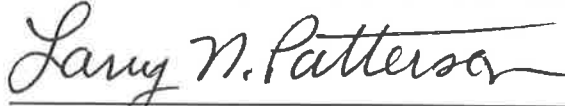
SECTION 3. That the rates and charges set forth in Sections 1 and 2 shall become effective October 1, 2019, and shall remain in effect until September 30, 2020, or until revised by the Board of Directors.

SECTION 4. That such other fees and charges which the Board of Directors may establish from time to time for participation in the Peninsula Water Reclamation Plant, for participation in other projects, and for the cost of Administration and Planning shall apply in addition to the rates and charges established in this Resolution.

SECTION 5. That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS 5TH DAY OF SEPTEMBER 2019.

Recommended:



Larry N. Patterson, Executive Director

Executed:



Richard Lubke, President

Attest:



Brian Roberson, Secretary



REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2019 - 34

A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT ESTABLISHING RATES FOR NON-POTABLE WATER SERVICE.

WHEREAS, the District, pursuant to participation contracts, provides non-potable water service to Denton County Fresh Water Supply District No. 1A (FWSD No. 1A); and,

WHEREAS, until other customers are added, FWSD No. 1A is responsible for all costs of the facilities devoted to non-potable water service for FWSD No. 1A; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2019-20 to determine current estimates of costs for FY 2019-20; and,

WHEREAS, the Executive Director recommends the adoption of revised rates for non-potable water service.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors does hereby adopt the following non-potable water rates for service provided to FWSD No. 1A:

Treated Effluent Volume Charge:	\$ 0.45 per 1,000 gallons of water delivered and metered
Raw Water Volume Charge:	\$ 0.95 per 1,000 gallons of water delivered and metered
Demand Charge	\$ 125,000 per year, billed on a monthly basis

SECTION 2. That the rates set forth in Section 1 shall become effective October 1, 2019 and shall remain in effect through September 30, 2020, or until revised by the Board of Directors.

SECTION 3. That such other fees and charges which the Board of Directors may establish from time to time for participation in the Non-Potable Water System, for participation in other projects, and for the cost of Administration and Planning shall apply in addition to the rates, fees, and charges established in this Resolution.


SECTION 4. That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS 5TH DAY OF SEPTEMBER 2019.

Recommended:


 Larry N. Patterson, Executive Director

Executed:


 Richard Lubke, President

Attest:


 Brian Roberson, Secretary
 Upper Trinity Regional Water District
 FY 2019 - 2020 Adopted Budget



REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2019 - 35

A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT ESTABLISHING RATES FOR COLLECTION AND DISPOSAL OF HOUSEHOLD HAZARDOUS WASTE.

WHEREAS, the District, pursuant to participation contracts, provides collection and disposal services for participants in the Household Hazardous Waste Program; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2019-20 to determine current estimates of costs for FY 2019-20; and,

WHEREAS, the Executive Director recommends the adoption of rates for the Household Hazardous Waste Program.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors does hereby adopt the following rates for collection and disposal of household hazardous wastes pursuant to contracts with Participating Entities. Individual vouchers may be purchased from the District or from the Participating Entity pursuant to rules established by District.

Event Collection and Disposal:	\$ 91.00 per household – Participating Entities
Event Voucher:	\$ 91.00 per household – Citizen delivers to a scheduled Event
Fort Worth Voucher:	\$ 61.00 per household – Citizen delivers to the Fort Worth Environmental Site

SECTION 2. That the rates and charges set forth in Section 1 shall become effective October 1, 2019, and shall remain in effect until September 30, 2020 or until revised by the Board of Directors.

SECTION 3. That such other fees and charges which the Board of Directors may establish from time to time for participation in the program, and for the cost of Administration and Planning shall apply in addition to the rates and charges established in this Resolution.

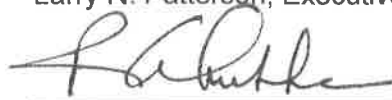
SECTION 4. That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS 5TH DAY OF SEPTEMBER 2019.

Recommended:


Larry N. Patterson, Executive Director

Executed:


Richard Lubke, President

Attest:


Brian Roberson, Secretary
Upper Trinity Regional Water District
FY 2019 - 2020 Adopted Budget



REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2019 - 36

A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER TRINITY REGIONAL WATER DISTRICT APPROVING AND ADOPTING THE ANNUAL OPERATING AND CAPITAL BUDGETS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019 AND ENDING SEPTEMBER 30, 2020.

WHEREAS, for FY 2019 – 2020, Staff has proposed an Operating Budget totaling \$64,406,455, encompassing the Administration Fund, Regional Treated Water System Fund, Lakeview Regional Water Reclamation System Fund, Northeast Regional Water Reclamation System Fund, Peninsula Water Reclamation Plant Fund, Non-Potable Water System Fund, Maintenance Fund, and the Household Hazardous Waste Fund; and,

WHEREAS, Staff has compiled a proposed Capital Budget which totals \$120,824,030 to provide necessary funding for projects in the following capital funds: Regional Treated Water System Fund, Lakeview Regional Water Reclamation System Fund, Northeast Regional Water Reclamation System Fund, Peninsula Water Reclamation Plant Fund and Non-Potable Water System -- plus the Growth Program Fund and Project Development Fund for \$17,585; and,

WHEREAS, the Upper Trinity Conservation Trust Budget is recommended at \$30,000; and,

WHEREAS, the Executive Director recommends approval of the budgets as proposed by Staff.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER TRINITY REGIONAL WATER DISTRICT:

SECTION 1. That the Board of Directors hereby approves and adopts the Operating and Capital Budgets and approves the Upper Trinity Conservation Trust Budget for FY 2019-20 for all purposes provided therein.

SECTION 2. That the Board of Directors hereby approves and/or adopts said budgets as recommended by Staff, with modification, if any, as may be incorporated by the Board.

SECTION 3. That the Operating and Capital Budgets shall become effective October 1, 2019 for the Fiscal Year ending September 30, 2020.

SECTION 4. That any remaining balance at the end of FY 2018-19 in appropriations for capital projects are hereby re-appropriated for continued use for those same respective projects in FY 2019-20.

SECTION 5. That this Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED THIS 5TH DAY OF SEPTEMBER 2019.

Recommended:


Larry N. Patterson, Executive Director

Executed:


Richard Lubke, President

Attest:


Brian Roberson, Secretary

UPPER TRINITY REGIONAL WATER DISTRICT

FINANCIAL POLICIES AND STRATEGIES

The Upper Trinity Regional Water District's financial policies, summarized below, set forth a basic framework for the overall fiscal management of the District. These policies provide guidelines to assist management in evaluating current activities and proposals for future programs. They direct attention to overall financial condition, rather than a narrow focus on single issues. In addition, these policies continue to demonstrate the District's compliance with applicable Bond Trust Indenture requirements.

These policies represent long-standing principles, traditions, and practices that have guided the District in the past and that have continued to create financial stability for the District since its inception in 1989. Additionally, District management strives to review these policies annually.

Revenue Policies

1. The District establishes rates and charges based on a cost recovery methodology for providing services, as well as the capital expenditures required to construct facilities to provide those services, to its contracted users. These rates and charges are established at levels that will provide Net Revenues sufficient to meet reserve and debt requirements.
 - For FY 2018, the Administration (General) Fund, Lakeview Regional Water Reclamation System, and Northeast Regional Water Reclamation System, reflect an increase in working capital, with four Systems experiencing a decrease in working capital for this period. Working capital for the Non-Potable Water System decreased by \$6,675 due to transferring excess working capital of \$33,690 (identified at the end of Fiscal Year 2017) to its Non-Bond Capital Reserve fund. The working capital balance for the Peninsula Water Reclamation Plant decreased by \$35,500 due to transferring excess working capital of \$156,230 (identified at the end of Fiscal Year 2017) to its Non-Bond Capital Reserve fund. Working capital for the Household Hazardous Waste fund decreased by \$4,636 due to utilizing working capital from operations, rather than raising rates to program participants. Finally, the working capital for the Regional Treated Water System decreased by \$912,133 due to transferring excess working capital (identified at the end of FY 2017) of \$3,000,000 to its Lake Ralph Hall Reserve and \$1,585,300 to its Non-Bond Capital Reserve.
 - For estimated results for FY 2019, only the Administration (General) Fund, Northeast Regional Water Reclamation System, and the Regional Treated Water System, reflect an increase in working capital, while all other systems experienced a decrease in working capital. Working capital for the Lakeview Regional Water Reclamation System is projected to decrease by \$41,025 due

to transferring excess working capital of \$1,004,650 (identified at the end of Fiscal Year 2018) to its Non-Bond Capital Reserve fund. Working capital for the Non-Potable Water System fund is projected to decrease by \$3,955 due to transferring excess working capital of \$24,925 (identified at the end of FY 2018) to its Non-Bond Capital Reserve fund. Working capital for the Peninsula Water Reclamation Plant fund is projected to decrease by \$92,520 due to transferring excess working capital of \$199,215 (identified at the end of FY 2018) to its Non-Bond Capital Reserve fund, as well as utilizing \$25,100 of net working capital (\$40,100 “Transfer to the Regional Treated Water System” less “Other Revenue” of \$15,000 received from the sale of an asset) to satisfy a note payable to the Regional Treated Water System (for the original purchase of the sold asset). The Regional Treated Water System’s working capital amount is projected to increase \$369,980, even while transferring approximately \$3.5 million of excess working capital, realized from FY 2018 operations, to reserves (\$2.0 million to the Lake Ralph Hall Reserve and \$1.5 million to its Non-Bond Capital Reserve). The Household Hazardous Waste fund is projected to decrease by \$7,080 due to utilizing working capital from operations, rather than raising rates to program participants.

- All adopted FY 2020 budgets are projected to yield an increase in ending cash.
2. The District addresses its use of one-time and / or unpredictable revenues by amending its long-range financial planning instrument (cash flow model) to include these revenues. The District avoids use of these types of revenues for ongoing expenditures.
 3. The District strives for complete and timely collection of all revenues due from its users to ensure adequate cash flow for its operational expenditures. The District consistently has a 100% collection rate with an average aging period for accounts receivable of approximately 30 days.

Investment Policies

1. The investment of District funds emphasizes the importance of capital preservation in its overall portfolio.
2. Investment decisions are made to allow for the highest rate of return on the portfolio within the District’s safety and liquidity objectives. In addition, the District’s portfolio shall be structured in such a manner as to avoid unreasonable risk regarding specific securities or financial institutions. Based on the District’s investment report for the quarter ending September 30, 2019, the weighted average yield to maturity for the District’s investments was 2.13% with an investment mix of Money Market Accounts, Local Government Investment Pools, Commercial Paper, and Bank Deposits. This return was about 19 basis points below the average of all actively traded Treasury securities having the same time remaining to

maturity for one (1) year Constant Maturity Securities. In addition, 4% of the District's investments are collateralized, 90% are AAA, and 6% are A1.

3. Cash balances are maintained to allow for sufficient liquidity of funds to meet the District's projected operating and capital requirements to ensure the timely satisfaction of financial obligations.
4. The District will be in conformance with Federal, State and other legal requirements.

Operating Budget Policies

1. The District prepares a legally adopted budget each fiscal year for all Operating Funds on a **Cash** basis, whereby revenues (cash inflows) are budgeted as payments are received and expenditures (cash outflows) are budgeted as payments are made. **This basis (Cash) is NOT the same as the Accrual basis used by Accounting, which recognizes revenues only when the services have been provided by the District (earned) and expenses only when services have been provided to the District (incurred).** Additionally, the District does not budget for depreciation on plant, property and equipment, as these are non-cash related expenses.
2. The District adopts an annual balanced budget (revenues are sufficient to meet all expenditure and debt service requirements). This annual budget document includes operating revenue and expenditure totals, changes to ending working capital balances, and footnotes that discuss situations where reserve balances are drawn down due to a structural imbalance (total operating revenues do not adequately cover total operating expenditures).
3. The District annually reviews all approved positions in order to determine adequate staffing levels in each department with current positions.

Expense Policy

1. The District procures all of its goods and services in accordance with the Purchasing Policy adopted by the District's Board of Directors. The procedures outlined in this policy follow the requirements set forth in Title 4, Chapter 49 and 54 of the Texas Water Code, and Chapter 271 of the Texas Local Government Code, as they apply.

Working Capital Policies

1. Upon completion of audited year-end financial statements, when actual net revenues have been confirmed, net funds available for working capital and other discretionary purposes will be determined. Each year, at mid-year, the current year's beginning cash (operating / working capital) will be adjusted accordingly. The Working Capital Requirement for each enterprise fund shall be determined

based on 45 days of annual Operating and Maintenance (O&M) costs, plus up to a 5% contingency for variable conditions.

2. Upon receipt of year-end results, operating surplus funds in excess of established Working Capital Requirements can be used for the following purposes in priority order subject to Board approval:
 - Replenish Debt Service Reserve funds if necessary.
 - Replenish any other related fund or reserve to meet target levels or goal.
 - Subject to Board approval, any remaining surplus may be used for direct capital investment via transfer to the Non-Bond Capital Reserve for funding capital improvement projects, for urgent repairs, or for necessary heavy maintenance items.

Interfund Loan Policies

1. The District has historically utilized Non-Bond Capital Reserve Fund and Working Capital, along with other available reserves as a source of “Internal Loans”, if needed in each of the operating funds. This has been used for “bridge” financing for larger projects before the System has been able to obtain other types of long-term financing. These Interfund Loans are typically from one District enterprise fund (System) to another District enterprise fund (System) for a capital improvement purpose that will be repaid by the receiving fund along with interest as appropriate. Loans can also be made to a specific entity on a case by case basis. The purpose of this policy is to formally establish acceptable procedures to properly define, document, and refund Interfund Loans.
2. Other provisions for Interfund Loans include:
 - Approval by the Board of Directors prior to the implementation of the loan.
 - An interest rate of Texpool plus 25 basis points for Interfund Loans having a maturity of less than one year. For those loans having a term longer than one year, the interest rate would adjust each budget year to reflect any increase in the Texpool rate.
 - A requirement for approved loans which benefit only one member with a maturity of more than one year, would be considered on a case by case basis with interest rates set at a fixed rate over the period of the loan.
 - A term of five years or less, unless specifically approved by the Board of Directors.

- An annual monitoring requirement to ensure appropriate payment is received. Additionally, during the budget development process, each Interfund Loan will be evaluated and programmed, as necessary for the next fiscal year.
- A requirement that any Interfund Loans made from Working Capital will not reduce a particular enterprise fund's working capital balance below the required threshold established in the Policy of Working Capital. Subject to Board approval, any remaining surplus may be used for direct capital investment via transfer to the Non-Bond Capital Reserve for funding capital improvement projects, for urgent repairs, or for necessary heavy maintenance items.

Reserve and Fund Requirement Policies

1. The District maintains an Operating and Maintenance (O&M) Reserve Account in most systems and makes annual deposits to this fund designed to equal 25% of annual operating and maintenance expenditures (not including debt service).
 - Adopted FY 2020 budgets for the District's major systems having an O&M Reserve Account are projected to have the following funding levels at the end of the fiscal year – Regional Treated Water System 100%, Lakeview Regional Water Reclamation System 100%, Northeast Regional Water Reclamation System 100%, and Peninsula Water Reclamation Plant 100%.
2. Certain proceeds of the Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants and agreements. The Construction Cash fund is used to report those proceeds of revenue bond issuances that are restricted for use in construction. The Capitalized Interest fund is used to segregate resources accumulated for debt services payments over the period of construction. The Debt Service Reserve fund is used to report resources set aside to make up potential future deficiencies in the Interest and Sinking Reserve fund.
3. A Capital Replacement Reserve fund has been established in the Regional Treated Water System to accumulate resources for FY 2020 at \$0.10 per 1,000 gallons of flows for future replacement of capital assets. Additionally, this reserve fund has been established in the Lakeview Regional Water Reclamation System (funded at \$0.10 per 1,000 gallons of flows), the Peninsula Water Reclamation Plant (funded at \$0.05 per 1,000 gallons of flows) and the Non-Potable Water System (funded at \$29,475) to accumulate resources based on amounts authorized by the District's Board of Directors.
4. A Vehicle and Equipment Replacement Reserve Fund has been established to accumulate contributions to purchase District vehicles and equipment based on a replacement schedule (i.e., vehicles replaced every six years, heavy-duty trucks replaced every 8 years, and heavy equipment replaced every 8-15 years), or other criterion such as excessive maintenance expense.

5. A Non-Bond Capital Reserve fund has been established in District systems and funded with either excess working capital from a prior fiscal year's operating results, designated amounts to be established as a revenue requirement in the respective fund's operating budget, or repayment of prior uses from bond proceeds or loan repayments. These funds can be used for cash funding of certain projects with the Capital Improvement Program, to reduce the District's heavy reliance on debt financing, as well as to be used as a source of "Internal Loans" as needed in each of the operating funds. This "bridge financing" has been used for several large projects, thus allowing a particular System to be in a position of obtaining other types of long-term financing. Any projects utilizing Non-Bond Reserve funding shall be identified in the District's Capital Improvement Program Budget as being funded by "Non-Bond Funding Sources". Additionally, the Board may consider a budget amendment at any meeting to address availability of equity funds or changes in need or conditions for capital funds.
6. A Lake Ralph Hall Reserve Fund has been established to accumulate funds, at the discretion of the District's Board of Directors, as a rate stabilization fund for future annual debt service payments from debt issues related to the construction of Lake Ralph Hall.

Debt Policies

1. The District is empowered to use debt financing when it is appropriate and authorized by the Board of Directors.
2. The District finances capital improvements over a period of time not greater than the useful life of the improvement.
3. The District ensures that debt is soundly financed by conservatively projecting revenue sources utilized to pay the debt and, by Board of Director Resolution, establishing rates and charges to achieve a goal coverage ratio of 1.25 to 1.35 on all debt, but with a minimum of 1.15. Additionally, there is no specified debt limit established for the District.
 - Actual results for FY 2018 yielded the following revenue bond coverage amounts for the District's systems having debt service payments – Regional Treated Water System 2.94, Lakeview Regional Water Reclamation System 2.50, Northeast Regional Water Reclamation System 1.34 and the Peninsula Water Reclamation Plant 3.48.
 - Estimated results for FY 2019 are expected to yield the following revenue bond coverage ratios for the District's systems having debt service payments – Regional Treated Water System 2.58, Lakeview Regional Water Reclamation System 2.81, Northeast Regional Water Reclamation System 0.96 (portions of

debt service were financed with Capitalized Interest), and the Peninsula Water Reclamation Plant 3.79.

- Adopted FY 2020 budgets for the District's systems having debt service payments are projected to yield the following revenue bond coverages – Regional Treated Water System 2.40, Lakeview Regional Water Reclamation System 2.77, Northeast Regional Water Reclamation System 0.98 (portions of debt service will be financed with Capitalized Interest), and the Peninsula Water Reclamation Plant 2.95.
4. All outstanding revenue bonds will be secured by a pledge of the net revenues of the particular system benefiting from the borrowed capital.
 5. The District utilizes a minimum present value parameter of 3% to 3.5% present value savings regarding the decision to refund any outstanding debt. The most recent bond refunding is as follows:
 - In January 2019, the Northeast Regional Water Reclamation System issued Revenue and Refunding Bonds for new funding of \$15.7 million for the Doe Branch Plant Expansion, Phase 2 project, and to refinance \$12.7 million of outstanding Series 2007 (Riverbend Plant) and 2014 (Doe Branch Plant) Revenue Bonds that yielded a net present value of 5.499%.
 6. The District utilizes its Commercial Paper program in the Regional Treated Water System to more accurately match cash flow needs for capital improvement projects and to lower the District's cost of debt service in early years. In September 2019, the District's Board of Directors authorized a \$25.0 million increase to the maximum amount of Commercial Paper available for use by the Regional Treated Water System (from \$50.0 to \$75.0 million).
 7. The District maintains good communication with bond rating agencies about its financial condition. As of September 2019, the District's Systems have the following bond ratings: Regional Treated Water System A+ (Standard & Poor's) and A2 (Moody's), Lakeview Regional Treated Water System A+ (Standard & Poor's) and A2 (Moody's), Northeast Regional Water Reclamation System A+ (Standard & Poor's), and the Peninsula Water Reclamation Plant AA- (Standard & Poor's).
 8. The District publishes and distributes an official statement for each bond issuance with the exception of bonds sold to the Texas Water Development Board.

Commercial Paper Replacement Policies

1. The District uses Commercial Paper as a strategy for interim financing of projects within the Regional Treated Water System. Furthermore, it is the District's policy that Commercial Paper used to finance a given project be converted to Revenue

Bond financing prior to completion of the project, or as soon thereafter as deemed prudent by the Board, considering the District's financial condition, market conditions, and potential rate impact.

2. Within the guidelines of the rate strategy adopted by the Board of Directors, short-term Commercial Paper should be converted to Revenue Bonds on an orderly basis.
3. Generally, the amount of Commercial Paper that is proposed to be converted to Revenue Bonds in any given year should be limited to the amount that would allow the rate strategy established in April 2008 to be maintained; that is, not to exceed a 5% increase in rates in any given year. The most recent conversion of outstanding Commercial Paper was as follows:
 - The Adopted FY 2020 Budget for the Regional Treated Water System includes two scheduled conversions of outstanding Commercial Paper to Revenue Bonds. The first conversion of \$20 million is scheduled for October 2019, while the \$28 million is scheduled for late FY 2020. Debt service of approximately \$1.1 million is budgeted for the \$20.0 million conversion, while no debt service is due for the \$28.0 million conversion until FY 2021. Even with these two commercial paper conversions, the FY 2020 blended rate increase for the Regional Treated Water System is 2.25%.

Fixed Asset Policies

1. The District addresses purchases, transfers, retirements and internal controls of District assets by delineating between assets to be capitalized (equipment, furniture, office machinery, computer software, vehicles, and heavy equipment, having a service life of two (2) or more years and having a cost of \$5,000 or greater) and those not requiring capitalization. Furthermore, departmental staff is assigned the responsibilities of control, transfer, disposition, and annual inventory of control assets (those valued less than \$5,000). When control assets become impaired, damaged, or lost, each department is required to notify the Accounting Department via office memorandum or email. (Assets with a service life greater than one (1), but less than two (2) years will be depreciated over one (1) full year and a partial subsequent year.)

Long-Range Planning Policies

1. The District will be bold and visionary in its programs. It will also be conservative in its finances, maintain strong reserves, build equity on the balance sheet and adhere to sound business and accounting practices.
 - The District utilizes long-range financial planning and rate-setting models for water and wastewater systems operated by the District. The models contain detailed annual operating revenues and expenditures, debt levels and coverage, working capital balances, capital improvement program expenditures, etc., for the current budget period through FY 2024. The models also allow staff to

include any known trends with regard to certain revenue and expense categories, so that various scenarios can be developed, examined and considered, when addressing the District's future financial condition. District staff (Engineering and Business) meet on a regular basis to review and adjust these cash flow rate models for a variety of factors, including but not limited to:

- Residential and commercial construction activity in the various parts of the District's service areas.
- Population growth trends received via feedback from our system participants, the North Central Texas Council of Governments, the Texas Water Development Board Region C Planning Group, and the United States Census Bureau.
- Projected construction projects to accommodate system participant needs, as well as replacement of current system infrastructure for aging and obsolescence.
- Changes to projected future financing sources and associated interest rates.
- Current and projected weather patterns that would affect the amount of water and wastewater flows. Heavy rainfall and conversely, drought conditions, in the Regional Treated Water System service area affect the amount of projected sales (revenues) and associated amounts of raw water, treatment chemicals, and electricity, including wear and tear on infrastructure items (depending on over and under usage of equipment) for development of a treatment cost rate. For the District's water reclamation systems, heavy rainfall has the opposite effect. As the amount of wastewater flows increase, higher treatment revenues are realized, but operating costs for treatment chemicals, sludge disposal / hauling, and electricity increase as well. Conversely, drought conditions decrease treatment revenues, and often increase treatment chemical costs due to less movement of flows creating stagnant conditions in the system.
- Economic conditions such as oil and electricity futures market volatility, recessions, interest rate uncertainty, etc., also require District staff to adjust financial planning forecasts.

Accounting, Auditing, and Financial Reporting Policies

1. An independent audit of the District's financial statements is performed annually.
2. The District produces annual financial reports in accordance with Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board (GASB). In addition, the District's Comprehensive

Annual Financial Report has consistently received the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association.

3. The accounts of the District are organized into one Enterprise Fund with the operations of the fund being accounted for using a set of self-balancing accounts that comprise the operations that are financed and operated in a manner similar to private business enterprises. Therefore, these funds are accounted for on a cost of services or “economic resources” measurement focus, using the **Accrual** basis of accounting. **Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. This is NOT the same as the basis (Cash) used to budget for the District’s cash inflows (revenues) and outflows (expenses), which recognize only those revenues when collected and expenses when paid, by the District.**
4. The District maintains a system of strong internal controls and amends its practices when weaknesses or deficiencies are detected.

Direct Labor Charges and Allocation of Administrative Overhead Policies

1. District policies are based on the fundamental principle that the allocation of costs for services and programs should avoid the creation of any undue subsidy between customers. This standard is particularly applicable for setting rates for services and programs and for individual projects that benefit one or more member entities (but not all). The District follows generally accepted practice for utility enterprises; and to the extent practical, costs are assigned to the party or parties that triggered the cost or receives the benefit. Therefore, Engineering and Construction costs (labor and benefits) are to be charged directly to the applicable project according to actual time recorded. In similar manner, each District enterprise system shall bear such costs according to actual time charged.
2. The cost of field engineering, construction, inspection and project management shall be charged to the applicable project or system, according to actual time incurred.
3. Administration (overhead) expenditures include management and support staff salary and benefits, office expenses, general operating expenses (e.g. utilities/landscaping/etc.) and professional services. From time to time, the Board of Directors reviews and adjusts the level of Administrative Fees to be paid by all members of the District as required to cover an appropriate portion of such “overhead” costs. The remainder of “overhead” costs is then allocated to each operating system (enterprise) and capital project of the District in proportion to the percentage of total respective expenses for the year.
4. For projects funded and owned by others, for which the District provides only coordination and inspection services, no administrative overhead will be allocated.

5. Direct labor and administrative overhead allocation may be addressed in special provisions of a project participant's contract.

Capital Budget Policies

1. The District adopts a one year budget and presents and maintains a multi-year plan for capital improvements; making changes to it annually.
2. The District maintains its physical assets at a level adequate to protect the District's capital investment and minimize future maintenance and replacement costs.

Our Mission

The Mission of the Upper Trinity Regional Water District is to plan, develop and manage water and wastewater services in the interest of its members, using consensus-based strategies that are environmentally and economically sound.

Our Vision

Upper Trinity Regional Water District – It Works
A Regional Vision for our Communities

Since 1989, the members of Upper Trinity have shared a regional vision: by working together we can provide high quality services for our communities, services that are more cost effective and reliable than if each member acted alone.

Treated (Drinking Water) – To ensure an adequate water supply for this region, Upper Trinity provides treated water service on a wholesale basis to 29 communities. Each local system then delivers the water to its many retail customers for residential, commercial, industrial and municipal uses.

Long Range Water Supply – The District secures its water entirely from surface water sources. Currently our sources are Lewisville, Ray Roberts and Chapman (Cooper) Lakes. To ensure adequate and reliable water supplies for the next 50 years, Upper Trinity plans to continue its reuse of existing supplies and develop new sources, including Lake Ralph Hall in Fannin County.

Non-Potable Water – To conserve drinking water and extend limited water supplies, Upper Trinity provides non-potable water (untreated water or reclaimed wastewater) for irrigation and industrial purposes.

Water Reclamation – Upper Trinity has developed regional water reclamation plants using state-of-the-art technology to treat wastewater collected by community systems. The treated water meets or exceeds applicable standards and is then recycled into area lakes and streams.

Watershed Protection – Denton County is within the watershed of the Trinity River and three major water supply sources: Lewisville Lake, Ray Roberts Lake and Grapevine Lake. Upper Trinity is a leader in educating the public about protecting water quality by limiting the use of pesticides, fertilizers and other chemicals.

Water Conservation – To assure adequate water supplies for the future, conservation of existing resources must become a way of life. Upper Trinity offers public information and programs concerning earth-friendly landscape techniques, irrigation practices and more efficient personal and business water usage.

Collection of Household Hazardous Wastes – Many typical household products – solvents, cleaners, batteries, paint, pesticides, weed killer, pose potential hazards to our water sources. Working with communities, Upper Trinity has implemented a program to safely collect and dispose of such leftover hazardous materials from households.

Goals

Leadership – Be a proactive, visionary agency for the region; address the needs of the service area, and be receptive to new opportunities to serve.

Organizational – Foster quality management; be a lean-function-driven organization that is flexible, sensitive, and responsive to the needs of members; and encourage active participation of informed, empowered employees at every level.

Functional – Develop, treat and deliver safe and dependable long-term water resources; provide quality water reclamation, watershed management and solid waste services.

Financial – Be efficient and cost effective, providing a sound financial structure for the District.

Partnerships – Develop and maintain good working relationships with members, utilities, cities and government agencies.

Environmental – Protect and improve water quality, promote conservation of natural and economic resources, and be good stewards of environmental assets.

Educational – Promote public education and public involvement in achieving the mission and goals of the District.

Approved by the Board of Directors November 6, 1997

STRATEGIC PLANNING

The Upper Trinity Regional Water District has been and is committed to its mission “to plan, develop and manage water and solid waste services in the interest of its members, using consensus-based strategies that are environmentally and economically sound.” To further the District’s ever-evolving planning process and to focus its efforts for the coming year, the District annually reviews its planning to ensure that the District’s priorities are aligned with the needs of the members / customers and environment.

By consistently taking these additional steps every year, Upper Trinity has been able to generate extraordinary results, enabling development of regional systems in an efficient manner throughout the District’s service area in a relatively short period of time. The following Work Plan Guidelines should remain constant over time that leads the District to achieve the collective vision.

WORK PLAN GUIDELINES

- Inform Public Officials, Civic Leaders and Citizens About Vital Programs of Upper Trinity.
- Be a Strong Advocate for the Regional Perspective.
- Exhibit a Sense of Purpose in Activities and Programs.
- Focus on Water Resources / Planning and Conserving.
- Encourage Continued Conversion from Ground Water to Surface Water.
- Cultivate a Spirit of Fairness, Cooperation and Sharing.
- Maintain a Lean Profile, a Progressive Image.
- Keep Mission and Goals in Perspective: Watch Priorities.
- Build Good Working Relationships with Nearby Cities and Water Systems.
- Be Responsive and Alert to New Opportunities to Serve.
- Consider “Excellence” to be the Standard for Operations.
- Cultivate Environmental Sensitivity and Responsibility.
- Exhibit Leadership in Watershed and Greenbelt Protection.
- Maintain Security / Safety of Systems and Resources.
- Stay Alert to Strategies for Fraud Protection and Cyber Threats.

THEMES / EMPHASES

- | | |
|------------------------------------|----------------------------------|
| ~ Maintain Professional Staff | ~ Produce Superior Results |
| ~ Practice Great Teamwork | ~ Be Creative & Innovative |
| ~ Educate & Inform The Public | ~ Sustain The Environment |
| ~ Build Positive Image | ~ Be Mission Conscious |
| ~ Encourage Safe Work Habits | ~ Maintain Cost Control |
| ~ Fit Into Competitive Marketplace | ~ Share Cost Equitably |
| ~ Show Flexibility & Agility | ~ Promote Conservation |
| ~ Streamline & Simplify | ~ Excellence in Customer Service |

DISTRICT-WIDE GOALS

Leadership

Initiative	Goals
Continue mandated long-range water supply planning efforts	<ul style="list-style-type: none"> • Stay focused on the need for a secure, diversified, long-range water supply for Members and Customers of the District with special emphasis on Lake Ralph Hall (LRH), and on the potential for additional resources in northeast Texas.
	<ul style="list-style-type: none"> • Exercise due diligence and proceed on an orderly basis to implement water rights permit No. 5821 issued December 11, 2013 by TCEQ for LRH in Fannin County, Texas. <ul style="list-style-type: none"> ◊ Continue coordination with TCEQ regarding the application to extend the start date for construction on Lake Ralph Hall. ◊ Obtain the federal 404 Permit by supporting the District's application related to proposed LRH. Be diligent in oversight of the U.S. Army Corps of Engineers preparation (by third-party contractor) of Environmental Impact Statement being funded by District. ◊ With funds provided by TWDB financial assistance, continue the District's efforts to purchase property needed for the Project.
	<ul style="list-style-type: none"> • Maintain a progressive public stance regarding District activities concerning LRH and in relationships with Fannin County, City of Ladonia and the general public. <ul style="list-style-type: none"> ◊ Initiate discussions with Fannin County and the City of Ladonia regarding zoning around LRH. ◊ Finalize the Vision Statement for the LRH project and develop conceptual plan for the overall lake site, including both water resource features and public amenities. ◊ Continue to install watershed markers in appropriate locations along public roads on District property throughout the project site. ◊ As part of the District's watershed protection program, be open to opportunities for acquisition (from interested property owners - in fee or by easement) of property that is upstream of LRH along riparian zones of tributaries to the Lake.
	<ul style="list-style-type: none"> • In cooperation with City of Irving, finalize plans and agreement for transportation of water from LRH through Irving's existing pipeline from Chapman Lake.
	<ul style="list-style-type: none"> • Continue discussions with Dallas and Denton to amend the existing Lewisville Lake Pass-Through Agreement to include flows from LRH. • Regarding Oklahoma Water, keep applications up-to-date (with financial participation by Denton, Irving and Lewisville, as needed) and be alert to opportunities to advance the District's pending applications to Oklahoma Water Resources Board for water rights in two river basins (the Kiamichi River and Boggy Creek basins), and for water from Lake Texoma.

	<ul style="list-style-type: none"> Regarding Chapman Lake Reuse, continue to respond to information requests from TCEQ and secure an amendment to the Chapman Lake Reuse Permit to include effluent from Mustang SUD's Sandbrook WWTP.
Continue involvement with Texas Water Supply Partners	<ul style="list-style-type: none"> Monitor federal/state water supply issues Support the Partners efforts to advance and influence state policy related to the development of water supplies throughout the state, including implementation of the Texas State Water Plan.
Monitor Legislation	<ul style="list-style-type: none"> During the Legislative session, take steps as appropriate in the District's interest.
Water Conservation / Drought Contingencies	<ul style="list-style-type: none"> Review and update as necessary the District's current water conservation and drought contingency plans as part of the required 5-year review, including making appropriate updates to the District's model plans for its Customers.
	<ul style="list-style-type: none"> In coordination with Customer entities, work to assure a higher profile for the District's conservation program, including implementation of strategies adopted as part of the District's Water Conservation Plan. For reporting purposes, document the conservation efforts, activities and expenditures.
	<ul style="list-style-type: none"> Promote the District's updated model Water Conservation and Drought Contingency Plans for adoption by Customer entities to help achieve consistency throughout the District's service area.

Organizational Items

Initiative	Goals
Administrative Directives	<ul style="list-style-type: none"> Review Administrative Directives and bring up to date with key policies and practices as appropriate. Coordinate with Fraud Risk policies and protocols.
Maintain a robust preventive maintenance program	<ul style="list-style-type: none"> Review necessary staff levels to fully support the operational and maintenance needs of the growing facilities of the District.
	<ul style="list-style-type: none"> Complete the ongoing assessment of maintenance efforts for corrosion protection of District facilities (underground, underwater) and take necessary steps to address deficiencies and staff training.
	<ul style="list-style-type: none"> Fully implement the District's upgraded software for Computerized Maintenance Management System (CMMS) and integrate with GIS.
	<ul style="list-style-type: none"> Continue to utilize condition assessment techniques, robotic inspection and other appropriate advanced technologies on District pipelines and facilities. Develop results for use in prioritizing capital improvement projects, operational improvements and proactive maintenance activities.
Updated Emergency Operations Plan	<ul style="list-style-type: none"> Provide an overview briefing for the Board and key staff members. Take steps to implement any required changes and initiate training exercise for staff.
Training Program for Employees	<ul style="list-style-type: none"> Review prior year's employee training program and modify the program going forward according to future needs and goals.
Finalize review of the Personnel Policy	<ul style="list-style-type: none"> Complete ongoing review of District Personnel Policies, and make needed revisions.

Electronic Filing System	<ul style="list-style-type: none"> • Continue implementation of electronic filing system as a strategy to reduce paper files. Begin planning next steps to ensure future budgetary needs are met.
Job Classification/ Compensation Study	<ul style="list-style-type: none"> • Conduct review/study of job classification and compensation as compared to current market levels and present to the Board of Directors for consideration.
District Website	<ul style="list-style-type: none"> • Evaluate current websites and make modifications while being alert to potential exposure to cyber-crime.
Data Retention	<ul style="list-style-type: none"> • Develop a data retention policy for district records, emails and other data.

Functional Items

Initiative	Goals
Lake Ralph Hall	<ul style="list-style-type: none"> • Initiate preliminary design contracts for the following: <ul style="list-style-type: none"> ◇ Downstream Mitigation Area ◇ Dam and Spillway ◇ SH 34 ◇ Raw Water pump Station ◇ Raw Water Pipeline ◇ Acquisition of pipeline ROW • Continue the preliminary planning/visioning for the area around LRH • Begin the U.S. Forest Service Federal Land Exchange Feasibility Analysis. • Continue exploring opportunities to partner with the U.S. Forest Service (USFS) for implementation of erosion control measures along tributaries on USFS lands in the Ladonia area outside of LRH project boundary. • Work with Texas Parks & Wildlife Fisheries Division to begin process for fish stocking of Lake Ralph Hall. • Identify staffing requirements needed during the various phases of the LRH project. • Submit abridged and final applications to the Texas Water Development Board to obtain SWIFT funding for the project.
Security Matters	<ul style="list-style-type: none"> • Initiate security needs assessment of all District facilities and property. • Continue review of District progress and strategies for security to improve or supplement ongoing security efforts, including physical and cyber security. • Develop and complete a new WonderWare SCADA platform to allow offsite access with reduced exposure to cyber problems.
Ensure adequate and appropriate storage space for equipment	<ul style="list-style-type: none"> • Complete construction of equipment storage facility to provide adequate and appropriate storage space for the growing fleet of equipment, including space for larger spare parts and supplies.

Regional Treated Water System	<ul style="list-style-type: none"> • Address the need to control Zebra Mussels in local lakes. <ul style="list-style-type: none"> ◊ Monitor measures for control/mitigation at Lewisville Lake Intake Structure. ◊ Monitor Chapman Lake for zebra mussels and consider design and construction of a control/mitigation system for the Harpool Plant and associated raw water pipeline. ◊ Continue to coordinate with Dallas Water Utilities on their separate zebra mussels abatement program. ◊ Continue to support the Zebra Mussel Public Awareness Program.
	<ul style="list-style-type: none"> • Construct a second (“north storage”) raw water storage site (pursuant to existing contract) near Harpool Plant. Acquire R.O.W. easements for future pipeline(s) along proposed alignment between Harpool Plant and the future water storage lake.
	<ul style="list-style-type: none"> • Coordinate with TxDOT and other public entities regarding TxDOT's proposed paving and drainage improvements that may affect existing District ROW and facilities along FM 407, FM 2931, FM 1385, HWY 380, US 77, IH35E, and FM 720. Be ready to make adjustment to District facilities as required by such proposed public improvements.
	<ul style="list-style-type: none"> • Finalize design and begin construction of the parallel pipeline from the Taylor RTWP to the Stone Hill Pump Station.
	<ul style="list-style-type: none"> • Complete construction of meter replacement and system improvements to the Regional Treated Water System
	<ul style="list-style-type: none"> • Jointly participate with Mustang SUD in a project to establish an emergency interconnection between the water systems to provide backup supply of water to District’s customers along US HWY 380.
	<ul style="list-style-type: none"> • Finalize design and begin construction of ozone system rehabilitation at Taylor Water Treatment Plant
	<ul style="list-style-type: none"> • Finalize design of treated water transmission pipeline upsize and relocation along FM 2181 (Swisher) between Lighthouse Dr. and Hickory Creek Road.
	<ul style="list-style-type: none"> • Finalize design and start construction of additional membranes, CIP tank, chemical tank replacement and operational improvements for increased capacity at the Harpool Water Treatment Plant. • Design of Harpool Water Treatment Plant expansion to include diurnal pond, pond inflow structure and administration building.
GIS Mapping	<ul style="list-style-type: none"> • Complete implementing GIS mapping for District pipelines and facilities. .
District Offices	<ul style="list-style-type: none"> • Evaluate District offices to determine the scope and cost to rehabilitate and update headquarters.
Northeast Regional Water Reclamation System	<ul style="list-style-type: none"> • Complete construction on mutually agreed second point-of-entry for Mustang SUD to the Riverbend Water Reclamation Plant to serve the area generally north and northwest of the plant.
	<ul style="list-style-type: none"> • Complete construction of the Riverbend Plant to 4.0 MGD.
	<ul style="list-style-type: none"> • Complete final design and begin construction to expand the Doe Branch Plant to 4.0 MGD.
	<ul style="list-style-type: none"> • Design and installation of planned landscaping improvements along north and west boundaries of Doe Branch Plant site. • Begin final design.

Lakeview Regional Water Reclamation System	<ul style="list-style-type: none"> • Preventive maintenance program for District lift stations and metering stations. • Complete analysis of Force Mains and system hydraulics and prepare design and construction of required improvements to Lakeview Pipeline System. • Review current and future wastewater needs to determine when next expansion of Lakeview Plant will be needed.
Peninsula Water Reclamation Plant	<ul style="list-style-type: none"> • Begin initial work to expand Peninsula WRP.
Chapman Lake	<ul style="list-style-type: none"> • Share information with other water users of Chapman Lake to assure that operation of Harpool Plant is not adversely affected by repairs to the transmission pipeline system.
Condition Assessment	<ul style="list-style-type: none"> • Use results of recent study for condition assessment of select District facilities to, prioritize ongoing capital improvement projects and manage maintenance and operation of the facilities. .
Extension of Water Service	<ul style="list-style-type: none"> • Coordinate with Mustang SUD, Aubrey, and developers concerning planned extension of water services. • Continue to coordinate with development activity for future ROWs through the areas of development, to enable efficient future pipeline extensions northward. • Provide prompt response to customer requests for increase in water demand volume.
Pipeline Markers	<ul style="list-style-type: none"> • Continue field surveys and actions to keep pipeline markers current and adequate for changing conditions.
Harpool Emergency Water Supply Lake	<ul style="list-style-type: none"> • Negotiate renewal of expired 10-year lease agreement for recreational and amenity benefits associated with the Harpool Emergency Water Supply Lake. • Take steps to address bank erosion around the lake by developing a scope of work and cost of needed repairs.
Field Surveys	<ul style="list-style-type: none"> • Continue field surveys and actions to keep pipeline markers current and adequate for changing conditions along District ROW.
Discharge Permits	<ul style="list-style-type: none"> • Work with consultant and TCEQ to review ultimate discharge permits for the Riverbend and Doe Branch sites. Based on reviews, prepare applications amend permits to ultimate flow.
Zoning Update	<ul style="list-style-type: none"> • Take necessary steps to change zoning of District's Administration facilities to government classification.
Protect District Pipelines	<ul style="list-style-type: none"> • Coordinate with USACE to protect District pipelines during the Lewisville Lake Dam Safety Rehab project.

Financial Items

Initiative	Goals
Funding Sources	<ul style="list-style-type: none"> • Pursue least-cost financing options, including Revenue Bonds and/or participant contributions, for the planned Peninsula Plant expansion from 0.94 MGD to 2.0 MGD. • Complete sale of \$20 million of Commercial Paper Refunding with Long-Term Revenue bonds for the Regional Treated Water System. • Evaluate alternatives for increasing and renewing Letter of Credit for the Commercial Paper program, including the possibility of changing from a LOC to a Direct Purchase Program.
Fraud Risk Plan	<ul style="list-style-type: none"> • Update as part of the annual audit process.
Monitor Financial Markets	<ul style="list-style-type: none"> • Continue to monitor financial markets, implementing measures as needed to best protect and improve the District's long-term financial condition.
External Audit	<ul style="list-style-type: none"> • Evaluate external audit services to determine the need to change audit firms.
Management Report	<ul style="list-style-type: none"> • Design updates to give additional information related to Business activities and Operations/Engineering divisions.
Financial/HR Software	<ul style="list-style-type: none"> • Begin implementation planning for upgrading the District's Financial System to new web-based system.
SEC Compliance	<ul style="list-style-type: none"> • Ensure compliance with US Securities and Exchange Commission Rule 15c2-12 Amendments working with Financial Advisor and Bond Counsel.

Partnership Items

Initiative	Goals
Long Range Water Supply in the Sulphur River Basin	<ul style="list-style-type: none"> • Continue to participate with other regional water providers and the Sulphur River Basin Authority.
Develop/improve working relationships with Member / Customer entities for mutual benefit	<ul style="list-style-type: none"> • Seek better coordination, promote more information sharing, and get better acquainted - - especially between employees with related duties. • Arrange and host joint training opportunities when mutually beneficial.
Renew existing agreements with City of Denton	<ul style="list-style-type: none"> • For temporary raw water purchases out of Lewisville and Ray Roberts Lakes. • For treated water services and potential interconnections for emergency operation.
Identify Excessive Inflow and Infiltration	<ul style="list-style-type: none"> • Expand ongoing efforts with District Members and Customers to identify sources of excessive infiltration and inflow and encourage them to take appropriate corrective action.

Environmental Items

Initiative	Goals
Watershed Protection Program	<ul style="list-style-type: none"> • Continue to communicate the District's Watershed Protection Program to cities and utilities throughout the Lewisville Lake Watershed.
Upper Trinity Conservation Trust Staff Support	<ul style="list-style-type: none"> • Provide staff support to the Upper Trinity Conservation Trust and to its Board of Trustees; provide for leadership training, networking and assistance in other activities related to the mission of the Trust.
Expand Partners Program	<ul style="list-style-type: none"> • In coordination with the Upper Trinity Conservation Trust, implement and expand the "partners" program to increase awareness and foster partnerships with cities, utilities, educational institutions, government agencies, professional entities and others to help protect watershed assets.
USACE Conservation Trust	<ul style="list-style-type: none"> • Seek opportunities to participate in the US Army Corps of Engineers conservation trust management programs established to meet wetland mitigation requirements
Preservation of Watershed and Greenbelts	<ul style="list-style-type: none"> • Develop brochure jointly with Denton County, about best management practices, and about policies and strategies for protecting the watershed with a focus on watershed protection and greenbelts along creeks.
Denton County Greenbelt Plan	<ul style="list-style-type: none"> • Assist Denton County in creation of a Coordinating Committee to champion and oversee implementation of the Plan. • Coordinate with cities, utilities, and developers to promote adoption of Plan within respective jurisdictions.

Educational Items

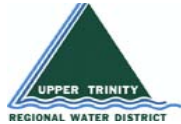
Initiative	Goals
Water/Wastewater Certification Programs Internship	<ul style="list-style-type: none"> • Find opportunities to partner with local colleges to provide internships for students enrolled in water/wastewater certification programs.
Local School Programs	<ul style="list-style-type: none"> • Work with local schools, teachers and others to promote the District's water conservation and watershed programs (including EnviroScape).
Nancy Tam Water-Wise Demonstration Garden and Rich Lubke Community Garden	<ul style="list-style-type: none"> • Continue to promote the Nancy Tam Water-Wise Demonstration Garden and Rich Lubke Community Garden - - for educational purposes with schools, garden clubs, landscapers, member cities and other groups interested in water quality, landscaping or water conservation - - and watershed protection.
Water Conservation Goals	<ul style="list-style-type: none"> • To help achieve on-going water conservation goals, take steps to increase visibility, understanding and implementation of the District's overall water conservation program.

UPPER TRINITY REGIONAL WATER DISTRICT

FIVE-YEAR FINANCIAL FORECAST FY 2020 ADOPTED BUDGET

Every September (since 2011), District staff has provided a five-year projection of anticipated financial information for the Regional Treated Water System to its Board of Directors. This projection includes the upcoming fiscal year for which a budget is being presented for adoption, as well as four additional fiscal years. This financial summary is intended to assist its Members and Customers with setting their water service budgets and financial projections. The attached financial summary reflects the following data for the five-year period for fiscal years 2020 – 2024:

- Estimated Blended Rate Impacts
- Total Operating Revenues and Expenditures
- Projected Budget Surpluses
- Capital Improvement Program Expenditures
- Projected Debt Issues
- Usage of Non-Bond Capital Reserve Funds for CIP Expenditures
- Annual Debt Service
- Annual Bond Coverage Ratios
- Contributions to Reserve Funds
- Annual Contracted Subscriptions
- Annual projected Raw and Treated water flows to System participants
- Raw Water usage and rate assumptions
- Commercial Paper conversions to long-term debt
- Electricity and Chemical rates and inflation percentage assumptions
- Annual Personnel cost inflators and additional staffing assumptions
- Annual Administration and Maintenance Fund allocation cost inflator assumptions



UPPER TRINITY REGIONAL WATER DISTRICT
Regional Treated Water System
Five-Year Pro-Forma Forecast
September 5, 2019

	Adopted				
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Estimated Blended Rate Impact	2.25%	3.00% - 3.50%	3.00% - 3.50%	3.00% - 3.50%	3.00% - 3.50%
Operating Revenues	\$ 51,378,370	\$ 55,004,490	\$ 56,269,345	\$ 60,551,675	\$ 63,665,030
Operating Expenses	\$ 25,607,890	\$ 27,292,665	\$ 28,055,805	\$ 29,412,190	\$ 31,600,805
Debt Service	21,874,940	24,767,400	24,525,520	26,513,915	29,790,375
Total Expenses	\$ 47,482,830	\$ 52,060,065	\$ 52,581,325	\$ 55,926,105	\$ 61,391,180
Net Revenues from Operations	\$ 3,895,540	\$ 2,944,425	\$ 3,688,020	\$ 4,625,570	\$ 2,273,850
Transfers to Reserves					
Transfer to O&M Reserve	840,000	640,000	-	-	-
Transfer to Non-Bond Capital Reserve	-	-	1,000,000	1,500,000	500,000
Loan Payments	120,710	120,710	23,730	23,730	23,730
Transfer to Lake Ralph Hall Reserve	517,525	647,000	1,000,000	1,500,000	-
Total Transfers to Reserves from Net Revenues	1,478,235	1,407,710	2,023,730	3,023,730	523,730
Budget Surplus	\$ 2,417,305	\$ 1,536,715	\$ 1,664,290	\$ 1,601,840	\$ 1,750,120
% of Bdgt Surplus to Total Operating Exp (Including Debt Svc)	5.09%	2.95%	3.17%	2.86%	2.85%
Bond Coverage Ratio (Cash Basis) (1.15 Minimum per District Policy)	1.16	1.09	1.16	1.18	1.08
Estimated Subscriptions (MGD)	78.32	83.87	86.44	89.69	90.67
% Change	1.05%	7.08%	3.06%	3.76%	1.10%
Estimated Flows (MGD)	30.78	31.57	32.39	33.48	34.35
% Change	8.38%	2.59%	2.60%	3.36%	2.59%
CIP Expenditures	\$ 86,376,495	\$ 187,859,800	\$ 104,024,310	\$ 109,795,435	\$ 65,850,000
Bonds Issued (Refunding of Commercial Paper)	\$ 49,016,771	\$ -	\$ 28,014,500	\$ -	\$ 20,018,100
TWDB Financed (Board Participation and Subsidized Interest)	\$ 48,640,000	\$ 144,040,000	\$ 71,800,604	\$ 97,470,823	\$ 54,200,000
Non-Bond Capital Reserve Used for CIP	\$ 2,628,215	\$ 162,415	\$ 102,415	\$ 102,415	\$ 102,415



UPPER TRINITY REGIONAL WATER DISTRICT
Regional Treated Water System
Five-Year Pro-Forma Forecast
September 5, 2019

Assumptions for the 5-Year Planning Period:

• **Raw Water Source Rates & Quantities**

Dallas Raw Water - 3% Annual Rate Increase FY 2021 - FY 2022; 5% Increase for FY 2023 - FY 2024 // Quantities of 16.6 MGD to 18.5 MGD
 Denton Raw Water - 3% Annual Rate Increase FY 2020 - FY 2022; 5% Increase for FY 2023 - FY 2024 // Quantities of 3.0 MGD for FY 2021 through FY 2024
 Chapman Raw Water - 3% Annual Rate Increase for Transportation, including \$100K / Year for True-Ups // Quantities of 9.5 MGD to 10.5 MGD

• **Denton Treated Water Rates**

3% Annual Rate Increase (Krum and Sanger)

• **Electricity Rates**

Taylor RTWP - 4.87% per KWH Rate Decrease in May 2020 through April 2023; 3.5% per KWH Rate Decrease in May 2023 and in effect through FY 2024
 Harpool RTWP - 3% per KWH Rate Increase for FY 2021; 2% Annual per KWH Rate Increase thereafter

• **Chemicals**

4% Annual Increase

• **Personnel**

5% Annual Increase which includes funding for additional Operations Staff (transitioning to 24-Hour Operations staffing levels)
 New capital equipment added for FY 2021 through FY 2024
 Capital funding provides for a Reservoir Manager and additional Inspectors (FY 2021 through FY 2024)

• **Debt Service**

Conversion of Commercial Paper to Long-Term Debt
 \$20M (Scheduled for November 2019); \$28M (July 2020); \$28M in FY 2022; \$20M in FY 2024
 Annual Board Participation Debt Service for the Lake Ralph Hall Project (Per Master Agreement)
 2016 Issue-Deferred Interest Payback increases annually to 30% (FY'21), 40% (FY'22) 55% (FY'23), and 70% (FY'24)
 2020 Issue-No Debt Service for FY 2020 through FY 2022; then @ 20% (FY'23 & FY'24)
 Deferred Interest Funding (2016 Issue) Debt Service for the Lake Ralph Hall Project Begins in FY 2024 (\$1.6M - \$2.0M per year over 22 years)

• **Chapman Lake - Contract with Irving**

Annual payment of \$225K (beginning in FY 2021) to City of Irving for pipeline utilization changes

• **Maintenance Fund Allocation**

4% Annual Increase - Also includes funding for additional Maintenance Staff in FY 2021 through FY 2024

• **Administration Fund Allocation**

4% Annual Increase

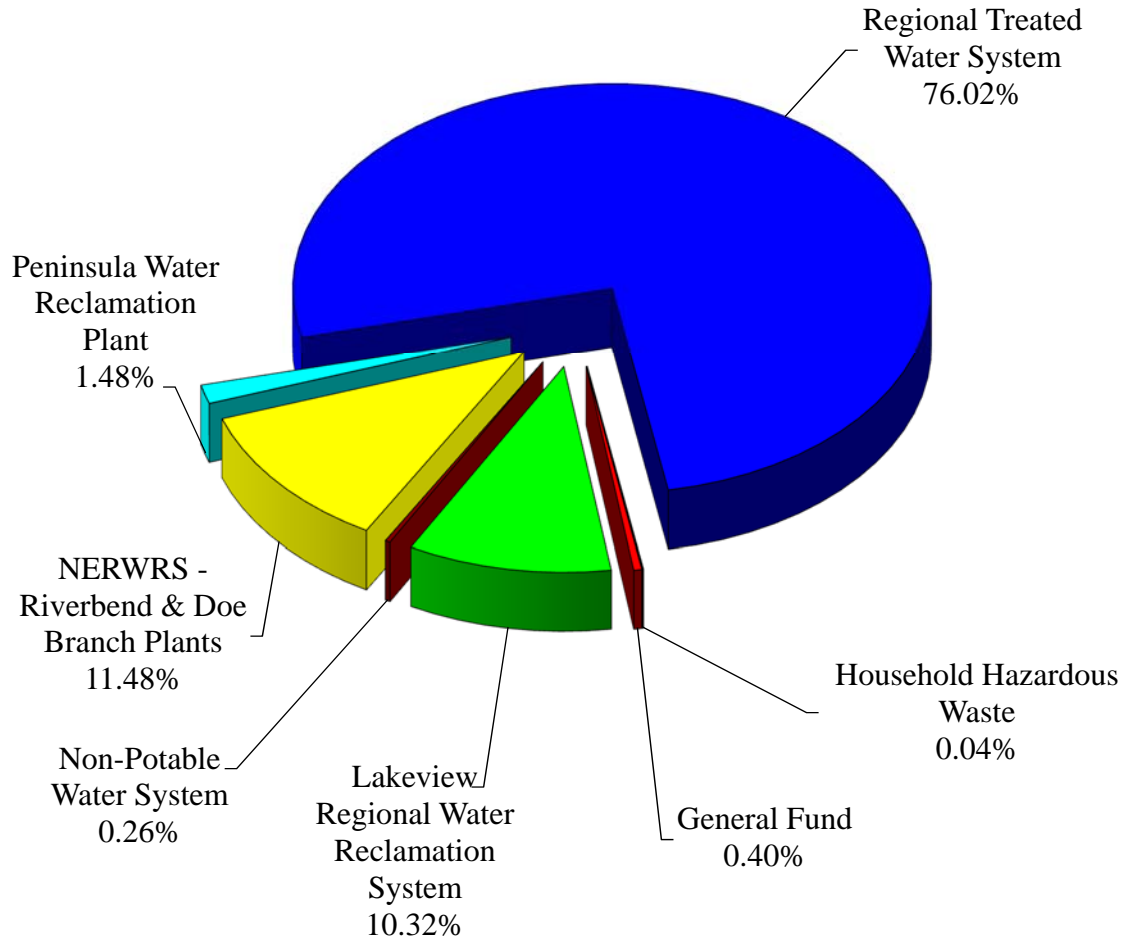
• **Reserve / Program Contributions**

Watershed Protection Program - \$0.02 per 1,000 gallons FY 2021 through FY 2024
 Water Conservation Program - \$0.02 per 1,000 gallons for FY 2021 through FY 2024
 Future Water Program - \$0.02 per 1,000 gallons for FY 2021 through FY 2024
 Capital Replacement Reserve - \$0.11 per 1,000 gallons for FY 2021; \$0.12 for FY 2022; \$0.14 for FY 2023 and FY 2024
 Lake Ralph Hall Reserve - Deposits to offset future debt service
 Non-Bond Capital Reserve - Deposits to fund future projects

Budgeted Expenditures by Fund FY 2019 – 2020

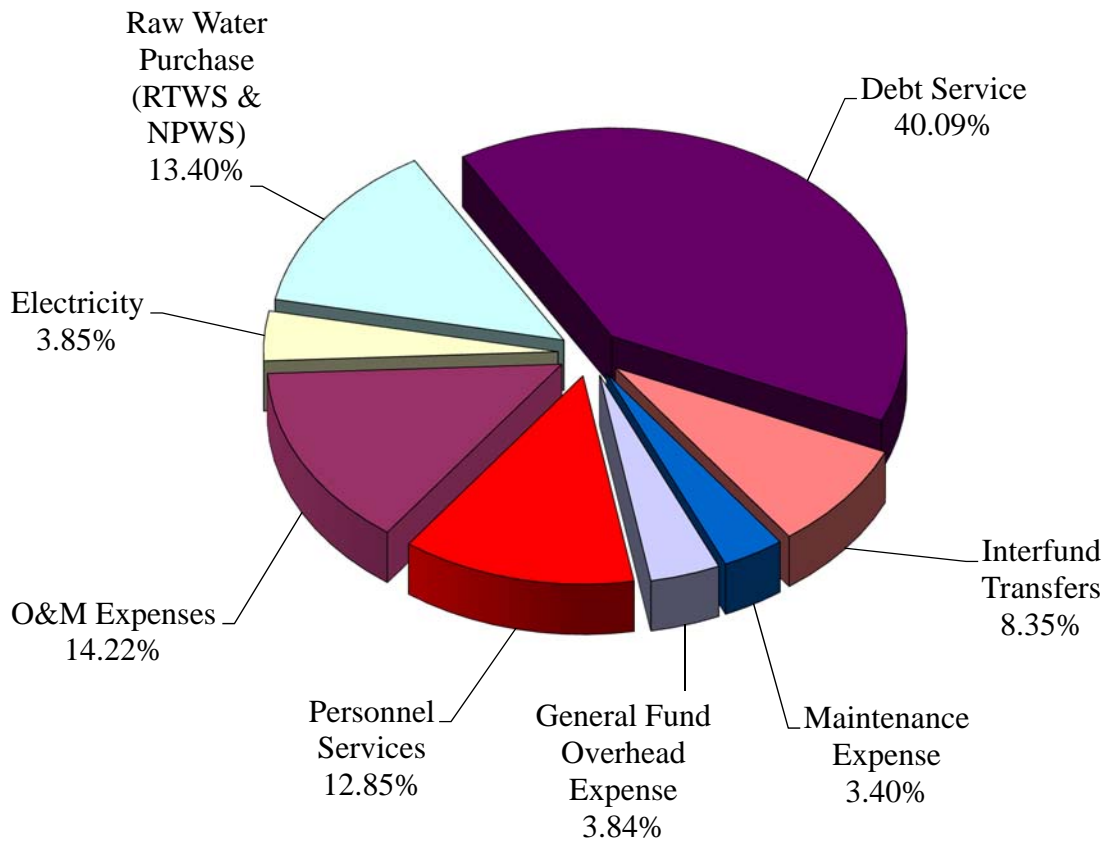
All funds listed are enterprise funds, with the exception of the General Fund.

Fund	Budget
General Fund	\$ 258,355
Lakeview Regional Water Reclamation System	6,645,290
Non-Potable Water System	167,025
Northeast Regional Water Reclamation System	7,396,275
Peninsula Water Reclamation Plant	951,995
Regional Treated Water System	48,961,065
Household Hazardous Waste	26,450
TOTAL EXPENDITURES	<u><u>\$ 64,406,455</u></u>



Budgeted Expenditures by Category – All Funds FY 2019 – 2020

Category	Budget
Personnel Services	\$ 8,841,670
O&M Expenses	9,784,140
Electricity	2,648,030
Raw Water Purchase (RTWS & NPWS)	9,217,040
Debt Service	27,587,625
Interfund Transfers	5,744,740
Maintenance Expense	2,342,170
General Fund Overhead Expense	2,643,440
Allocated to CIP Projects	(4,402,400)
TOTAL EXPENDITURES	\$ 64,406,455

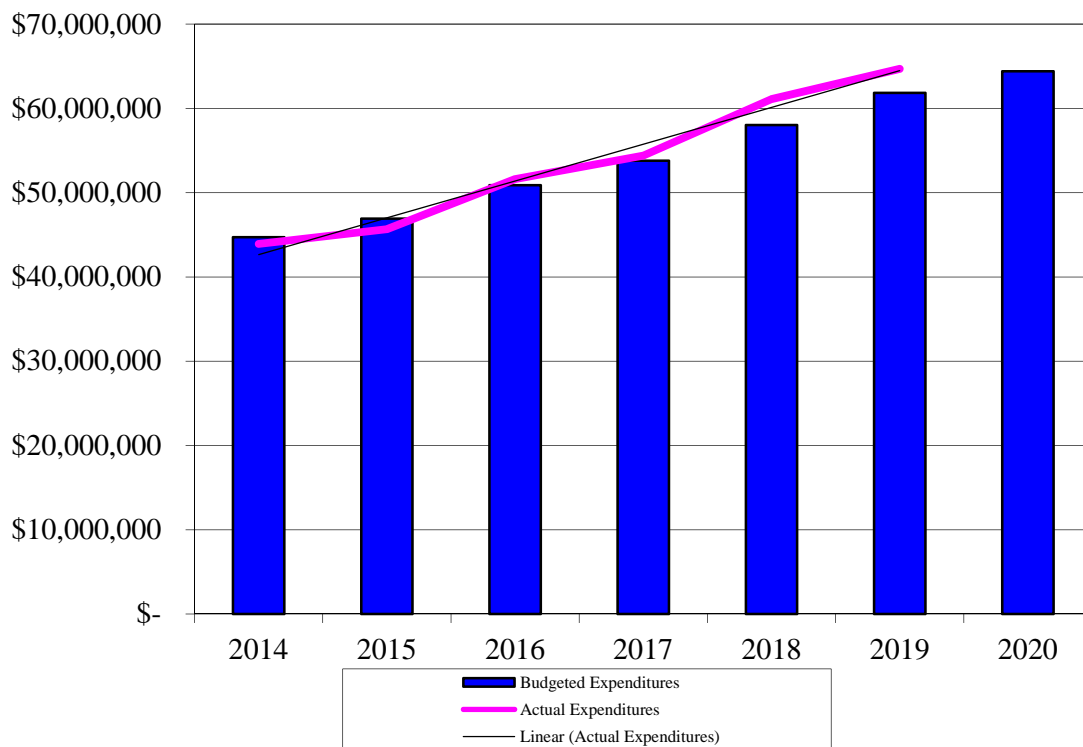


Historical Budget vs. Actual Expenditures FY 2014 – 2020

Fiscal Year	Budgeted Expenditures	Actual Expenditures *
2014	\$ 44,709,645	\$ 43,924,054
2015	\$ 46,918,135	\$ 45,660,222
2016	\$ 50,884,690	\$ 51,617,927
2017	\$ 53,795,440**	\$ 54,403,501**
2018	\$ 58,025,700	\$ 61,096,892
2019	\$ 61,839,645	\$ 64,689,420
2020	\$ 64,406,455	N/A

* - FYs 2014, 2015, 2016, 2017, 2018 and 2019 (Estimate) expenditure amounts include transfers of excess working capital of \$1.2M, \$2.5M, \$4.6M, \$6.0M, \$5.7M, and \$5.3M, respectively, to various funds such as the O&M, Non-Bond Capital, Capital Replacement, and Lake Ralph Hall reserve funds to be drawn upon in lieu of future debt issues and / or offsets to rate requirements.

** - FY 2017 Budgeted and Actual expenditure amounts exclude a \$2.5 million transfer to system reserves because it was included as an interim loan for a capital project in the FY 2016 amount.



All Funds Listing by Category

The Upper Trinity Regional Water District provides treated and non-potable water, water reclamation, and household hazardous waste disposal services. These services are accounted for in separate Enterprise Funds and receive support services from Internal Service Funds such as the Administration (General) and Maintenance Funds. From a budgetary standpoint, aforementioned services accounted for as Enterprise Funds, as well as the Administration and Maintenance Funds, are considered Operating Funds.

The Capital Improvement Program consists of the construction cash reserve accounts of each system fund. For example, the Regional Treated Water System, Non-Potable Water System, Northeast Regional Water Reclamation System (Riverbend and Doe Branch Plants), and the Peninsula Water Reclamation Plant, each have their own construction cash reserve account. The Growth and Project Development Funds (Enterprise – System funds) only have their own operating cash accounts. Internal Service Funds (Administration and Engineering) have expenditures that are allocated to each Enterprise Fund on a monthly basis.

Maintenance expenditures are allocated at 100% to Enterprise System (Lakeview Regional Water Reclamation System, Non-Potable Water System, Northeast Regional Water Reclamation System, Peninsula Water Reclamation Plant, and Regional Treated Water System) funds on a monthly basis. Engineering expenditures are first directly expensed to various capital projects, with the remaining (indirect) expenses allocated to active construction projects in each fund's Capital Improvement Program. 95% of Administration expenses are allocated to operating funds and active construction projects monthly. Additionally, each fund contains its own reserve accounts, in which transfers are completed.

See next page for the District's various Operating funds and their associated reserve funds.

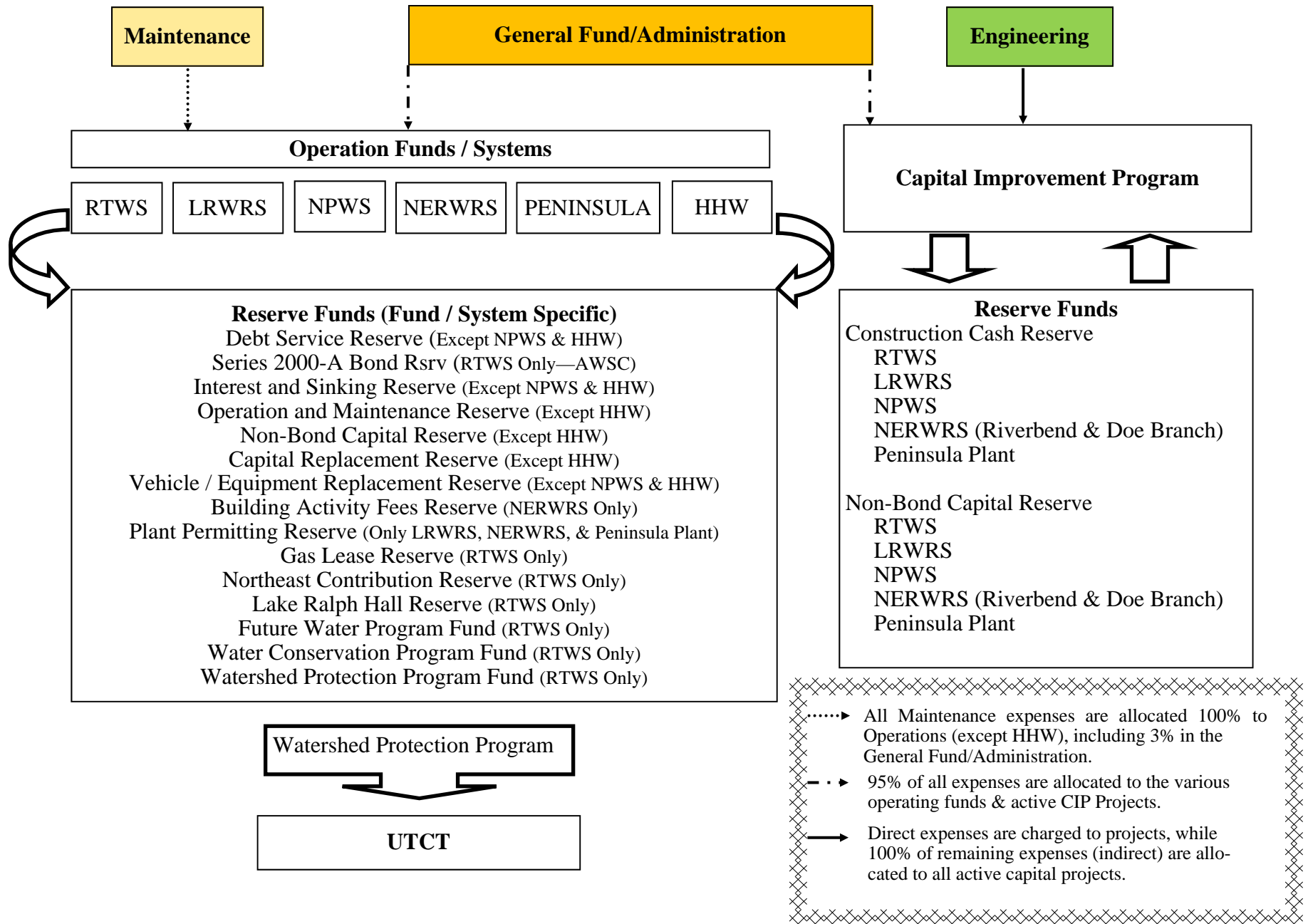
A flow-chart that demonstrates the fund structure of the District is also included in this section.

District Funds / Systems and Related Reserve Funds

The following matrix reflects each category of District funds with their related reserve accounts (funds):

Operating Funds / Systems						
Reserve Funds	General Fund (Administration)	Lakeview Regional Water Reclamation System	Non- Potable Water System	Northeast Regional Water Reclamation System (RB & DB Plants)	Peninsula Water Reclamation Plant	Regional Treated Water System
Debt Service Reserve		X	X	X	X	X
Series 2000-A Bonds Reserve (AWSC)						X
Interest & Sinking Reserve		X	X	X	X	X
Operating & Maintenance Reserve		X	X	X	X	X
Capital Replacement Reserve		X	X		X	X
Watershed Protection Program						X
Water Conservation Program						X
Future Water Program						X
Lake Ralph Hall Reserve						X
Northeast Contribution Reserve						X
Gas Lease Reserve						X
Non-Bond Capital Reserve		X	X	X	X	X
Plant Permitting Reserve		X		X	X	
Building Activity Fees Reserve				X		
Vehicle & Equipment Replacement Reserve		X		X	X	X
Construction Cash Fund		X	X	X	X	X

UTRWD Fund Structure



UPPER TRINITY REGIONAL WATER DISTRICT

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FY 2019 - 2020 Adopted Budget

All Operating, Reserve, and Capital Combined Funds

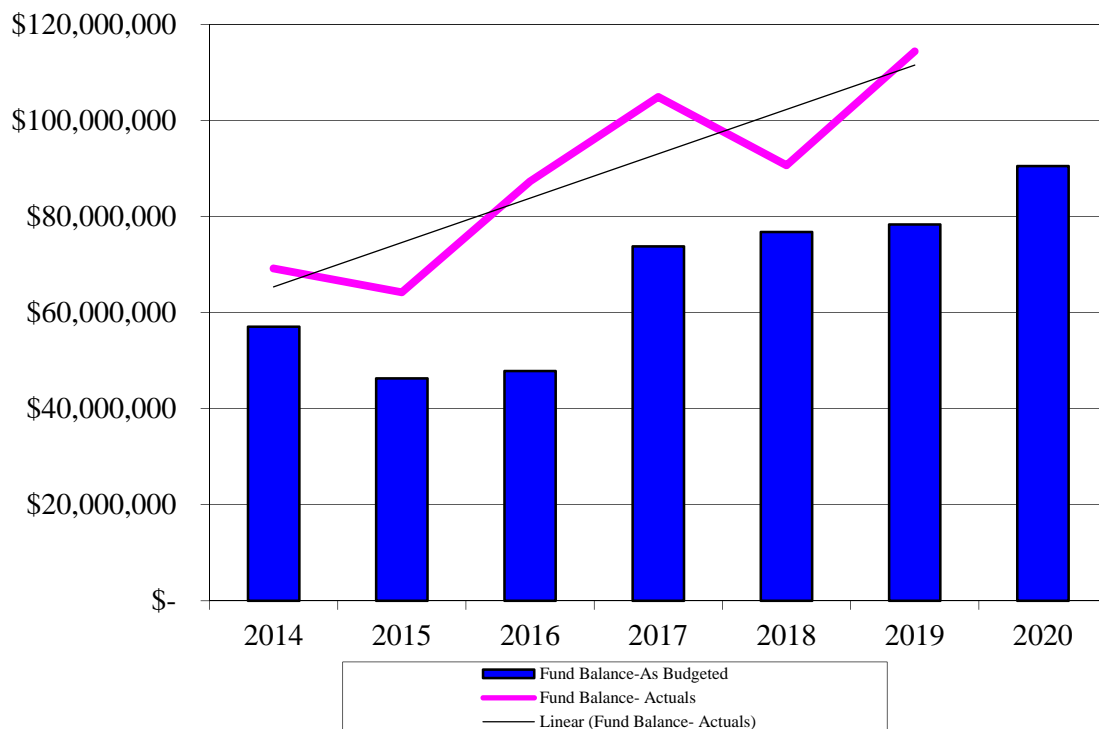
	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
Beginning Balance	\$ 103,329,044	\$ 84,545,145	\$ 90,663,171	\$ 114,388,600
Less: Transfers from Working Capital / Carryforwards *	(1,098,700)	(3,417,950)	(4,094,503)	(4,276,330)
BEGINNING BALANCE Revised	\$ 102,230,344	\$ 81,127,195	\$ 86,568,668	\$ 110,112,270
Revenues				
Demand Charges	\$ 31,934,551	\$ 34,001,500	\$ 33,979,520	\$ 35,046,345
Capital Charges for Joint / Individual Facilities with Interim				
Finance Charges	4,854,266	5,505,175	5,505,175	5,968,255
Fixed O&M Costs for Joint Facilities	4,751,127	5,407,835	5,283,725	5,837,615
Charges for Services (HHW)	19,770	25,330	15,920	15,320
Fees for Administration and Planning	166,588	164,755	164,755	169,005
Contract Payments	370,723	700,520	811,790	657,965
Volume Revenues	12,698,139	12,245,180	11,492,525	12,789,435
Volume - Treated Effluent	44,952	36,950	21,755	36,000
Volume - Raw Water	7,116	2,895	2,895	3,325
Treatment and Transportation	3,485,471	3,556,075	4,290,250	3,744,650
Doe Branch Flows (Temporary Use of Riverbend Facilities)	-	-	-	-
Commercial Paper Proceeds	7,400,000	25,700,000	18,065,490	24,127,720
Bond Proceeds (Participant Contributions for Plant Expansions)	-	6,900,160	16,049,563	550,640
Texas Water Development Board				
"D" Funds	-	-	-	-
SWIFT Deferred Interest Funds	3,636,540	9,427,388	6,683,145	13,589,870
SWIFT Board Participation Funds	1,303,548	4,418,042	6,674,705	23,363,090
SWIFT Subsidized Interest Funds	-	6,935,000	3,213,840	21,721,060
Reimbursements (Includes CIP Projects)	1,755,179	130,000	376,233	216,145
Contribution Sources	73,502	20,000	15,289,950	6,570,125
Watershed Partners Programs	3,225	3,875	3,875	3,875
Charitable Contributions	200	1,500	1,500	1,500
Building Activity Fees	428,900	190,045	388,175	59,625
Rental Revenues	180,006	189,625	189,310	218,855
Other Revenues (Includes Land & Easement Proceeds)	110,713	27,400	559,865	544,925
Interest Income	1,829,807	1,375,775	2,690,820	1,975,635
GASB 31 Adjustments to Investments (Non-Cash)	-	-	-	-
Total Revenues	\$ 75,055,125	\$ 116,965,025	\$ 131,755,441	\$ 157,210,980
Interfund Transfers *	\$ 39,670,648	\$ 43,274,975	\$ 54,933,068	\$ 45,293,440
Total Revenues and Interfund Transfers	\$ 114,725,773	\$ 160,240,000	\$ 186,688,509	\$ 202,504,420
Expenditures				
Administration (General)	\$ 241,311	\$ 202,020	\$ 215,415	\$ 237,995
Lakeview Regional Water Reclamation System	5,861,989	5,977,525	6,023,925	6,038,140
Non-Potable Water System	96,422	100,160	78,875	110,455
Northeast Regional Water Reclamation System	4,364,022	5,502,765	5,540,500	6,642,885
Peninsula Water Reclamation Plant	706,327	838,325	834,315	882,995
Regional Treated Water System	40,431,041	43,911,165	40,127,205	44,722,795
Household Hazardous Waste Program	26,290	33,645	26,260	26,450
Interest and Sinking Reserve Fund	27,942,342	26,881,075	27,196,290	28,157,730
Capital Improvement Program	32,037,284	65,202,990	53,164,125	120,824,030
Watershed Protection Program Fund	136,499	162,100	141,505	190,520
Water Conservation Program Fund	202,016	245,300	272,500	265,395
Future Water Program Fund	106,605	170,000	101,720	168,495
Upper Trinity Conservation Trust	24,155	30,000	31,280	30,000
Project Development Fund	787	-	-	-
Total Expenditures	\$ 112,395,195	\$ 149,303,745	\$ 133,800,590	\$ 208,297,885
Interfund Transfers *	\$ 13,897,751	\$ 13,715,060	\$ 25,067,987	\$ 13,836,665
Total Expenditures and Interfund Transfers	\$ 126,292,946	\$ 163,018,805	\$ 158,868,577	\$ 222,134,550
Net Revenues / (Expenses)	(11,567,173)	(2,778,805)	27,819,932	(19,630,130)
Ending Balance	\$ 90,663,171	\$ 78,348,390	\$ 114,388,600	\$ 90,482,140

* Detail for these totals are found on the fund sheets located in the Debt Summary, Operating Fund Detail Summary, Other Funds, CIP Funds, Growth Program and Project Development sections of this budget manual.

Historical Fund Balances
All Operating, Reserve, and Capital Combined Funds
FY 2014 – 2020

Fiscal Year	Budgeted Total Fund Balance	Actual Total Fund Balance
2014	\$ 57,060,227	\$ 69,165,650
2015	\$ 46,305,088	\$ 64,215,284
2016	\$ 47,819,427	\$ 87,300,817
2017	\$ 73,786,961	\$ 104,874,695
2018	\$ 76,778,306	\$ 90,663,171
2019	\$ 78,348,390	\$ 114,388,600 *
2020	\$ 90,482,140	N/A

* - Estimate



The above annual ending fund balances are the result of transactions between all District operations, capital improvement programs, and internal reserve funds. The differences between budgeted and actual fund balances are caused primarily from the District's capital improvement program activities. For example, the Adopted FY 2019 Budget did not reflect receiving 100% of funding for the Doe Branch Plant Expansion, Phase 3 project. This difference alone increased the estimated FY 2019 overall fund balance of approximately \$24.0 million. However, fund balance increases have also occurred from District operating systems. For more explanation for the variances between ending cash balances of the District's operating systems, refer to the Operating Fund Detail section of this budget document.

UPPER TRINITY REGIONAL WATER DISTRICT

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FY 2019 - 2020 Adopted Budget Operating Funds Combined Summary

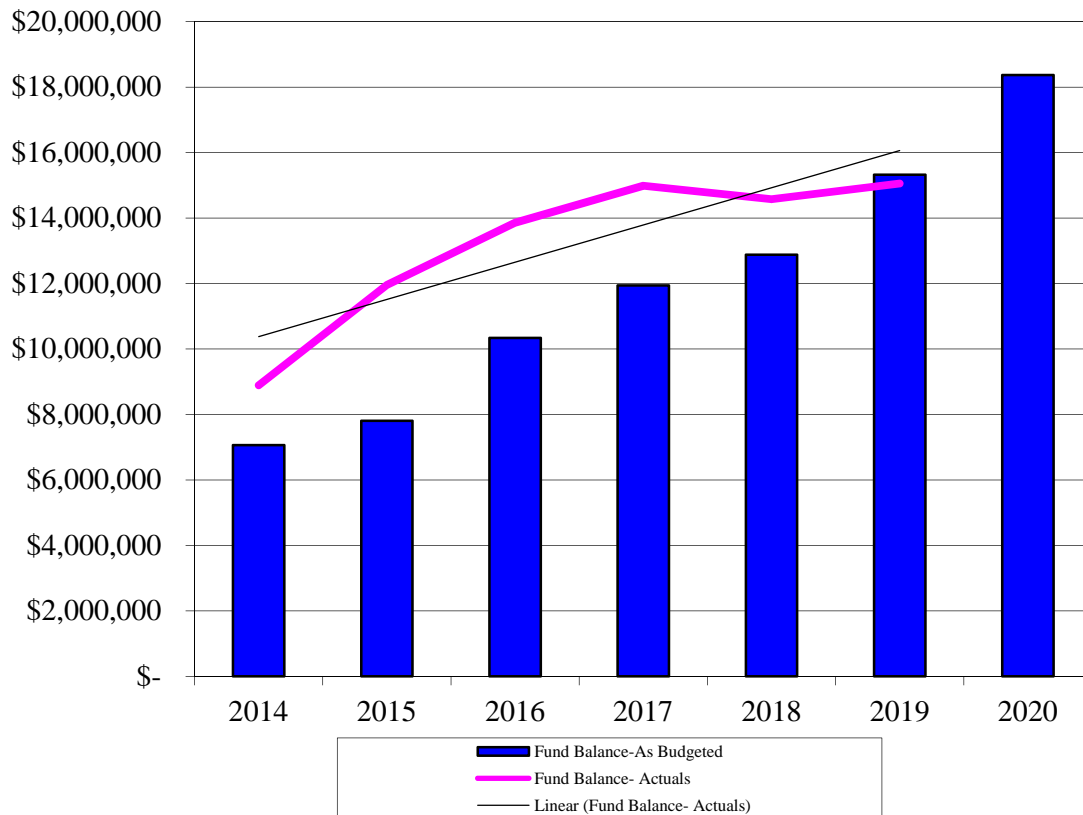
	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
Beginning Balance	\$ 14,984,832	\$ 12,918,487	\$ 14,576,244	\$ 15,053,854
Less: Transfers from Working Capital / Carryforwards *	(775,655)	(9,000)	(9,000)	(67,000)
BEGINNING BALANCE Revised	\$ 14,209,177	\$ 12,909,487	\$ 14,567,244	\$ 14,986,854
Revenues				
Fixed				
Demand Charges (RTWS and NPWS)	\$ 31,934,551	\$ 34,001,500	\$ 33,979,520	\$ 35,046,345
Capital Charges for Joint / Individual Facilities with Interim Finance Charges (Wastewater Systems)	4,854,266	5,505,175	5,505,175	5,968,255
Fixed O&M Costs for Jt. Facilities (Wastewater Systems)	4,751,127	5,407,835	5,283,725	5,837,615
Fees for Administration and Planning (Administration)	150,233	147,275	147,275	151,420
Contract Payments (RTWS)	370,723	700,520	811,790	657,965
Subtotal	\$ 42,060,900	\$ 45,762,305	\$ 45,727,485	\$ 47,661,600
Variable				
Volume Revenues (RTWS)	\$ 12,698,139	\$ 12,245,180	\$ 11,492,525	\$ 12,789,435
Volume - Treated Effluent (NPWS)	44,952	36,950	21,755	36,000
Volume - Raw Water (NPWS)	7,116	2,895	2,895	3,325
Treatment and Transportation (Wastewater Systems)	3,485,471	3,556,075	4,290,250	3,744,650
Doe Branch Flows (Northeast RWRS)	-	-	-	-
Charges for Services (HHW)	19,770	25,330	15,920	15,320
Subtotal	\$ 16,255,448	\$ 15,866,430	\$ 15,823,345	\$ 16,588,730
Miscellaneous				
Reimbursements (Lakeview RWRS)	\$ 225,000	\$ -	\$ -	\$ -
Rental Revenues	180,006	189,625	189,310	218,855
Other Revenues	110,713	27,400	559,865	544,925
Interest Income	635,918	541,995	983,610	861,250
Subtotal	\$ 1,151,637	\$ 759,020	\$ 1,732,785	\$ 1,625,030
Total Revenues	\$ 59,467,985	\$ 62,387,755	\$ 63,283,615	\$ 65,875,360
Interfund Transfers *	\$ 1,995,974	\$ 1,864,405	\$ 1,892,415	\$ 1,914,610
Total Revenues and Interfund Transfers	\$ 61,463,959	\$ 64,252,160	\$ 65,176,030	\$ 67,789,970
Expenditures (w/o Debt Service)				
Administration (General)	\$ 241,311	\$ 202,020	\$ 215,415	\$ 237,995
Lakeview Regional Water Reclamation System (Wastewater)	2,788,595	2,854,630	2,896,910	2,917,500
Non-Potable Water System (NPWS)	96,422	100,160	78,875	110,455
Northeast Regional Water Reclamation System (Wastewater)	2,903,921	3,562,485	3,647,540	4,120,530
Peninsula Water Reclamation Plant (Wastewater)	635,733	767,780	763,770	813,305
Regional Treated Water System (RTWS)	19,655,018	21,551,665	18,751,300	22,847,855
Household Hazardous Waste Program (HHW)	26,290	33,645	26,260	26,450
Subtotal	\$ 26,347,290	\$ 29,072,385	\$ 26,380,070	\$ 31,074,090
Debt Service (Net of Capitalized Interest)				
Lakeview Regional Water Reclamation System	3,073,394	3,122,895	3,127,015	3,120,640
Northeast Regional Water Reclamation System	1,460,101	1,940,280	1,892,960	2,522,355
Peninsula Water Reclamation Plant (w/Fiscal Agent Fees)	70,594	70,545	70,545	69,690
Regional Treated Water System (w/Commercial Paper)	20,776,023	22,359,500	21,375,905	21,874,940
Subtotal	\$ 25,380,112	\$ 27,493,220	\$ 26,466,425	\$ 27,587,625
Total Expenditures and Debt Service	\$ 51,727,402	\$ 56,565,605	\$ 52,846,495	\$ 58,661,715
Interfund Transfers *	\$ 9,369,490	\$ 5,274,040	\$ 11,842,925	\$ 5,744,740
Total Expenditures and Interfund Transfers	\$ 61,096,892	\$ 61,839,645	\$ 64,689,420	\$ 64,406,455
Net Revenues / (Expenses)	\$ 367,067	\$ 2,412,515	\$ 486,610	\$ 3,383,515
Ending Balance	\$ 14,576,244	\$ 15,322,002	\$ 15,053,854	\$ 18,370,369

* Detail for these totals are found in the Operating Fund Detail section of this budget manual.

Historical Fund Balances Operating Funds FY 2014 – 2020

Fiscal Year	Budgeted Total Fund Balance	Actual Total Fund Balance
2014	\$ 7,064,826	\$ 8,893,194
2015	\$ 7,806,907	\$ 11,958,245
2016	\$ 10,340,487	\$ 13,857,854
2017	\$ 11,941,675	\$ 14,984,832
2018	\$ 12,878,910	\$ 14,576,244
2019	\$ 15,322,002	\$ 15,053,854 *
2020	\$ 18,370,369	N/A

* - Estimate



For Budgeted Fiscal Years 2014 through FY 2020, rates and charges were established to yield an annual increase between \$742,000 and \$3,048,367 to the ending cash balance of all District Operating Systems. Excess working capital is determined to be the amount of ending cash for a particular fiscal year (FY 2014 in this example) that exceeds 45 days of the subsequent fiscal year's (FY 2015) total expenditure amount, plus an additional 5% contingency amount (of the 45 day total). At mid-year of each fiscal year, the Board of Directors is given a list of identified excess working capital amounts (by fund), as well as recommended amounts to be transferred to various District reserve funds.

FY 2014 actual operating revenues were lower than budgeted revenues by approximately \$52,000. However, excess working capital of approximately \$1.2 million (savings from FY 2013 - budgeted expenses versus actual expenses) was transferred to various District System reserve funds.

FY 2015 actual operating revenues exceeded budgeted revenues by approximately \$1.1 million due to higher than projected treated water sales and wastewater flows treated. Excess working capital of approximately \$2.5 million (savings from FY 2014 budgeted expenses versus actual expenses) was transferred to various District System reserve funds.

FY 2016 actual operating revenues exceeded budgeted revenues by approximately \$1.3 million due to higher than projected treated water sales and wastewater flows treated. Excess working capital of approximately \$4.6 million (savings from FY 2015 budgeted expenses versus actual expenses) was transferred to various District System reserve funds, including a loan of \$2.5 million from the Regional Treated Water System for interim construction funding for the expansion of the Riverbend Plant in the Northeast Regional Water Reclamation System.

FY 2017 actual operating revenues exceeded budgeted revenues by approximately \$491,000 due to higher than projected treated water sales and wastewater flows treated in the Northeast Regional Water Reclamation System. Excess working capital of approximately \$6.0 million (savings from FY 2016 budgeted expenses versus actual expenses and the reimbursement of a \$2.5 million loan from the Northeast Regional Water Reclamation System to the Regional Treated Water System) was transferred to various District System reserve funds.

FY 2018 actual operating revenues exceeded budgeted revenues by approximately \$2.4 million due to higher than projected purchases of contracted capacity and treated water sales in the Regional Treated Water System, as well as higher wastewater flows treated in the District's wastewater systems. Excess working capital of approximately \$5.7 million (savings from FY 2017 budgeted expenses versus actual expenses) was transferred to various District System reserve funds.

The FY 2019 estimated operating revenues are projected to exceed budgeted revenues by only \$834,060 due to higher than projected wastewater flows treated in the District's wastewater Systems and higher than projected interest revenues. Treated water sales (Regional Treated Water System) are projected to be lower than budgeted sales by approximately \$752,000 due largely from higher rainfall experienced in the District's service area. Revenue in the amount of \$488,105 from Dallas Water Utilities represents an offset to the raw water purchases. This revenue is a product of a settlement between Dallas Water Utilities and their regional partner. The funds will be transferred out to the District's Lake Ralph Hall Reserve to be used to offset any future rate increases in the Regional Treated Water System. The FY 2019 estimated ending cash balance reflects an approximate \$478,000 net increase from the FY 2018 actual ending cash balance. However, this increase includes \$6.3 million of excess working capital funds (generated in FY 2018) deposited into District reserve funds. The FY 2019 rates and charges for the operating systems were set to yield a surplus of approximately \$2.3 million (\$1.2 million for the Regional Treated Water System, \$565,000 for the Lakeview Regional Water Reclamation System, \$500,000 for the Northeast Regional Water Reclamation System, and approximately \$61,000 for the Peninsula Water Reclamation Plant). Therefore, approximately \$4.4 million of excess working capital is projected to be generated during FY 2019.

The FY 2020 budgeted ending cash balance reflects an approximate \$3.3 million increase from the FY 2019 estimated ending cash balance. This is due to setting FY 2020 rates and charges for the operating systems to yield a surplus of approximately \$2.4 million for the Regional Treated Water System, \$522,000 for the Lakeview Regional Water Reclamation System, \$370,000 for the Northeast Regional Water Reclamation System, and approximately \$49,000 for the Peninsula Water Reclamation Plant, just to cite a few of the larger amounts.

DEBT SERVICE FUNDS

The following types of reserve funds are used to account for funds received from debt issues.

Debt Service Reserve Fund – To account for financial resources as required by District bond covenants. Upon issuance of bonds, the District is required to deposit into this reserve an amount needed so that the total accumulated balance of this fund is maintained at an amount equal to the average annual debt service requirements on all bonds, including outstanding parity bonds.

Series 2000-A Bonds Debt Reserve Fund – To account for annual payments of \$193,530 received from the Argyle Water Supply Corporation (AWSC) for fiscal years 2018 through 2020. These annual payments represent a “buy-out” of the District’s ownership percentage of an elevated storage tank and related facilities, funded via issuance of Series 2000-A Revenue Bonds. These funds are to be retained in this reserve fund and shall be applied as an offset (Transfer-In) to the annual debt service in fiscal years 2021 through 2025 (the five final years of debt service for the original Series 2000-A Revenue Bonds).

Interest and Sinking Reserve Fund – To account for financial resources used for the payment of annual and/or semi-annual interest and principal amounts as required by District bond covenants. Deposits are made on a monthly basis so that funds equal to the required debt service payments accumulate by the time payments are due.

Regional Treated Water System FY 2019 - 2020 Adopted Budget

Schedule of Requirements

Series	Description	TIC *	Maturity	Principal	Interest	Total	Notes
2008	TWDB Water Infrastructure Funds	0.83%	2028	\$ 935,000	\$ 224,785	\$ 1,159,785	1
2010	Revenue Bonds (Refunding)	3.60%	2026	345,000	107,610	452,610	2
2010 A	Revenue Bonds (Refunding)	3.28%	2025	2,005,000	459,880	2,464,880	3
2012	Revenue Bonds (Refunding)	3.25%	2029	775,000	299,335	1,074,335	4
2012 A	Revenue Bonds (Refunding)	3.58%	2037	1,315,000	1,120,780	2,435,780	5
2013	Revenue Bonds (Refunding)	3.11%	2030	1,020,000	410,210	1,430,210	6
2015	Revenue Bonds (Refunding)	3.06%	2044	2,530,000	1,512,830	4,042,830	7
2015	TWDB Board Participation Bonds	4.02%	2050	-	125,140	125,140	8
2016	Revenue Bonds (Refunding)	2.27%	2032	3,260,000	1,028,700	4,288,700	9
2017	Revenue Bonds (CP Conversion)	3.31%	2047	425,000	578,850	1,003,850	10
2018	TWDB SWIFT Subsidized Bonds	2.68%	2043	240,000	182,750	422,750	11
2020	Revenue Bonds (CP Conversion)	3.53%	2049	535,000	553,615	1,088,615	12
2020	TWDB SWIFT Subsidized Bonds	2.68%	2044	620,000	412,580	1,032,580	13
Total				\$ 14,005,000	\$ 7,017,065	\$ 21,022,065	

* True Interest Cost

This schedule represents the 2019 - 2020 debt service payments due on each outstanding Regional Treated Water System bond issue. However, two debt issues listed for the 2020 fiscal year period include a \$20.0 million revenue bond issue for the conversion of outstanding Commercial Paper into long-term debt and an \$18.6 million TWDB (Subsidized Interest) issue (2nd) to continue with the Parallel Pipeline from Taylor RWTP to the Hill Pump Station project. Debt service amounts for these two issues are estimates. For future debt issues during the five-year planning period (FY 2020 - FY 2024), refer to the Capital Improvement Program section of this budget document.

Notes:

- 1 \$10.4 million Texas Water Development Board Water Infrastructure Funds for initial planning and permitting efforts for the Lake Ralph Hall project. Funds were issued in FY 2008 with a 10-year payment deferral with payments beginning in FY 2018.
- 2 \$8.5 million bond issue to refund future principal maturities of previous bond issues from 1999 (\$15.6 million - see Note 7 below), 2000B (\$6.5 million - used for the construction of a pump station and ground storage tank and a pipeline extension to serve the District, Mustang SUD, the City of Celina, and other special districts and future customers), and 2001 (\$20.6 million - see Note 7 below).
- 3 \$28.8 million bond issue to repurchase (refund) outstanding bonds held by the Texas Water Development Board (TWDB) from 1993 (\$2.8 million), 1994 (\$3.8 million), 1995 (\$4.8 million), and 1996 (\$15.1 million) used to construct the first generation of the Taylor RWTP mentioned above in Note 2. Funding was also used for needed treated water pipelines representing the first phase of the District's water system.
- 4 \$13.8 million bond issue to refund future principal maturities of a previous bond issue from 2002 (\$16.5 million - used to construct a variety of capital projects including raw and treated water pipelines and renovations to the District's Administration building).
- 5 \$37.0 million bond issue to convert \$15.0 million of Commercial Paper (used for various capital projects including the Harpool RWTP) to long-term debt and to repurchase (refund) outstanding bonds held by the TWDB from 1999 (\$17.2 million) used to expand the Taylor RWTP from 20 mgd to 70 mgd (in conjunction with the 1999 Revenue Bond Issue discussed in Note 7 below).
- 6 \$16.6 million bond issue to refund future principal maturities of a previous bond issue from 2004 (\$23.0 million - used to construct the Tom Harpool RWTP, along with the construction of treated water pipelines - see Note 7 below).
- 7 \$48.4 million bond issue to convert \$18.0 million of Commercial Paper (used for various capital projects including the Harpool RTWP) to long-term debt and \$34.3 million to refund future principal maturities of two previous bond issues from 2004 (\$23.0 million issue used to construct the Tom Harpool RWTP, along with related pipelines) and 2005 (\$43.8 million issue used to refund previous bond issues from 1999 (\$15.6 million used for the construction of multiple capital projects, including the Northeast and Southwest pipelines and the expansion of the Thomas E. Taylor RWTP from 20 to 70 mgd), 2000A (\$25.0 million used for continued expansion of the Taylor RWTP and Northeast and Southwest pipelines, as well as other miscellaneous capital projects), and 2001 (\$20.6 million - used for the continued construction of the aforementioned projects. Also, funds were used to begin the planning and design of the Harpool RWTP, a 20 mgd water treatment plant providing service to the northern portion of the District's system).
- 8 \$15.6 million TWDB Board (Board Participation) funding for the purchase of land and easements for the future Lake Ralph Hall.
- 9 \$33.6 million bond issue to refund future principal maturities of previously issued refunding bonds from 2006 of \$9.7 million (originally used to refinance bond issues from 1993 (\$3.6 million), 1994 (\$4.8 million), 1995 (\$6.2 million), and 1996 (\$20.0 million) -- all originally issued to construct the initial phase of the Taylor RWTP and treated water pipelines) and from 2007 of \$26.7 million (originally used to refinance \$22.0 million of Commercial Paper issued for the initial phase of the Harpool RWTP and treated water pipelines).
- 10 \$18.1 million bond issue to convert Commercial Paper (used for various capital projects, including Lake Ralph Hall). These bonds have a 25-year term, except for the portion used for the Lake Ralph Hall project, which has a 30-year term.
- 11 \$7.59 million TWDB (SWIFT Subsidized Interest Funding) issue for initial funding of the Parallel Pipeline project.
- 12 Preliminary \$20.0 million bond issue to convert Commercial Paper (used for various capital projects, including Lake Ralph Hall). These bonds have a 25-year term, except for the portion used for the Lake Ralph Hall project, which has a 30-year term.
- 13 Preliminary \$18.64 million TWDB (SWIFT Subsidized Interest Funding) issue to continue with the Parallel Pipeline project (See above comments).

Regional Treated Water System
FY 2019 - 2020 Adopted Budget
Long-Term Debt Indebtedness to Maturity

Year	Principal	Interest	Total
2019 - 2020	\$ 14,005,000	\$ 7,017,065	\$ 21,022,065 *
2020 - 2021	12,830,000	5,632,730	18,462,730
2021 - 2022	11,885,000	5,189,205	17,074,205
2022 - 2023	12,365,000	4,826,845	17,191,845
2023 - 2024	13,760,000	5,102,780	18,862,780
2024 - 2025	14,285,000	5,068,220	19,353,220
2025 - 2026	12,380,000	4,629,170	17,009,170
2026 - 2027	10,385,000	4,174,900	14,559,900
2027 - 2028	9,545,000	3,796,530	13,341,530
2028 - 2029	9,000,000	4,008,410	13,008,410
2029 - 2030	6,485,000	3,663,670	10,148,670
2030 - 2031	5,285,000	3,441,280	8,726,280
2031 - 2032	5,480,000	3,246,815	8,726,815
2032 - 2033	5,125,000	3,041,310	8,166,310
2033 - 2034	5,325,000	2,848,200	8,173,200
2034 - 2035	4,030,000	2,641,355	6,671,355
2035 - 2036	4,960,000	1,908,730	6,868,730
2036 - 2037	5,160,000	1,711,470	6,871,470
2037 - 2038	4,415,000	1,518,645	5,933,645
2038 - 2039	4,590,000	1,354,655	5,944,655
2039 - 2040	3,965,000	1,182,820	5,147,820
2040 - 2041	4,120,000	1,034,425	5,154,425
2041 - 2042	4,270,000	877,605	5,147,605
2042 - 2043	3,840,000	715,045	4,555,045
2043 - 2044	3,570,000	565,455	4,135,455
2044 - 2045	3,455,000	422,485	3,877,485
2045 - 2046	1,605,000	283,140	1,888,140
2046 - 2047	1,675,000	221,420	1,896,420
2047 - 2048	1,260,000	157,010	1,417,010
2048 - 2049	1,315,000	106,865	1,421,865
2049 - 2050	1,370,000	54,525	1,424,525
Total	\$ 201,740,000	\$ 80,442,780	\$ 282,182,780

* Amounts shown for FYs 2021 forward do not include the annual debt service amounts for the FY 2020 projected Revenue Bond issue for approximately \$20.0 million to convert Commercial Paper to long-term debt. These future amounts also do not include the debt service amounts for the FY 2020 TWDB (Subsidized Interest) issue for \$18.64 million.

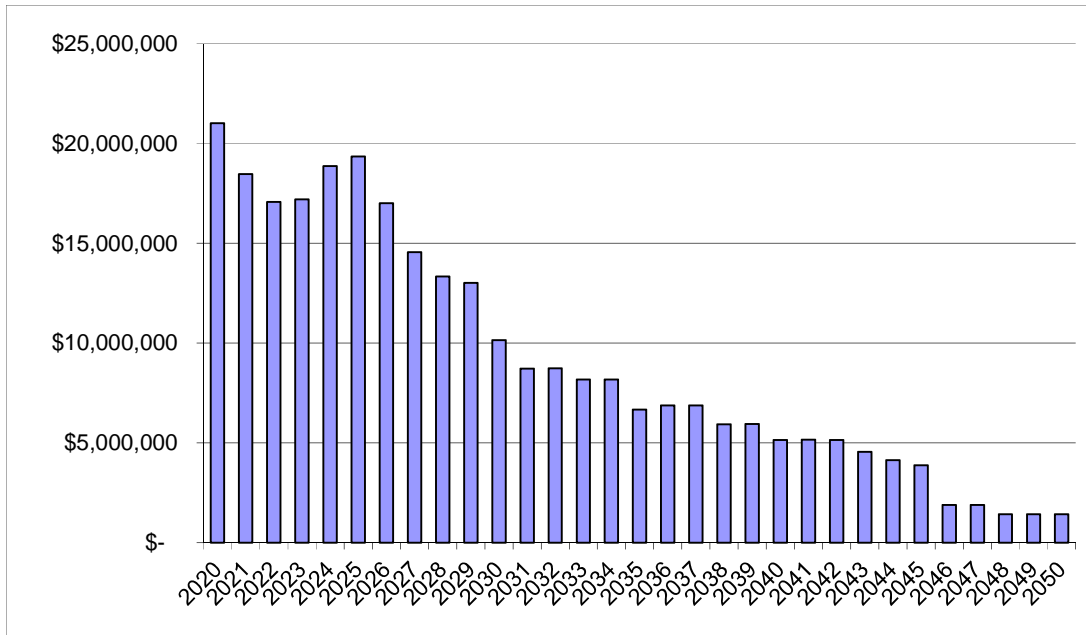
This schedule represents annual debt service payments on all currently outstanding Regional Treated Water System bonds and loan through maturity. In addition, the above annual amounts include:

- Series 2015 State Water Implementation Revenue Funds (\$29.1 million) used for planning, permitting, and engineering activities for the Lake Ralph Hall project with debt service deferred through FY 2023. Payments due FY 2024 (\$1.6 million) through 2045 (\$2.0 million).
- Series 2015 Texas Water Development Board Participation Funds (\$15.6 million) used for land purchasing and mitigation activities for the Lake Ralph Hall project. Interest only payments began in FY 2019 and increase gradually through FY 2025. Full interest-only payments last from FY 2026 through FY 2028, with payback of portions of previously deferred interest, included from FY 2029 through 2035. Principal and interest payments are scheduled for FY 2036 through 2050.

For future debt issues planned during the five-year planning period (FY 2020 - FY 2024), refer to the Capital Improvement Program section of this budget document.

Regional Treated Water System FY 2019 - 2020 Adopted Budget

Graph of Existing Long-Term Debt Indebtedness to Maturity



**Regional Treated Water System
Debt Service Reserve Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 11,235,311	\$ 11,235,311	\$ 11,213,566	\$ 11,213,566
REVENUES				
Deposit				
Series 2020 Refunding Bonds (\$28.0M Commercial Paper)	-	-	-	550,640
Interest Income	155,939	90,000	196,235	168,205
TOTAL REVENUES	\$ 155,939	\$ 90,000	\$ 196,235	\$ 718,845
EXPENDITURES				
Interfund Transfer - Operations	176,434	90,000	196,235	168,205
GASB 31 Adjustments	1,250	-	-	-
TOTAL EXPENDITURES	\$ 177,684	\$ 90,000	\$ 196,235	\$ 168,205
ENDING CASH BALANCE 9/30	\$ 11,213,566	\$ 11,235,311	\$ 11,213,566	\$ 11,764,206

Regional Treated Water System
Series 2000-A Bonds Debt Service Reserve Fund
FY 2019 - 2020 Adopted Budget

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ -	\$ 193,730	\$ -	\$ 393,835
REVENUES				
Interfund Transfer - Operations	-	193,530	387,060	193,530
Interest Income	-	5,810	6,775	8,810
TOTAL REVENUES	\$ -	\$ 199,340	\$ 393,835	\$ 202,340
EXPENDITURES				
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ -	\$ 393,070	\$ 393,835	\$ 596,175

FY 2020 Ending Balance increase of \$203,105 is due to receiving the third and final payment from Argyle Water Supply Corporation for the percentage change in ownership for the Argyle Joint Ground Storage Tank, in FY 2020, along with accrued interest.

**Regional Treated Water System
Interest and Sinking Reserve Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 1,106,544	\$ 1,191,674	\$ 1,051,273	\$ 1,171,118
REVENUES				
Interfund Transfer - Operations	19,985,436	21,109,610	21,109,610	21,022,065
Interest Income	86,903	107,605	119,845	106,925
TOTAL REVENUES	\$ 20,072,339	\$ 21,217,215	\$ 21,229,455	\$ 21,128,990
EXPENDITURES				
Debt Service	20,127,610	21,109,610	21,109,610	21,022,065
TOTAL EXPENDITURES	\$ 20,127,610	\$ 21,109,610	\$ 21,109,610	\$ 21,022,065
ENDING CASH BALANCE 9/30	\$ 1,051,273	\$ 1,299,279	\$ 1,171,118	\$ 1,278,043

Lakeview Regional Water Reclamation System FY 2019 - 2020 Adopted Budget

Schedule of Requirements

Series	Description	TIC *	Maturity	Principal	Interest	Total	Notes
2006	Revenue Bonds (Refunding)	3.98%	2027	\$ 145,000	\$ 55,780	\$ 200,780	1
2011	Revenue Bonds	4.32%	2030	225,000	144,670	369,670	2
2012	Revenue Bonds (Refunding)	2.91%	2028	520,000	91,485	611,485	3
2012A	Revenue Bonds (Refunding)	3.11%	2028	1,005,000	440,090	1,445,090	4
2014	Revenue Bonds (Refunding)	3.08%	2030	175,000	67,375	242,375	5
2015	Revenue Bonds	3.38%	2035	145,000	101,995	246,995	6
Total				\$ 2,215,000	\$ 901,395	\$ 3,116,395	

* True Interest Cost

This schedule represents the 2019 - 2020 debt service payments due on each outstanding Lakeview Regional Water Reclamation System bond issue. For future debt issues during the five-year planning period (FY 2020 - FY 2024), refer to the Capital Improvement Program section of this budget document.

Notes:

- 1 \$9.3 million bond issue to refund future principal maturities of a previous bond issue from 1996 (\$9.8 million - used to expand the treatment capacity of the Lakeview RWRP from 1.038 mgd to 3.5 mgd, as well as other system improvements.
- 2 \$4.6 million bond issue to complete process improvements at the Lakeview RWRP including installing new clarifier equipment and filtering technology.
- 3 \$6.5 million bond issue to refund future principal maturities of a previous bond issue from 2001 (\$6.7million - used to expand the treatment capacity of the Lakeview RWRP from 3.5 mgd to 5.0 mgd, as well as other system improvements) and to repurchase outstanding bonds held by the Texas Water Development Board (TWDB) from 1996 (\$1.4 million - used in conjunction with the 1996 bonds discussed in Note 2 above).
- 4 \$16.2 million bond issue to refund future principal maturities of a previous bond issue from 2003 (\$7.3 million - used to construct a wastewater pipeline to transport flows from the DCFWSD #7 (Lantana), as well as a second pipeline to deliver flows from the City of Corinth, to the Lakeview RWRP) and to repurchase outstanding bonds held by the TWDB from 1998 (\$6.7 million - used in conjunction with the 1996 bonds discussed in Note 2 above).
- 5 \$3.2 million bond issue to refund future principal maturities of a previous refunding bond issue from 2005 (\$5.2 million - used to refund principal maturities of a previous bond issue from 1995A consisting of \$1.6 million to transfer the LCMUA wastewater plant (conveyed to the District), and construction of a joint pipeline and entry points for transporting flows) and additional funds of \$4.0 million for the completion of improvements to the Lakeview Plant and construction of the Swisher Parallel Pipeline.
- 6 \$3.6 million bond issue for the completion of improvements at the Lakeview RWRP, as well as upgrades to System trunk mains and appurtenances.

Lakeview Regional Water Reclamation System

FY 2019 - 2020 Adopted Budget

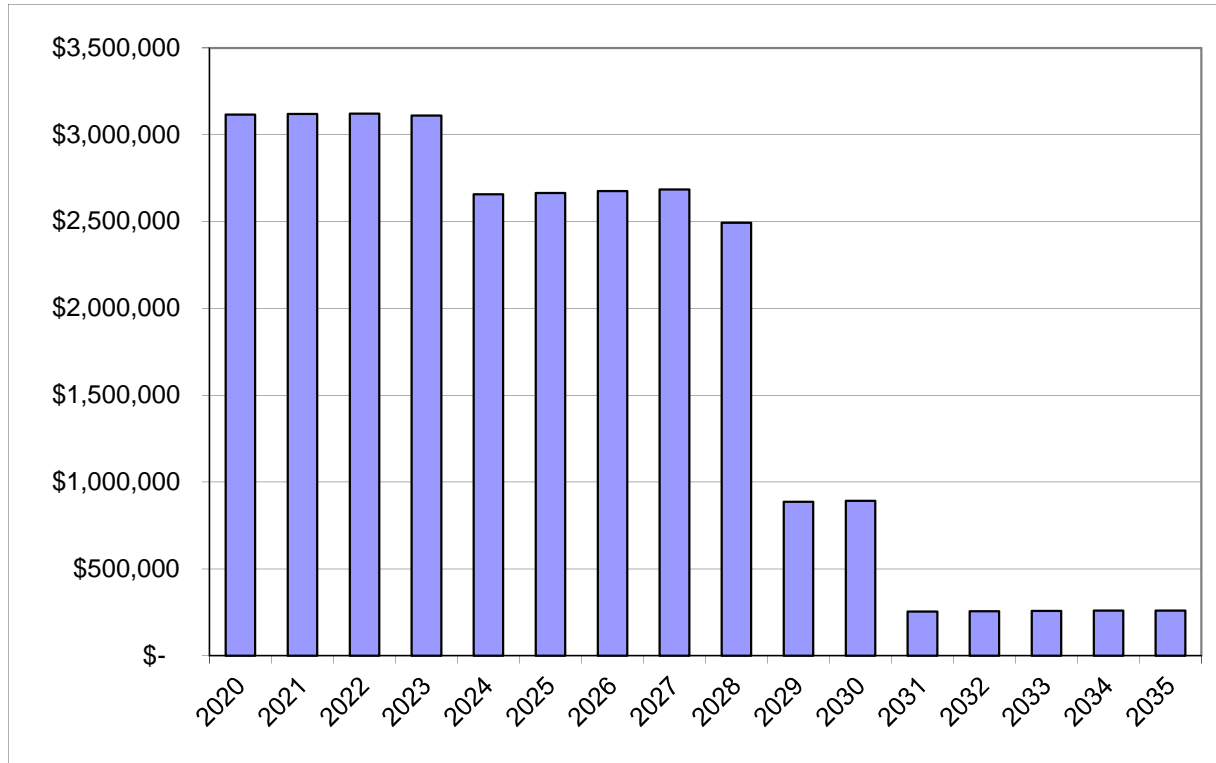
Long-Term Debt Indebtedness to Maturity

Year	Principal	Interest	Total
2019 - 2020	\$ 2,215,000	\$ 901,395	\$ 3,116,395
2020 - 2021	2,300,000	820,695	3,120,695
2021 - 2022	2,385,000	737,255	3,122,255
2022 - 2023	2,460,000	650,635	3,110,635
2023 - 2024	2,110,000	548,225	2,658,225
2024 - 2025	2,210,000	454,525	2,664,525
2025 - 2026	2,320,000	355,275	2,675,275
2026 - 2027	2,410,000	274,765	2,684,765
2027 - 2028	2,305,000	188,980	2,493,980
2028 - 2029	780,000	107,325	887,325
2029 - 2030	815,000	76,805	891,805
2030 - 2031	210,000	43,850	253,850
2031 - 2032	220,000	36,500	256,500
2032 - 2033	230,000	28,800	258,800
2033 - 2034	240,000	19,600	259,600
2034 - 2035	250,000	10,000	260,000
Total	\$ 23,460,000	\$ 5,254,630	\$ 28,714,630

This schedule represents annual debt service payments on all currently outstanding Lakeview Regional Water Reclamation System bonds through maturity. For future debt issues during the five-year planning period (FY 2020 - FY 2024), refer to the Capital Improvement Program section of this budget document.

Lakeview Regional Water Reclamation System FY 2019 - 2020 Adopted Budget

Graph of Existing Long-Term Debt Indebtedness to Maturity



Lakeview Regional Water Reclamation System
Debt Service Reserve Fund
FY 2019 - 2020 Adopted Budget

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 2,200,518	\$ 2,200,518	\$ 2,210,844	\$ 2,210,844
REVENUES				
Interest Income	45,291	23,105	27,085	49,745
TOTAL REVENUES	\$ 45,291	\$ 23,105	\$ 27,085	\$ 49,745
EXPENDITURES				
Interfund Transfers - Operations	34,965	23,105	27,085	49,745
TOTAL EXPENDITURES	\$ 34,965	\$ 23,105	\$ 27,085	\$ 49,745
ENDING CASH BALANCE 9/30	\$ 2,210,844	\$ 2,200,518	\$ 2,210,844	\$ 2,210,844

Lakeview Regional Water Reclamation System
Interest and Sinking Reserve Fund
FY 2019 - 2020 Adopted Budget

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 173,326	\$ 186,621	\$ 161,537	\$ 175,292
REVENUES				
Interfund Transfer - Operations	3,044,432	3,122,895	3,122,895	3,116,395
Interest Income	13,173	12,165	13,755	17,970
TOTAL REVENUES	\$ 3,057,605	\$ 3,135,060	\$ 3,136,650	\$ 3,134,365
EXPENDITURES				
Debt Service	3,069,394	3,122,895	3,122,895	3,116,395
TOTAL EXPENDITURES	\$ 3,069,394	\$ 3,122,895	\$ 3,122,895	\$ 3,116,395
ENDING CASH BALANCE 9/30	\$ 161,537	\$ 198,786	\$ 175,292	\$ 193,262

Northeast Regional Water Reclamation System - Riverbend Plant FY 2019 - 2020 Adopted Budget

Schedule of Requirements

Series	Description	TIC *	Maturity	Principal	Interest	Total	Notes
2002	State Participation	5.71%	2035	\$ -	\$ 233,435	\$ 233,435	1
2016	TWDB "D" Funds	3.30%	2045	-	365,880	365,880	2
2017	TWDB "D" Funds	3.89%	2045	-	898,390	898,390	3
2019	Revenue and Refunding Bonds	3.94%	2032	140,000	117,400	257,400	4
Total				\$ 140,000	\$ 1,615,105	\$ 1,755,105	

* True Interest Cost

This schedule represents the 2019 - 2020 debt service payments due on each outstanding Northeast Regional Water Reclamation System (Riverbend Plant) bond issue. For future debt issues during the five-year planning period (FY 2020 - FY 2024), refer to the Capital Improvement Program section of this budget document.

Notes:

- 1 \$2.3 million bond issue purchased by the Texas Water Development Board (TWDB) used, in conjunction with system participant contributions, for the construction of the NERWRS - Riverbend Plant and other system improvements.
- 2 \$11.6 million bond issue to refund a \$1.1 million loan from the Regional Treated Water System (Non-Bond Capital Reserve Fund) to fund the Process Improvements with Sidestream Treatment project at the Riverbend Plant. Additionally, this issue is to reimburse the Regional Treated Water System (Working Capital) loan for \$2.5 million, along with funding to begin the Riverbend Water Reclamation Plant Expansion, Phase 3 project. This issue has a 29-year term with Interest only payments through FY 2022 and Principal and Interest payments for FY 2023 - FY 2045.
- 3 \$24.0 million bond issue to be used for the Riverbend Water Reclamation Plant Expansion, Phase 3. This issue has a 29-year term with Interest only payments thru FY 2022, with Principal and Interest payments for FY 2023 - FY 2045.
- 4 \$28.4 million bond issue to: refund \$2.7 million of outstanding principal from the Series 2007 Riverbend Plant Revenue Bonds issue for the refinancing of prior customer contributions for improvements to the Riverbend Plant; and, to reimburse the Growth and Project Development Funds for land purchases for the Plant site; and, \$10.0 million of outstanding principal from the 2014 Revenue Bonds issued to fund the construction of the Doe Branch Plant. This issue also includes \$11.1 million of new funding for the Doe Branch Plant Expansion, Phase 2 project (Celina's portion only), \$4.0 million to fund "common-to-all" plant participant improvements, and \$600,000 to fund a reimbursement to the Town of Prosper for improvements made during the construction of the Doe Branch Plant that provided additional treatment capacity, thereby benefitting all other plant participants. The debt service portion shown above (Riverbend Plant only), used to refund the Series 2007 Revenue Bonds, has a term that matures in FY 2032, while the final payment for the other \$17.1 million related to Phase 2 of the Doe Branch Plant expansion and reimbursement to the Town of Prosper, is in FY 2048.

**Northeast Regional Water Reclamation System -
Riverbend Plant
FY 2019 - 2020 Adopted Budget**

Long-Term Debt Indebtedness to Maturity

Year	Principal	Interest	Total
2019 - 2020	\$ 140,000	\$ 1,615,105	\$ 1,755,105
2020 - 2021	150,000	1,610,905	1,760,905
2021 - 2022	255,000	1,491,585	1,746,585
2022 - 2023	645,000	1,479,810	2,124,810
2023 - 2024	980,000	1,458,955	2,438,955
2024 - 2025	1,140,000	1,430,860	2,570,860
2025 - 2026	1,240,000	1,398,285	2,638,285
2026 - 2027	1,320,000	1,361,565	2,681,565
2027 - 2028	1,565,000	1,320,350	2,885,350
2028 - 2029	1,625,000	1,269,355	2,894,355
2029 - 2030	1,695,000	1,213,390	2,908,390
2030 - 2031	1,760,000	1,152,440	2,912,440
2031 - 2032	1,840,000	1,087,060	2,927,060
2032 - 2033	1,655,000	1,016,755	2,671,755
2033 - 2034	1,725,000	954,555	2,679,555
2034 - 2035	1,810,000	888,410	2,698,410
2035 - 2036	1,665,000	817,535	2,482,535
2036 - 2037	1,745,000	756,655	2,501,655
2037 - 2038	1,820,000	691,255	2,511,255
2038 - 2039	1,905,000	618,680	2,523,680
2039 - 2040	1,995,000	542,700	2,537,700
2040 - 2041	2,085,000	463,140	2,548,140
2041 - 2042	2,180,000	379,970	2,559,970
2042 - 2043	2,280,000	292,465	2,572,465
2043 - 2044	2,390,000	199,530	2,589,530
2044 - 2045	2,505,000	102,110	2,607,110
Total	\$ 40,115,000	\$ 25,613,420	\$ 65,728,420

This schedule represents annual debt service payments on all currently outstanding Northeast Regional Water Reclamation System (Riverbend Plant) bonds through maturity. For future debt issues during the five-year planning period (FY 2020 - FY 2024), refer to the Capital Improvement Program section of this budget document.

Northeast Regional Water Reclamation System - Doe Branch Plant FY 2019 - 2020 Adopted Budget

Schedule of Requirements

Series	Description	TIC *	Maturity	Principal	Interest	Total	Notes
2019	Revenue and Refunding Bonds	3.94%	2048	\$ 325,000	\$ 1,154,575	\$ 1,479,575	1
Total				\$ 325,000	\$ 1,154,575	\$ 1,479,575	

* True Interest Cost

This schedule represents the 2019 - 2020 debt service payment due on the outstanding Northeast Regional Water Reclamation System (Doe Branch Plant) bond issue. The issue shown above includes debt service for the refunded Series 2014 Doe Branch Plant Revenue Bond issue, as well as an interest-only portion for the issue amount for the Phase 2 expansion of the Doe Branch Plant. Payment for the portion due from the City of Celina for the refunded 2014 bonds is reflected in the FY 2020 amount for Celina's Capital Charge for Individual Facilities (\$764,675). The remaining debt service of \$714,900 is to be paid from Capitalized Interest. For future debt issues during the five-year planning period (FY 2020 - FY 2024), refer to the Capital Improvement Program section of this budget document.

Notes:

- 1 \$28.4 million bond issue to refund \$10.0 million of outstanding principal from the Series 2014 Doe Branch Revenue Bonds issued for the City of Celina's portion of the Doe Branch Plant construction project, as well as \$2.7 million of outstanding principal from the Series 2007 (Riverbend Plant only) Revenue Bonds issued for the refinancing of prior customer contributions for improvements made to the Riverbend Plant and to reimburse the Growth and Project Development Funds for land purchases for the Plant site. This issue also includes \$11.1 million of new funding for the Doe Branch Plant Expansion, Phase 2 project (Celina's portion only), \$4.0 million to fund a reimbursement to the Town of Prosper for improvements made during the construction of the Doe Branch Plant that provided additional treatment capacity, thereby benefitting all other plant participants. The FY 2020 debt service portion shown above includes \$764,675, representing the amount due from the City of Celina for their share to construct the Doe Branch Plant (from the Series 2014 Doe Branch Revenue Bonds that were refunded via issuance of the 2019 NERWRS Bonds). The remaining debt service of \$714,900 is to be paid with Capitalized Interest. The debt service portion shown above (City of Celina only), used to refund the Series 2014 Doe Branch Revenue Bonds, has a term that matures FY 2038, while the final payment for the other \$17.1 million related to Phase 2 of the Doe Branch Plant expansion project and reimbursement to the Town of Prosper, is in FY 2048.

**Northeast Regional Water Reclamation System -
Doe Branch Plant
FY 2019 - 2020 Adopted Budget**

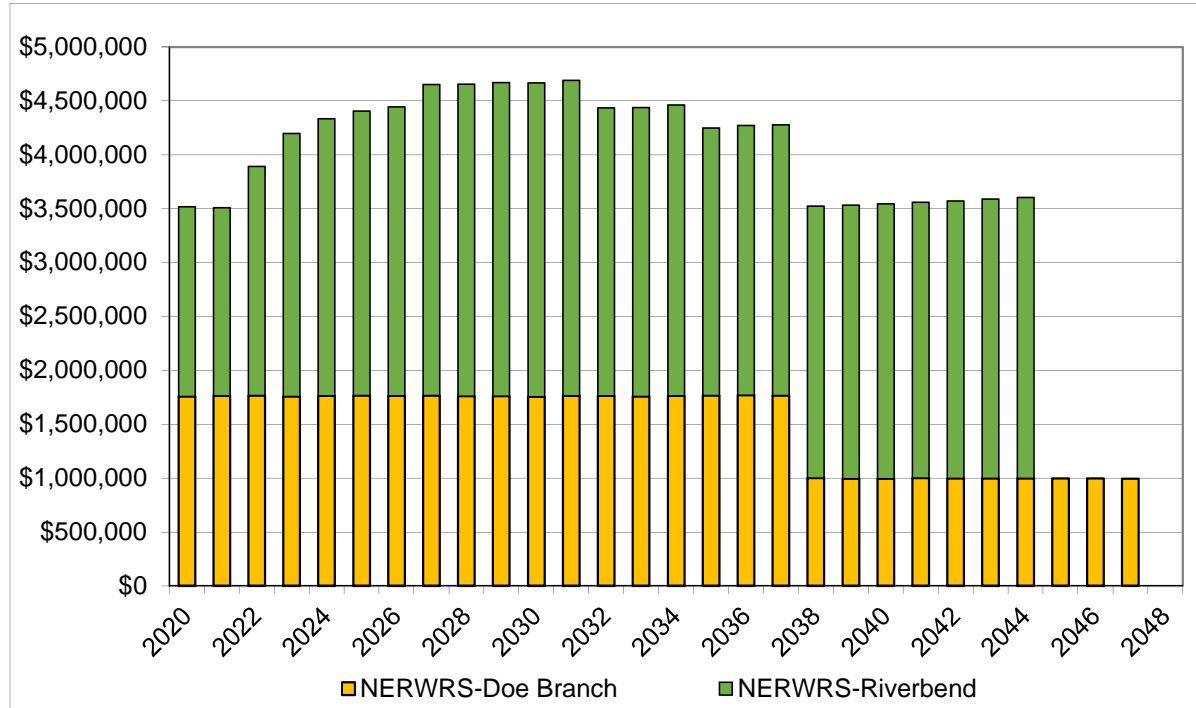
Long-Term Debt Indebtedness to Maturity

Year	Principal	Interest	Total
2019 - 2020	\$ 325,000	\$ 1,154,575	\$ 1,479,575
2020 - 2021	610,000	1,144,825	1,754,825
2021 - 2022	640,000	1,120,425	1,760,425
2022 - 2023	670,000	1,094,825	1,764,825
2023 - 2024	695,000	1,061,325	1,756,325
2024 - 2025	735,000	1,026,575	1,761,575
2025 - 2026	775,000	989,825	1,764,825
2026 - 2027	810,000	951,075	1,761,075
2027 - 2028	855,000	910,575	1,765,575
2028 - 2029	890,000	867,825	1,757,825
2029 - 2030	935,000	823,325	1,758,325
2030 - 2031	975,000	776,575	1,751,575
2031 - 2032	1,035,000	727,825	1,762,825
2032 - 2033	1,085,000	676,075	1,761,075
2033 - 2034	1,135,000	621,825	1,756,825
2034 - 2035	1,180,000	582,100	1,762,100
2035 - 2036	1,230,000	534,900	1,764,900
2036 - 2037	1,295,000	473,400	1,768,400
2037 - 2038	1,355,000	408,650	1,763,650
2038 - 2039	645,000	354,450	999,450
2039 - 2040	670,000	322,200	992,200
2040 - 2041	705,000	288,700	993,700
2041 - 2042	745,000	253,450	998,450
2042 - 2043	780,000	216,200	996,200
2043 - 2044	820,000	177,200	997,200
2044 - 2045	850,000	144,400	994,400
2045 - 2046	885,000	110,400	995,400
2046 - 2047	920,000	75,000	995,000
2047 - 2048	955,000	38,200	993,200
Total	\$ 25,205,000	\$ 17,926,725	\$ 43,131,725

This schedule represents annual debt service payments on the outstanding Northeast Regional Water Reclamation System (Doe Branch Plant) bond issue. This issue includes debt service for the refunded Series 2014 Doe Branch Plant Revenue Bonds issue, as well as an interest-only portion for the Phase 2 expansion of the Doe Branch Plant. Payment for the portion due from the City of Celina for the refunded 2014 bonds is reflected in the FY 2020 amount for Celina's Capital Charge for Individual Facilities (\$764,675). The remaining debt service of \$714,900 is to be paid from Capitalized Interest. For future debt issues during the five-year planning period (FY 2020 - FY 2024), refer to the Capital Improvement Program section of this budget document.

Northeast Regional Water Reclamation System Riverbend and Doe Branch Plants (Combined) FY 2019 - 2020 Adopted Budget

Graph of Existing Long-Term Debt Indebtedness to Maturity



**Northeast Regional Water Reclamation System -
Riverbend and Doe Branch Plants
Debt Service Reserve Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 3,060,961	\$ 2,960,961	\$ 2,976,014	\$ 3,658,964
Transfer to Operations				
BEGINNING CASH BALANCE Revised				
REVENUES				
Deposit				
Riverbend Plant Series 2019 Revenue and Refunding Bonds	-	-	682,950	-
Interest Income	58,956	35,000	43,500	61,325
TOTAL REVENUES	\$ 58,956	\$ 35,000	\$ 726,450	\$ 61,325
EXPENDITURES				
Interfund Transfers				
Operations				
Interest Revenue	43,903	35,000	43,500	61,325
Defeasance of Series 2014 (DB) Bonds	100,000	-	-	-
TOTAL EXPENDITURES	\$ 143,903	\$ 35,000	\$ 43,500	\$ 61,325
ENDING CASH BALANCE 9/30	\$ 2,976,014	\$ 2,960,961	\$ 3,658,964	\$ 3,658,964

FY 2020 Ending Balance increase of \$698,003 is due to a FY 2019 deposit from the issuance of the Series 2019 Revenue and Refunding Bonds. This issue provided funding to refund future principal amounts for the Series 2007 (Riverbend Plant) and the Series 2014 (Doe Branch Plant) Revenue Bonds. This issue also provided funding for the Doe Branch Plant Expansion, Phase 2 project.

**Northeast Regional Water Reclamation System -
Riverbend and Doe Branch Plants
Interest and Sinking Reserve Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 3,991,335	\$ 895,568	\$ 950,238	\$ 1,059,823
Transfer to Operations		\$ (618,000)		\$ (681,230)
BEGINNING CASH BALANCE Revised		\$ 277,568		\$ 378,593
REVENUES				
Deposit (Capitalized Interest)				
Riverbend Plant				
Series 2019 Revenue and Refunding				
Bonds	-	-	1,088,235	-
Interfund Transfers				
Operations	1,585,650	1,940,280	1,882,160	3,234,680
Working Capital	-	618,000	-	681,230
Interest Income	47,997	20,000	32,430	33,670
TOTAL REVENUES	\$ 1,633,647	\$ 2,578,280	\$ 3,002,825	\$ 3,949,580
EXPENDITURES				
Defeasance of Series 2014 (DB) Bonds	1,830,000	-	-	-
Debt Service	2,844,744	2,578,025	2,893,240 *	3,949,580 *
TOTAL EXPENDITURES	\$ 4,674,744	\$ 2,578,025	\$ 2,893,240	\$ 3,949,580
ENDING CASH BALANCE 9/30	\$ 950,238	\$ 277,823	\$ 1,059,823	\$ 378,593

FY 2020 Ending Balance increase of \$100,770 is due to earning higher than projected interest revenue for FY 2019, as well as including this revenue for FY 2020.

* Total includes the following debt service amounts funded via Capitalized Interest: FY 2019 Debt Service of \$637,745 (Series 2017 TWDB "D" Funds - Riverbend Plant) and \$373,335 (Series 2019 Revenue and Refunding Bonds - Doe Branch Plant portion for the Phase 2 Expansion project) and FY 2020 Debt Service of \$714,900 (Series 2019 Revenue and Refunding Bonds - Doe Branch Plant).

Peninsula Water Reclamation Plant FY 2019 - 2020 Adopted Budget

Schedule of Requirements

Series	Description	TIC *	Maturity	Principal	Interest	Total	Notes
2016	Revenue Bonds	2.60%	2035	\$ 45,000	\$ 23,145	\$ 68,145	1
Total				\$ 45,000	\$ 23,145	\$ 68,145	

* True Interest Cost

This schedule represents the 2019 - 2020 debt service payment due on the outstanding Peninsula Water Reclamation Plant. For future debt issues during the five-year planning period (FY 2020 - FY 2024), refer to the Capital Improvement Program section of this budget document.

Notes:

1 \$1.1 million bond issue to fund the UV Disinfection Improvements at the Peninsula Water Reclamation Plant.

Peninsula Water Reclamation Plant FY 2019 - 2020 Adopted Budget

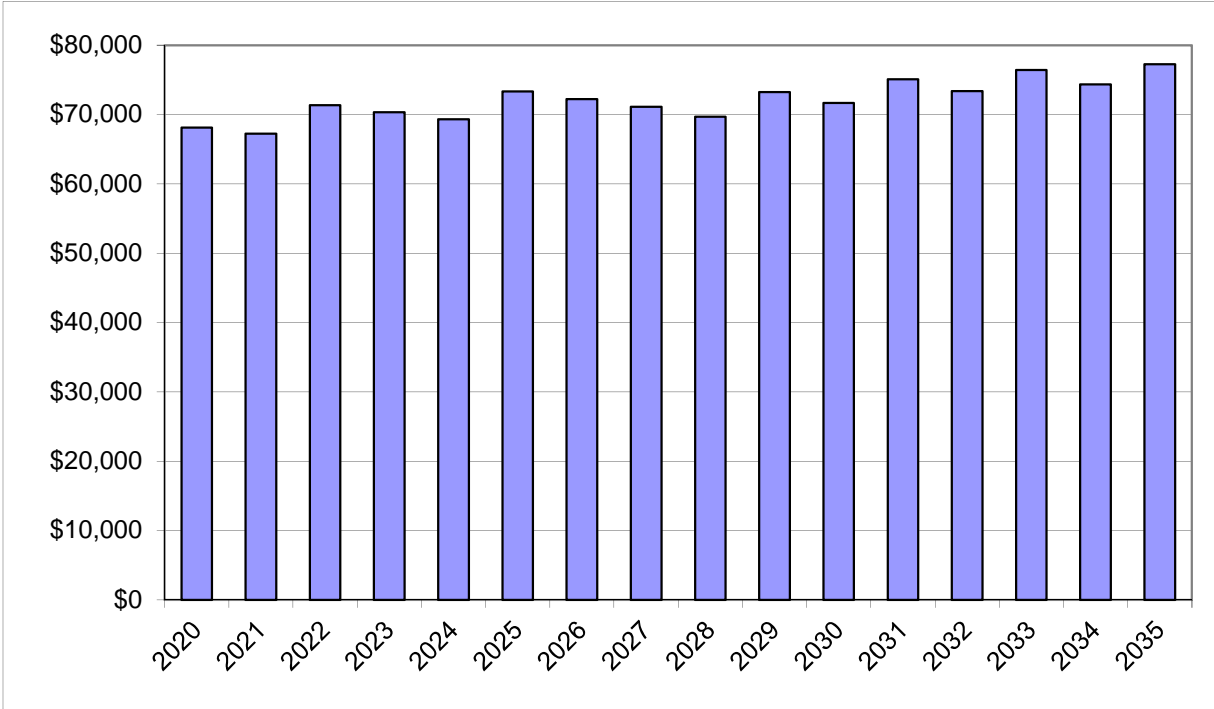
Long-Term Debt Indebtedness to Maturity

Year	Principal	Interest	Total
2019 - 2020	\$ 45,000	\$ 23,145	\$ 68,145
2020 - 2021	45,000	22,245	67,245
2021 - 2022	50,000	21,345	71,345
2022 - 2023	50,000	20,345	70,345
2023 - 2024	50,000	19,345	69,345
2024 - 2025	55,000	18,345	73,345
2025 - 2026	55,000	17,245	72,245
2026 - 2027	55,000	16,145	71,145
2027 - 2028	55,000	14,700	69,700
2028 - 2029	60,000	13,255	73,255
2029 - 2030	60,000	11,680	71,680
2030 - 2031	65,000	10,105	75,105
2031 - 2032	65,000	8,400	73,400
2032 - 2033	70,000	6,450	76,450
2033 - 2034	70,000	4,350	74,350
2034 - 2035	75,000	2,250	77,250
Total	\$ 925,000	\$ 229,350	\$ 1,154,350

This schedule represents annual debt service payments on the outstanding Peninsula Water Reclamation Plant bond issue. For future debt issues during the five-year planning period (FY 2020 - FY 2024), refer to the Capital Improvement Program section of this budget document.

Peninsula Water Reclamation Plant
FY 2019 - 2020 Adopted Budget

Graph of Existing Long-Term Debt Indebtedness to Maturity



Peninsula Water Reclamation Plant
Debt Service Reserve Fund
FY 2019 - 2020 Adopted Budget

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 75,565	\$ 75,214	\$ 75,490	\$ 75,490
REVENUES				
Interest Income	723	905	1,055	1,360
TOTAL REVENUES	\$ 723	\$ 905	\$ 1,055	\$ 1,360
EXPENDITURES				
Interfund Transfer - Operations	798	905	1,055	1,360
TOTAL EXPENDITURES	\$ 798	\$ 905	\$ 1,055	\$ 1,360
ENDING CASH BALANCE 9/30	\$ 75,490	\$ 75,214	\$ 75,490	\$ 75,490

Peninsula Water Reclamation Plant
Interest and Sinking Reserve Fund
FY 2019 - 2020 Adopted Budget

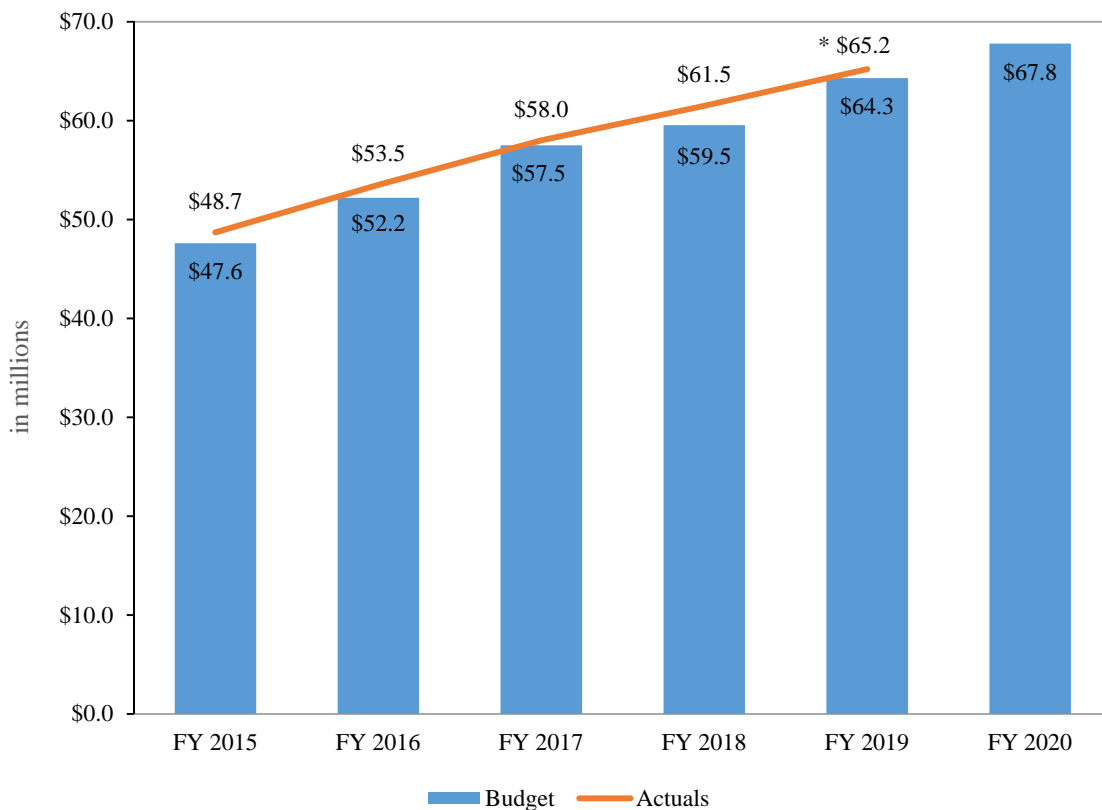
	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 4,325	\$ 4,645	\$ 4,114	\$ 4,554
REVENUES				
Interfund Transfer - Operations	70,079	70,545	70,545	69,690
Interest Income	304	385	440	495
TOTAL REVENUES	\$ 70,383	\$ 70,930	\$ 70,985	\$ 70,185
EXPENDITURES				
Debt Service (w/Fiscal Agent Fees)	70,594	70,545	70,545	69,690 *
TOTAL EXPENDITURES	\$ 70,594	\$ 70,545	\$ 70,545	\$ 69,690
ENDING CASH BALANCE 9/30	\$ 4,114	\$ 5,030	\$ 4,554	\$ 5,049

* Includes Fiscal Agent Fees of \$1,500.

FUND REVENUE OVERVIEW

The District derives its total revenues primarily from water operations (Regional Treated Water System). However, it also has two (2) regional water reclamation operating systems; the Lakeview System and Northeast System (Riverbend and Doe Branch Plants), and the Peninsula Plant. In addition, the District generates revenues through the General Fund (Administration), Non-Potable Water System, and the Household Hazardous Waste Program. There are a variety of operating and non-operating revenue sources available, some of which can be utilized to offset operating expenses and others which cannot, due to certain restrictions. The District utilizes a cost recovery (rate) analysis model specific to each system and program so that the appropriate rate, charge or fee to generate District revenues can be determined.

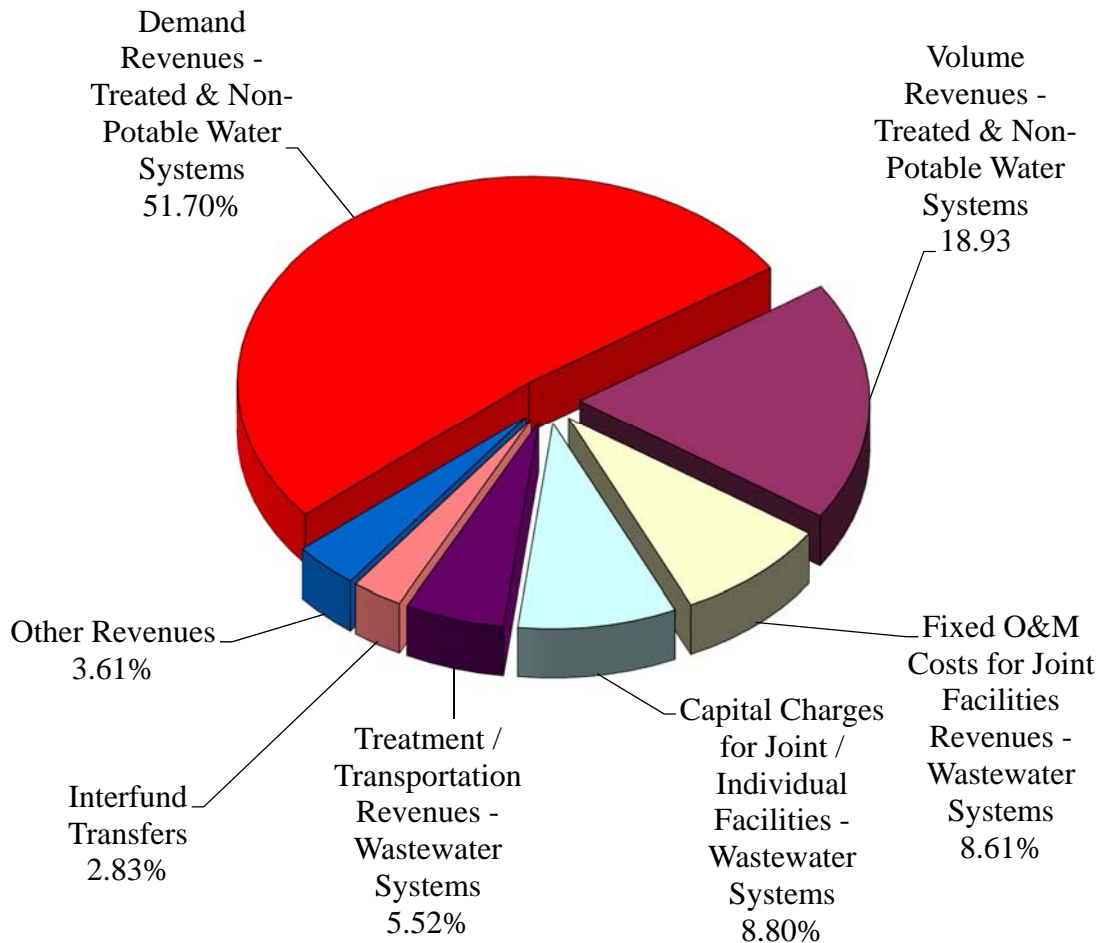
All Operating Funds - Revenues



* - Represents FY 2019 Estimates

Generally, as the population grows in the District's service area, operating expenses and debt service payments (for additional infrastructure to provide service to a growing service area) increase as well. Since the District's rate methodology consists of setting rates at an appropriate level to adequately recover these costs, total revenues will usually increase as these expenses increase. Actual results, however, will vary since the types of services provided by the District (water and wastewater) are weather and population growth dependent.

FY 2020 DISTRICT OPERATING REVENUES BY MAJOR CATEGORY



DISCUSSION OF OPERATING REVENUES

The District's Water and Wastewater Systems generate the majority of annual total revenues and are primarily divided between those that recover fixed operating expenses and debt service payments, and those that recover variable operating expenses. The following section will discuss and analyze the District's major revenue categories.

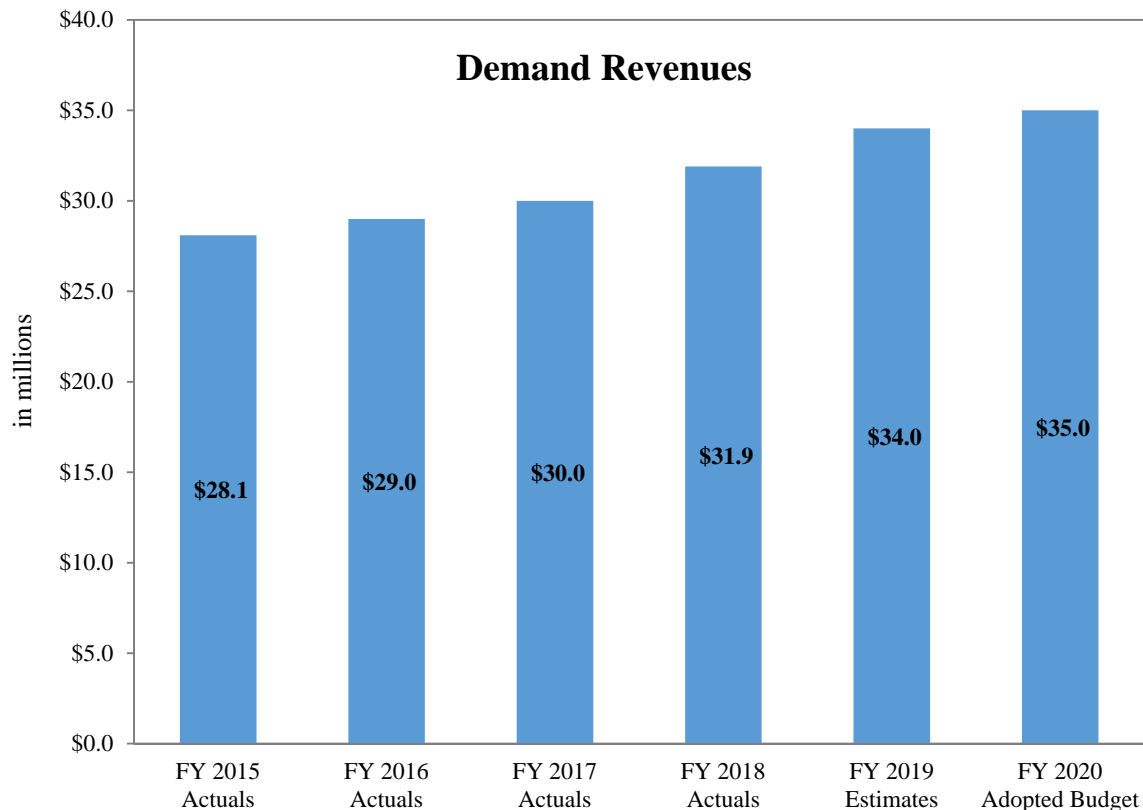
Demand Revenues – Treated and Non-Potable Water Systems

This type of revenue is the largest type of revenue for the District and represents the amount of fixed revenues needed to recover annual fixed operation expenses, such as payroll, overhead expense, debt service (if applicable), maintenance expense, office expenses, and equipment purchases, in the Regional Treated Water and Non-Potable Water Systems. The adopted Demand Charge is the amount necessary to recover the total of these expenses, divided by total contracted capacity in the Systems (Subscriptions). Contracted capacity, or Subscription, represents how much capacity a System participant has contracted to

utilize and thus, be charged for their proportional share of the System's annual fixed operating expenses, including debt service.

Projected Regional Treated Water System (RTWS) Demand Revenue for FY 2020 is \$34,921,345. This amount represents a 3.1% increase from Adopted FY 2019 and was necessary to offset an increase to certain fixed operating expenses. FY 2020 subscriptions are expected to increase by less than 1.0% (0.76 mgd increase from FY 2019). The RTWS Demand Charge was increased by 2.1% from FY 2019 to FY 2020 (from \$439,650 / mgd to \$448,745 / mgd, respectively). Meanwhile, Non-Potable Water System (NPWS) Revenue for FY 2020 is \$125,000; unchanged from Adopted FY 2019.

The following graph reflects annual growth in Demand Revenues experienced by the Regional Treated Water and Non-Potable Water Systems since FY 2015.



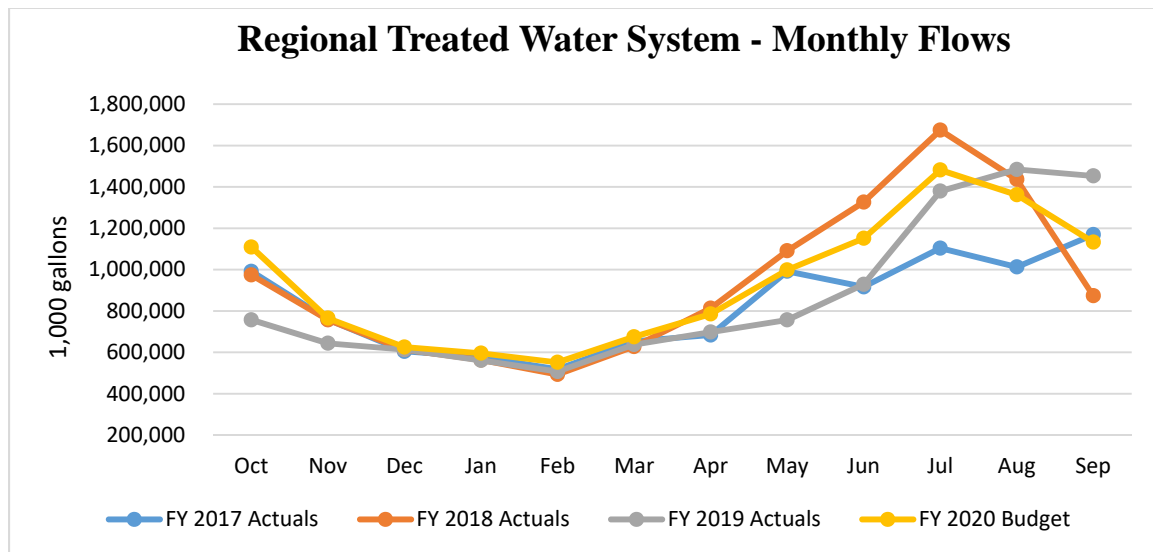
Demand Revenues have increased an average of 4.5% from FY 2015 and reflects a combination of moderate growth in our participants' required capacity for treated and non-potable water services, as well as increases to the annual Demand Charge to adequately recover increases in fixed operating expenses and debt service payments. While the NPWS does not have any outstanding debt issues and does not anticipate any future issues, the RTWS will incur increased debt service expense over the next five years (see the Five-Year Financial Forecast in the Strategic Plan tab) as various "large-dollar" capital projects are projected for this period.

Volume Revenues – Treated and Non-Potable Water Systems

This type of revenue represents the amount of revenues needed to recover annual variable operation expenses, such as electricity, chemicals, raw water, and reserve fund contributions, incurred by the Regional Treated Water and Non-Potable Water Systems. The adopted volume rate in the (RTWS) is the amount necessary to recover the total of these expenses, divided by total projected treated water flows (shown in units of 1,000 gallons). Additionally, the Non-Potable Water System (NPWS) has two volume rates. The treated effluent rate is established based on the total of all variable NPWS costs incurred to secure and pump treated effluent water to this System's only customer, Denton County Fresh Water Supply District (DCFWSO) # 1A divided by the amount of 1,000 gallon units (expressed in mgd or million gallons per day). The raw water rate is established based on the total of all variable NPWS costs to secure and pump raw water to DCFWSO #1A.

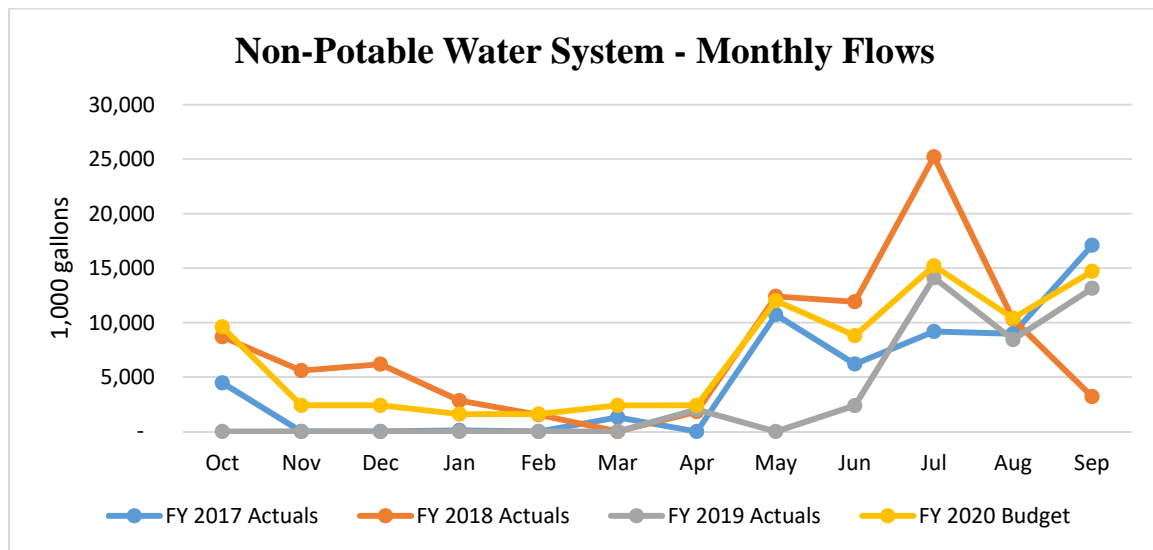
Projected Volume Revenue for RTWS is \$12,789,435 for FY 2020 and represents a 4.4% increase from the Adopted FY 2019 amount due to projecting a modest 1.7% increase in RTWS participant flows from FY 2019. The RTWS Volume Rate, set at \$1.12 / 1,000 gallons for FY 2020, was increased by \$0.03 / 1,000 gallon from FY 2019, due to increasing contributions to reserves (discussed in the Operating Fund Detail section of this budget document), as well as a moderate 1.6% per 1,000 gallon rate increase to raw water supplied by Dallas Water Utilities.

The following graph reflects actual monthly flows from treated water sales for FY 2017 through FY 2019, with projections for FY 2020.

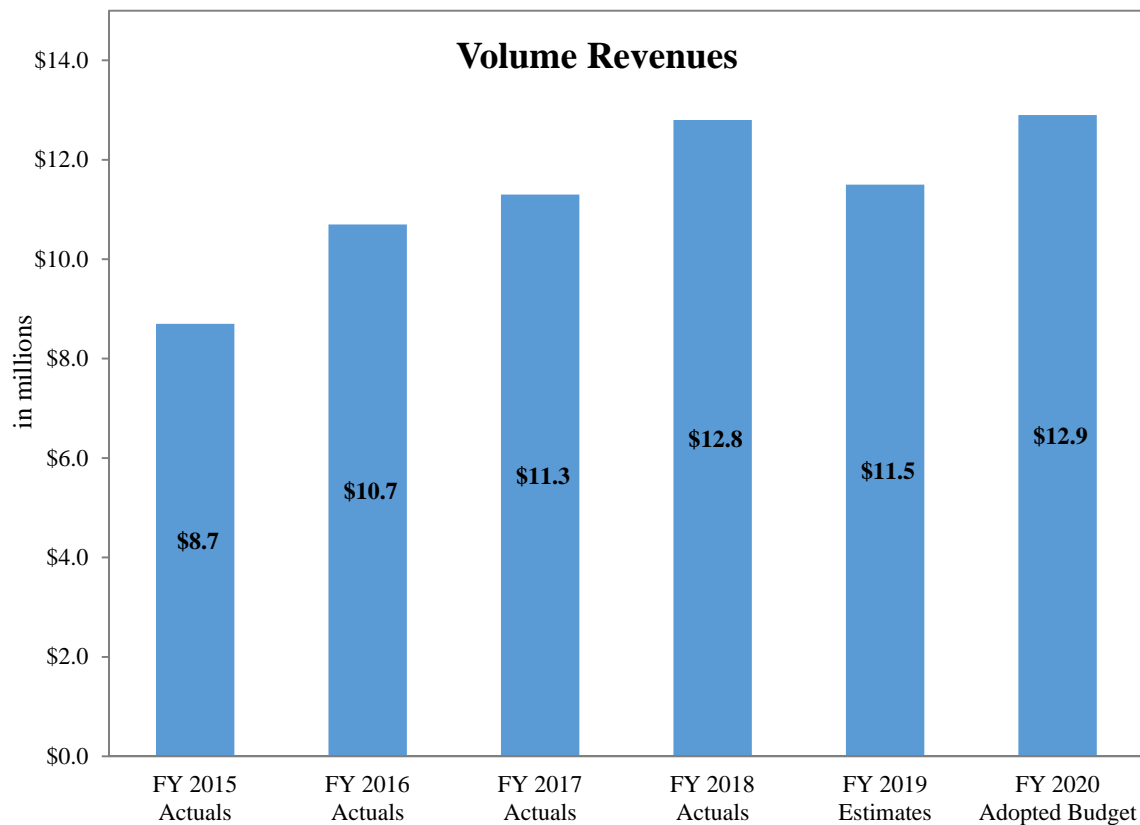


Projected Treated Effluent Volume Revenue for NPWS is \$36,000 for FY 2020 and reflects a 2.6% decrease from the Adopted FY 2019 amount. The treated effluent volume rate was unchanged from Adopted FY 2019 (\$0.45 / 1,000 gallons). The District's raw water volume rate was also unchanged from Adopted FY 2019 (\$0.95 / 1,000 gallons). Additionally, treated effluent flows for FY 2020 were decreased by 2.5% from FY 2019, while raw water flows for FY 2020 were increased by 15.67%.

The following graph reflects actual monthly flows from treated effluent water sales for FY 2017 through FY 2019, with projections for FY 2020.



The following graph reflects annual growth in Volume Revenues experienced by the Regional Treated Water and Non-Potable Water Systems since FY 2015.



Volume Revenues have increased approximately 8.8% from FY 2015 due to stronger than average growth in the RTWS, especially in FY 2018. These revenues also increased due

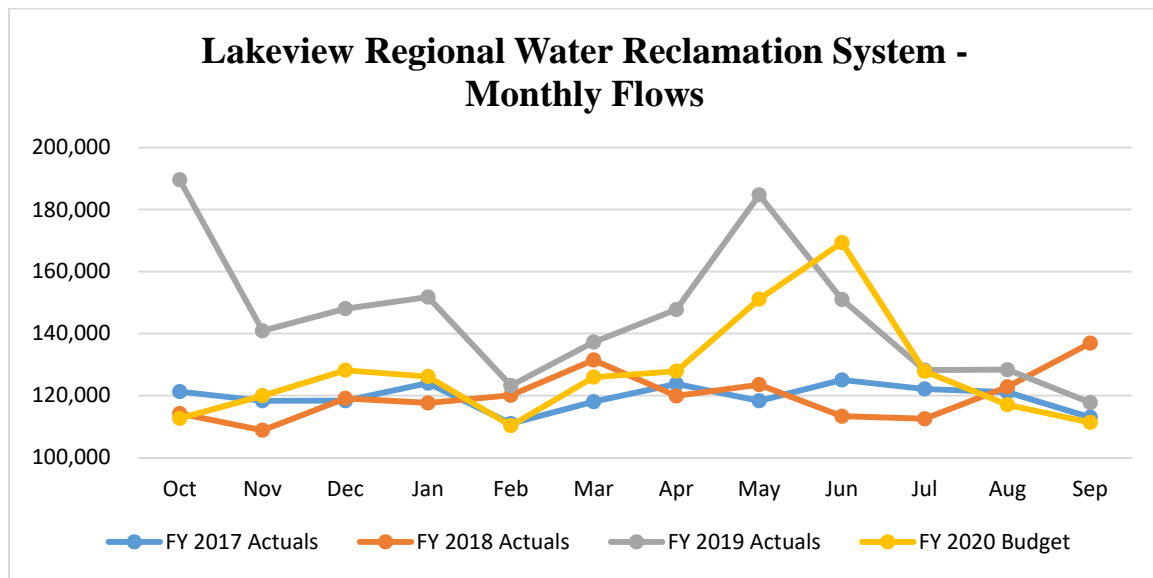
to the need to increase the volume rate for Treated Water (RTWS) and Raw Water (NPWS) after previously incurring large raw water rate increases from Dallas Water Utilities -- as reflected in the graph above for FY 2016. During that fiscal year, the District was forced to pass on a 48.5% increase for the cost of Dallas raw water to the participants in the RTWS by increasing the volume rate by \$0.15 per 1,000 gallons of treated water. However, due to the a 16.0% raw water rate decrease provided by Dallas Water Utilities for FY 2019, the District was able to pass on this savings to its RTWS participants by decreasing the volume rate by \$0.02 / 1,000 gallons. This, along with lower than projected RTWS treated water sales, Estimated FY 2019 Volume Revenues reflect a 10.2% decrease from FY 2018. Adopted FY 2020 Volume Revenues are projected to increase approximately 12.2% over Estimated FY 2019 Volume Revenues primarily due to the aforementioned \$0.03 / 1,000 gallon increase to the RTWS volume rate for FY 2020. Future (Post FY 2020) Volume Revenues are expected to increase annually, both from the estimated increases to flows (3.0% to 4.0% per year) and increases to the RTWS volume rate. These increases are necessary to secure raw water sources, cover anticipated chemical expenses, and continue contributions to RTWS' reserve funds. Refer to the Five-Year Financial Forecast in the Strategic Plan tab for future rate increase projections.

Treatment and Transportation Revenues – Wastewater Systems

This type of revenue represents the amount of revenues needed to recover annual variable operation expenses, such as electricity, chemicals, sludge processing and disposal services, and reserve fund contributions, incurred by the Lakeview and Northeast Regional Water Reclamation Systems, and the Peninsula Water Reclamation Plant. The adopted treatment rate is the amount necessary to recover the total of these expenses, divided by total projected wastewater flows (shown in units of 1,000 gallons).

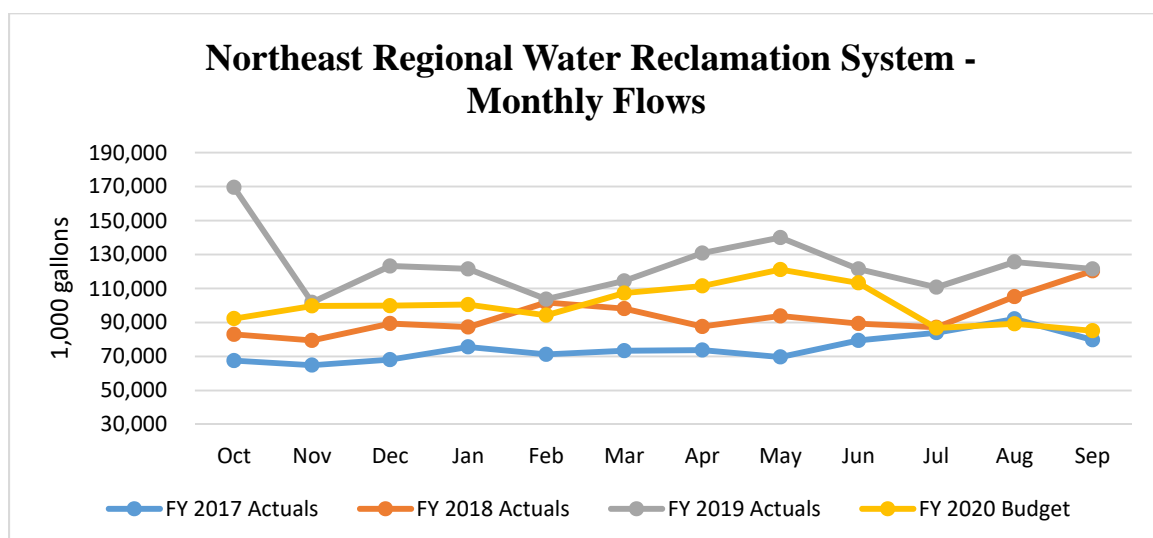
Projected Treatment and Transportation Revenue (including the Corinth Entry Point at Post Oak) for the Lakeview Regional Water Reclamation System (LRWRS) is \$1,890,885 for FY 2020 and reflects a 1.0% increase from the Adopted FY 2019 amount due to a very slight decrease in projected wastewater flows. The treatment rate, set at \$1.25 / 1,000 gallons is unchanged from FY 2019, due to previous improvements made for odor control and sludge processing at the Lakeview Plant. The service area of the Lakeview Plant has not experienced significant growth over the past several years with treatment flows averaging an approximate 3.0% annual decrease since FY 2017. Additionally, improvements have been made by the participants of the Lakeview System over the past several years, to curb needless inflow and infiltration problems that contribute to increased pumping costs and chemical and ultraviolet disinfection expenses.

The following graph reflects actual monthly flows from wastewater sales for FY 2017 through FY 2019, with projections for FY 2020.



Projected Treatment and Transportation Revenue for the Northeast Regional Water Reclamation System (NERWRS) is \$1,550,995 for FY 2020 and reflects a 10.0% increase from the Adopted FY 2019 amount due solely to a 10.0% increase in projected wastewater flows. The Northeast System's service area has experienced double-digit growth in treatment flows due to continued housing construction and economic development activity over the past several years. The District is anticipating further continued growth by currently expanding the treatment capacity of the Doe Branch Plant (projected to be on-line in FY 2021). The treatment rate for Adopted FY 2020, set at \$1.25 / 1,000 gallons, remains unchanged from FY 2019, primarily due to efficient treatment processes at both plants.

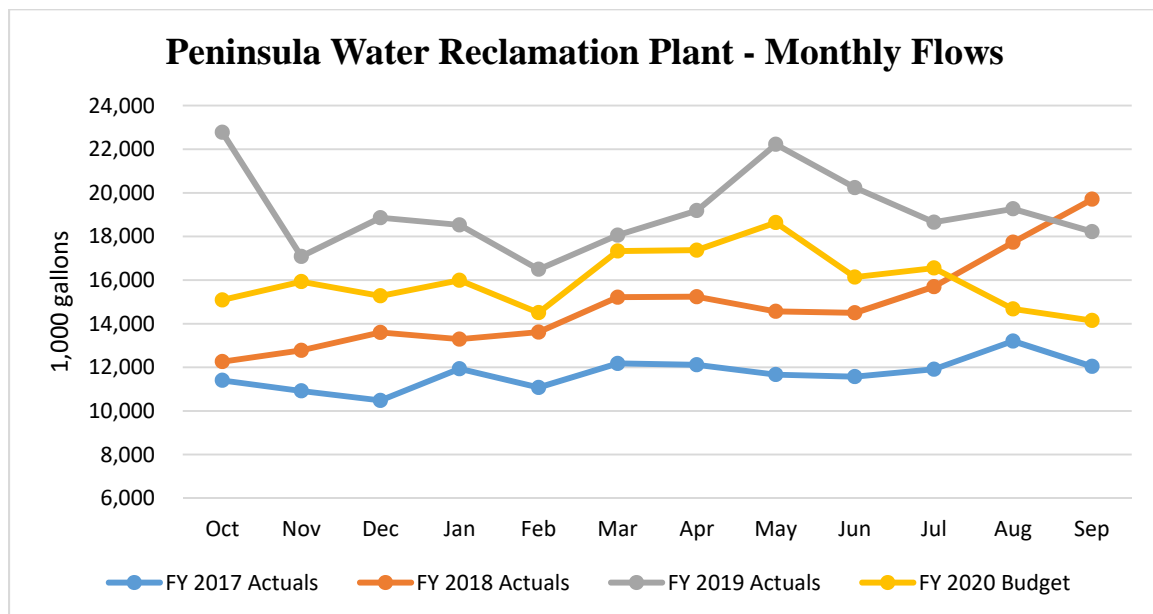
The following graph reflects actual monthly flows from wastewater sales for FY 2017 through FY 2019, with projections for FY 2020.



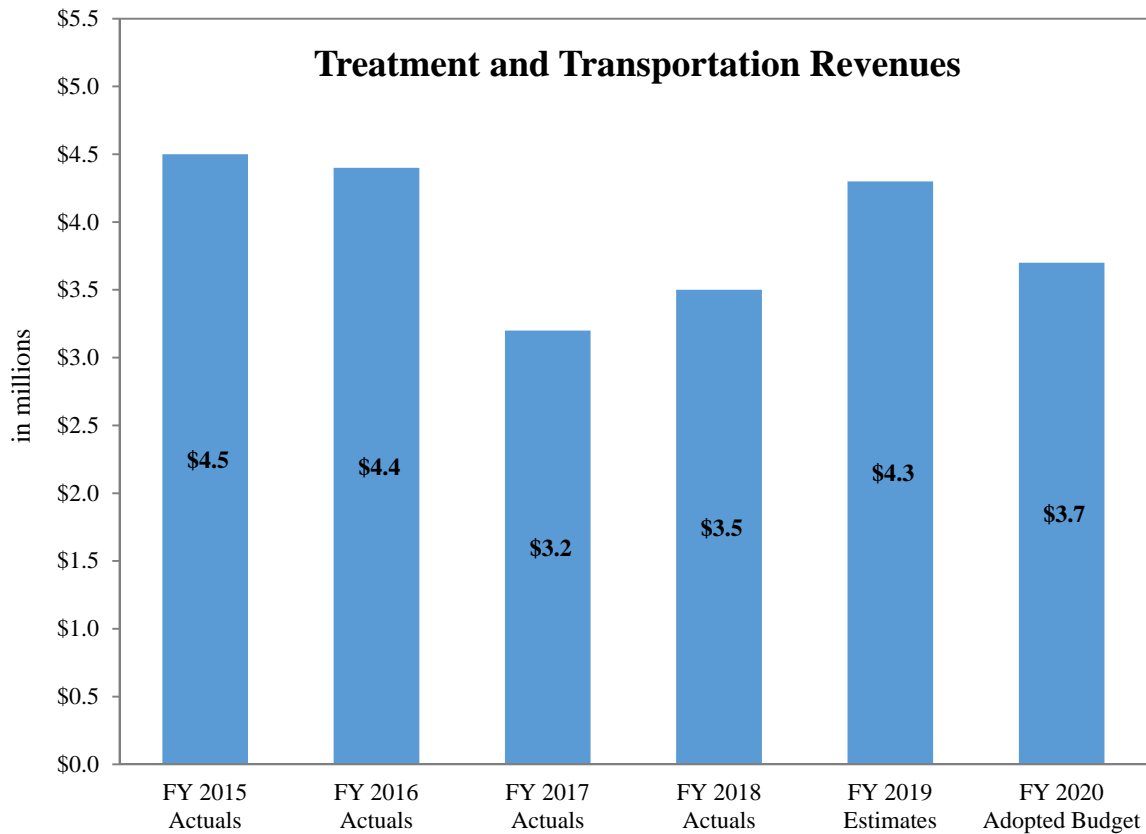
Projected Treatment and Transportation Revenue for the Peninsula Water Reclamation Plant is \$302,770 for FY 2019 and reflects an 11.0% increase from the Adopted FY 2019 amount due to a 7.1% increase in projected wastewater flows and a 3.9% increase to the FY 2019 treatment rate (from \$1.52 to \$1.58 / 1,000 gallons). This increase was necessary based on a projected increase to sludge hauling expenses for FY 2020. With an average annual growth rate of 13.0% in wastewater flows for FY 2017 through projected FY 2020, the additional liquid sludge produced at the Peninsula Plant has increased dramatically. Therefore, the frequency and amount of sludge hauling services have also increased.

The Peninsula Plant's service area consists of one participant, Mustang Special Utility District and projects to have greater demand over the next 3-5 years from anticipated growth in housing construction and economic development. With this anticipated growth in mind, the District has incorporated the expansion of the treatment capacity of the Peninsula Plant into its five-year capital budget (see CIP Funds tab).

The following graph reflects actual monthly flows from wastewater sales for FY 2017 through FY 2019, with projections for FY 2020.



The following graph reflects annual growth in Treatment and Transportation Revenues experienced by Lakeview and Northeast Regional Water Reclamation Systems and the Peninsula Water Reclamation Plant since FY 2015.



Treatment and Transportation Revenues have decreased approximately 2.2% from FY 2015 due to lowering the treatment rates in FY 2016 and again in FY 2017. These rates were maintained at \$1.25 / 1,000 gallons for FY 2017 and FY 2018. This is the result of reclassifying various fixed operating expenses, previously used to calculate the treatment rates, to the Fixed O&M Cost group of expenses. FY 2019 Treatment and Transportation Revenues spiked in FY 2019, due in part to higher than anticipated wastewater flows, mainly from population growth in the Northeast Regional Water Reclamation System (Riverbend and Doe Branch Plants).

Through improvements to the Systems, along with staff diligence, rates for FY 2020 remain at \$1.25 / 1,000 gallons for the Lakeview and Northeast Regional Water Reclamation Systems. While treatment flows have increased over the past five years, growth in actual treatment revenues has been tempered because of decreases to this rate since FY 2016. Future projections (post FY 2020) reflect a 5% to 10% annual growth rate in Treatment and Transportation Revenues over the next five-year planning period.

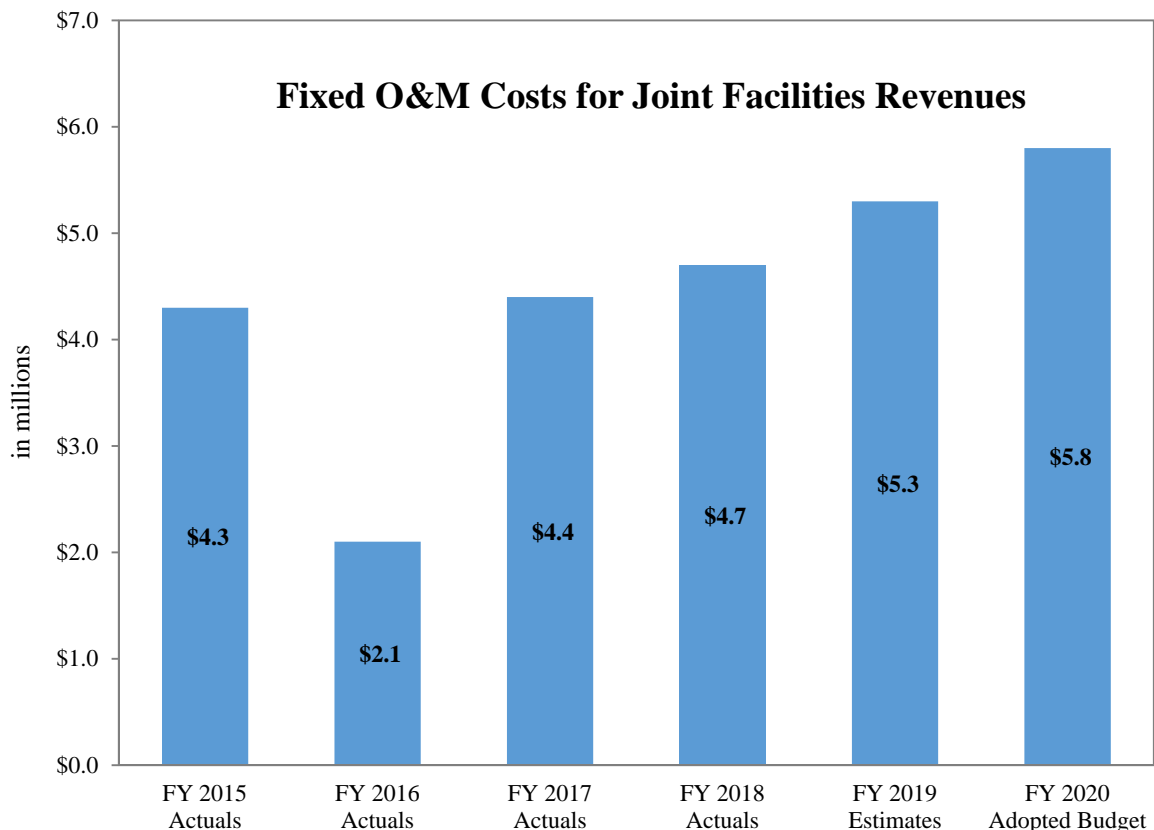
Fixed O&M Costs for Joint Facilities Revenues – Wastewater Systems

This type of revenue represents the amount of fixed revenues needed to recover annual fixed operation expenses, such as payroll, overhead expense, maintenance expense, office

expenses, and equipment purchases, for the District's water reclamation systems (Lakeview and Northeast Systems and the Peninsula Plant). The adopted Fixed O&M Costs for Joint Facilities charge is the amount necessary to recover the total of these expenses, divided by total contracted capacity in the Systems (Subscriptions). Contracted capacity, or Subscription, represents how much capacity a System participant has contracted to utilize and thus, be charged for their proportional share of the System's annual fixed operating expenses.

Projected Fixed O&M Costs for Joint Facilities for the Lakeview Regional Water Reclamation System for FY 2020 is \$2,150,175 and is unchanged from FY 2019 due to maintaining a high quality of operations and process efficiencies. Projected Fixed O&M Costs for Fixed O&M Costs for Joint Facilities for the Northeast Regional Water Reclamation System (Riverbend and Doe Branch Plants) for FY 2020 is \$3,071,645. This amount resents a 14.5% increase from Adopted FY 2019 due to slightly higher Personnel Services (for additional staff required to run both Plants), as well as a larger share of Administration and Maintenance Fund allocated expenses. Projected Fixed O&M Costs for Joint Facilities for the Peninsula Water Reclamation Plant for FY 2020 is \$615,795. This is a 7.0% increase over the FY 2019 total also due to higher Personnel Services (for additional staff to manage increased flows and sludge processing duties), as well as higher Administration and Maintenance Fund allocated expenses for FY 2020.

The following graph reflects annual growth in Fixed O&M Costs for Joint Facilities Revenues experienced by the Lakeview and Northeast Regional Water Reclamation Systems, including the Peninsula Water Reclamation Plant, since FY 2015.



Fixed O&M Costs for Joint Facilities Revenues have increased an average of 17.5% from FY 2015 mainly due to having experienced tremendous growth in the Northeast service area, including bringing the Doe Branch Plant on-line in November 2016. This is evident by the increase in these revenues from FY 2016 to FY 2017 in the above graph. The data for FY 2016 represents a methodology change by reassigning the debt service component from the calculation of the Fixed O&M Costs charge for the Lakeview Regional Water Reclamation Plant to the Capital Charge for Joint and Individual Facilities. This was done to yield comparable Fixed O&M Costs for Joint Facilities charges between the water reclamation Systems.

In addition, the FY 2017 Lakeview Plant Fixed O&M Costs for Joint Facilities charge was increased 125.1% (from \$174,250 per mgd to \$392,200 per mgd) due to moving certain fixed operating expenses from the variable Treatment Rate group to the fixed expense group for proper recovery through the Fixed O&M Costs charge. As discussed in the Treatment and Transportation Revenue - Wastewater Systems section, this change in rate methodology allowed for the reduction of the Lakeview Plant's treatment rate to be reduced from \$1.50 per 1,000 gallons to \$1.25 per 1,000 gallons for FY 2017 in order to keep all District wastewater treatment rates at a consistent amount. Projected future Fixed O&M Costs for Joint Facilities Revenues are projected to increase slightly over the next five years in anticipation of expanding both water reclamation plants in the Northeast Regional Water Reclamation System, increasing the System's treatment capacity from 4.0 mgd to 8.0 mgd. With expansion of the District's water reclamation plants, increases to operating expenses such as additional manpower (possibly 24 hour staffing) and increased maintenance efforts, are likely.

Capital Charge (with Interim Financing) for Joint and Individual Facilities Revenues – Wastewater Systems

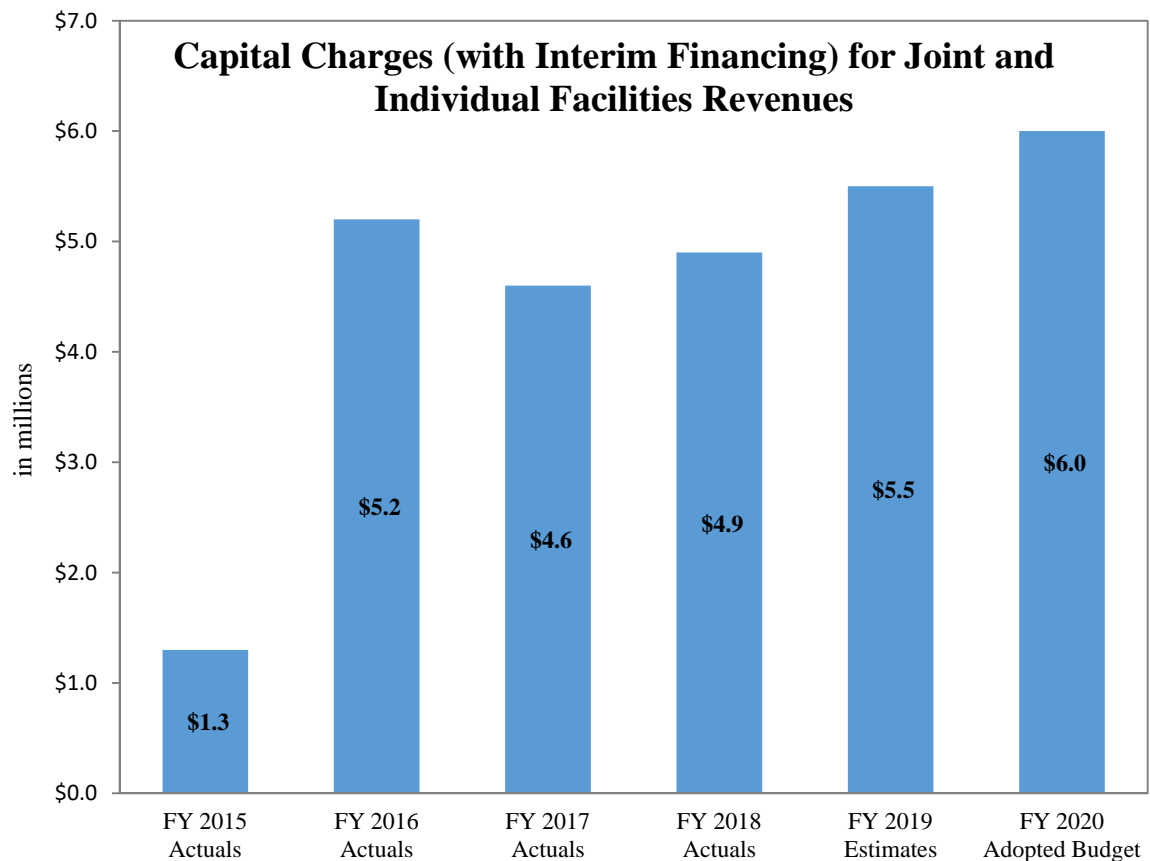
This type of revenue represents recovery of annual debt service payments for debt issues used to construct common-to-all (Joint) infrastructure, such as a reclamation plant, and for participant (Individual) infrastructure (i.e., lift stations, trunk mains, points of entry). Regarding debt service for joint facilities, there are two plants that make up the Northeast System and debt issues are specific to each plant. Therefore, Doe Branch plant participants are not responsible for making payments on a debt issue that was used to construct the Riverbend Plant, and vice versa. In addition, these revenues include participant payments related to the repayment of interim or short-term loans for common-to-all capital projects financed by another System's reserves or until permanent financing could be completed. Interim financing revenues are primarily included only for participants of the Northeast Regional Water Reclamation System.

Projected FY 2020 Capital Charge for Joint and Individual Revenues for the Lakeview Regional Water Reclamation System (LRWRS) is \$2,997,845 for FY 2020 and reflects a 2.0% decrease from the Adopted FY 2019 amount due to a slight decrease in the annual debt service payment for a particular debt issue. These revenues consist of debt service for joint facilities allocated between the Lakeview System's participants based on subscribed capacity. Total FY 2020 Capital Charges for Joint Facilities is \$2,168,800 and reflects the total amount of debt service payments from debt issues to construct all common-to-all portions of the Lakeview Regional Water Reclamation System. Conversely, total Capital

Charges for Individual Facilities totals \$829,045 for FY 2020 and reflects the total portion of debt service for debt issues to construct each participant's solely used segments within the Lakeview System.

Projected Capital Charge (with Interim Financing) for Joint and Individual Revenues for the Northeast Regional Water Reclamation System (NERWRS) is \$2,900,720 for FY 2020 and reflects a 22.1% increase from the Adopted FY 2019 amount primarily due to the beginning of debt service payments for the Series 2017 Texas Water Development Board "D" Fund Bonds, issued for the expansion of the Riverbend Regional Water Reclamation Plant.. Total FY 2020 Capital Charges for Joint Facilities is \$582,275 and reflects the total amount of debt service payments from debt issues to construct all common-to-all portions of the Riverbend Plant and related infrastructure, as well as the subscribed capacity of the additional 2.0 mgd for the expansion of the Riverbend Plant from 2.0 to 4.0 mgd of treatment capacity. Conversely, total Capital Charges for Individual Facilities totals \$2,228,010 for FY 2020 and reflects the total portion of debt service for debt issues to construct the City of Celina's portion of the Doe Branch Plant, as well as the debt service due from the Riverbend Participants for their allocated share to expand the Riverbend Plant. Also included in this revenue category are interim financing charges totaling \$90,435 to fund the previous installation of a new ultraviolet disinfection system at the Riverbend Plant (\$90,435). These interim financing payments will continue through FY 2021. Projected Capital Charge for Joint and Individual Revenues for the Peninsula Water Reclamation Plant is \$69,690 for FY 2020 and reflects a 1.2% decrease from the Adopted FY 2019 amount due to a decrease to the annual debt service payment for the Series 2016 Revenue Bond issue that was used to fund the installation of a new ultraviolet disinfection system at the Peninsula Plant (completed in FY 2017).

The following graph reflects annual growth in Capital Charge (with Interim Financing) for Joint and Individual Facilities Revenues experienced by the District's water reclamation operations, consisting of the Lakeview and Northeast Regional Water Reclamation Systems, along with the Peninsula Water Reclamation Plant, since FY 2015.

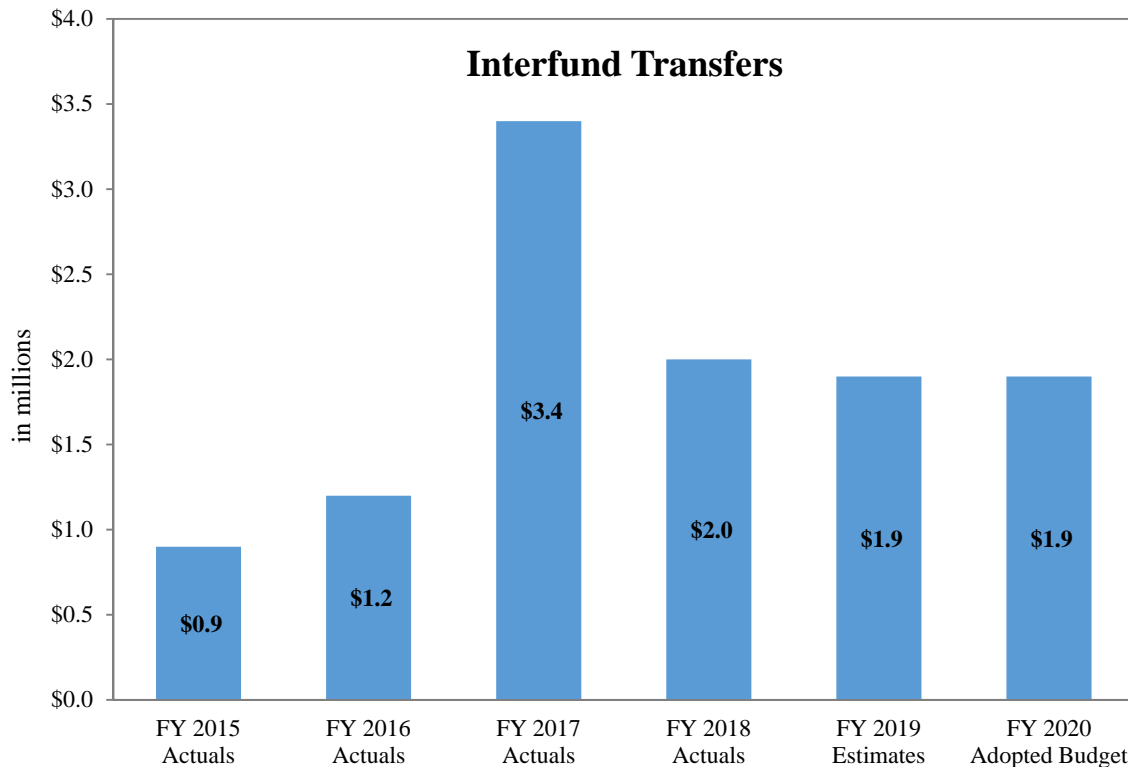


Capital Charge (with Interim Financing) for Joint and Individual Facilities Revenues have increased an average of 63.3% from FY 2015 from the use of bond funding for the construction of the Doe Branch Plant, the expansion of the Riverbend Plant and the use of interim financing (loans) between Systems for completion of capital projects such as UV Disinfection Improvements (Riverbend and Peninsula Plants) and the Doe Branch Interceptor, Phase 2. The data for FY 2016 represents a methodology change by reassigning the debt service component from the calculation of the Fixed O&M Costs charge for the Lakeview Regional Water Reclamation Plant to the Capital Charge for Joint and Individual Facilities. Over the next 3-5 years, these revenues will increase due to the use of capitalized interest for the Series 2019 Revenue Bonds that were issued to finance the portion of Celina's additional capacity purchased in the phase 2 expansion of the Doe Branch Plant. Interest only payments are due from the Riverbend Plant participants related to Series 2016 and Series 2017 bonds issued for the phase 3 expansion of the Riverbend Plant. As annual debt service requirements increase, revenues will increase to recover these debt service payments. This category of revenues is strictly based on the use and amount of loans and / or debt financing for completion of capital projects for the Systems and is not associated with the setting of a particular charge or rate.

Interfund Transfers

This type of revenue represents the transfer of funds between reserve funds within a System or between Systems. These transfers are not always consistent from year-to-year and are necessary for a variety of ever-changing circumstances. For example, when vehicles or equipment are to be replaced, the expense or revenue requirement is offset by an Interfund Transfer from the Vehicle / Equipment Replacement Reserve fund. Additionally, several of the District's Systems transfer funds to the Regional Treated Water System (RTWS) for loans made to those Systems for various capital expenditures or projects. Those payments are included as an Interfund Transfer for the RTWS, but are shown as "Shared Debt Service Payments". Therefore over the years, the totals and types of Interfund Transfers have differed greatly. Detail regarding individual FY 2020 Interfund Transfers are listed for each of the District's Systems in the Operating Fund Detail section of this budget document.

The following graph reflects annual growth of District Interfund Transfers since FY 2015.



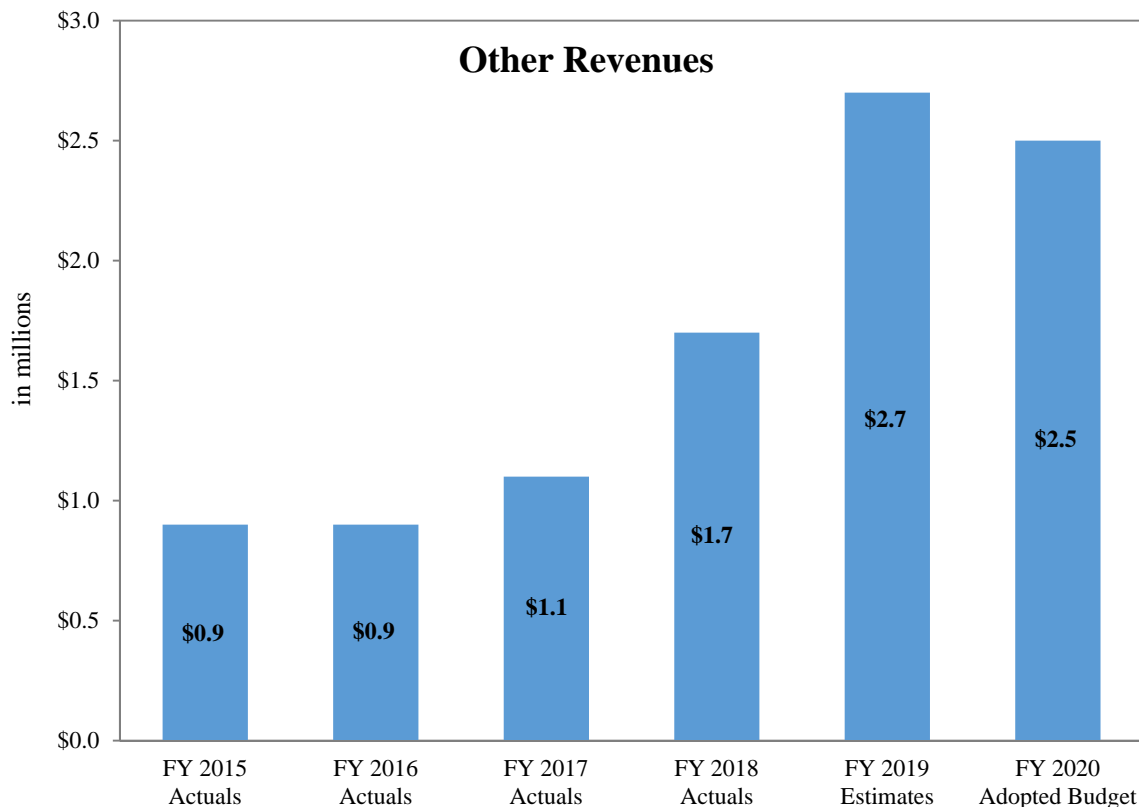
Interfund Transfers have increased an average of 34.1% from FY 2015 for a variety of reasons. However, the FY 2017 total increased 183.3% over FY 2016 due to a \$2.5 million reimbursement of a prior year working capital loan made from the Regional Treated Water System (RTWS) to the Northeast Regional Treated Water System's (NERWRS) construction cash. This was done to fund the initial planning and design of the Riverbend Plant Expansion, Phase 3 project. Reimbursement was made from bond funds received at the end of FY 2016 via Texas Water Development Board "D" Funds designated for the Riverbend Plant Expansion project. The FY 2020 amount of \$1.9 million includes a \$1.2 million transfer from the O&M Reserve Fund in the Regional Treated Water System to

begin the dredging and sludge removal project at the Taylor Regional Treated Water Plant raw water storage pond (\$250,000) and to complete Smart Ball testing (\$200,000) of various System pipelines and related repairs to those pipelines (\$750,000).

Other Revenues

This type of revenue includes Fees for Administration and Planning from the General Fund (Administration), Participant Reimbursements from the Lakeview Regional Water Reclamation System, Charges for Services from the Household Hazardous Waste Fund (HHW), Contract Payments, and Equity Fees from the Regional Treated Water System (through FY 2016), and Rental, Other, and Interest Income from all District funds. These items are discussed in the Operating Fund Detail section of this budget document.

The following graph reflects annual growth of the District's Other Revenues since FY 2015.



Other Revenues have increased an average of 25.6% from FY 2015 due to steady increases to annual Interest Revenue as market interest rates continue to increase, and by effective investment strategies employed by the District. Additionally, these amounts include periodic reimbursements from District participants for various specific capital expenditures or projects for the benefit of that particular participant.

ADMINISTRATION

The purpose of Administration is to facilitate the overall management and organizational focus of the District and to provide support services to the core operations. Administrative and support services include the office of the Executive Director, accounting and financial management, human resource management, purchasing/procurement management, risk management, contract management, information technology and communication systems.

MISSION

The Board of Directors sets the overall mission, values, and policies of the organization and is responsible for the District's operation in accordance with authority derived under Article XVI, Section 59 of the Texas State Constitution for the purpose of providing wholesale treated water and other services.

The Executive Director is the Chief Executive Officer responsible for the overall management and supervision of the District. This office is responsible for carrying out the policies and directives identified by the Board. A small support staff provides administrative assistance to the Board of Directors and the Executive Director.

Business Services is responsible for maintaining the fiscal affairs of the District in a professional manner and consistent with generally accepted accounting principles and statutory requirements. Areas of responsibility include customer billing, accounts payable, payroll, accounts receivable, general ledger maintenance, capital asset records, investment activity, accounting, budget development and monitoring, preparation of the various system's rate models, the issuance of revenue bonds and commercial paper, revenue and expenditure forecasting, financial reporting and coordination with external financial audits.

The Human Resources and Purchasing Division is responsible for recruitment, training, selection, policy development and compliance, benefits administration, pay plan implementation, employee insurance management, and central procurement. The role of HR is to ensure that personnel matters are being handled both fairly, equitably, and without discrimination in accordance with good personnel practices and in compliance with applicable policies, regulations and laws. Purchasing is responsible for procuring most commodities and services and is the management and control point for the acquisition of supplies and equipment on a decentralized basis throughout the District.

The Governmental Affairs and Communications Division is responsible for overseeing the development and management of customer contracts for participation in the District's Regional Systems and Non-Potable Water System. The role of Governmental Affairs and Communications is to coordinate in a professional manner with each of the District's Customers to ensure services are available and being provided when needed. The Governmental Affairs and Communications Division is also responsible for public education and outreach of the District's watershed protection program. Including educational demonstrations and tours, presentations to City

Councils and local civic and community groups, and the installation coordination of the watershed protection signs throughout the local watersheds.

Information Technology Services is responsible for managing technological support of the District. This includes overseeing system security (access and cyber), operating system platform updates, day-to-day maintenance of hardware and software needs, audio-visual maintenance, and design and maintenance of backbone systems for computer networks.

GOALS AND OBJECTIVES

Office of the Executive Director

- Provide leadership to ensure that the District's overall mission and values are accomplished.
- Provide the Board of Directors timely support and information.
- Ensure that all water and wastewater facilities and programs are operated in compliance with all applicable standards.
- Promote continued innovation and creativity in providing services in a more effective and cost-efficient manner.
- Maintain effective coordination, cooperation, and communication with local governments, State and Federal agencies and continue involvement in civic, professional, and community affairs.
- Motivate employees and encourage teamwork throughout the organization.

Business Services

- Maintain effective long-term financial and operational plans.
- Manage cash and investments to optimize investment returns while ensuring safety of principal and maintaining adequate liquidity to meet expenditures in a timely manner.
- Update policies and procedures to effectively maintain a culture of responsible fiscal stewardship that ensures the District meets expectations for continued strong financial performance.
- Manage the Regional Treated Water System Commercial Paper program.
- Process all invoices in a timely and accurate manner.
- Provide prompt and accurate management reports.
- Coordinate updates of the various systems' rate and cash flow models.
- Monitor budgeted funds for operations and capital appropriations.
- Develop forecasted budget data based on sound projection methodology.
- Maintain general ledger and related subsidiary ledgers.
- Coordinate external audit activities. Thoroughly prepare for annual external audit to ensure a clean report.

- Manage revenue bond issues and Texas Water Development Board financings for systems' capital improvements.
- Process and monitor employee payroll to assure timeliness and accuracy.

Personnel and Purchasing

- Administer the classification and pay plan for the District to ensure that the pay and benefits package is competitive in the market.
- Ensure robust interviewing practices to attain quality candidates.
- Review personnel policies and practices and make recommendations for revisions.
- Manage the District's partially self-funded health care plan.
- Promote the general well-being of the work force through assistance and guidance utilizing appropriate resources.
- Maintain and enforce procurement procedures to guide staff through the procurement process while maintaining adequate internal controls and compliance with State and Federal laws.
- Process purchase requests within three working days.

Information Technology Services

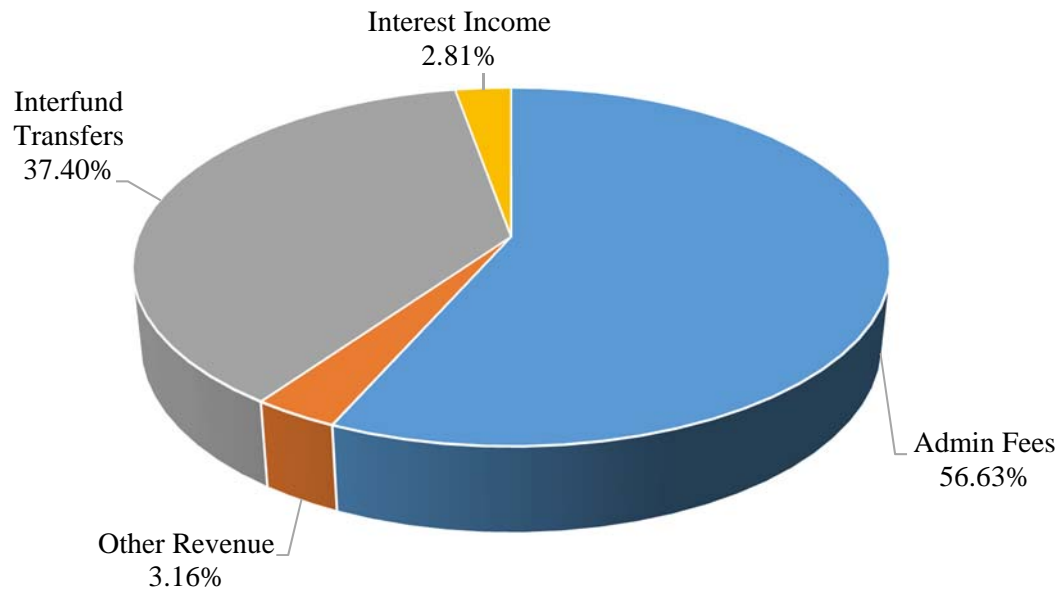
- Provide planning, procurement, installation, maintenance and staff training for computer network, telephone, voicemail, audio/visual systems, and office equipment (i.e. copiers, printers).
- Develop, implement, and maintain technology plans for the effective and efficient use of information systems throughout the organization and maintain appropriate safeguards in regard to cyber security threats.
- Work with operations staff to coordinate network and SCADA systems.

BUDGET SUMMARY

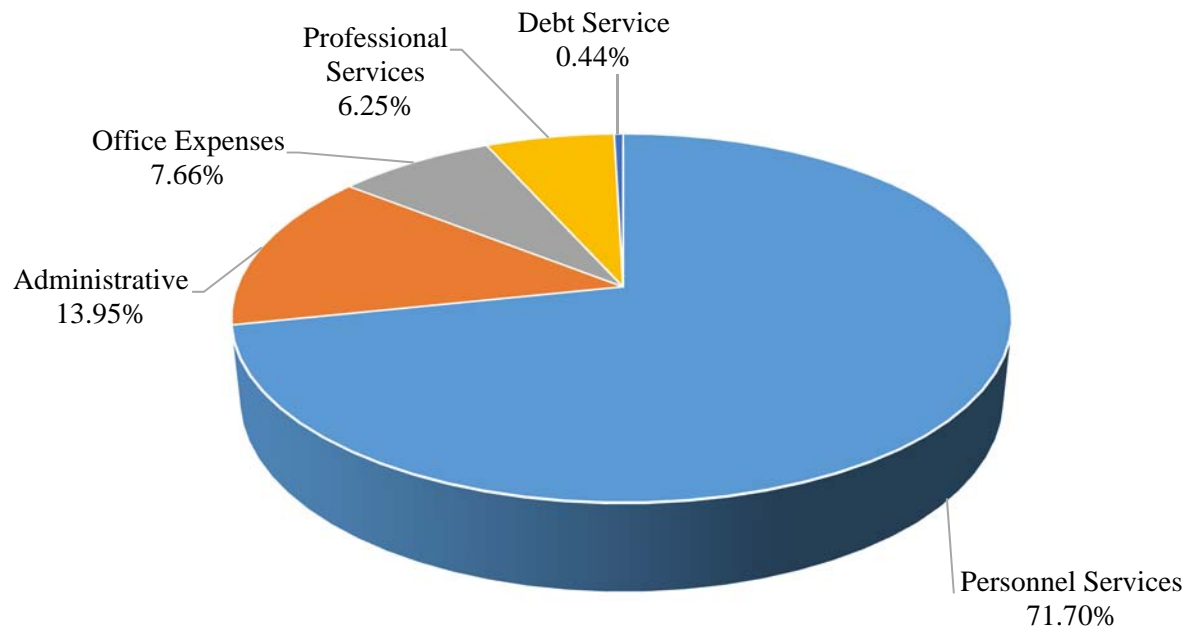
	FY 2017-2018	FY 2018-2019	FY 2018-2019	FY 2019-2020
	Actuals	Adopted	Estimates	Adopted
Beginning Balance	\$ 250,639	\$ 242,569	\$ 267,897	\$ 309,802
Operating Revenue				
Admin Fees	150,233	147,275	147,275	151,420
Other Revenue	20,317	6,850	21,830	8,455
Interfund Transfers	105,000	95,000	95,000	100,000
Interest Income	\$ 5,821	\$ 5,000	\$ 13,575	\$ 7,500
Total Operating Revenue	\$ 281,371	\$ 254,125	\$ 277,680	\$ 267,375
Operating Expense				
Personnel Services	\$ 2,821,363	\$ 3,027,070	\$ 2,822,790	\$ 3,340,625
Administrative	393,874	493,015	461,685	649,980
Office Expenses	265,739	264,980	266,345	357,135
Professional Services	230,863	231,605	308,150	291,365
Debt Service	20,357	20,360	20,360	20,360
Contribution to Project Development	2,445	-	-	-
Maintenance Expense	45,547	1,180	1,130	1,290
Adjustment for Accrued Expenditures	5,085	-	-	-
Total Operating Expense	\$ 3,785,274	\$ 4,038,210	\$ 3,880,460	\$ 4,660,755
Transfer Out	(3,521,160)	(3,815,830)	(3,644,685)	(4,402,400)
Ending Balance	\$ 267,897	\$ 274,314	\$ 309,802	\$ 318,822

FY 2020 Ending Balance increase is due to a savings in Personnel Services from FY 2019 Budget.
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Operating Revenues



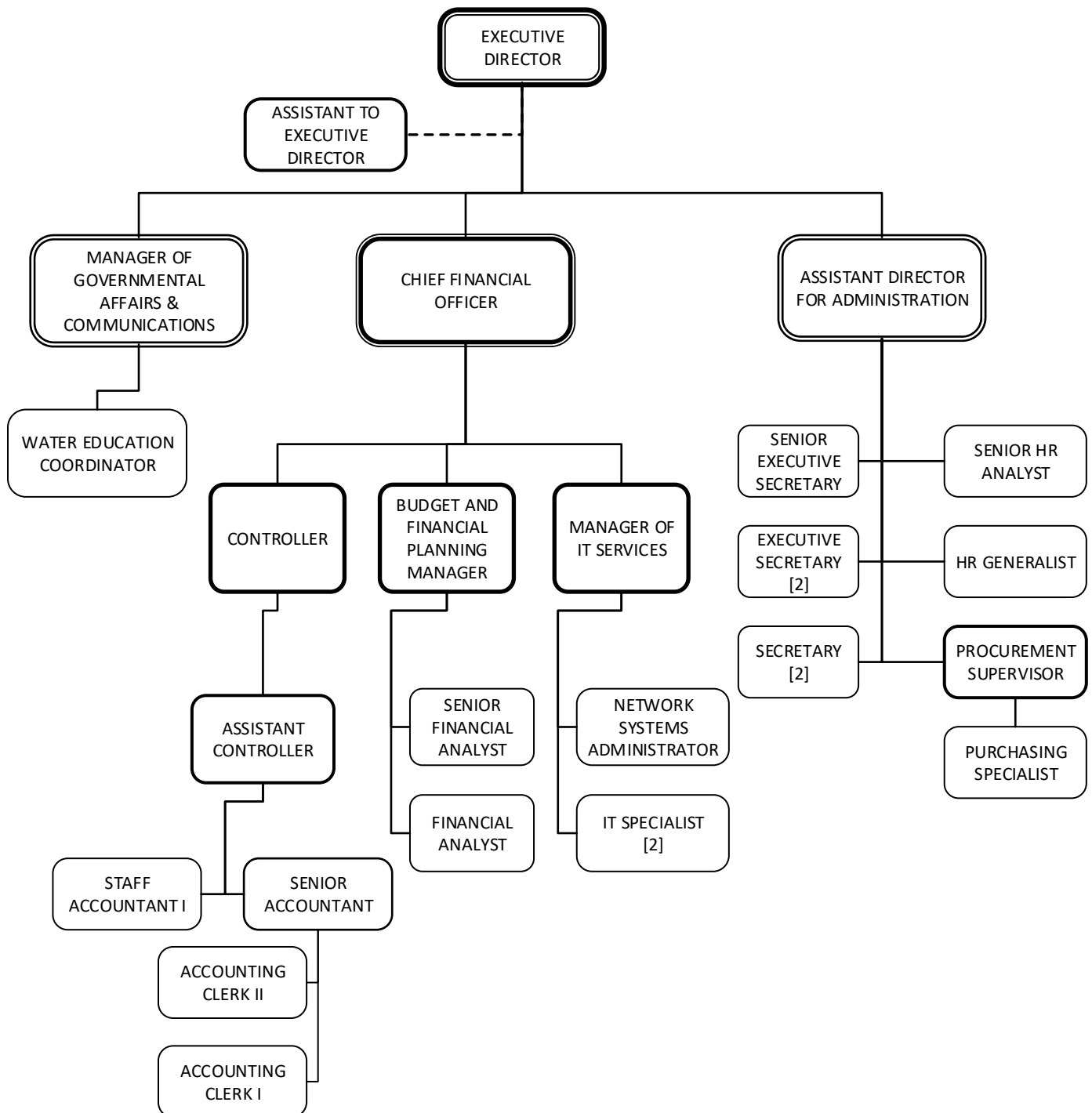
Operating Expenditures



PERSONNEL SUMMARY

Positions	FY 2018 Actuals	FY 2019 Budget	FY 2019 Revised	FY 2020 Budget
Executive Director	1	0.50	0.50	0.50
Assistant to the Executive Director	1	1	1	1
Deputy Executive Director	0.10	0.10	0.10	0
Manager of Government Affairs and Communications	0	0	0	0.20
Manager of Customer Contracts/ Support Services	0.30	0.30	0.30	0
Water Education Coordinator	0	0.20	0.20	0.20
Water Resource Specialist	0.20	0	0	0
Assistant Director for Administration	0	0	0	1
Manager of HR and Purchasing	1	1	1	0
Senior HR Analyst	1	1	1	1
HR Generalist	1	1	1	1
Procurement Supervisor	1	1	1	1
Purchasing Specialist	1	1	1	1
Senior Executive Secretary	1	1	1	1
Executive Secretary	2	3	3	2
Secretary	1	1	1	2
Chief Financial Officer	0	0	0	1
Director of Business Services	1	1	1	0
Controller	0	0	0	1
Accounting Manager	1	1	1	0
Assistant Controller	0	0	0	1
Senior Accountant	1	1	1	1
Staff Accountant II	1	1	1	0
Staff Accountant I	1	1	1	1
Accounting Clerk II	0	0	0	1
Accounting Clerk I	1	1	1	1
Cash Coordinator	1	1	1	0
Budget and Financial Planning Manager	1	1	1	1
Senior Financial Analyst	1	1	1	1
Financial Analyst	1	1	1	1
Manager of IT Services	1	1	1	1
Network Systems Administrator	1	1	1	1
IT Specialist	1	2	2	2
Engineering	0	1.50	1.50	1.60
Total FTEs	24.60	27.60	27.60	27.50

PERSONNEL SUMMARY



PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2018 Actuals	FY 2019 Estimates	FY 2020 Target
Ensure timely and accurate Board agendas, reports and minutes	Board Agendas mailed the Friday prior to the Thursday Board meeting and the Board Minutes approved at the next regularly scheduled Board meeting	100%	100%	100%
Website updated	Board Agenda and updated Board of Director information posted monthly	100%	100%	100%
Payroll Processing	Process all bi-weekly and special payrolls within required timelines with a minimum accuracy rate of 99%	100%	100%	100%
Employment Rate	Maintain an annual average employment rate of 95% or greater (% of filled positions)	97.1%	93.6%	98%
Employee Benefits Administration	Process and maintain all employee benefits within policy requirements	100%	100%	100%
Operating expense to budget	The % of actual expenditures to current budget	105%	105%	100%
Operating revenue to budget	Revenue actually collected as a % of the amount projected in current budget	103%	101%	100%
Annual budget award submission	Annual budget receives GFOA Distinguished Budget Award	100%	100%	100%
Issue Comprehensive Annual Financial Report (CAFR)	Completion of CAFR and submitted to GFOA for review	100%	100%	100%
Pay all undisputed invoices within 30 days	# of invoices paid within 30 days	100%	100%	100%
Computer Workstations maintained	% of total number of individual workstations maintained	100%	100%	100%
Network reliability	Calculation of network operational days as a percentage of total available network days	100%	100%	100%
Purchase Orders Processing	Process all purchase orders within 3 business days of receipts of a correct and approved purchase requisition	100%	100%	100%
Bidding & Contracting	Bid and obtain contracts for commodities and services as requested within required timelines and in accordance with policy requirements	100%	100%	100%
Award of Bid/Contract	Finalize contracts, obtain approval and award all bids and contracts within 90 days or less of bid due date	100%	100%	100%

SUMMARY OF MAJOR CHANGES

Revenue

- The adopted fees for FY 2020 are based on 2019 population estimates from the North Central Texas Council of Governments or provided directly by customers/members.
- The Other Revenue account includes revenues from rebates and auction items.
- The Rental Revenue account captures the rental income estimated for 802 N. Kealy and reallocates to operating funds to offset total allocated debt for this facility. Rent is increased as lease renewals or new leases occur to be market competitive.
- This transfer from Regional Treated Water System and the Riverbend Plant within the Northeast Water Reclamation System is the customer surcharge that assists in funding administration services.
- Interest income is representative of current market conditions.

Expenses

Personnel Services

- The adopted budget for Administration provides funding for 27.5 full-time equivalent positions and a 15% increase in medical insurance rates. Self-Insurance Reserve will not be utilized to offset expenses in FY 2020.

Administrative

- Building Maintenance & Improvements increased due to gutter work needed at 802 N. Kealy and new carpet for 900 N. Kealy.
- Insurance - Property, GL, Vehicle account includes a 5% rate adjustment from Texas Municipal League.
- Vehicle Expense increase is due to increased fuel costs and mileage.
- Bank Fees increase related to account balance.
- The request for Furniture and Equipment less than \$5,000 will fund an ultrasonic pipe wall thickness gauge and fireproof cabinet. The request for Furniture and Equipment greater than \$5,000 will provide three Dell PowerEdge servers and a waterless fire suppression system for the server room.
- Maintenance Expense is for the 802 N. Kealy rental property.

- The increase in Communications accounts for safeguarding redundancy in internet service across District properties.
- Supplies increased due to the addition of an employee health fair in the Wellness Program in the fall of FY 2020.
- Computer Equipment and Supplies increased due to the addition of two drones and related software and Laserfiche Phase II licensing and training.

Professional Services

- The Professional Services account reflects a decrease for Temporary/Contract Labor due to less temporary labor anticipated in FY 2020. The increase for Other Outside Services is for video and audio services for Board Meetings.

Debt Service

- The Shared Debt payment funds a direct portion of debt service related to the administrative offices, Board Room, and administrative annex at 802 N. Kealy.

Maintenance Expense

- The account reflects maintenance expenses directly related to the 900 and 802 N. Kealy Administrative offices.

Transfer Out

- Administration will be funded by the fees (5%) with the remaining costs (95%) allocated to the operating systems and capital projects of the District.

ACCOMPLISHMENTS FOR FY 2018-2019

- ✓ Issue Comprehensive Annual Financial Report (CAFR) which conforms to program standards of the Governmental Finance Officers Association that must satisfy both generally accepted accounting principles and applicable legal requirements.

The District received its eighteenth consecutive Certificate of Achievement award for Excellence in Financial Reporting.

- ✓ Submitted Operating and Capital Budgets which conforms to program standards of the Governmental Finance Officers Association that must satisfy nationally recognized guidelines for effective budget presentation.

The District submitted and received its tenth Distinguished Budget Presentation Award.

- ✓ Process bi-weekly payroll accurately and timely.

Processed 26 bi-weekly payrolls within the allowable time for direct deposit.

- ✓ Administer the benefits package.

- *Processed approximately \$1,873,460 of medical claims and approximately \$803,560 of Medical Stop-Loss Claims.*
 - *Teladoc services available with an annual utilization of 71% with an estimated District savings of \$37,741.*
 - *Successfully negotiated the employee health and dental insurance benefit plan with new providers with a two-year rate guarantee.*
 - *Offered increases in voluntary life insurance coverage to employees (\$20,000) and their spouse (\$10,000) with no Evidence of Insurability (EoI) required.*

- ✓ Completed the market salary survey of all authorized positions.

- *Received salary information and job descriptions from 10 entities to complete the market comparisons.*

- ✓ Recruit capable candidates for vacant positions.

Worked with Directors, Managers, Superintendents, and Supervisors to successfully advertise, interview, and fill 10 vacant full-time positions.

- ✓ Continued contract renewal for the Wastewater Internship Program with Tarrant County College (TCC).

After one student completed the requirements for internship at the NE Water Reclamation Plants (Riverbend and Doe Branch) as required through Tarrant County College, we are expanding the program to all of the District's Water Reclamation Plants.

- ✓ Continue to monitor and manage the Commercial Paper Program.

Currently have \$45M drawn down with a line of credit increase to \$75M to be available for Capital Improvement Projects identified in the Regional Treated Water System.

- ✓ Prepared and processed bid documents.

- *Completed 11 competitive sealed bids and 4 sealed proposals.*
- *Completed 3 formal bids resulting in the procurement of a commodity or service.*
- *Completed 2 contract renewals.*
- *Processed/Issued 159 Purchase Orders.*
- *Processed/Issued 8 new contracts.*

- ✓ Completed various projects assigned to the Purchasing Division.

- *Updated Purchasing Policy including the approval authority levels.*
- *Updated the Uniform policy and established a jeans reimbursement program.*
- *Solicited feedback from an Employee/Vendor Survey and made adjustments to processes as feasible.*
- *Provided a 'Purchasing 101' class to all operations staff to ensure that employees are kept informed on purchasing requirements and procedures as stated in the District's Purchasing Policy.*

- ✓ Continue to promote awareness and knowledge of potential cybersecurity issues.

Cybersecurity training classes were completed by all District employees to increase employee awareness of cyber threats and to help improve network security.

- ✓ Continue to expand the Watershed Protection Program.

- *Continued the operation of the Upper Trinity Conservation Trust as a 501(c)(3) land trust to acquire conservation easements or fee simple ownership of riparian buffer areas along streams and creeks as a means of protecting the water quality in local water supplies.*
- *More than 200 watershed signs have been installed along roads and creeks throughout the Lewisville, Grapevine, and Ray Roberts Lakes' watersheds as well as the Trinity River and North Sulphur River watersheds. Said signs have been GIS identified and are maintained in District databases.*
- *Continued providing outreach and education opportunities to civic groups, students and others about being good stewards of our land and water resources- emphasizing the need to keep our watershed clean 'right where we live'.*
- *Participated in the Third Grade Shade Tree Program in partnership with the Denton County Soil and Water Conservation District and the Denton County Agrilife Extension Office to provide every third grade student in Denton County a shade tree. Students are instructed on how to plant and care for the native trees.*

- *In a joint effort with the Upper Trinity Conservation Trust and Denton County, continue implementing the Greenbelt Master Plan for Denton County. The purpose of the Plan is to protect greenbelt areas and riparian assets; and to create a common vision for voluntary participation in preserving these irreplaceable assets. Held an educational event to promote preservation and protection of riparian areas.*

WATER RECLAMATION SYSTEMS

The District is committed to protecting public health and raw water supplies by providing superior wastewater treatment for our current customers and anticipating future treatment requirements using responsible planning practices. The Northeast Regional Water Reclamation System, consisting of the Riverbend Plant and the Doe Branch Plant, and separately the Peninsula Water Reclamation Plant, serve the northeastern portion of Denton County, generally north of Lewisville Lake and east of Highway 377. The Lakeview Regional Water Reclamation System serves the communities generally west of Lewisville Lake.

MISSION

Our mission is to provide superior wastewater treatment 365 days a year that meets or exceeds all state and federal regulations. The District will hire and train qualified staff to operate and maintain the treatment facilities. The Operations Department will be a leader in the wastewater utilities field.

GOALS AND OBJECTIVES

- Discharge effluent from District water reclamation facilities that meets all regulatory treatment requirements.
 - Zero permit violations.
 - Achieve Gold / Platinum Award from National Association of Clean Water Agencies.
 - Monitor plant influent and effluent daily.
 - Using industry-recognized process control methods, make operational treatment changes necessary to produce superior quality effluent.
 - Dewater and arrange for timely transport and disposal of all biosolids.
 - Maintain a trained and experienced operations staff.
- Maintain all water reclamation facilities to the highest standard of operational efficiency.
 - Zero operational downtime for critical infrastructure and equipment.
 - Timely repair of all equipment.
 - Operate and maintain equipment as specified in O&M manuals.
 - Properly staff with Maintenance and Electronic Technicians.

- Scheduled maintenance performed according to manufacturer's recommendations.
- Monitor equipment constantly and report any maintenance requirements promptly.
- Be cognizant of new, or improved, methods and equipment that would benefit Operations, Maintenance and the communities we serve.
- Maintain facilities with a good neighbor policy.
 - Minimize and address all complaints from host community to the best of our ability.
 - Maintain and monitor odor control facilities routinely.
 - Schedule routine maintenance of buildings and fences.
 - Keep landscaped areas in top condition year-round.
 - Monitor grounds daily and report any maintenance requirements promptly.
 - Offer tours of water reclamation plants to local schools and other organizations.
 - Continue odor and corrosion prevention activities in Northeast systems.
- Maintain security/safety of systems and resources.
 - Secure all of the District's remote facilities by use of cameras and other means necessary.
 - Continue to develop and implement new requirements for data management to facilitate data sharing and data analysis and ensure that this data is safely stored.
 - Manage the Supervisory Control and Data Acquisition System (SCADA) to ensure maximum benefit and minimal down time.
 - Take steps to improve networking, SCADA, and communications system needs to actively monitor all remote facilities and stay up to date with current technology.
 - Maintain all plant communication and networking systems within industry guidelines and update hardware and software as needed to keep all systems operating efficiently.

PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2018 Actuals	FY 2019 Estimates	FY 2020 Target
Effluent Quality	Achieve 100% regulatory compliance / NACWA Award - Lakeview - Riverbend - Doe Branch - Peninsula	100% / Platinum 100% / Platinum 100% / Gold 100% / Platinum	100% / Platinum 100% / Platinum 100% / Gold 100% / Platinum	100% / Platinum 100% / Platinum 100% / Gold 100% / Platinum
Process Control Testing	Ratio (%) of tests completed / total tests required - Lakeview - Riverbend - Doe Branch - Peninsula	200% 200% 200% 200%	200% 200% 200% 200%	200% 200% 200% 200%
Biosolids Processing	Number of tons of biosolids processed and hauled to disposal - Lakeview - Riverbend - Doe Branch - Peninsula	1104 507 682 188	950 600 750 180	1200 600 750 200
Equipment Shutdowns	Percent of time critical equipment is available - Lakeview - Riverbend - Doe Branch - Peninsula	>99% >99% >99% >99%	>99% >99% >99% >99%	>99% >99% >99% >99%
Complaints From Neighbors / Addressed	Number of odor complaints per year / percent addressed - Lakeview - Riverbend - Doe Branch - Peninsula	0 / 100% 1 / 100% 0 / 100% 0 / 100%	1 / 100% 0 / 100% 0 / 100% 0 / 100%	0 / 100% 0 / 100% 0 / 100% 0 / 100%

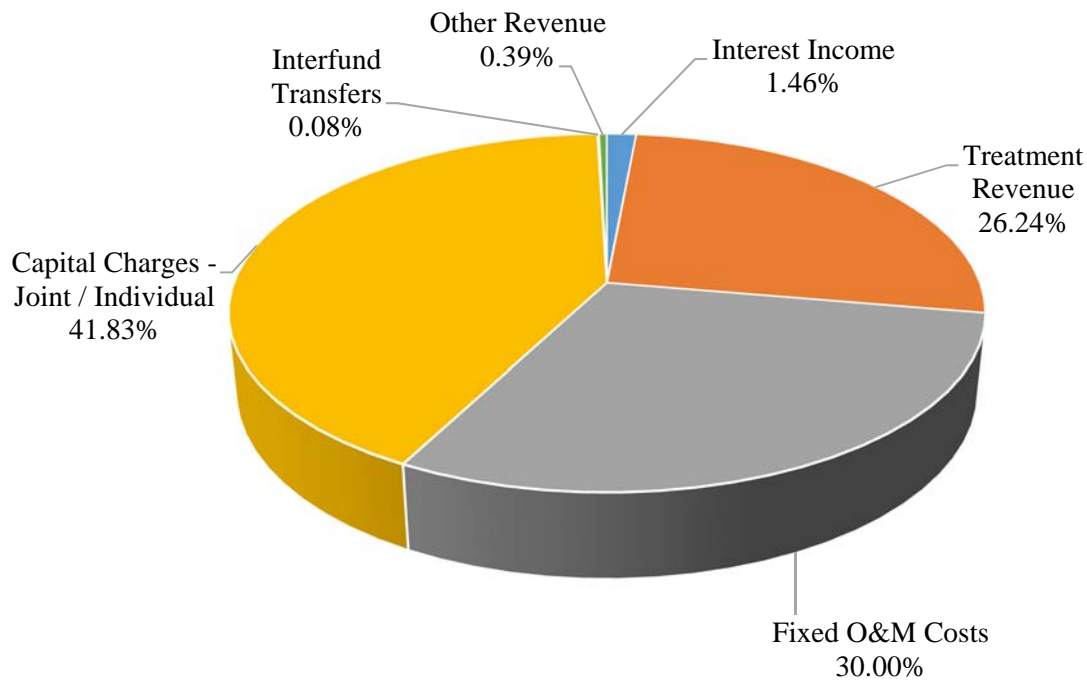
BUDGET SUMMARY

Lakeview Regional Water Reclamation System

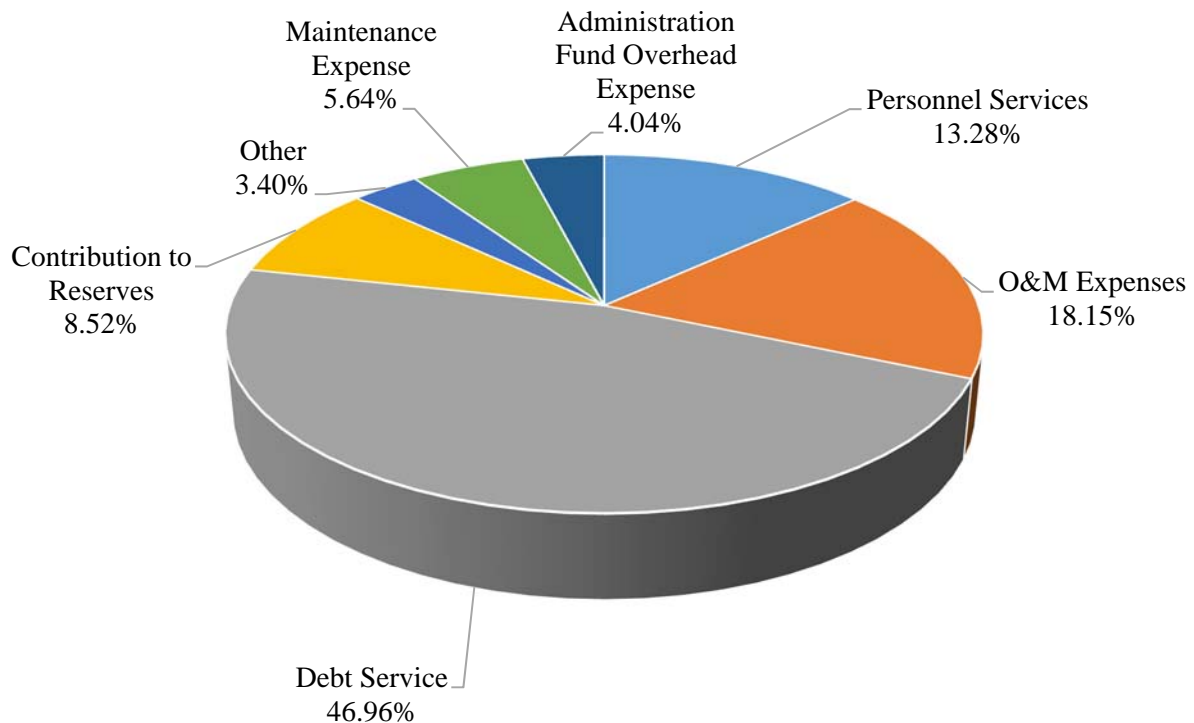
	FY 2017-2018	FY 2018-2019	FY 2018-2019	FY 2019-2020
	Actuals	Adopted	Estimates	Adopted
Beginning Balance	\$ 1,762,746	\$ 1,644,241	\$ 2,003,100	\$ 1,962,075
Transfer to Operations	\$ (24,500)			
Beginning Balance Revised	\$ 1,738,246			
Operating Revenue				
Interest Income	\$ 74,359	\$ 52,800	\$ 120,385	\$ 105,000
Treatment Revenue	1,783,378	1,861,970	2,126,785	1,880,445
Fixed O&M Costs	2,089,956	2,150,175	2,150,175	2,150,175
Capital Charges - Joint / Individual	3,030,787	3,057,970	3,057,970	2,997,845
Interfund Transfers	213,715	52,040	118,660	5,750
Reimbursements	225,000	-	-	-
Corinth Point of Entry	11,572	10,440	12,040	10,440
Other Revenue	36,794	16,335	22,560	17,800
Total Operating Revenue	\$ 7,465,561	\$ 7,201,730	\$ 7,608,575	\$ 7,167,455
Operating Expense				
Personnel Services	\$ 783,018	\$ 790,480	\$ 778,040	\$ 882,650
Administrative	56,856	92,120	91,925	103,310
Office Expenses	22,365	9,110	9,175	20,770
Professional Services	45,187	47,550	129,890	51,850
O&M Expenses	1,442,044	1,314,065	1,294,225	1,206,080
Debt Service	3,069,394	3,122,895	3,122,895	3,116,395
Fiscal Agent Fees	4,000	4,120	4,120	4,245
Contribution to Reserves	1,163,818	608,635	1,584,860	566,335
Shared Debt Payments	92,134	40,815	40,815	40,815
Contribution to Project Development	82,766	-	-	-
DCFWSD #7 - Corinth Point of Entry	10,415	9,395	10,840	9,395
Maintenance Expense	258,102	343,445	329,075	374,745
Administration Fund Overhead Expense	173,727	253,740	253,740	268,700
Adjustment for Accrued Expenditures	(3,119)	-	-	-
Total Operating Expense	\$ 7,200,707	\$ 6,636,370	\$ 7,649,600	\$ 6,645,290
Ending Balance	\$ 2,003,100	\$ 2,209,601	\$ 1,962,075	\$ 2,484,240

FY 2020 Ending Balance increase is due to reduced O&M expenses.

Lakeview Operating Revenues



Lakeview Operating Expenditures



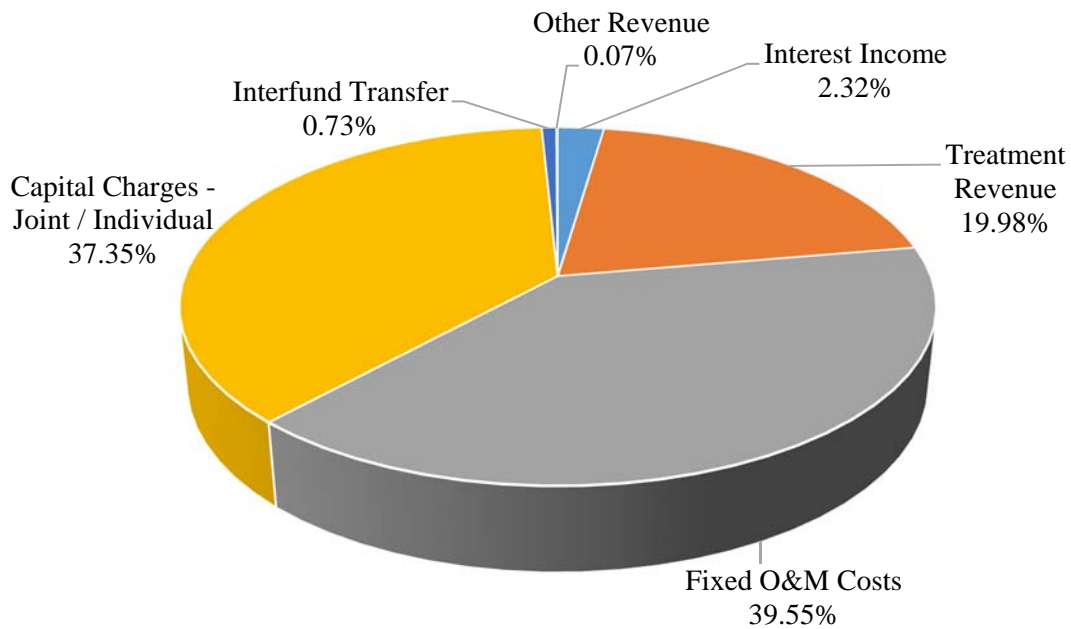
BUDGET SUMMARY

Northeast Regional Water Reclamation System – Riverbend & Doe Branch

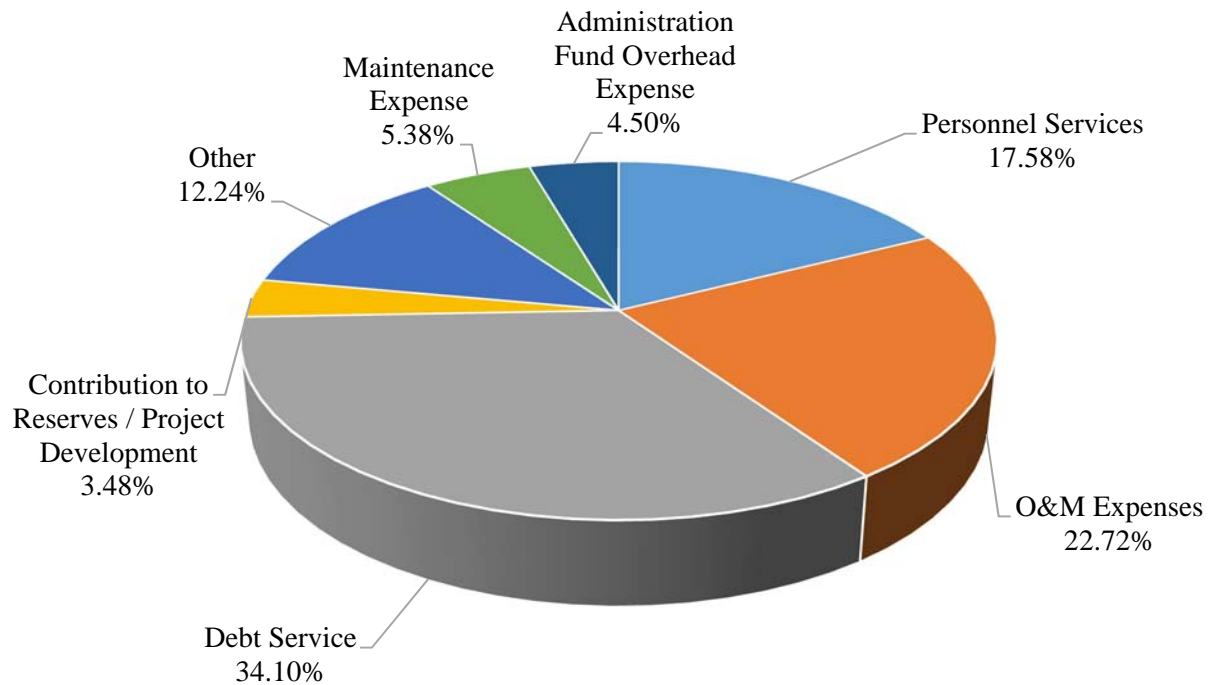
	FY 2017-2018	FY 2018-2019	FY 2018-2019	FY 2019-2020
	Actuals	Adopted	Estimates	Adopted
Beginning Balance	\$ 1,178,140	\$ 1,319,520	\$ 1,470,884	\$ 1,681,189
Transfer to Operations	\$ (46,435)			\$ (57,000)
Beginning Balance Revised	\$ 1,131,705			\$ 1,624,189
Operating Revenue				
Interest Income	\$ 121,343	\$ 75,000	\$ 165,090	\$ 180,000
Treatment Revenue	1,467,792	1,411,815	1,818,560	1,550,995
Fixed O&M Costs	2,099,521	2,682,380	2,558,270	3,071,645
Capital Charges - Joint / Individual	1,751,036	2,376,660	2,376,660	2,900,720
Interfund Transfer	265,659	148,000	148,000	57,000
Other Revenue	13,445	4,110	7,875	5,280
Total Operating Revenue	\$ 5,718,796	\$ 6,697,965	\$ 7,074,455	\$ 7,765,640
Operating Expense				
Personnel Services	\$ 1,007,434	\$ 1,155,855	\$ 1,103,085	\$ 1,300,110
Administrative	93,863	124,110	139,460	164,780
Office Expenses	71,093	63,380	65,610	57,075
Professional Services	164,061	209,975	192,355	187,175
O&M Expenses	1,115,929	1,374,700	1,530,335	1,680,750
Debt Service	1,457,415	1,940,280	1,882,160	2,519,780
Fiscal Agent Fees	2,686	2,500	10,800	2,575
Contribution to Reserves	471,945	614,740	759,180	226,825
Shared Debt Payments	28,518	14,830	14,830	14,830
Contribution to Project Development	42,052	29,830	29,830	30,355
Interfund Transfers	473,080	30,000	519,810	481,380
Maintenance Expense	227,738	364,915	349,645	398,170
Administration Fund Overhead Expense	163,290	267,050	267,050	332,470
Adjustment for Accrued Expenditures	60,513	-	-	-
Total Operating Expense	\$ 5,379,617	\$ 6,192,165	\$ 6,864,150	\$ 7,396,275
Ending Balance	\$ 1,470,884	\$ 1,825,320	\$ 1,681,189	\$ 1,993,554

FY 2020 Ending Balance increase is due to increased Capital Charges.
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Riverbend & Doe Branch Operating Revenues



Riverbend & Doe Branch Operating Expenditures



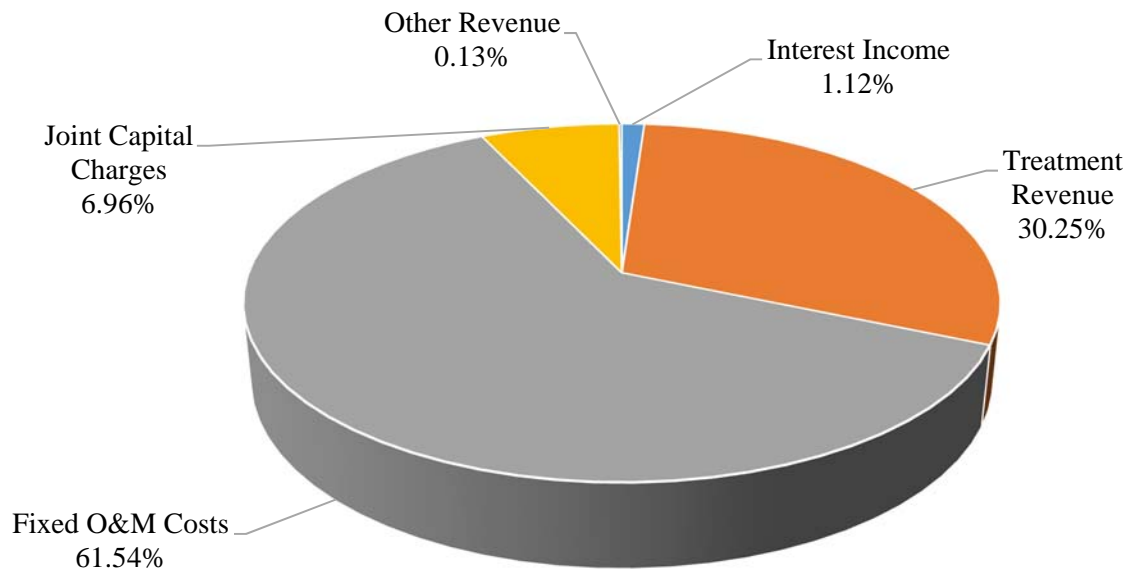
BUDGET SUMMARY

Peninsula Water Reclamation Plant

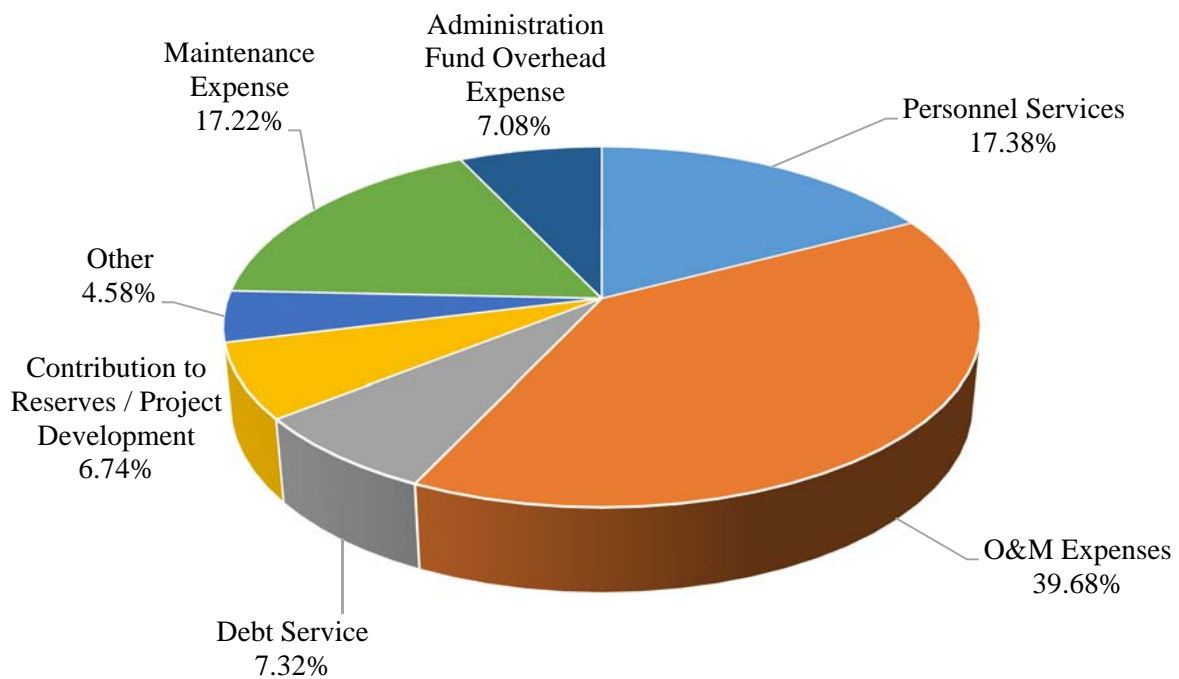
	FY 2017-2018	FY 2018-2019	FY 2018-2019	FY 2019-2020
	Actuals	Adopted	Estimates	Adopted
Beginning Balance	\$ 369,217	\$ 262,387	\$ 333,717	\$ 241,197
Transfer to Operations	\$ (69,500)			
Beginning Balance Revised	\$ 299,717			
Operating Revenue				
Interest Income	\$ 7,047	\$ 5,040	\$ 12,260	\$ 11,250
Treatment Revenue	222,729	271,850	332,865	302,770
Fixed O&M Costs	561,650	575,280	575,280	615,795
Joint Capital Charges	72,445	70,545	70,545	69,690
Interfund Transfers	80,100	35,000	35,000	-
Other Revenue	3,887	1,025	16,025	1,320
Total Operating Revenue	\$ 947,858	\$ 958,740	\$ 1,041,975	\$ 1,000,825
Operating Expense				
Personnel Services	\$ 112,729	\$ 125,380	\$ 145,635	\$ 165,430
Administrative	15,130	20,610	21,175	23,450
Office Expenses	2,849	2,650	2,610	6,800
Professional Services	15,861	8,500	14,990	8,500
O&M Expenses	354,356	401,515	376,520	377,725
Debt Service	69,944	69,045	69,045	68,145
Fiscal Agent Fees	650	1,500	1,500	1,545
Contribution to Reserves	186,880	46,525	247,745	56,540
Shared Debt Payments	8,304	4,880	4,880	4,880
Contribution to Project Development	12,347	7,455	7,455	7,580
Interfund Transfers	-	-	40,100	-
Maintenance Expense	91,095	150,255	143,970	163,950
Administration Fund Overhead Expense	40,050	58,870	58,870	67,450
Adjustment for Accrued Expenditures	3,663	-	-	-
Total Operating Expense	\$ 913,858	\$ 897,185	\$ 1,134,495	\$ 951,995
Ending Balance	\$ 333,717	\$ 323,942	\$ 241,197	\$ 290,027

FY 2020 Ending Balance decrease is due to increased expenses from the reallocation of Personnel.
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Peninsula Operating Revenues

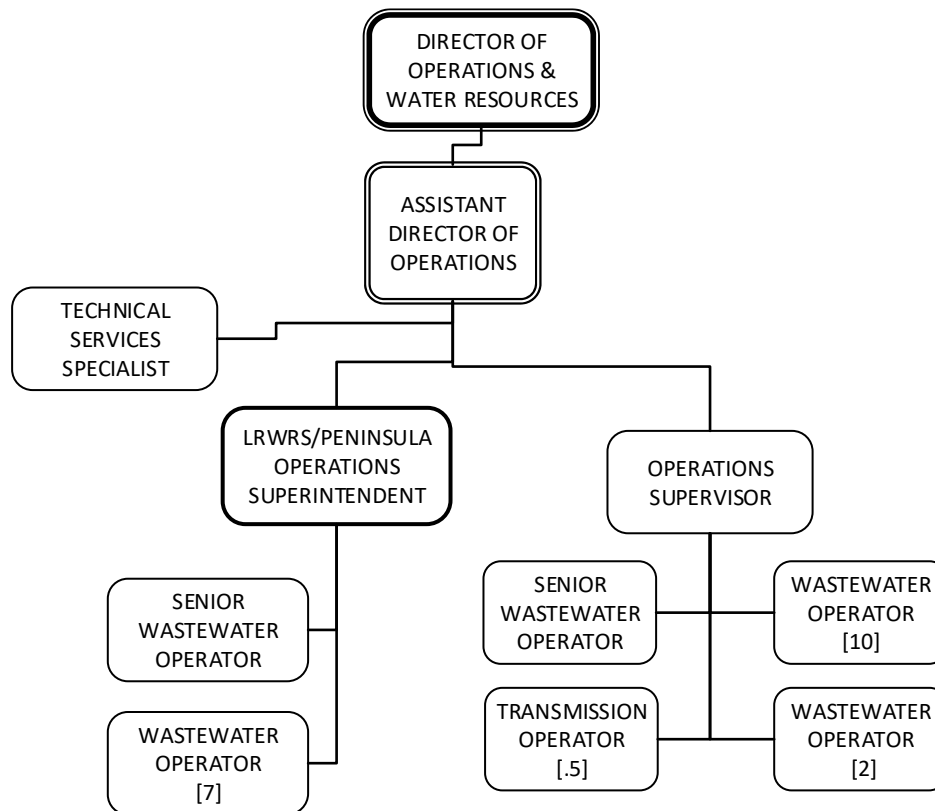


Peninsula Operating Expenditures



PERSONNEL SUMMARY

Positions	FY 2018 Actuals	FY 2019 Budget	FY 2019 Revised	FY 2020 Budget
Deputy Executive Director	0.20	0.20	0.20	0
Director of Operations	0.55	0.55	0.55	0.50
Assistant Director of Operations	0	0	0	0.50
Technical Services Specialist	0.40	0.40	0.40	0.55
Project Engineer	0	0.15	0.15	0.15
Water Resource Specialist	0	0	0	0.15
Wastewater Operations Superintendent	1	1	1	1
Northeast Operations Manager	0.40	0.40	0.40	0
Operations Supervisor	0.60	0.60	0.60	0.60
Senior Wastewater Operator	2	2	2	2
Wastewater Operator III	13	12	12	11
Wastewater Operator II	0	0	0	3
Wastewater Operator I	2	4	4	5
Transmission Operator	0.50	0.50	0.50	0.50
Water Operator II / Clerk	0.40	0.40	0.40	0.40
Total FTEs	21.05	22.20	22.20	25.35



SUMMARY OF MAJOR CHANGES

Lakeview

SUBSCRIBED CAPACITIES

Entity	FY 2019 Budget	FY 2020 Budget
Bartonville	0.0378 mgd	0.0378 mgd
Corinth	1.6080 mgd	1.6080 mgd
DCFWSO #7	0.8440 mgd	0.8440 mgd
Double Oak	0.0080 mgd	0.0080 mgd
Highland Village	1.6500 mgd	1.6500 mgd
Lake Cities MUA	1.1810 mgd	1.1810 mgd
Total	5.3288 mgd	5.3288 mgd

PROJECTED FLOWS

Entity	FY 2019 Budget	FY 2019 Estimates	FY 2020 Budget
Bartonville	0.0030 mgd	0.0037 mgd	0.0035 mgd
Corinth	1.3000 mgd	1.4272 mgd	1.3000 mgd
DCFWSO #7	0.7100 mgd	0.7747 mgd	0.7300 mgd
Double Oak	0.0014 mgd	0.0018 mgd	0.0014 mgd
Highland Village	1.2500 mgd	1.4818 mgd	1.2500 mgd
Lake Cities MUA	0.8800 mgd	1.0464 mgd	0.9000 mgd
Total	4.1444 mgd	4.7356 mgd	4.1849 mgd

RATE STRUCTURE

	FY 2019 Budget	FY 2020 Budget
Treatment Rate	\$1.25 / 1,000 gallons	\$1.25 / 1,000 gallons
Fixed O&M Charges*	\$403,500 / mgd	\$403,500 / mgd

* Fixed O&M does not include Joint Capital Charges. Joint and Individual Capital Charges are combined and identified by individual entity on the next page.

Lakeview

CAPITAL CHARGES

Entity	Individual	Joint	Total
Bartonville	\$6,015	\$15,385	\$21,400
Corinth	\$83,820	\$654,450	\$738,270
DCFWSO #7	\$450,870	\$343,505	\$794,375
Double Oak	\$10,940	\$3,255	\$14,195
Highland Village	\$232,535	\$671,540	\$904,075
Lake Cities MUA	\$44,865	\$480,665	\$525,530
Total	\$829,045	\$2,168,800	\$2,997,845

Revenue

- Interest Income is representative of current market conditions.
- Treatment and transportation revenue reflects the projected flows at the adopted rate for the variable costs.
- The joint fixed O&M charges are assessed to recover fixed costs of the system, not including debt service costs.
- Capital Charges for Joint/Individual facilities are assessed to recover debt service costs associated with capital facilities for a particular customer. The adopted FY 2020 capital charges are based on the allocated debt service requirement for each entity's individual pipeline(s), as well as their portion of joint debt.
- There is no interfund transfer from the Vehicle and Equipment Reserve for FY 2020.
- Non-Bond Capital Reserve FY 2019 estimate includes \$27,000 for TxDOT reimbursement for 11-57W (FM2181 Project) from prior year expenses and \$38,300 for additional expenses related to Lantana's pump replacements.
- Corinth point-of-entry at Post Oak transportation charge is collected and credited to DCFWSO #7 (Lantana) for rental of pipeline capacity.
- Other Revenue includes income from Lake Dallas animal shelter and the EnerNoc electric rebate program.
- Rental Revenue includes the pro rata share of 802 N. Kealy annex rental income.

Lakeview

Expenses

Personnel Services

- The adopted budget includes funding for 8.85 full-time equivalent positions and a 15% increase in medical insurance rates. There is no offsetting contribution from the Self-Insurance Reserve.

Administrative

- The increase in Membership Dues and Subscriptions is due to a reallocation of wastewater specific memberships and the addition of the North Central Texas Council of Governments Wastewater Education Roundtable program.

Office Expenses

- The Computer Equipment and Supplies account increase is due to monitors and laptops needed to upgrade to SCADA Wonderware.

Professional Services

- Equipment Service increased due to a new annual SmartNet service agreement, which provides operating system updates and technical support for Cisco devices.

O&M Expenses

- Equipment and Furniture account less than \$5,000 includes funding for miscellaneous furniture items. In the Equipment and Furniture account greater than \$5,000, the following item has been requested:
 - Four Anoxic Zone Mixers replacements - \$76,000

Contribution to Reserves

- Funding for Capital Replacement Reserve is provided for in the volume charge at \$0.10 / 1,000 gallons – no change from FY 2019.
- Transfer to Plant Permitting Reserve is to accumulate funds for the next permit renewal in FY 2021 and FY 2022.
- Equity funding is generated for projects within the Capital Improvement Program. The funds are earmarked to be placed in a Non-Bond Capital Reserve.
- Transfer to Vehicle and Equipment Replacement Reserve Fund amount is calculated according to quantity and age of vehicles and equipment. This amount is funded according to established replacement schedule.

Lakeview

Shared Debt Payments

- Shared Debt Payments funds a direct portion of debt service related to the administrative offices and Board Room, administrative annex at 802 N. Kealy Street.

Contribution to Project Development

- The Transfer to Project Development in the FY 2018 estimate includes Service Area Mapping and a portion of the Water and Wastewater Facilities Condition Assessment Study. This is not needed in FY 2019.

DCFWSD #7 - Corinth Point of Entry

- Corinth Point of Entry (at Post Oak) transportation charge is collected and credited to DCFWSD #7 – Lantana for rental of pipeline capacity. To better identify it, this is shown as a variable expense instead of a reduction against the anticipated volume revenue.

Maintenance Expense

- This allocation represents 16% of the adopted Maintenance budget.

Administration Fund Overhead Expense

- The allocation of overhead to operations.

Riverbend & Doe Branch

SUBSCRIBED CAPACITIES

Entity	FY 2019 Budget	FY 2020 Budget
DCFWSD #8A	0.454 mgd	0.454 mgd
Providence Village	0.515 mgd	0.550 mgd
DCFWSD #10	0.156 mgd	0.250 mgd
DCFWSD #11	0.650 mgd	0.716 mgd
Mustang SUD	1.590 mgd	1.817 mgd
Celina	0.665 mgd	0.665 mgd
Prosper	1.000 mgd	1.000 mgd
Total	5.030 mgd	5.452 mgd

PROJECTED FLOWS

Entity	FY 2019 Budget	FY 2019 Estimates	FY 2020 Budget
DCFWSD #8A	0.2200 mgd	0.3339 mgd	0.2500 mgd
Providence Village	0.4200 mgd	0.4186 mgd	0.4200 mgd
DCFWSD #10	0.2500 mgd	0.2881 mgd	0.2500 mgd
DCFWSD #11	0.5600 mgd	0.6075 mgd	0.6000 mgd
Mustang SUD	0.7800 mgd	0.9951 mgd	0.9000 mgd
Celina	0.4600 mgd	0.6927 mgd	0.5200 mgd
Prosper	0.3000 mgd	0.5314 mgd	0.3500 mgd
Total	2.9900 mgd	3.8673 mgd	3.2900 mgd

RATE STRUCTURE

	FY 2019 Budget	FY 2020 Budget
Volume Charge - Members	\$1.25 / 1,000 gallons	\$1.25 / 1,000 gallons
Volume Charge - Customers	\$1.34 / 1,000 gallons	\$1.34 / 1,000 gallons
Joint Fixed O&M	\$533,250 / mgd	\$563,500 / mgd

Riverbend & Doe Branch

CAPITAL CHARGES

Entity	Individual	Interim	Joint	Total
DCFWSO #8A	\$222,880	\$12,225	\$78,705	\$313,810
Providence Village	\$366,465	\$14,815	\$95,400	\$476,680
DCFWSO #10	\$6,815	\$565	\$3,640	\$11,020
DCFWSO #11	\$287,210	\$19,280	\$124,145	\$430,635
Mustang SUD	\$269,920	\$43,550	\$280,385	\$593,855
Celina	\$1,074,720	\$ ---	\$ ---	\$1,074,720
Prosper	\$ ---	\$ ---	\$ ---	\$ ---
Total	\$2,228,010	\$90,435	\$582,275	\$2,900,720

Revenue

- Interest Income is representative of current market conditions.
- Total treatment revenue reflects the projected flows at adopted rates for both the Riverbend and Doe Branch plants.
- Fixed O&M Costs for Joint Facilities are assessed to recover certain fixed costs of the system, not including debt service costs.
- Capital charges are assessed to recover debt service costs associated with capital reimbursement payments for each customer.
- Rental Revenue is the pro rata share of 802 N. Kealy annex rental income.

Expenses

Personnel Services

- The adopted budget includes funding for 15.0 full time equivalent positions and a 15% increase in medical insurance rates. Self-Insurance Reserve will not be utilized to offset expenses in FY 2020.

Riverbend & Doe Branch

Administrative

- The Equipment Rental account decrease is due to the crane truck purchase in FY 2019 that reduced the rental need.
- The increase in Memberships, Dues & Subscriptions is due to reallocation of wastewater specific memberships.
- The decrease in Conference, Training, & Travel is based on trending.
- Insurance - Property, GL, Vehicle account includes a significant rate increase from Texas Municipal League due to the Riverbend Plant expansion.

Office Expenses

- The decrease in the Communications account is due to a reduction in costs for leased communication services through AT&T Ethernet in lieu of point-to-point service.
- The decrease in Supplies is due to courier service charges for lab testing being paid through contracted lab services.
- The increase in Computer Equipment & Supplies is due to monitors and laptops needed to upgrade to SCADA Wonderware.

Professional Services

- The Security account includes additional security fencing and gates on the northeast part of Riverbend plant property.
- The decrease in Other Outside Services is due to the Sludge Holding Tank Rehab budgeted in FY 2019.

O&M Expenses

- The Botanical account increase reflects a cost increase of 15% for new vendor contract.
- The Increase in Utilities reflects FY 2019 average expense.
- The Biosolids Disposal account reflects an increase due to a change in vendor and increasing flow projections.
- The increase in Electricity is related to the average FY 2019 expense and is inclusive of the additional meter installed at the Riverbend plant.

Riverbend & Doe Branch

- Chemicals are decreasing overall due to system refinement and optimization as a conventional activated sludge facility at the Riverbend Plant and continued system optimization efforts at the Doe Branch Plant.
- The Equipment and Furniture greater than \$5,000 includes:

Riverbend

- Replacement UV wiper system on original UV system - \$32,000
- SHT Diffuser upgrade/rehab project - \$30,000
- Spare basin mixer - \$18,000
- New Forklift - \$30,000

Doe Branch

- Phase I of LS63 pump improvement project - \$60,000

Debt Service

- Debt Service payments for all outstanding debt reflects an increase due to the first year with no Capital Interest for Texas Water Development Board 2016 and 2017 series bonds.

Contribution to Reserves

- Non-Bond Capital Reserve does not have a contribution budgeted for FY 2020. The additional \$586,505 in the FY 2019 estimate reflects a mid-year adjustment from working capital.
- The Plant Permitting Reserve continues to collect \$12,000 each for the Riverbend and Doe Branch plants over a five year period to cover plant permitting renewals.
- Transfer to Vehicle and Equipment Replacement Reserve Fund amount is calculated according to quantity and age of vehicles and equipment. This amount includes all new vehicles and equipment that have been added over the past few years and is funded according to established replacement schedule.
- The transfer to the O&M Reserve Fund is included in the adopted budget to recover the required level 25% of O&M expenses (less debt service). This reserve is anticipated to be 100% funded at the end of FY 2020.
- The transfer to the Administration Fund is the portion of the customer surcharge to fund administration services.
- The transfer to Regional Treated Water System Non-Bond Capital Reserve is a transfer of principal and interest collected from Riverbend participants as the fourth of five payments for the UV Disinfection Improvement project, as well as payments from Celina to various reserves that provided funding for the pipeline project completed in 2010.

Riverbend & Doe Branch

Shared Debt Payments

- This payment funds a direct portion of debt service related to the administrative offices, Board Room, and administrative annex at 802 N. Kealy.

Contribution to Project Development

- Riverbend and Doe Branch's portion of the principal and interest payment for the Northeast Regional Water Reclamation System CIP Planning Study.

Interfund Transfers

- The transfer to the Administration Fund is the portion of the customer surcharge to fund administration services.
- The transfer to Regional Treated Water System Non-Bond Capital Reserve is a transfer of principal and interest collected from Riverbend participants as the fourth of five payments for the UV Disinfection Improvement project, as well as payments from Celina to various reserves that provided funding for the pipeline project completed in 2010.

Maintenance Expense

- This allocation represents 17% of the adopted Maintenance budget.

Administration Fund Overhead Expense

- The allocation of overhead to operations.

Peninsula

SUBSCRIBED CAPACITIES

Entity	FY 2019 Budget	FY 2020 Budget
Mustang SUD	0.940 mgd	0.940 mgd
Total	0.940 mgd	0.940 mgd

PROJECTED FLOWS

Entity	FY 2019 Budget	FY 2019 Estimates	FY 2020 Budget
Mustang SUD	0.4900 mgd	0.6000 mgd	0.5250 mgd
Total	0.4900 mgd	0.6000 mgd	0.5250 mgd

RATE STRUCTURE

	FY 2019 Budget	FY 2020 Budget
Member Treatment Rate	\$1.52 / 1,000 gallons	\$1.58 / 1,000 gallons
Joint Fixed O&M	\$612,000 / mgd	\$655,100 / mgd

Revenue

- Interest Income is representative of current market conditions.
- Total treatment revenue reflects the projected flows at adopted rates.
- The adopted joint fixed O&M charges are assessed to recover fixed costs.
- Capital Charges are necessary to make annual debt service payments.
- No Interfund Transfers are requested for FY 2020.
- Rental Revenue is the pro rata share of 802 N. Kealy annex rental income.

Peninsula

Expenses

Personnel Services

- The adopted budget includes funding for 1.50 full time equivalent positions and a 15% increase in medical insurance rates. There is no offsetting contribution from the Self-Insurance Reserve. The increase in Non-Exempt Salaries reflects projected staff distribution between Lakeview and Peninsula (85/15).

Administrative

- Meetings/Training/Travel/Memberships increase due to anticipated conference and training expenses in FY 2020.

Office Expenses

- Computer Equipment & Supplies increase due to monitors and laptops needed to upgrade to SCADA Wonderware.

O&M Expenses

- Plant & Equipment Maintenance includes funding to rebuild pumps due to older equipment as well as the Hach preventative maintenance agreement.
- There are no requests for Furniture and Equipment greater than \$5,000.

Contribution to Reserves

- Transfer to Vehicle and Equipment Replacement Reserve Fund amount is calculated according to quantity and age of vehicles and equipment. This amount is funded according to established replacement schedule.
- Transfer to Plant Permitting Reserve is to continue to accumulate funds for the next permit renewal in FY 2021 and FY 2022.
- The transfer to the O&M Reserve Fund is included in the adopted budget to recover the required level 25% of O&M expenses (less debt service). This reserve is anticipated to be 100% funded at the end of FY 2020.
- Funding for Capital Replacement Reserve is provided for in the volume charge at \$0.05 / 1,000 gallons, no change from FY 2019.

Peninsula

Shared Debt Payments

- This payment funds a direct portion of debt service related to the administrative offices, Board Room, administrative annex at 802 N. Kealy.

Contribution to Project Development

- The Transfer to Project Development is the fourth of five principal and interest payments of a loan for the Northeast Regional Water Reclamation System CIP Planning Study.

Interfund Transfers

- The Transfer to Regional Treated Water System in FY 2019 is to satisfy the note receivable for the sale of the Peninsula Package Plant.

Maintenance Expense

- This allocation represents 7% of the adopted Maintenance Budget.

Administration Fund Overhead Expense

- Allocation of overhead to operations.

ACCOMPLISHMENTS FOR FY 2018-2019

- ✓ Discharge effluent from District water reclamation facilities that meets all regulatory treatment requirements.

- *Lakeview Regional Water Reclamation System*
 - *Completed more SCADA programming changes to enhance plant process.*
 - *Installed all new relays in all MCC and LPU building.*
 - *Completed more voluntary load shedding Demand Response Testing with ERCOT.*
 - *Maintained perfect regulatory compliance and NACWA Platinum Status.*
 - *Maintained 100% survival of all Biomonitoring test species for over 19 years.*
- *Northeast Regional Water Reclamation System - Riverbend*
 - *Completed Phase II plant expansion project increasing plant capacity from 2.0 mgd to 4.0 mgd.*
 - *Installed and began using new modernized maintenance management software program to help increase O&M efficiency.*
 - *Maintained perfect regulatory compliance and NAWCA Platinum status.*
 - *TCEQ completed a routine compliance certification inspection in September 2018 for which the plant received a very high inspection rating.*
 - *Maintained 100% survival of all Biomonitoring test species for over 13 years.*
- *Northeast Regional Water Reclamation System - Doe Branch*
 - *Phase II expansion (2.0 mgd – 4.0 mgd) has begun. Design was completed and project has been awarded for construction. Construction is scheduled to start in January 2020.*
 - *Continually adapted to increased flows and challenging influent quality episodes while maintaining perfect regulatory compliance and NACWA Gold Status.*
 - *Installed Weir Brush cleaning to both clarifiers to reduce algae buildup greatly improving operator safety and morale.*
 - *Made operational adjustments to solids processing system that have greatly increased operational and overall solids processing efficiency.*
 - *The first ever routine TCEQ compliance certification investigation in December 2017 resulted in the District's first "Perfect" score for a District operated water reclamation facility.*
 - *Maintained excellent discharge effluent throughout the year.*
- *Peninsula Water Reclamation Plant*
 - *Completed changes to SCADA which allowed operators to fine-tune the treatment process and enhance plant capabilities.*
 - *Installed Weir Brush cleaning to both clarifiers to reduce algae buildup.*
 - *Corrected major erosion/drainage issue on the front part of the plant.*
 - *Installed new front gate with camera and badge entry control.*
 - *Maintained perfect regulatory compliance and NACWA Platinum status.*

Lakeview, Riverbend and Peninsula Plants received the NACWA Platinum Award and Doe Branch received the NACWA Gold Award for calendar year 2018. All plants met discharge permit limits through record-setting spring floods and passed all biomonitoring testing at Riverbend, Doe Branch and Lakeview plants.

Northeast Operations and Maintenance staff completed air piping modifications at Peninsula that provided more flexibility and options for process control, along with more effective use of existing equipment.

The Northeast Operations group implemented an Operations to Maintenance cross-training program for new Northeast Operations staff members that has proven to be very beneficial to the Northeast Operations and Maintenance groups. Plans are being made to incorporate this program District wide based on the success to date.

Initiated Wonderware and SCADA server upgrade project. Will be constructing a system platform to unify the design and function of our SCADA HMI for all District plants. Also replacing outdated hardware and updating software and licenses as needed to complete the project.

Initiated additional management and leadership training opportunities for mid-level management and high potential employees.

The Operations Data Management project Phase II is currently underway. Operations staff are currently using the new system to assist with O&M data management needs. Additional training for staff is planned and use of the program will continue to expand. An executive dashboard of key operational parameters is in the final draft stage.

Planning for US Highway 380 widening project has started. Several District pipelines will have to be relocated impacting both the water and wastewater systems along the Highway 380 corridor.

✓ **Maintain all water reclamation facilities in high-quality working order.**

Continued using the Weir-Wolf clarifier cleaning system at the Lakeview Plant with good results, reducing labor hours and increasing staff safety.

District staff upgraded a significant portion of the Lakeview Plant lighting to LED.

Improvements to the Peninsula headworks area to enhance freeze protection to minimize equipment downtime during cold weather months continue to pay dividends. For the third consecutive year after implementing these improvements we had zero shutdowns of critical plant equipment due to freezing weather.

Continued vendor service to clean out the Riverbend wet well and influent pipeline, the Doe Branch lift station, and select Lakeview system lift stations. Maintenance has been providing this service at various locations after the District purchased its own Vector Truck.

Continued to maintain on hand spare parts inventory of key operational equipment at all facilities.

Installed and began using new modernized maintenance management software program to help increase O&M efficiency.

✓ Maintain facilities with a good neighbor policy.

Operations has continued the on-going landscape and other maintenance of the property along the Riverbend entry road that borders neighboring Paloma Creek making this a very aesthetically appealing entry road.

Continue to ensure that all property owned by the District is well maintained especially around the Doe Branch, Riverbend, and Peninsula facilities.

Continue to feed iron salts and hydrogen peroxide for effective odor control in the pipeline system and at the Lakeview plant.

✓ Maintain security/safety of systems and resources.

Peninsula added new electric gate with camera and badge entry.

Completed a large easement reclamation project on the Doe Branch Phase II interceptor from Fishtrap Road to the Doe Branch facility that now allows for access to the pipeline easement for inspection and maintenance. All Northeast Wastewater collection system pipelines are now fully accessible.

Peninsula enhanced safety by installing automatic weir cleaning brush system to both clarifiers.

The fiber optic network update for all facilities was completed.

Taylor Plant is now linked to all the plants in the District with cameras and SCADA monitoring capabilities.

Installed numerous cameras throughout the District to improve site security.

Installed a 70' communication tower at Riverbend to provide a connection for NE communications between facilities and provide a microwave link for redundancy during fiber optic or other communication equipment failures.

Continue to utilize and update the District GIS system for optimal plant and system operations.

NON-POTABLE WATER SYSTEM

The District is committed to providing non-potable water, where applicable, for irrigation, commercial and industrial uses. Non-potable water includes raw water and treated wastewater effluent.

MISSION

Our mission is to provide treated effluent and raw water that meets or exceeds federal, state and local standards for applicable uses.

GOALS AND OBJECTIVES

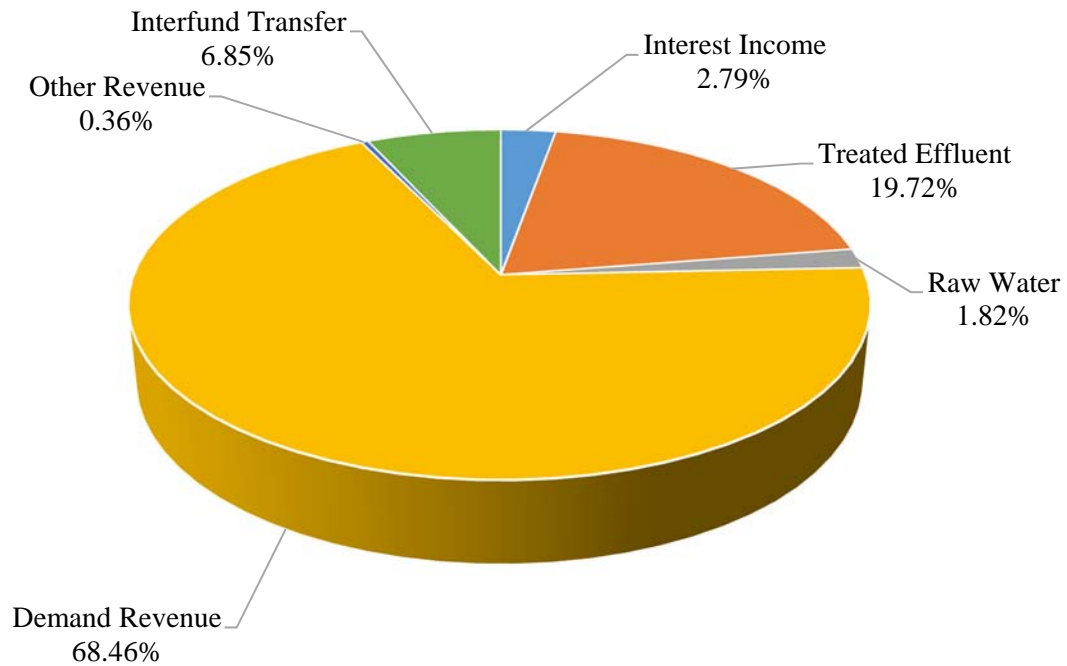
- Provide treated effluent water as requested.
 - Deliver up to 2 mgd of treated effluent from the City of Lewisville to FWSD No. 1A for irrigation of Castle Hills golf course.
 - Maintain pump station and transmission pipeline to ensure effluent is available as requested.
 - Coordinate with the City of Lewisville to ensure effluent is available as requested.
- Maintain an effluent monitoring program.
 - Ensure compliance with applicable federal, state and local effluent regulations.
 - Identify potential environmental problems and evaluate the need for remedial actions.
- Maintain accurate meter records.
 - Coordinate with the City of Lewisville to ensure annual meter calibrations are performed.

BUDGET SUMMARY

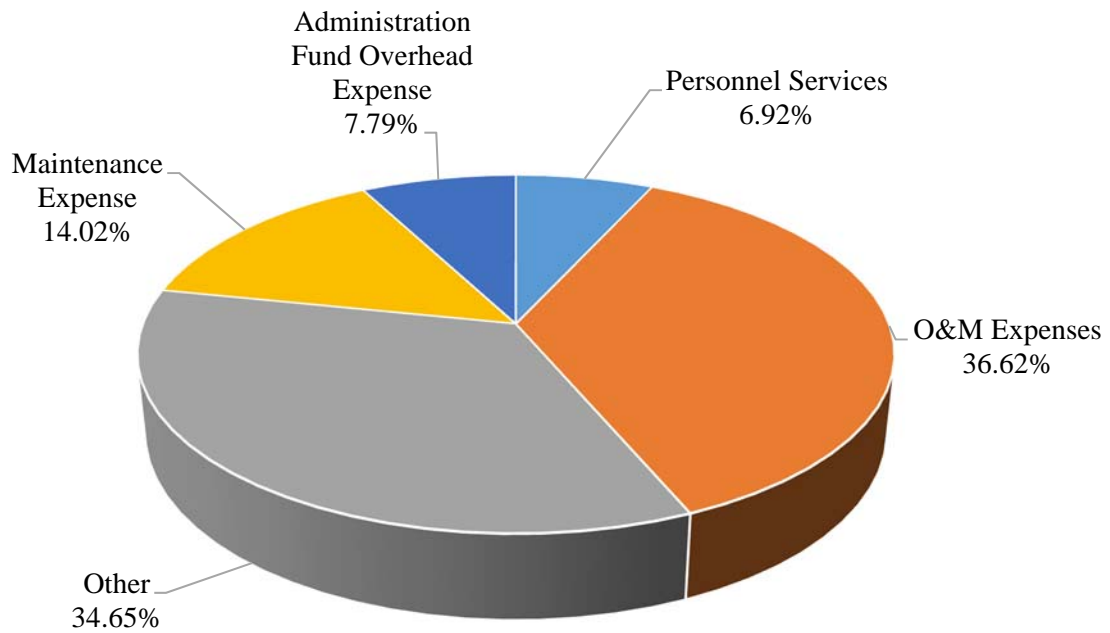
	FY 2017-2018	FY 2018-2019	FY 2018-2019	FY 2019-2020
	Actuals	Adopted	Estimates	Adopted
Beginning Balance	\$ 54,057	\$ 32,707	\$ 47,382	\$ 43,427
Operating Revenue				
Interest Income	\$ 3,289	\$ 2,400	\$ 6,235	\$ 5,100
Treated Effluent Volume Revenue	44,952	36,950	21,755	36,000
Raw Water Volume Revenue	7,116	2,895	2,895	3,325
Demand Revenue	125,000	125,000	125,000	125,000
Other Revenue	462	515	530	660
Interfund Transfer	-	-	-	12,500
Total Operating Revenue	\$ 180,819	\$ 167,760	\$ 156,415	\$ 182,585
Operating Expense				
Personnel Services	\$ 10,116	\$ 11,950	\$ 11,345	\$ 11,560
Professional Services	-	3,000	3,000	1,300
O&M Expenses	64,797	52,450	32,670	61,165
Shared Debt Payment	1,842	1,845	1,845	1,845
Contribution to Reserves	89,230	54,725	79,650	54,725
Maintenance Expense	15,182	21,465	20,565	23,420
Administration Fund Overhead Expense	6,206	11,295	11,295	13,010
Adjustment for Accrued Expenditures	121	-	-	-
Total Operating Expense	187,494	156,730	160,370	167,025
Ending Balance	\$ 47,382	\$ 43,737	\$ 43,427	\$ 58,987

FY 2020 Ending Balance increase is due to an Interfund Transfer.
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Operating Revenues

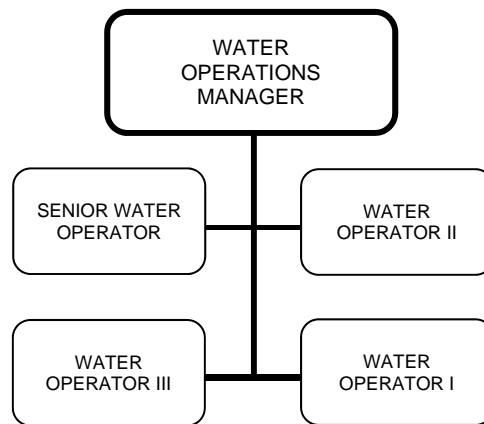


Operating Expenditures



PERSONNEL SUMMARY

Positions	FY 2018 Actual	FY 2019 Budget	FY 2019 Revised	FY 2020 Budget
Water Operations Manager	0	0	0	.01
Water Operations Superintendent	.01	.01	.01	0
Senior Water Operator	.01	.01	.01	.01
Water Operator III	.07	.06	.06	.06
Water Operator II	.01	.01	.01	.01
Water Operator I	.04	.05	.05	.05
Total FTEs	.14	.14	.14	.14



PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2018 Actual	FY 2019 Estimates	FY 2020 Target
Availability of effluent for irrigation	Percent of time requested effluent is delivered.	100%	100%	>99%
Effluent monitoring program	Meet or exceed all applicable federal, state and local effluent regulations.	100%	100%	100%
Meter Accuracy	Yearly pass of meter calibration checks for accuracy.	100%	100%	>97%

SUMMARY OF MAJOR CHANGES

PROJECTED FLOWS

Type	FY 2019 Budget	FY 2019 Estimates	FY 2020 Budget
Treated Effluent	0.2249 mgd	0.1325 mgd	0.2192 mgd
Raw Water	0.0083 mgd	0.0083 mgd	0.0096 mgd

RATE STRUCTURE

	FY 2019 Budget	FY 2020 Budget
Treated Effluent Rate	\$0.45 / 1,000 gallons	\$0.45 / 1,000 gallons
Raw Water Rate	\$0.95 / 1,000 gallons	\$0.95 / 1,000 gallons
Demand Charge	\$125,000	\$125,000

Revenue

- Interest Income is representative of current market conditions.
- Rental Revenue consists of a pro-rata share of rental income from 802 N. Kealy.
- Transfer In – Non-Bond Capital Reserve of \$12,500 is due to cover the expense for a replacement motorized valve operator.

Expenses

Personnel Services

- The adopted budget includes funding for personnel who spend time operating and maintaining the non-potable facilities.

O&M Expenses

- Insurance - Property, GL, Vehicle account includes a 5% rate increase from Texas Municipal League due to a transition to replacement value premiums.
- Electricity has a decrease reflective of FY 2019 maximum TDSP charges.

- Requests for Furniture and Equipment greater than \$5,000 includes:
 - Replacement Motorized Valve Operator - \$12,500

Contribution to Reserves

- A contribution is recommended to be made to the Non-Bond Capital Reserve to allow for equity cash funding of future capital projects.
- Transfer to Capital Replacement Reserve is included to set aside funds to be used for future pipeline replacement.
- Shared Debt Payments funds a direct portion of debt service related to the administrative offices, Board Room, and administrative annex at 802 N. Kealy Street.

Maintenance Expense

- This allocation represents 1% of the adopted Maintenance budget.

Administration Fund Overhead Expense

- Allocation of overhead to operations.

ACCOMPLISHMENTS FOR FY 2018-2019

- ✓ As per contract with Denton County Fresh Water Supply District #1A, supplied non-potable water for golf course irrigation and maintained recreational pond level by utilizing treated effluent that was provided from the City of Lewisville wastewater treatment plant and pumped to the Castle Hills golf course in Carrollton for irrigation. Raw water was provided from Lewisville Lake to Lake Avalon.
 - *40,114,000 gallons of effluent provided for golf course irrigation.*

MAINTENANCE

The purpose of the Maintenance Department is to ensure the District's treatment facilities are always performing to their maximum potential for reliable service to our customer entities.

MISSION

The mission is to maintain all treatment facilities and apparatuses to exceed the life expectancy of all equipment and structures, acting quickly to emergency situations and making sure our customer entities have the best possible service available with limited interruptions.

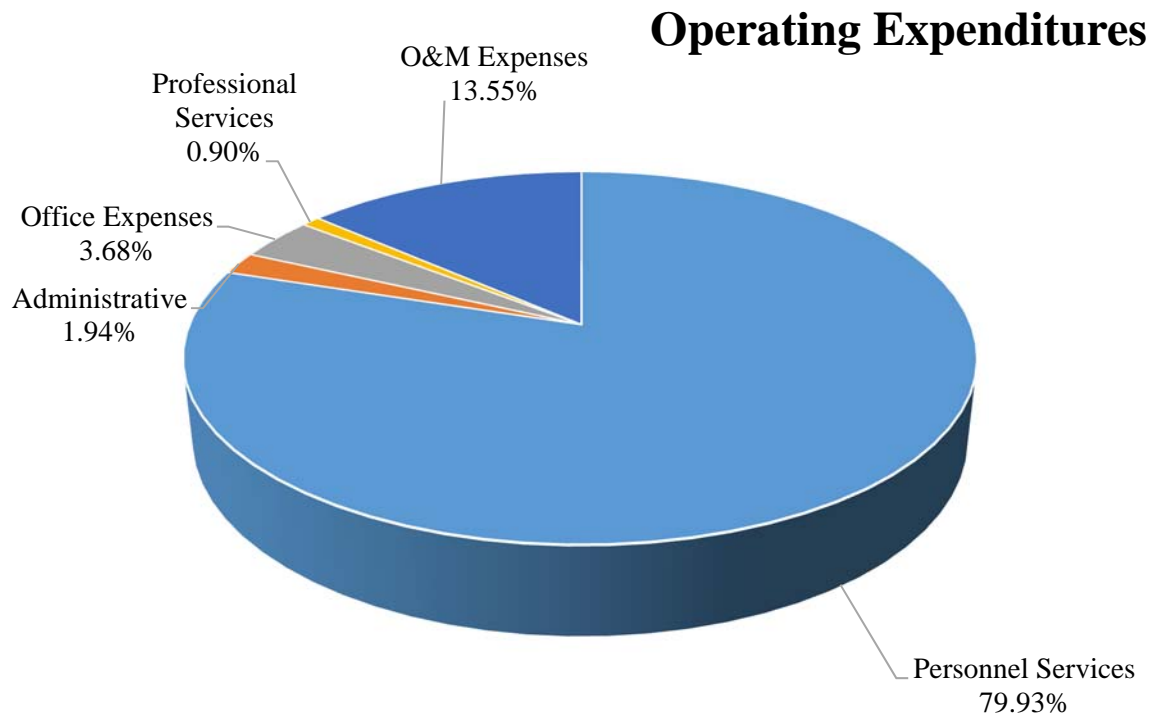
GOALS AND OBJECTIVES

- Provide quick and accurate responses and effective repairs or solutions to the needs of all of the District's facilities.
 - Abide by the rules and regulations set by State and Federal agencies in all repairs that could adversely affect potable water for the end user.
 - Work with operators to provide the best quality product in compliance with State and Federal Standards.
- Maintain all apparatuses and exceed the life expectancy of all equipment and facilities.
 - Maintain facilities, equipment and other machinery in conjunction with the operation and maintenance manuals.
- Be safety conscious at all times, read and understand the District's health & safety manual.
 - Identify safety hazards before each task is performed.
 - Watch out for yourself and fellow co-workers.
- Ensure everything is tested and in compliance annually for each facility so that all documentation is in place for TCEQ inspections.

BUDGET SUMMARY

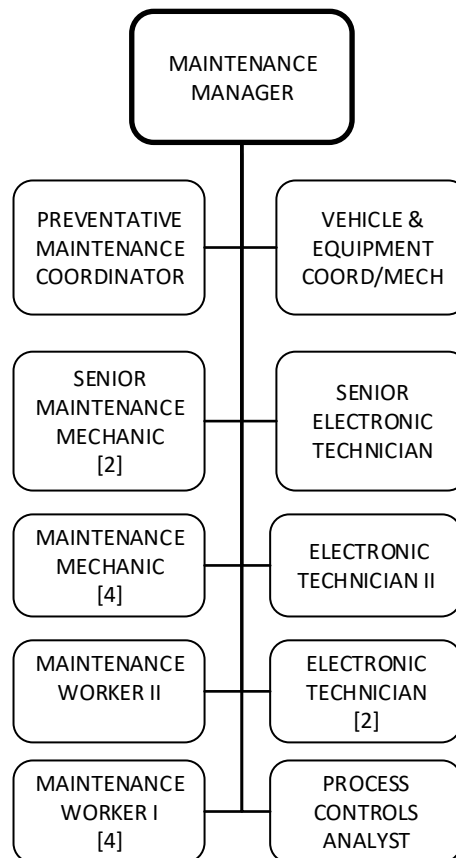
	FY 2017-2018	FY 2018-2019	FY 2018-2019	FY 2019-2020
	Actuals	Adopted	Estimates	Adopted
Beginning Balance	\$ -	\$ -	\$ -	\$ -
Operating Expense				
Personnel Services	\$ 1,324,863	\$ 1,618,585	\$ 1,533,395	\$ 1,872,190
Administrative	27,362	44,895	41,605	45,310
Office Expenses	42,312	171,720	157,570	86,290
Professional Services	5,208	21,080	18,085	21,105
O&M Expenses	118,504	290,265	306,080	317,280
Total Operating Expense	\$ 1,518,249	\$ 2,146,545	\$ 2,056,735	\$ 2,342,175
Allocation Transfer to Operating Funds	(1,518,249)	(2,146,545)	(2,056,735)	(2,342,175)
Ending Balance	\$ -	\$ -	\$ -	\$ -

*All Maintenance Expenses are allocated to the Operating Funds based on the size and complexity of maintaining each facility.



PERSONNEL SUMMARY

Positions	FY 2018 Actual	FY 2019 Budget	FY 2019 Revised	FY 2020 Budget
Maintenance Manager	0	0	0	1
Maintenance Superintendent	1	1	1	0
Preventative Maintenance Coord.	1	1	1	1
Vehicle & Equipment Coord.	1	1	1	1
Senior Electronic Technician	1	1	1	1
Electronic Technician II	1	1	1	1
Electronic Technician I	2	2	2	2
Senior Maintenance Mechanic	2	2	2	2
Maintenance Mechanic	3	4	4	4
Maintenance Worker II	3	3	3	1
Maintenance Worker I	1	1	1	4
Landscape Assistant (Temporary)	0	0	0	1
Process Controls Analyst	1	1	1	1
GIS Analyst	.5	.45	.45	.45
Total FTEs	17.5	18.45	18.45	20.45



PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2018 Actual	FY 2019 Estimates	FY 2020 Target
Reduce response time on Preventative (PM), Scheduled (SM) & Landscape (LM) Maintenance Work Orders	Complete PMs within 5 working days	99%	99%	100%
Reduce response time on Corrective Maintenance (CM) Work Orders	Complete CMs within 5 working days	97%	95%	100%
Emergency Response	Response and repair time less than 24 hours	91%	96%	100%
Special Projects	Total # of special projects each FY completed on time	88%	93%	100%
Funding	Total # of special projects each FY completed within budget	99%	100%	100%
Safety	12 safety training hours / employee / year	98%	91%	100%
Staffing	% of time at full staff	85%	97%	100%

SUMMARY OF MAJOR CHANGES

Personnel Services

- The adopted budget includes funding for 20.00 full-time equivalent positions and 45% of the GIS Analyst. A 15% increase in medical insurance rates is also included in the adopted budget. There is no offsetting contribution from the Self-Insurance Reserve.

Administrative

- Insurance - Property, GL, Vehicle account includes a 5% rate increase from Texas Municipal League.

Office Expenses

- The decrease in Communications is due to a reduction in costs for leased communication services through AT&T Ethernet in lieu of point-to-point service.
- The decrease in Computer Equipment and Supplies is due to the SCADA Wonderware subscription for \$81,000 budgeted in FY 2019.

O&M Expenses

- The increase in Vehicle Expense is due to aging vehicle maintenance.
- There are no budgeted expenses for Furniture and Equipment less than \$5,000. Included in the Furniture and Equipment greater than \$5,000 account:
 - F-350 Diesel 4x4 truck - \$42,000
 - Wachs Valve Exerciser for maintaining valve systems - \$34,000
 - Valve Nut Repair Kit - \$9,200
 - Portable Restroom Trailer Unit - \$50,000
 - F-150 truck for Inspector - \$35,000
- Total operating expenses for the Maintenance budget are allocated to the following projects: Regional Treated Water System (58%), Lakeview Regional Water Reclamation System (16%), Northeast Regional Water Reclamation System (17%), Peninsula Water Reclamation Plant (7%), Non-Potable Water System (1%), and Admin (1%). This allocation is based on the updated methodology of work order distribution.

ACCOMPLISHMENTS FOR FY 2018-2019

- ✓ Provide quick and accurate responses for effective repairs or solutions to the needs of all of the District's facilities.

System Wide

Ensure everything is tested and in compliance annually for each facility so that all documentation is in place for TCEQ inspections.

Moved to a new Computerized Maintenance Management System (CMMS) software that allows more streamlined operations for creating and completing tasks. Field employees can view live data from the field via a laptop or iPad.

With new EPA regulations on cooling refrigerants and as of January 2020, the R22 refrigerant will no longer be manufactured. It will still be available but with a very high cost. Therefore when older A/C units go down we must be diligent in taking everything into account from the age of the equipment, cost of repair and cost of a new replacement. This year we have changed out a total of five units that were 10-20 years of age and utilizing the R22 refrigerant and going with the new 410A refrigerant units.

Administration

Raised and leveled approximately 160 feet of settled sidewalk along the curb of the admin parking lot.

Completed painting project of exterior walls on the back of the Administration, Boardroom, and Maintenance shop.

Completed construction of new Maintenance Equipment Storage Facility that houses pipeline spare parts and covered parking for mobile equipment to keep them out of the elements and extend their useful life cycle.

Thomas E. Taylor Regional Treated Water System

Removed and installed a new backwash blower motor in #2 slot.

Pump #6 was placed back in service in August of 2019.

Repaired leaking 48" finished water pipeline at Stone Hill.

Replaced all customer POD turbine meters with new Mag Meters.

Major repair work completed on the Southwest Pipeline 54" leak on the property of Briarwood Retreat Center

Replaced leaking bypass line at Temple Dane around the TETRWTP meter vault.

Lakeview Water Reclamation System

Installed new spare pump in #2 slot at the Highland Village Lift Station so we could take the failed pump to the shop for repairs.

Replaced five air relief valves on the Lantana Pipeline.

Completed Smart Ball project for all the wastewater system pipelines, data is still being analyzed for corrosive fittings and air pockets.

Four new mixers were installed in the aeration basins, two on the north side and two on the south side.

Harpool Regional Water System

Completed Smart Ball project of the Raw Water Pipeline, data is still being evaluated but it appears that there are two possible leaks on this line.

Major repair work completed on the Finished Water Pipeline 36" leak across from the Corps of Engineers property. The District now has an access road along a major flood area over the pipelines in this area for future access.

Northeast Regional Water Reclamation System

Significant savings were realized by locating a machine shop that could complete a quality repair on the broken mixer shafts at the Doe Branch Plant.

Installed road plates for off-loading a spare dumpster at Riverbend solids handling building.

Repaired numerous East Side Lift Station pumps and switchgear, this station now has 100% pumping capacity and also has a spare pump on hand.

- ✓ Maintain all apparatuses and exceed the life expectancy of all equipment and facilities.

REGIONAL TREATED WATER SYSTEM

The District is committed to protecting public health and providing high quality drinking water for our members and customer entities. The Regional Treated Water System provides a safe and reliable water supply for 29 communities in the Denton County area. The system consists of two modern water treatment plants – the Thomas E. Taylor Regional Water Treatment Plant and the Tom Harpool Regional Water Treatment Plant.

MISSION

Our mission is to supply the District's customers with an adequate supply of water that is of the highest quality while striving to keep costs down, minimizing service interruptions and practicing responsible use and management of water as a natural resource through water conservation and public education.

GOALS AND OBJECTIVES

- Provide all of the District's customers with dependable, high quality water.
 - Ensure that District rules, guidelines, and practices meet or exceed all Federal and State standards.
 - Maximize redundancy by ensuring that treated water can be provided from both water treatment plants.
- Minimize the impact of water treatment costs to offset water rate increases.
 - Work to identify savings that will not affect the quality or level of service for treated water.
 - Monitor items such as Granulated Activated Carbon media, sodium hypochlorite generation cells, and membranes to determine when replacement of these items will be needed.
 - Follow and continue to monitor the replacement schedule based on historical trends.
 - Maintain a funding plan to provide for the established replacement schedule.
- Maintain security/safety of systems and resources.
 - Secure all of the District's remote facilities by use of cameras and other means necessary.
 - Continue to develop and implement new requirements for data management to facilitate data sharing and analysis, and ensure that the data is safely stored.
 - Manage the Supervisory Control and Data Acquisition System (SCADA) to ensure maximum benefit and minimal down time.

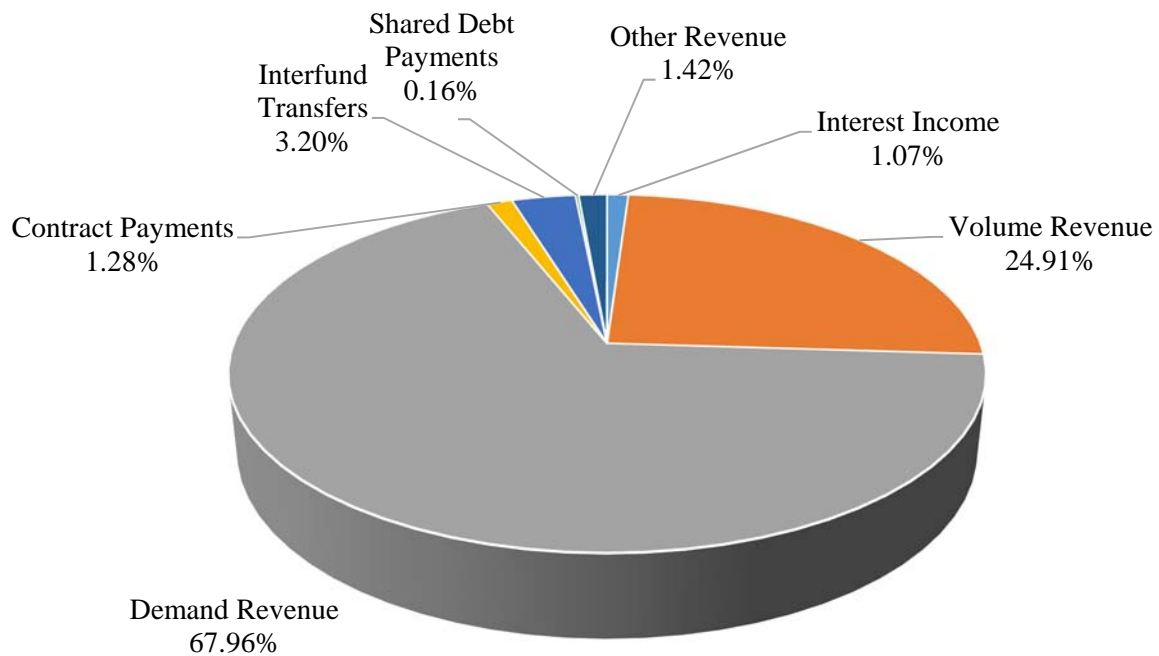
- Improve networking, SCADA, and communications systems to actively monitor all remote facilities and stay up to date with current technology.
- Maintain all plant communication and networking systems within industry guidelines and update hardware and software as needed to keep all systems operating efficiently.

BUDGET SUMMARY

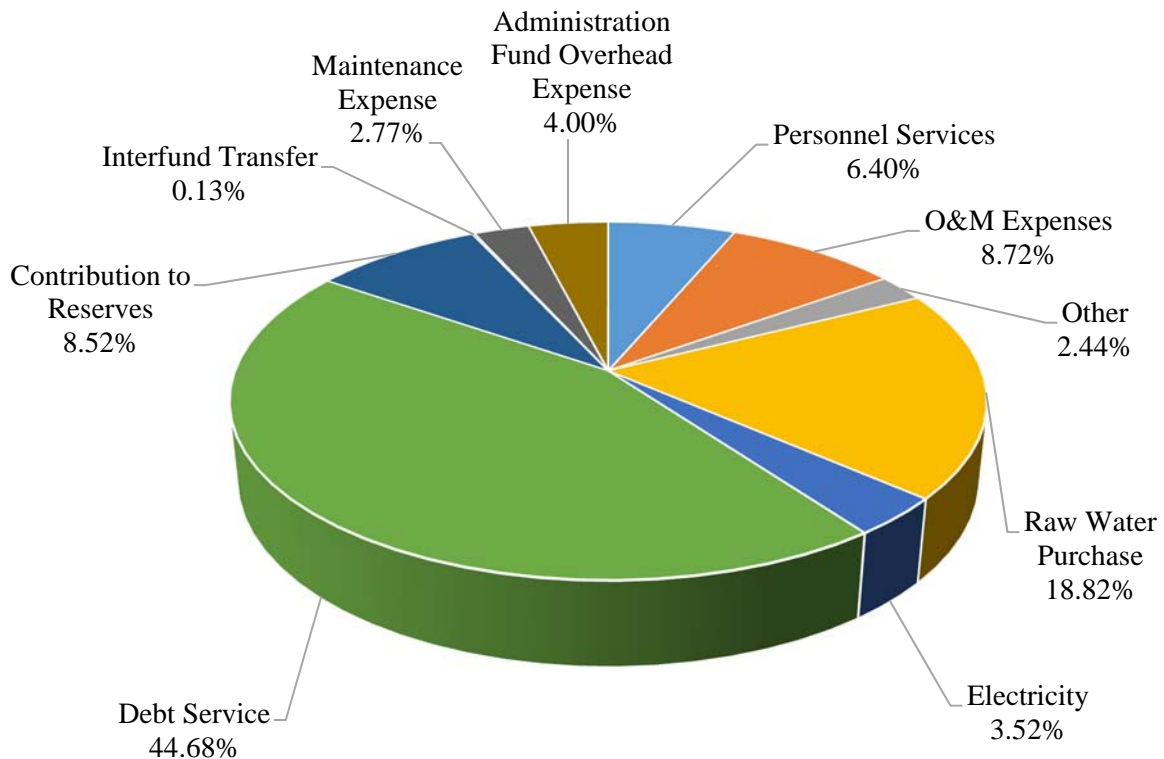
	FY 2017-2018	FY 2018-2019	FY 2018-2019	FY 2019-2020
	Actuals	Adopted	Estimates	Adopted
Beginning Balance	\$ 11,209,170	\$ 9,264,080	\$ 10,297,037	\$ 10,667,017
Transfer to Operations	\$ (626,220)			
Beginning Balance Revised	\$ 10,582,950			
Operating Revenue				
Interest Income	\$ 422,175	\$ 400,000	\$ 662,805	\$ 550,000
Volume Revenue	12,698,139	12,245,180	11,492,525	12,789,435
Demand Revenue	31,809,551	33,876,500	33,854,520	34,921,345
Contract Payments	370,723	700,520	811,790	657,965
Interfund Transfers	1,171,344	1,442,635	1,404,025	1,646,630
Shared Debt Payments	151,154	82,730	82,730	82,730
Other Revenue	215,814	188,190	680,355	730,265
Total Operating Revenue	\$ 46,838,900	\$ 48,935,755	\$ 48,988,750	\$ 51,378,369
Operating Expense				
Personnel Services	\$ 2,435,285	\$ 2,695,120	\$ 2,649,915	\$ 3,133,235
Administrative	293,884	438,575	417,235	438,555
Office Expenses	83,827	45,205	50,680	70,780
Professional Services	199,414	1,654,420	595,160	684,050
O&M Expenses	3,661,577	3,117,775	4,202,050	4,269,275
Chapman Raw Water Purchase	2,870,183	3,050,135	3,557,715	3,059,630
Dallas/Denton Raw Water Purchase	6,403,390	5,892,220	2,609,670	6,154,365
Electricity	1,702,703	1,691,150	1,780,425	1,722,695
Debt Service	20,769,276	22,359,500	21,349,380	21,847,620
Fiscal Agent Fees	6,747	26,525	26,525	27,320
Contribution to Reserves	4,845,902	3,605,855	5,652,190	4,052,560
Interfund Transfer	75,000	65,000	65,000	65,000
Maintenance Expense	880,585	1,244,995	1,192,905	1,358,460
Administration Fund Overhead				
Expense	1,221,762	1,695,545	1,695,545	1,956,810
Non-Bond Capital Reserve	1,772,870	119,150	2,774,375	120,710
Adjustment for Accrued Expenditures	(97,592)	-	-	-
Total Operating Expense	\$ 47,124,813	\$ 47,701,170	\$ 48,618,770	\$ 48,961,065
Ending Balance	\$ 10,297,037	\$ 10,498,665	\$ 10,667,017	\$ 13,084,322

FY 2020 Ending Balance increase is due to increased Volume and Demand Revenue and a reduction in Debt Service.
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Operating Revenues

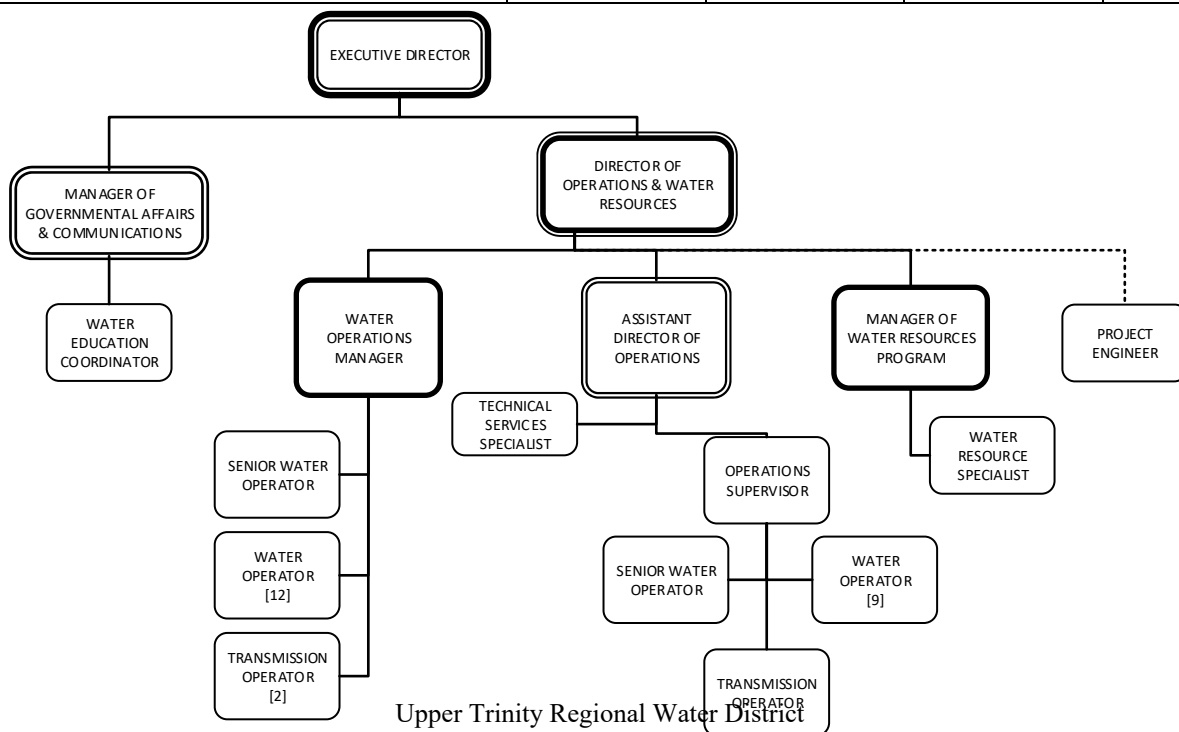


Operating Expenditures



PERSONNEL SUMMARY

Positions	FY 2018 Actual	FY 2019 Budget	FY 2019 Revised	FY 2020 Budget
Executive Director	0	.25	.25	.25
Manager of Governmental Affairs & Communications	0	0	0	.65
Manager of Customer Contracts / Support Services	.55	.55	.55	0
Water Education Coordinator	0	.80	.80	.80
Manager of Water Resources Program	0	0	0	.10
Water Resource Specialist	.80	0	0	.05
Deputy Executive Director	.40	.40	.40	0
Director of Operations and Water Resources	0	0	0	.50
Director of Operations	.45	.45	.45	0
Assistant Director of Operations	0	0	0	.50
Technical Services Specialist	.50	.50	.50	.45
Project Engineer	.50	.35	.35	.35
Water Operations Manager	0	0	0	.99
Water Operations Superintendent	.99	.99	.99	0
Northeast Operations Manager	.60	.60	.60	0
Operations Supervisor	.40	.40	.40	.40
Senior Water Operator	1.99	1.99	1.99	1.99
Water Operator III	10.93	9.94	9.94	9.94
Water Operator II	.99	1.99	1.99	3.99
Water Operator I	4.96	5.95	5.95	5.95
Water Operator II / Clerk	0	0	0	.60
Water Operator I / Clerk	.60	.60	.60	0
Transmission Operator	2.50	2.50	2.50	2.50
Total FTEs	27.16	28.26	28.26	30.01



Upper Trinity Regional Water District
FY 2019 - 2020 Adopted Budget

PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2018 Actuals	FY 2019 Estimates	FY 2020 Target
Meet or Exceed all State and Federal rules and regulations	Percentage of time the treatment system was in compliance % Time System Compliance = $[1 - (\text{non-compliant samples or readings} / \text{total samples or readings})] \times 100$	100%	100%	100%
Disruption in service, plant shut downs due to non-construction related activity	Percentage of time the treatment system was on-line % Time on-line = $[1 - (\text{\#days off line} / 365)] \times 100$	99.7%	99.7%	>99%
Meter Accuracy	Yearly meter calibration checks inaccuracy % Meter accuracy = $[1 - (\text{inaccurate meters} / \text{total meters})] \times 100$	81.82% Taylor 100% Harpool	100% Taylor 100% Harpool	>97%
Billed flow accuracy	Billing adjustments as a result of meter inaccuracy Accuracy = $[1 - (\text{\# total flow adjust} / \text{\# total flows billed})] \times 100$	99.96% Taylor 100% Harpool	100% Taylor 100% Harpool	>99%
Maximize after hours monitoring efficiency of N.E. Water and all Wastewater Systems	Percentage of time RWTP staff alert WW/NE personnel to potential problems or alarm situations	99%	99%	100%
Minimize taste or odor complaint episodes	Establish baseline trends; then target reductions	0 Taylor 2 Harpool	0 Taylor 2 Harpool	0
Minimize unaccounted water loss	Unaccounted for water, annual average UFW = billed + accounted flows/raw water flow	4.0% Taylor 4.0% Harpool	4.5% Taylor 4.0% Harpool	<5%
Dual Certified Operators	Number of Operators with both Water and Wastewater certification	33% Taylor 58% Harpool	40% Taylor 63% Harpool	>75%
Maintain Qualified / Trained Staff	Percentage of positions filled $[1 - (\text{vacancies} / \text{filled}) \times 100]$	100% Taylor 100% Harpool	100% Taylor 100% Harpool	>90%

SUMMARY OF MAJOR CHANGES

SUBSCRIBED CAPACITIES

Entity	FY 2019 Budget	FY 2020 Budget
Argyle WSC	2.00 mgd	2.00 mgd
Aubrey	0.10 mgd	0.10 mgd
Cross Timbers WSC	2.50 mgd	2.50 mgd
Celina	4.67 mgd	5.00 mgd
Corinth	7.50 mgd	7.50 mgd
DCFWSO #1A	3.00 mgd	3.00 mgd
DCFWSO #7	3.50 mgd	3.50 mgd
DCFWSO #8A	2.17 mgd	1.87 mgd
Providence Village	2.40 mgd	2.40 mgd
DCFWSO #10	0.82 mgd	0.82 mgd
DCFWSO #11A	3.00 mgd	3.30 mgd
Flower Mound	30.00 mgd	30.00 mgd
Highland Village	3.00 mgd	3.00 mgd
Justin	0.85 mgd	1.15 mgd
Krum	0.40 mgd	0.40 mgd
Lake Cities MUA	3.80 mgd	3.80 mgd
Mustang SUD	4.48 mgd	4.48 mgd
Northlake	2.87 mgd	3.00 mgd
Sanger	0.50 mgd	0.50 mgd
Growth	0.00 mgd	0.00 mgd
Total	77.56 mgd	78.32 mgd

AVERAGE FLOWS

Entity	FY 2019 Budget	FY 2019 Estimates	FY 2020 Budget
Argyle WSC	0.900 mgd	0.854 mgd	0.925 mgd
Aubrey	0.000 mgd	0.000 mgd	0.000 mgd
Cross Timbers WSC	0.600 mgd	0.600 mgd	0.600 mgd
Celina	2.100 mgd	2.176 mgd	2.300 mgd
Corinth	3.100 mgd	2.730 mgd	3.100 mgd
DCFWSO #1A	1.550 mgd	1.360 mgd	1.550 mgd
DCFWSO #7	1.900 mgd	1.601 mgd	1.900 mgd
DCFWSO #8A	0.290 mgd	0.203 mgd	0.290 mgd
Providence Village	0.700 mgd	0.630 mgd	0.700 mgd
DCFWSO #10	0.350 mgd	0.391 mgd	0.380 mgd
DCFWSO #11A	1.000 mgd	1.015 mgd	1.100 mgd
Flower Mound	9.500 mgd	8.308 mgd	9.500 mgd
Highland Village	2.500 mgd	2.166 mgd	2.300 mgd
Justin	0.350 mgd	0.494 mgd	0.400 mgd
Krum	0.100 mgd	0.103 mgd	0.100 mgd
Lake Cities MUA	1.700 mgd	1.473 mgd	1.700 mgd
Mustang SUD	2.600 mgd	3.254 mgd	2.900 mgd
Northlake	0.850 mgd	0.901 mgd	0.850 mgd
Sanger	0.180 mgd	0.137 mgd	0.180 mgd
Total	30.270 mgd	28.396 mgd	30.775 mgd

RATE STRUCTURE

	FY 2019 Budget	FY 2020 Budget
Volume Rate – Members	\$1.09 / 1,000 gallons	\$1.12 / 1,000 gallons
Volume Rate – Customers	\$1.17 / 1,000 gallons	\$1.20 / 1,000 gallons
Flat Rate/Temporary Service	\$4.53 / 1,000 gallons	\$4.64 / 1,000 gallons
Demand Rate	\$439,650 / mgd	\$448,745 / mgd

Revenue

- Interest Income is representative of current market conditions.
- Total volume revenue reflects the projected flows at the adopted rates.
- The demand revenue reflects the current and anticipated increases in subscriptions at the adopted rate.
- The contract payments (P&I) from Argyle WSC and Mustang SUD are for joint capital projects. The increase for Argyle WSC in the FY 2019 estimate for the additional buy-out payment reflects the FY 2018 and FY 2019 payments to purchase the District's portion of the pipeline and elevated storage tank.
- Interfund transfers include funds from the O&M Reserve Fund to cover the Taylor pond dredging expenses and Smartball testing and pipeline repairs, and payments from the Northeast Regional Water Reclamation System for loans from the system's various reserves.
- Other Revenue generally consists of energy rebates and revenue from auctioned items. FY 2020 budget includes projected energy rebates. Dallas Water Utilities Raw Water Credit represents an offset to the raw water purchases from Dallas Water Utilities for their settlement with Sabine River Authority.
- The rental revenue is the pro-rata share of 802 N Kealy annex rental income and for the rental of District owned properties around the Lake Ralph Hall site.
- Shared Debt Payments include the original Administration complex and is received from Lakeview Regional Water Reclamation System (\$33,400), Peninsula Water Reclamation Plant (\$3,400), Northeast Water Reclamation System (\$8,900), Administration (\$12,200) and Non-Potable (\$1,100) and for 802 Kealy from Administration (\$8,160), Non-Potable (\$745), Lakeview Regional Water Reclamation System (\$7,415), Northeast Water Reclamation System (\$5,930), and Peninsula Water Reclamation Plant (\$1,480). The Vacuum Truck was fully reimbursed in FY 2018.

Expenses

Personnel Services

- The adopted budget includes funding for 30.01 full-time equivalent positions, including Watershed Protection and Water Conservation programs, and a 15% increase in medical insurance rates. Self-Insurance Reserve will not be utilized to offset expenses in FY 2020.

Administrative

- The increase in Advertising reflects historical trends and will be used for employment/project advertising.
- The Insurance - Property, GL, Vehicle account reflects a 5% rate increase.
- The increase in Employee Recognition Program reflects FY 2019 estimated expenses.
- The decrease in Conference, Training, & Travel is based on trending.

Office Expenses

- The increase in Computer Equipment & Supplies is due to monitors and laptops needed to upgrade to SCADA Wonderware.

Professional Services

- The decrease in Engineering is due to operational engineering support not needed at the Harpool Plant with the expansion.
- The Equipment Service account decrease is due to completion of the Stonehill Tank Cleaning project budgeted in FY 2019.
- The reduction in Other Outside Services is attributable to several projects budgeted in FY 2019 being completed. Projects in FY 2020 include right-of-way clearing at the Taylor Plant and various maintenance and service agreements at the Harpool Plant.
- Other Outside Services – Pond Sludge Removal decreased due to the timing of project priorities and is scheduled to begin in late FY 2020. This project is funded from the O&M Reserves.

O&M Expenses

- The Botanical account increase reflects a cost increase of 15% for new vendor contract.
- Plant and Equipment Maintenance is increased due to control room repairs, Hypo Cell repairs, heating and cooling maintenance, and Hach service agreement increases.

- Pipeline Maintenance increased for FY 2020 due to Smartball testing and pipeline repairs. The FY 2019 estimate is significantly more than the adopted budget due to an emergency pipeline repair at Copper Canyon. Testing and repairs are funded through O&M Reserves.
- Requests for Furniture and Equipment greater than \$5,000 includes:

Taylor Plant

- Valve Operator Trailer - \$35,000
- New chemical metering pump and SCADA integration - \$20,000
- ATI chlorine analyzers for meter vaults - \$11,000
- Distribution system spare/ repair parts - \$20,000
- Hypo Cells - \$90,000
- New Caustic Tank - \$60,000

Harpool Plant

- New truck - \$25,000
- Upgrade outdated emergency generator PLCs and Auto-transfer switch - \$60,000
- Spare compressor/parts for membrane system - \$8,000

Raw Water Purchases

- Raw water purchases reflect a 1.6% increase in the price of raw water from Dallas Water Utilities. Assumptions for raw water sources include a total of 32.02 mgd from the following sources:

Dallas water – 16.69 mgd
 Denton water – 3.00 mgd
 Chapman Lake – 9.00 mgd
 Reuse - 3.33 mgd

- The cost increase for Denton Pass-thru reflects the past two years average per 1,000 gallons.

Debt Service

- The decrease in Debt Service is due to a decrease in the Commercial Paper Letter of Credit rate from 65 to 45 basis points, a decrease in the Commercial Paper Interest Rate from 2.75% to 2.00%, and decreased interest rates for debt issues.

Contribution to Reserves

- The transfer to the O&M Reserve Fund is anticipated to fund the reserve to 100% in FY 2020.
- Funding for Capital Replacement Reserve is provided for in the volume charge at \$0.10 / 1,000 gallons. The loan repayment is the fourth year of Celina's five-year repayment schedule for funds loaned for the Doe Branch Interceptor project.

- Transfer to Vehicle and Equipment Replacement Reserve Fund amount is calculated according to quantity and age of vehicles and equipment. This amount is funded according to established replacement schedule.
- A transfer to Lake Ralph Hall Reserve is budgeted in the amount of \$517,525 for FY 2020 and is funded through a raw water credit which offsets the raw water expense from Dallas Water Utilities due to their settlement with Sabine River Authority. The FY 2019 estimate reflects an additional \$1,457,040 from a mid-year adjustment from working capital.
- Funding for the Water Conservation Program is at \$0.02/1,000 gallons, which reflects the previous FY 2018 funding amount.
- Funding for the Watershed Protection Program is at \$0.02/1,000 gallons. This is consistent with the previous funding amount in FY 2019.
- The Future Water Program includes \$0.015 / 1,000 gallons. This is a \$0.01/1,000 gallons increase from FY 2019.
- The transfers to Gas Lease Reserve and the Northeast Contribution Reserve are the fourth year of Celina's five-year repayment schedule for funds loaned for the Doe Branch Interceptor project.
- There will not be a contribution from rates to Non-Bond Capital Reserve in FY 2020. Payments from other systems for prior loans are included in the overall transfer to the Reserve. The FY 2019 estimate includes working capital transferred at mid-year to the Non-Bond Capital Reserve account.

Interfund Transfer

- A transfer of Customer Surcharge to Administration Fund is the portion of the customer surcharge and will fund administration services.

Maintenance Expense

- This allocation represents 58% of the adopted Maintenance budget.

Administration Fund Overhead Expense

- Allocation of overhead to operations.

ACCOMPLISHMENTS FOR FY 2018-2019

- ✓ Provided customers with dependable, high-quality water in a cost-effective manner.
 - *Harpool Plant won “Plant of the Year” and “Best Tasting Water” at the annual South Central Membrane Association Conference.*
 - *Taylor Plant won “Best Tasting Water” in North Texas Region from TWUA.*
 - *Reservoir levels were continually monitored and raw water sources utilized in the most optimal manner to ensure the lowest raw water costs possible; while maintaining an adequate water supply.*
 - *The Meter, Tank and Pipeline Repair and Improvement project is underway. 14 billing meters have been replaced, the ground storage tanks at Stonehill have been power washed and hairline cracks repaired, and a section of 18” line causing a flow bottleneck was replaced. Remaining work will be completed in the fall/winter of 2019.*
 - *The Parallel Pipeline project for the transmission line between Taylor Plant and Stonehill Pump Station is in the design phase with construction to begin in the winter of 2020.*
 - *Performed Preventive Maintenance on the variable frequency drives at the Raw Water Intake.*
 - *Replaced the motor for backwash blower #2 and repaired and realigned the motors for raw water pump #4 and high service pump #7.*
 - *Replaced the transformer for Stonehill pump #6 and returned the pump to service.*
 - *Upgraded several motor protection relays on the main switchgear at the Taylor Plant, along with pulling and servicing numerous main breakers in the switchgear.*
 - *Northlake Point of Delivery permanent meter vault was completed and placed in service.*
 - *Completed several pipeline upgrades, performed leak repairs on the 48” line at Stonehill, 54” line at Copper Canyon, and 36” line to Celina, and replaced two leaking valves on our filters.*
 - *Performed internal inspection of the 54” raw water line at the Intake with no zebra mussels found. Diver inspection of the interior and exterior of the wetwell indicated very light sediment overall.*
 - *Completed Phase 1A and 1B of the Harpool high service pump improvement project. All high service pumps were upsized, increasing the pumping capacity at Harpool by 125%. Electrical switchgear, transformer and variable frequency drive replacements were part of this project.*

- *Upgraded the Harpool Temple Dane and Celina point of delivery vault piping and billing meters to accommodate for higher flows due to system growth.*
- *Completed the Harpool and Temple Dane finished water pipeline relocation projects associated with the TxDOT expansion of FM 720.*
- *Completed construction and activation of the new Mustang SUD Point of Delivery.*
- *Completed construction and activation of new Artesia Point of Delivery.*
- *Completed the Byron Road elevated tank interconnect with Mustang SUD to increase redundancy for both UTRWD and Mustang SUD.*
- *Began design for a new pipeline from Harpool to Mustang SUD Point of Delivery #3, which will provide service to a new portion of Mustang SUD's service area.*
- *Replaced the variable frequency drive for Harpool Permeate Pump #4.*
- *Performed inspection of the 42" raw water inlet structure at the Harpool Emergency Storage Lake. The inlet structure was found to be in good condition and no zebra mussels were found.*
- *Installed and began using new modernized maintenance management software program to help increase O&M efficiency.*
- *Planning for the Taylor Plant recycle pond dredging project continues and work should commence in the next year. Prior to the dredging, the ozone side stream injection system will be replaced. Work on this project has been awarded and is set to begin in the winter of 2020.*
- *The Harpool Operations and Maintenance Team conducted the 6th annual full-scale audit of all the membrane filtration units during February 2019. Recent operational changes continue to result in superior membrane performance.*
- *Design continues on a raw water pipeline and second local emergency storage lake located one mile north of the Harpool RWTP.*
- *The Northeast Distribution System preventive maintenance program continues, with an ongoing goal to quickly identify and address potential problems before they become emergencies, and provide quick and effective response to emergencies when they arise. All Northeast Distribution system pipelines are fully accessible, equipment is easily identified and all easements easily navigable.*
- *Maintained 100% billing meter accuracy for the entire NE Water system for the 4th consecutive year.*

- *The Northeast Operations group implemented an Operations to Maintenance cross-training program for new staff members that has proven to be very beneficial. Plans are being made to incorporate this program District-wide based on the success to date.*
- *Continued to maintain spare parts inventory for key equipment at all facilities.*
- *Planning for US Highway 380 widening project has started. Several District pipelines will have to be relocated impacting both the water and wastewater systems along the Highway 380 corridor.*

✓ Continued long-range planning for water supply.

- *The District continued to monitor three water rights permit applications (Kiamichi River, Muddy Boggy Creek, and Lake Texoma) filed with the Oklahoma Water Resources Board (OWRB) seeking a total of 115,000 acre-feet/year of raw water from any combination of the sources listed in the application.*
- *With highest priority, Lake Ralph Hall planning and permitting efforts continue to make progress. Regulatory review of the national permit is being coordinated with the US Army Corps of Engineers. The TCEQ has issued a water rights permit. Strategic land purchases and design of the dam continue while the USACE permitting efforts continue.*
- *The District has been coordinating and providing data as needed to assist the Region C Water Planning Group in its preparation of future Region C Water Plans.*
- *Initiated hydraulic modeling and long range flow/subscripton projections to help direct CIP planning for Plant and transmission system expansions and improvements.*
- *Contracted to have the Taylor Plant Master Plan updated based on projected growth and updated technology available.*

✓ Ensure that water sold to District customers meets all Federal and State standards.

- *Both of the District's water treatment plants employ technologies and monitoring programs to ensure the production of finished water that is safe and healthy. Daily, monthly, and semi-annual testing confirms that the water meets and exceeds high standards of drinking water required by EPA and TCEQ regulations.*
- *Both Taylor Plant and Harpool follow recently updated and TCEQ approved monitoring plans. These plans demonstrate that all required testing is accounted for and provides transparency into our means and methods for meeting or exceeding all standards and regulations.*
- *Submitted a revised CT disinfection study at the Taylor Plant for TCEQ for approval.*
- *Continually confirmed that laboratory testing, both in-house and contracted, follow EPA or TCEQ required testing guidelines and methods.*

- ✓ Monitor expendable items such as GAC filter media and Zeeweed Membranes to determine when replacement of these items will be needed.
 - *GAC filter media level measurements, along with other filter testing to determine our backwash efficiency and underdrain integrity, are performed several times per year.*
 - *The Sodium Hypochlorite on-site generation system is routinely monitored and cells repaired and replaced as needed. Repairs were performed on multiple cells, acid washing was performed on all three generators, and several new cells were purchased to serve as spares when needed.*
- ✓ Continue to secure the District's remote facilities, by using updated technology.
 - *In an effort to provide full system redundancy to the fiber optic network, improvements to the microwave system at all plants and at our administration building are underway. This includes erecting towers and upgrading microwave transmitters at several District facilities.*
 - *Initiated Wonderware and SCADA server upgrade project. Will be constructing a system platform to unify the design and function of our SCADA HMI for all District plants. Will also be replacing outdated hardware and updating software and licenses, as needed to complete the project.*
 - *Continued to upgrade computer system security appliances, such as firewalls and switches, and created subnetworks to segregate each plants network.*
 - *Upgraded our Computerized Maintenance Management System and provided training for all operations and maintenance personnel on the new system.*
 - *Initiated additional management and leadership training opportunities for mid-level management and other high-potential employees.*
 - *Taylor Plant is linked to all the plants in the District with cameras and/or SCADA monitoring capabilities.*
 - *Installed numerous cameras throughout the District to improve site security.*
 - *Microwave communication towers have been upgraded at all operations facilities.*
- ✓ The Operations Data Management project Phase II and Tableau are currently underway.
 - *Operations staff are currently using the new system to assist with O&M data management needs. Additional training for staff is planned and use of the program will continue to expand. An executive dashboard of key operational parameters is in the final draft stage.*

HOUSEHOLD HAZARDOUS WASTE

The District is committed to providing safe and efficient collection, transportation, and disposal of household hazardous material for our Customers.

MISSION

Our mission is to work with Customers to safely collect and properly dispose of hazardous household wastes, and to educate citizens about the potential threat these materials pose to our water sources.

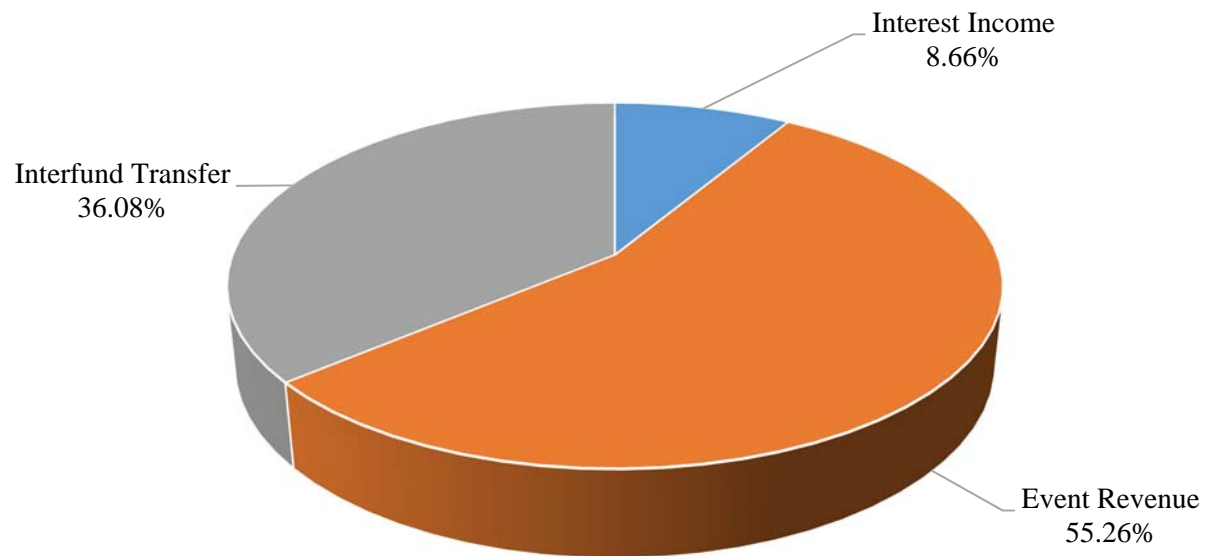
GOALS AND OBJECTIVES

- Promote Customer participation in the District's Household Hazardous Waste Collection Program (HHW Program).
 - Promote area wide collection events instead of individual events, when possible, to improve efficiency and reduce costs.
 - Provide current HHW information on the District's website, including additional information on paint disposal.
 - Improve the information packet sent to potential customers regarding the HHW Program.
 - Update the District's Board of Directors annually about the HHW program.
- Encourage District employees to participate in the HHW Program.
 - Actively recruit employees to become HHW collection team members.
 - Train HHW team members through certification and refresher courses.
 - Educate employees about the importance of the HHW program and ways to participate by conducting informative talks at employee luncheons or through printed material.
 - Provide containers to collect household batteries at District facilities.

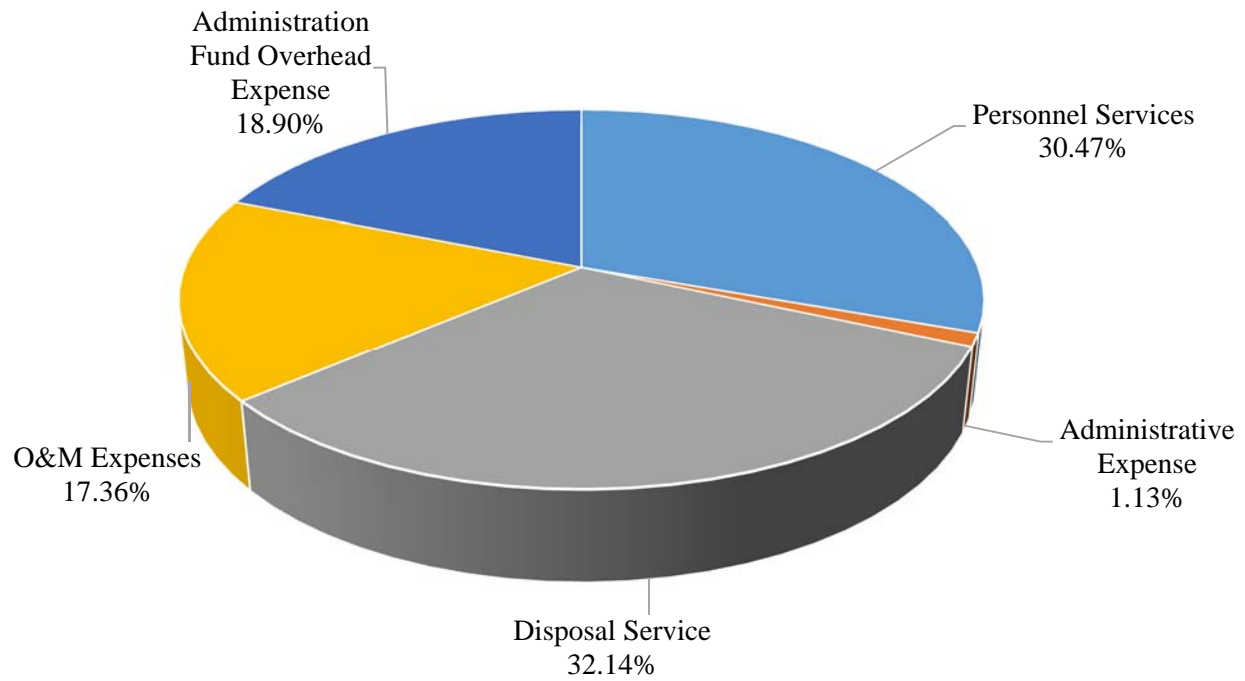
BUDGET SUMMARY

	FY 2017-2018	FY 2018-2019	FY 2018-2019	FY 2019-2020
	Actuals	Adopted	Estimates	Adopted
Beginning Balance	\$ 160,863	\$ 152,983	\$ 156,227	\$ 149,147
Transfer to Operations	\$ (9,000)	\$ (9,000)	\$ (9,000)	\$ (10,000)
Beginning Balance Revised	\$ 151,863	\$ 143,983	\$ 147,227	\$ 139,147
Operating Revenue				
Event Revenue	\$ 19,770	\$ 25,330	\$ 15,920	\$ 15,320
Interest Revenue	1,884	1,755	3,260	2,400
Transfer in - Working Capital	9,000	9,000	9,000	10,000
Total Operating Revenue	\$ 30,654	\$ 36,085	\$ 28,180	\$ 27,720
Operating Expense				
Personnel Services	\$ 6,427	\$ 9,895	\$ 7,525	\$ 8,060
Administrative Expense	4	300	300	300
Disposal Services	10,988	14,000	8,950	8,500
O&M Expenses	3,871	4,450	4,485	4,590
Administration Fund Overhead Expense	5,000	5,000	5,000	5,000
Total Operating Expense	26,290	33,645	26,260	26,450
Ending Balance	\$ 156,227	\$ 146,423	\$ 149,147	\$ 140,417

Operating Revenues



Operating Expenditures



PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2018 Actuals	FY 2019 Estimates	FY 2020 Target
Program Summary	Maintain current information about HHW program on the District's website.	100%	100%	100%
Program Promotion	Continue promoting HHW program throughout service area.	100%	100%	100%
Team Member's Training	Keep all staff current on HHW training.	100%	100%	100%
Processing and Collecting Equipment	Continue to improve event protocol and acquire needed equipment for efficient and safe collection events.	100%	100%	95%

SUMMARY OF MAJOR CHANGES

HOUSEHOLDS

Entity	FY 2019 Adopted	FY 2020 Adopted
Aubrey	25 households	--
Bartonville	65 households	--
Cross Roads	25 households	40 households
Denton County	100 households	125 households
DCFWSD 1A	60 households	--
District Vouchers	5 households	5 households
TOTAL	280 households	170 households

RATE STRUCTURE

	FY 2019 Budget	FY 2020 Budget
Collection Events & Disposal	\$91 / household	\$91 / household
Fort Worth Voucher	\$61 / household	\$61 / household
Event Voucher	\$91 / household	\$91 / household

*minimum 25 households per event

Revenue

- A transfer is being made from working capital of the Household Hazardous Waste program.
- Two participating members indicate they plan on holding events during the fiscal year.

Operating Expenses

- The adopted budget includes funding for staffing the HHW events.
- Allocation of overhead to the program.

ACCOMPLISHMENTS FOR FY 2018 - 2019

✓ Trained personnel

All Household Hazardous Waste Technicians are trained to properly handle and dispose of hazardous material, as well as critical incident management.

✓ Continue voucher program

9 Fort Worth voucher participants, 169 event participants

✓ Collected HHW materials from District employees

District employees continue to properly dispose of hazardous materials used and collected at the various District facilities, including light bulbs, used oil, and batteries.

OTHER FUNDS

The District accounts for appropriations from operating funds for operations and maintenance expenditures, capital asset replacements, healthcare claim expenditures and liabilities, and deposits from developers and/or District participants in several reserve funds for various District needs.

Operations and Maintenance Reserve Fund – To account for contributions from a system based on a portion of the particular variable charge per 1,000 gallons of water delivered or wastewater treated. The District’s requirement is to fund this reserve to yield 25% of the operating expenditures of a system, less debt service made from annual contributions, and is a contractual obligation with District members / participants. Interest is earned on these contributions and is retained in this fund until the fund has reached the 25% level. This account can be utilized to stabilize rates and charges from year to year by transferring funds from this reserve to operating cash to assist with one-time capital purchases and/or unpredictable expenditures that arise during a fiscal year.

Capital Replacement Reserve Fund – To account for contributions from a system based on a portion of the particular variable charge per 1,000 gallons of water delivered or wastewater treated. The District’s current goal is to fund this type of reserve to yield an annual contribution sufficient for a portion of the future replacement of District infrastructure (i.e., pipelines, plants, liftstations, pump stations).

Watershed Protection Program Fund – To account for contributions from the Regional Treated Water System (RTWS) based on a portion of the total variable charge per 1,000 gallons of water delivered. Funds accumulated in this fund are used for designated District operating expenses incurred for the promotion of educational, research and community activities related to the protection of the District’s watershed.

Water Conservation Program Fund – To account for contributions from the RTWS based on a portion of the total variable charge per 1,000 gallons of water delivered. Funds accumulated in this fund are used to promote water conservation initiatives.

Future Water Program Fund – To account for contributions from the RTWS based on a portion of the total variable charge per 1,000 gallons of water delivered. Funds accumulated in this fund are used for future water initiatives.

Lake Ralph Hall Reserve Fund – To account for deposits earmarked to provide funding, at the discretion of the District’s Board of Directors, to offset future rate impacts to participants in the Regional Treated Water System.

Northeast Contribution Reserve Fund – To account for deposits made by District participants (Fresh Water Supply Districts #8A, #10, and #11A and Providence Village) as its Alternative Project Payment required by the Contract for its original minimum demand of 1.52 mgd in the RTWS. These funds are to be used by the District for the security and efficiency of District facilities in the northeastern portion of Denton County.

Gas Lease Reserve Fund – To account for lease payments received for the use of District land for natural gas drilling activities. These funds are used at the discretion of the District for various needs. This reserve fund is found only in the RTWS.

Non-Bond Capital Reserve Fund – To account for deposits earmarked to provide funding, at the discretion of the District’s Board of Directors, for the Capital Improvement Program, or other District needs.

Plant Permitting Reserve Fund – To account for annual deposits to accumulate over time so that funding is available for the renewal of the Texas Commission on Environmental Quality (TCEQ) water reclamation plant permitting process every three years.

Building Activity Fees Reserve Fund – To account for fees paid to the District from participants in the Northeast Regional Water Reclamation System for each building permit issued on newly constructed houses in Fresh Water Supply Districts #8A, #10, #11A, Providence Village, and Mustang Special Utility District. These funds are used at the discretion of the District for various needs.

Vehicle and Equipment Replacement Fund – To account for contributions from all operating systems, based on an established replacement schedule. The District’s goal is to fund this type of reserve to yield an annual contribution to replace District vehicles and/or equipment according to policy.

Upper Trinity Conservation Trust Fund (The Trust) – Initially funded for FY 2011 with seed money transferred from the Project Development and Watershed Protection Program Funds, this Trust will be used to protect water quality in streams and lakes and water resource assets in local watersheds; and, to encourage conservation of water and land resources with watersheds from which water is provided for the service area of the District. The primary goal and function of the Trust is to educate various stakeholders (i.e., land owners, civic groups, community leaders and local governments) about the importance of watershed protection and how the Trust can be a tool in protecting water quality in local streams and lakes.

Regional Treated Water System
Operating and Maintenance Reserve Fund
FY 2019 - 2020 Adopted Budget

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 5,347,318	\$ 5,520,758	\$ 5,473,624	\$ 5,932,569
REVENUES				
Interfund Transfer - Operations	110,000	964,500	964,500	1,075,000
Interest Income	16,306	69,935	102,035	93,210
TOTAL REVENUES	\$ 126,306	\$ 1,034,435	\$ 1,066,535	\$ 1,168,210
EXPENDITURES				
Interfund Transfer - Operations	-	1,000,000	607,590	1,200,000
TOTAL EXPENDITURES	\$ -	\$ 1,000,000	\$ 607,590	\$ 1,200,000
ENDING CASH BALANCE 9/30	\$ 5,473,624	\$ 5,555,193	\$ 5,932,569	\$ 5,900,779

**Regional Treated Water System
Capital Replacement Reserve Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 2,350,512	\$ 3,402,772	\$ 3,366,104	\$ 4,415,234
REVENUES				
Interfund Transfers				
RTWS Operations	899,271	994,370	932,810	1,123,290
NERWRS Operations	116,321	116,320	116,320	116,320
TOTAL REVENUES	\$ 1,015,592	\$ 1,110,690	\$ 1,049,130	\$ 1,239,610
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 3,366,104	\$ 4,513,462	\$ 4,415,234	\$ 5,654,844

FY 2020 Ending Balance increase of \$1,200,224 is a result of increasing the FY 2020 contribution from \$0.09 / 1,000 gallons of treated water sold in FY 2019 to \$0.10 / 1,000 gallons in FY 2020. Additionally, FY 2020 reflects the fourth of five annual payments (principal and interest) of \$116,320 from the City of Celina for a \$592,667 loan from this reserve to fund the Doe Branch Interceptor, Phase 2 project completed in FY 2009.

**Regional Treated Water System
Watershed Protection Program Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 292,245	\$ 122,790	\$ 130,746	\$ 171,531
Transfer to Operations	\$ (161,500)			
BEGINNING CASH BALANCE Revised	\$ 130,745			
REVENUES				
Interfund Transfers				
Operations	-	220,970	207,290	224,660
Working Capital	161,500	-	-	-
TOTAL REVENUES	\$ 161,500	\$ 220,970	\$ 207,290	\$ 224,660
EXPENDITURES				
Personnel Services	72,924	75,000	69,350	66,000
Administrative	2,376	7,850	1,250	8,270
Public Information				
Collateral Materials	-	-	-	10,000
Programs				
Advertising	-	-	-	29,250
Clean Water Alliance	2,500	-	-	-
New Signage	1,215	3,500	2,050	3,500
Public Outreach	7,094	17,750	15,000	-
School Outreach Program	3,784	5,000	3,500	5,000
Public Information	5,105	10,000	8,800	-
Festivals	-	-	-	2,500
Conference / Workshop Sponsorships	3,107	-	-	-
Shade Tree Program	2,588	4,500	2,305	2,500
Zebra Mussel (TRWD) *	5,000	5,000	5,000	5,000
Professional Services				
AgriLife Dallas	5,700	10,000	5,600	5,000
Monitoring Program	15,450	15,500	15,900	15,500
Greenbelt Plan Implementation	-	3,000	2,500	3,000
Other Outside Services	-	-	-	30,000
Overhead Allocation	9,656	5,000	10,250	5,000
Interfund Transfers				
Upper Trinity Conservation Trust	25,000	25,000	25,000	25,000
TOTAL EXPENDITURES	\$ 161,499	\$ 187,100	\$ 166,505	\$ 215,520
ENDING CASH BALANCE 9/30	\$ 130,746	\$ 156,660	\$ 171,531	\$ 180,671

FY 2020 Ending Balance increase of \$24,011 is largely due to the FY 2019 contributions exceeding program expenditures.

* - Tarrant Regional Water District

**Regional Treated Water System
Water Conservation Program Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 360,846	\$ 378,861	\$ 383,648	\$ 266,618
Transfer to Operations		\$ (79,570)	\$ (118,000)	\$ (41,000)
BEGINNING CASH BALANCE Revised		\$ 299,291	\$ 265,648	\$ 225,618
REVENUES				
Interfund Transfers				
Operations	224,818	165,730	155,470	224,660
Working Capital	-	79,570	118,000	41,000
TOTAL REVENUES	\$ 224,818	\$ 245,300	\$ 273,470	\$ 265,660
EXPENDITURES				
Personnel Services	65,218	65,000	\$ 75,000	66,000
Administrative	2,627	9,800	\$ 5,000	15,145
Program Expenses	122,094	165,500	\$ 175,000	179,250 *
Overhead Allocation	12,077	5,000	\$ 17,500	5,000
TOTAL EXPENDITURES	\$ 202,016	\$ 245,300	\$ 272,500	\$ 265,395
ENDING CASH BALANCE 9/30	\$ 383,648	\$ 299,291	\$ 266,618	\$ 225,883

FY 2020 Ending Balance decrease of \$73,408 is due to the FY 2020 expenditures exceeding contributions by \$40,735, as well as FY 2019 contributions exceeding expenditures.
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*** - FY 2020 Program Expenses**

Water My Yard	
Annual Renewal of AgriLife	\$ 5,500
Weather Station Maintenance	1,500
Website Enhancements	2,000
Public Information	5,000
Public Outreach	
Digital Advertising	59,750
Outdoor Advertising	10,000
Print Ads	2,500
Denton County Master Gardeners	5,000
Festivals	2,500
Social Media Advertising	500
School Outreach Program	2,500
GreenPros Program	750
Regional Symposium	5,500
Irrigation System Check-Ups	26,250
AgriLife Dallas	5,000
Industrial, Commercial, & Institutional Audit Program	15,000
Other Outside Services	30,000
Total	\$ 179,250

**Regional Treated Water System
Future Water Program Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 509,387	\$ 451,692	\$ 458,986	\$ 210,911
Transfer to Operations	\$ (50,405)	\$ (65,000)	\$ (248,075)	
BEGINNING CASH BALANCE Revised	\$ 458,982	\$ 386,692	\$ 210,911	
REVENUES				
Interfund Transfers				
Operations	56,204	110,485	103,645	168,495
Working Capital	50,405	65,000	248,075	-
TOTAL REVENUES	\$ 106,609	\$ 175,485	\$ 351,720	\$ 168,495
EXPENDITURES				
Personnel Services	30,938	15,000	20,485	30,000
Administrative	7,396	2,000	6,235	8,995
Professional Services	60,035	140,000	65,000	120,000
Overhead Expenses	8,236	13,000	10,000	9,500
Interfund Transfers				
Operations	-	-	250,000	-
TOTAL EXPENDITURES	106,605	\$ 170,000	\$ 351,720	\$ 168,495
ENDING CASH BALANCE 9/30	458,986	\$ 392,177	\$ 210,911	\$ 210,911

FY 2020 Ending Balance decrease of \$181,266 is largely due to transferring \$250,000 from this reserve to the Regional Treated Water System, to partially fund a one-time payment to the City of Commerce, Texas for \$523,242 to secure a raw water source from Chapman Lake for the next 100 years.
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**Regional Treated Water System
Lake Ralph Hall Reserve Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 6,265,419	\$ 9,346,489	\$ 9,396,954	\$ 11,981,954
REVENUES				
Interfund Transfer - Operations	3,000,000	450,000	2,395,145	517,525
Interest Income	131,535	102,865	189,855	187,490
TOTAL REVENUES	\$ 3,131,535	\$ 552,865	\$ 2,585,000	\$ 705,015
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 9,396,954	\$ 9,899,354	\$ 11,981,954	\$ 12,686,969

FY 2020 Ending Balance increase of \$2,787,615 is due primarily to the transfer of excess FY 2018 working capital of \$1,457,040 in FY 2019, transfers of credits from escrowed funds held by Dallas Water Utilities (from prior year purchased raw water) of \$488,105 (FY 2019) and \$517,525 (FY 2020), and associated interest revenue.

**Regional Treated Water System
Northeast Contribution Reserve Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 149,958	\$ 255,943	\$ 255,942	\$ 161,927
REVENUES				
Interfund Transfers NERWRS Operations	105,984	105,985	105,985	105,985
TOTAL REVENUES	\$ 105,984	\$ 105,985	\$ 105,985	\$ 105,985
EXPENDITURES				
Interfund Transfers Northeast Regional Water Reclamation System Reserve Funds Riverbend Plant Construction Cash Fund	-	-	200,000	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ 200,000	\$ -
ENDING CASH BALANCE 9/30	\$ 255,942	\$ 361,928	\$ 161,927	\$ 267,912

FY 2020 Ending Balance decrease of \$94,016 is due to the transfer of the fourth of five annual payments (principal and interest) of \$105,985 from the City of Celina for a loan for the Doe Branch Interceptor, Phase 2 project completed in 2009, and a transfer-out of \$200,000 to the Riverbend Plant Construction Cash Fund to provide funding for the Riverbend Plant Expansion, Phase 3 project.

**Regional Treated Water System
Gas Lease Reserve Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 168,980	\$ 289,440	\$ 289,597	\$ 415,402
REVENUES				
Interfund Transfers				
NERWRS Operations	118,659	118,660	118,660	118,660
Interest Income	1,958	3,060	7,145	8,010
TOTAL REVENUES	\$ 120,617	\$ 121,720	\$ 125,805	\$ 126,670
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 289,597	\$ 411,160	\$ 415,402	\$ 542,072

FY 2020 Ending Balance increase of \$130,912 is largely due to the transfer of the fourth of five annual payments of \$118,660 from the City of Celina for a loan for the Doe Branch Interceptor, Phase 2 project completed in FY 2009.

Regional Treated Water System Non-Bond Capital Reserve Fund FY 2019 - 2020 Adopted Budget

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 4,906,591	\$ 5,052,816	\$ 6,342,875	\$ 2,623,547
Transfer to Operations		\$ (2,015,000)	\$ (3,719,328)	\$ (2,347,275)
BEGINNING CASH BALANCE Revised		\$ 3,037,816	\$ 2,623,547	\$ 276,272
REVENUES				
Deposit				
TxDOT Reimbursement for Projects	1,079,280	-	214,422	156,145
Interfund Transfers				
Regional Treated Water System				
Reserve Fund				
Operations				
Rate Component /				
Working Capital	1,585,300	-	2,641,690	-
Loan Repayments	187,570	119,150	132,685	120,710
Working Capital	-	2,015,000	3,719,328	2,347,275
Northeast Regional Water Reclamation				
System Reserve Funds				
Doe Branch Construction Cash				
Fund (Loan Repayment)	425,000	1,100,000	1,100,000	-
Interest Income	79,082	44,910	112,075	4,085
TOTAL REVENUES	\$ 3,356,232	\$ 3,279,060	\$ 7,920,200	\$ 2,628,215
EXPENDITURES				
Interfund Transfers				
Regional Treated Water System				
Reserve Funds				
Operations	-	-	16,275	-
Construction Cash Fund	819,948	3,277,930	7,903,925 *	2,628,215
Northeast Regional Water Reclamation				
System Reserve Fund				
Doe Branch Construction Cash				
Fund (Loan)	1,100,000	-	-	-
TOTAL EXPENDITURES	\$ 1,919,948	\$ 3,277,930	\$ 7,920,200	\$ 2,628,215
ENDING CASH BALANCE 9/30	\$ 6,342,875	\$ 3,038,946	\$ 2,623,547	\$ 276,272

FY 2020 Ending Balance decrease of \$2,762,674 is due to transferring \$2,000,000 of excess working capital from FY 2018 operating results to this reserve fund in FY 2019, transferring \$641,690 from FY 2019 operations (from debt service savings) to this reserve in FY 2019, as well as funding FY 2020 capital projects as follows: \$480,000 - Ozone System Rehabilitation at the Taylor RWTP (5T0), \$410,800 - SCADA Systems Improvements (PLC and LPU Upgrades) (59X), \$1,000,000 - SCADA System Improvements (Wonderware Platform Upgrade Project) (59Q), \$75,000 - Operational Data Management Project (54M), \$10,000 - Roadway Improvements Coordination Adjustments (53W), \$10,000 - Lewisville Lake / USACE Dam Coordination (5W3), \$500,000 - Relocation / TxDOT US Hwy 380 Project (Denton County) (5T8), \$10,000 - Relocation / TxDOT US Hwy 380 Project (Collin County) (5T9), \$30,000 - RTWS Risk and Resiliency Plan (59K), \$50,000 - Hydraulics Efficiency & Optimization Study (55H), and \$52,415 (of \$70,000 shown in CIP budget) - Contingency Improvements (5W1). The total of these project expenditures is \$2,628,215.

* Amount also contains expenditures: \$10,000 - Regional Treated Water System Geographical Information System Mapping, Phase 2 (5G2), \$98,215 - CMMS Installation Project (59M), \$65,000 - SCADA and Communication Systems Improvements (59S), \$90,000 - Lake Sharon Road Pipeline Lowering Project (52L), \$1,250,000 - Vehicle / Equipment Storage Building (5VS), \$12,500 - IH-35E Corridor Improvements (5IH), \$4,094,060 - Relocation / TxDOT FM 720 Coordination Project, Phase 1 (57T) and Phase 2 (57V), and \$15,000 - Phase 1A Pipeline Easement Renewal (51G). This total also includes a reimbursement to Commercial Paper of \$1,339,315, for prior year expenses for the Northlake Shared Pipeline for Interim Service to Ponder (5SN) of \$344,089 and the Relocation / TxDOT FM 720, Phase 1 Project (57T) of \$995,226. These projects were finished in FY 2018 or are expected to be completed in FY 2019 and are not shown on the accompanying 5-Year list of capital improvement projects.

The 9/30/2020 balance does not reflect an approximate \$4.6 million reimbursement due from the Texas Department of Transportation for the FM 720 Relocation Project (Phase 1 and 2) that is expected to be received in FY 2020.

Lakeview Regional Water Reclamation System
Operating and Maintenance Reserve Fund
FY 2019 - 2020 Adopted Budget

	FY 2017-2018	FY 2018-2019	FY 2018-2019	FY 2019-2020
	Actuals	Budget	Estimates	Budget
BEGINNING CASH BALANCE 10/01	\$ 889,542	\$ 791,752	\$ 792,801	\$ 806,676
Transfer to Operations	<u>\$ (106,040)</u>			
BEGINNING CASH BALANCE Revised	\$ 783,502			
REVENUES				
Interfund Transfer - Working Capital	106,040	-	-	-
Interest Income	9,389	11,875	13,875	18,150
TOTAL REVENUES	<u>\$ 115,429</u>	<u>\$ 11,875</u>	<u>\$ 13,875</u>	<u>\$ 18,150</u>
EXPENDITURES				
Interfund Transfer - Operations	106,130	-	-	-
TOTAL EXPENDITURES	<u>\$ 106,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ENDING CASH BALANCE 9/30	<u><u>\$ 792,801</u></u>	<u><u>\$ 803,627</u></u>	<u><u>\$ 806,676</u></u>	<u><u>\$ 824,826</u></u>

Lakeview Regional Water Reclamation System
Capital Replacement Reserve Fund
FY 2019 - 2020 Adopted Budget

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 285,777	\$ 426,477	\$ 429,780	\$ 602,625
REVENUES				
Interfund Transfer - Operations	144,003	151,270	172,845	152,750
TOTAL REVENUES	\$ 144,003	\$ 151,270	\$ 172,845	\$ 152,750
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 429,780	\$ 577,747	\$ 602,625	\$ 755,375

Lakeview Regional Water Reclamation System
Non-Bond Capital Reserve Fund
FY 2019 - 2020 Adopted Budget

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 2,722,214	\$ 3,642,324	\$ 3,670,126	\$ 5,052,980
Transfer to Operations		\$ (215,000)		\$ (179,310)
BEGINNING CASH BALANCE Revised		\$ 3,427,324		\$ 4,873,670
REVENUES				
Deposit				
Reimbursement from Texas Department of Transportation for prior year expenses for 11-57W	-	-	79,311	-
Interfund Transfers				
Operations	902,535	350,000	1,304,650	300,000
Working Capital	-	215,000	-	179,310
Interest Income	48,750	54,635	81,810	113,690
TOTAL REVENUES	\$ 951,285	\$ 619,635	\$ 1,465,771	\$ 593,000
EXPENDITURES				
Interfund Transfers				
Operations	-	-	65,417	-
Construction Cash Fund	3,373	619,295	17,500 *	593,000
TOTAL EXPENDITURES	\$ 3,373	\$ 619,295	\$ 82,917	\$ 593,000
ENDING CASH BALANCE 9/30	\$ 3,670,126	\$ 3,427,664	\$ 5,052,980	\$ 4,873,670

FY 2020 Ending Balance increase of \$1,446,006 is due to the deposit of excess working capital of \$1,004,650 (from FY 2018 operations) to this reserve fund in FY 2019, as well as postponing capital improvement projects being funded from this reserve from FY 2018 to FY 2020. Additionally, the Adopted FY 2020 Budget contains a rate component of \$300,000 to be transferred to this reserve to increase the balance for future use. FY 2020 capital projects funded from this reserve fund consist of the Swisher Force Main Odor Control Improvements project (5SF) of \$386,815, Security / SCADA Improvements (599) of \$156,185, and Contingency Improvements (5LM) of \$50,000. The total of these project expenditure is \$593,000.

* Amount also contains expenditures: \$5,000 - Relocation / TxDOT FM 2181 Project (57W) and \$12,500 - IH 35E Corridor Improvements (51H). These projects are projected to be completed by the end of FY 2019 and are not shown on the accompanying 5-Year list of capital improvement projects.

Lakeview Regional Water Reclamation System
Plant Permitting Reserve Fund
FY 2019 - 2020 Adopted Budget

	FY 2017-2018	FY 2018-2019	FY 2018-2019	FY 2019-2020
	Actuals	Budget	Estimates	Budget
BEGINNING CASH BALANCE 10/01	\$ -	\$ 20,000	\$ 20,000	\$ 32,000
REVENUES				
Interfund Transfer - Operations	20,000	12,000	12,000	12,000
Interest Income				
TOTAL REVENUES	\$ 20,000	\$ 12,000	\$ 12,000	\$ 12,000
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 20,000	\$ 32,000	\$ 32,000	\$ 44,000

Contributions deposited to this reserve for the renewal of the Texas Pollutant Elimination System permit as required by the Texas Commission on Environmental Quality every five years.

Non-Potable Water System
Operating and Maintenance Reserve Fund
FY 2019 - 2020 Adopted Budget

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 27,600	\$ 27,925	\$ 27,920	\$ 28,555
REVENUES				
Interest Income	320	375	635	780
TOTAL REVENUES	\$ 320	\$ 375	\$ 635	\$ 780
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 27,920	\$ 28,300	\$ 28,555	\$ 29,335

**Non-Potable Water System
Capital Replacement Reserve Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 204,210	\$ 233,685	\$ 233,685	\$ 263,160
REVENUES				
Interfund Transfer - Operations	29,475	29,475	29,475	29,475
TOTAL REVENUES	\$ 29,475	\$ 29,475	\$ 29,475	\$ 29,475
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 233,685	\$ 263,160	\$ 263,160	\$ 292,635

Interfund transfer of \$29,475 is the annual rate component for the future replacement of the Non-Potable Water pipeline.

Non-Potable Water System
Non-Bond Capital Reserve Fund
FY 2019 - 2020 Adopted Budget

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 205,897	\$ 265,432	\$ 265,428	\$ 316,463
REVENUES				
Interfund Transfer - Operations	58,690	25,000	49,925	25,000
Interest Income	841	975	1,110	1,295
TOTAL REVENUES	\$ 59,531	\$ 25,975	\$ 51,035	\$ 26,295
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 265,428	\$ 291,407	\$ 316,463	\$ 342,758

**Northeast Regional Water Reclamation System -
Riverbend and Doe Branch Plants
Operating and Maintenance Reserve Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 693,028	\$ 801,968	\$ 803,310	\$ 898,260
REVENUES				
Interfund Transfer - Operations	171,000	79,500	79,500	136,200
Interest Income	9,282	10,580	15,450	23,275
TOTAL REVENUES	\$ 180,282	\$ 90,080	\$ 94,950	\$ 159,475
EXPENDITURES				
Interfund Transfer - Operations	70,000	-	-	-
TOTAL EXPENDITURES	\$ 70,000	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 803,310	\$ 892,048	\$ 898,260	\$ 1,057,735

FY 2020 Interfund Transfer from Operations of \$136,200 is required so that the ending balance of this reserve is the equivalent to 25% of operating expenses for this fiscal year.

**Northeast Regional Water Reclamation System -
Riverbend and Doe Branch Plants
Non-Bond Capital Reserve Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 413,238	\$ 551,983	\$ 567,024	\$ 878,644
Transfer to Operations		\$ (375,380)		\$ (4,140)
BEGINNING CASH BALANCE Revised		\$ 176,603		\$ 874,504
REVENUES				
Deposits				
Participant Reimbursements				
Coordinate Mustang SUD Point of Entry #3	-	20,000	20,000	-
Riverbend North Interceptor	-	-	62,500	-
Interfund Transfers - Riverbend Plant				
Operations	231,060	10,915	597,740	-
Working Capital	-	375,380	-	4,140
Interest Income	8,039	1,705	9,880	12,605
TOTAL REVENUES	\$ 239,099	\$ 408,000	\$ 690,120	\$ 16,745
EXPENDITURES				
Interfund Transfers				
Riverbend Plant				
Operations	-	148,000	148,000	-
Construction Cash Fund	52,243	210,000	53,000	-
Doe Branch Plant Construction				
Cash Fund	33,070	50,000	177,500	16,745
TOTAL EXPENDITURES	\$ 85,313	\$ 408,000	\$ 378,500	\$ 16,745
ENDING CASH BALANCE 9/30	\$ 567,024	\$ 176,603	\$ 878,644	\$ 874,504

FY 2020 Ending Balance increase of \$697,901 is largely due to the deposit of excess working capital of \$583,625 (from FY 2018 operations) to this reserve fund in FY 2019. Additionally, a participant contribution of \$62,500 was received from a System participant for prior year expenditures for the Riverbend North Interceptor project. For FY 2020, the only capital project funded from this reserve is the Doe Branch Plant Permit Re-Rating / Renewal project (5BL) totaling \$16,745.

* Amount also contains Riverbend Plant capital expenditures: \$3,000 - Riverbend North Interceptor (5AM), \$2,500 - Coordinate Mustang SUD Point of Entry #3 and Trunk Main Extension (5RM), and \$25,000 - Security / SCADA System Improvements at the Riverbend Plant (5RS). These projects are to be completed in FY 2019 and are not shown on the accompanying 5-Year list of capital improvement projects.

**Northeast Regional Water Reclamation System -
Riverbend and Doe Branch Plants
Plant Permitting Reserve Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 8,947	\$ 32,947	\$ 32,947	\$ 6,947
Transfer to Operations		\$ (26,000)		
BEGINNING CASH BALANCE Revised		\$ 6,947		
REVENUES				
Interfund Transfers				
Operations	24,000	24,000	24,000	24,000
Working Capital	-	26,000	-	-
TOTAL REVENUES	\$ 24,000	\$ 50,000	\$ 24,000	\$ 24,000
EXPENDITURES				
Interfund Transfers				
Riverbend Plant Construction Cash Fund	-	50,000	50,000	16,745
TOTAL EXPENDITURES	\$ -	\$ 50,000	\$ 50,000	\$ 16,745
ENDING CASH BALANCE 9/30	\$ 32,947	\$ 6,947	\$ 6,947	\$ 14,202

FY 2020 Ending Balance increase of \$7,255 is due to the deposit of \$24,000 from Operations in FYs 2019 and 2020 (projected), in order to use these funds for the Riverbend Plant Permit Re-Rating project (5RL) for the same period. Remaining funds will remain in this reserve to be utilized for the next permit renewal period beginning in FY 2024.

**Northeast Regional Water Reclamation System -
Riverbend and Doe Branch Plants
Building Activity Fee Reserve Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 606,705	\$ 526,705	\$ 1,035,605	\$ 1,423,780
Transfer to Operations				\$ (956,375)
BEGINNING CASH BALANCE Revised				\$ 467,405
REVENUES				
Deposit				
Building Activity Fees	428,900	190,045	388,175	59,625
Working Capital	-	-	-	956,375
TOTAL REVENUES	\$ 428,900	\$ 190,045	\$ 388,175	\$ 1,016,000
EXPENDITURES				
Interfund Transfer - Peninsula Plant				
Construction Cash Fund	-	-	-	1,116,500
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 1,116,500
ENDING CASH BALANCE 9/30	\$ 1,035,605	\$ 716,750	\$ 1,423,780	\$ 366,905

FY 2020 Ending Balance decrease of \$345,845 is largely due to the FY 2020 transfer of \$1,116,500 to fund a portion of the projected expenses for the Peninsula Plant Expansion, Phase 3 project.
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Peninsula Water Reclamation Plant
Operating and Maintenance Reserve Fund
FY 2019 - 2020 Adopted Budget

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 182,280	\$ 184,105	\$ 184,392	\$ 197,797
REVENUES				
Interfund Transfer - Operations	-	10,000	10,000	15,000
Interest Income	2,112	2,320	3,405	3,830
TOTAL REVENUES	\$ 2,112	\$ 12,320	\$ 13,405	\$ 18,830
EXPENDITURES				
	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 184,392	\$ 196,425	\$ 197,797	\$ 216,627

FY 2020 Ending Balance increase of \$20,202 is largely due to the FY 2020 required contribution from rates based on projected operating expenses for FY 2020 compared to FY 2019.

**Peninsula Water Reclamation Plant
Capital Replacement Reserve Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Budget	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 56,995	\$ 61,875	\$ 61,875	\$ 72,825
REVENUES				
Interfund Transfer - Operations	4,880	8,945	10,950	9,580
TOTAL REVENUES	\$ 4,880	\$ 8,945	\$ 10,950	\$ 9,580
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 61,875	\$ 70,820	\$ 72,825	\$ 82,405

Peninsula Water Reclamation Plant
Non-Bond Capital Reserve Fund
FY 2019 - 2020 Adopted Budget

	FY 2017-2018	FY 2018-2019	FY 2018-2019	FY 2019-2020
	Actuals	Budget	Estimates	Budget
BEGINNING CASH BALANCE 10/01	\$ 267,645	\$ 388,770	\$ 429,392	\$ 507,332
Transfer to Operations		\$ (20,000)		
BEGINNING CASH BALANCE Revised		\$ 368,770		
REVENUES				
Interfund Transfers				
Operations	156,230	-	199,215	3,835
Working Capital	-	20,000	-	-
Interest Income	5,517	5,400	8,725	9,200
TOTAL REVENUES	\$ 161,747	\$ 25,400	\$ 207,940	\$ 13,035
EXPENDITURES				
Interfund Transfers				
Operations	-	35,000	35,000	-
Construction Cash Fund	-	28,735	95,000	-
TOTAL EXPENDITURES	\$ -	\$ 63,735	\$ 130,000	\$ -
ENDING CASH BALANCE 9/30	\$ 429,392	\$ 330,435	\$ 507,332	\$ 520,367

FY 2020 Ending Balance increase of \$189,932 is primarily due to the deposit of excess working capital of \$199,215 (from FY 2018 operations) to this reserve fund in FY 2019.
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**Peninsula Water Reclamation Plant
Plant Permitting Reserve Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ -	\$ 42,000	\$ 42,000	\$ 47,000
REVENUES				
Interfund Transfers				
Operations	12,000	5,000	5,000	5,000
Construction Cash Fund	30,000	-	-	-
TOTAL REVENUES	\$ 42,000	\$ 5,000	\$ 5,000	\$ 5,000
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE 9/30	\$ 42,000	\$ 47,000	\$ 47,000	\$ 52,000

Contributions deposited to this reserve for the renewal of the Texas Pollutant Elimination System permit as required by the Texas Commission on Environmental Quality every five years.

Vehicle And Equipment Replacement Fund

FY 2019 - 2020 Adopted Budget

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 1,608,450	\$ 1,715,910	\$ 1,715,910	\$ 2,010,425
REVENUES				
Interfund Transfers				
RTWS Operations	167,380	165,305	165,305	184,435
Lakeview Operations	97,280	95,365	95,365	101,585
NERWRS Operations	45,885	57,940	57,940	66,625
Peninsula Operations	13,770	22,580	22,580	23,125
TOTAL REVENUES	\$ 324,315	\$ 341,190	\$ 341,190	\$ 375,770
EXPENDITURES				
Backhoe (Replacement for Equipment #023)	76,005	-	-	-
Crane Truck (Replacement for Vehicle #026)	85,550	-	-	-
1/2 Ton Pickup (Replacement for Vehicle #059)	19,740	-	-	-
1/2 Ton SUV (Replacement for Vehicle #065)	27,465	-	-	-
Landscaping Mower (Repl for Equip #028)	8,095	-	-	-
Front-End Loader (Repl for Equipment #005)	-	46,675	46,675	-
TOTAL EXPENDITURES	\$ 216,855	\$ 46,675	\$ 46,675	\$ -
ENDING CASH BALANCE 9/30	\$ 1,715,910	\$ 2,010,425	\$ 2,010,425	\$ 2,386,195

FY 2020 Ending Balance increase of \$375,770 is due to including the FY 2020 required contribution to this reserve from all District systems.

Upper Trinity Conservation Trust

FY 2019 - 2020 Adopted Budget

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 46,546	\$ 41,821	\$ 51,651	\$ 51,556
Transfer to Operations	\$ (5,100)		\$ (100)	
BEGINNING CASH BALANCE Revised	\$ 41,446		\$ 51,551	
REVENUES				
Charitable Contributions	200	1,500	1,500	1,500
Conservation Symposiums	800	-	660	-
Watershed Partners Program	3,225	3,875	3,875	3,875
Interfund Transfers				
Working Capital	5,100	-	100	-
Watershed Protection Program	25,000	25,000	25,000	25,000
Interest Income	35	60	150	240
TOTAL REVENUES	\$ 34,360	\$ 30,435	\$ 31,285	\$ 30,615
EXPENDITURES				
Personnel Services	14,970	20,000	20,145	20,000
Administrative	6,185	5,000	6,135	5,000
Professional Services	3,000	5,000	5,000	5,000
TOTAL EXPENDITURES	\$ 24,155	\$ 30,000	\$ 31,280	\$ 30,000
ENDING CASH BALANCE 9/30	\$ 51,651	\$ 42,256	\$ 51,556	\$ 52,171

Capital Improvements Program

Capital Improvement Program Policy

The District's Capital Improvement Program consists of those projects identified as necessary to assure safe and uninterrupted operation of facilities, meet modified and new statutory and regulatory requirements, provide services to new customers, replace or enhance current capital facilities and maintain efficiency, i.e., cost effectiveness. A long-term planning approach (10 – 30 years) is used by the District based on an analysis of population growth estimates provided by its members / customers, the North Central Texas Council of Governments, and the Texas Water Development Board State Plan (Region C Water Planning Group). Studies are also conducted to investigate the potential need for new or expanded facilities. Such studies can be initiated when facilities are nearing or operating at capacity in order to determine future needs or when facilities are anticipated to be required as a result of pending regulations. Projects deemed necessary are then requested by the Engineering Department to be authorized and added to the Capital Improvement Program. Additionally, when the District contracts with new customers to provide water and/or wastewater services, the Engineering and Operation Departments meet to discuss and formulate the most appropriate type, size, scope, as well as cost estimates, for new construction projects required to serve customers' needs.

Projects are added to the District's Capital Improvement Program with the authorization from the District's Board of Directors on whether the project is valid and necessary to be included in the budget. In addition, the District's Board of Directors conduct weighted votes for expenditure of funds throughout the fiscal year for capital projects.

The District's FY 2020 Capital Improvements Program includes only the highest priority projects for on-going needs within our regional service area. The total District capital budget for FY 2020 is \$120,824,030. This budget amount is approximately \$55.6 million higher than the prior year capital budget (\$65.2M in FY 2019) due to ramping up the Lake Ralph Hall project, as well as the Parallel Pipeline (from the Taylor Regional Treated Water Plant to the Stone Hill Pump Station) project.

Funding

Funding for capital projects falls into primarily four general categories consisting of Revenue Bonds (considered Senior Lien Debt), Texas Water Development Board (TWDB) Funding (consisting of State Water Implementation Fund for Texas -- SWIFT Deferred Interest and Subsidized Interest Loans -- considered Senior Lien Debt and Board Participation Funding -- considered Junior Lien Debt), Commercial Paper (considered Junior Lien Debt), and internally generated capital funds (Non-Bond Capital Reserve funds). Other funding methods include federal and / or state government grant / loan programs, use of rate revenues / cash from operations, as well as contributions from District participants and customers.

The aforementioned Texas Water Development Board SWIFT Deferred Interest and Board Participation funding, used for the Lake Ralph Hall project, offer very favorable repayment terms. The SWIFT Deferred Interest funding, received in December 2015, requires no repayment of principal and interest for eight years after receiving the funds or the completion of project

construction, whichever is first. Currently, our project planning reflects repayment of Deferred Interest financing beginning in FY 2024. Additionally, Board Participation funding (first allotment granted of \$15,565,000), allows for the deferment of principal until FY 2036, with graduated, interest-only payments until then. A second installment of Board Participation funding of approximately \$30.0 million is expected to be received in November 2019.

For FY 2020, the District will be receiving a second installment of SWIFT Subsidized Interest Funds to continue with the construction of the Parallel Pipeline (from Taylor RWTP to the Stone Hill Pump Station) project. Again, this type of funding offers very favorable terms that include a fixed-rate below market interest rate and a 25-year maturity. Additionally, the District will be utilizing this financing again in FY 2021, for the completion of this project. By receiving annual installments of this funding type, District staff can utilize a strategy that allows for a gradual increase in debt service over the next two fiscal years. These types of funding tools allows the District's Regional Treated Water System to gain additional members / customers over time, to share in the expense, with a much lower rate impact compared to conventional financing.

Participating entities enter into contracts which assure a stable and dependable source of revenue to cover each entity's proportionate share of the cost of administration and planning; together with operating, maintenance, capital, and financing costs of each project and service rendered. In addition, the District has entered into contractual agreements with certain Fresh Water Supply Districts (FWSDs) and others to provide initial funding for infrastructure costs for portions of the regional water reclamation system in the northeast portion of the District's service area. Under these agreements, the District will own and operate the regional system and may extend service to others. These funds are subject to reimbursement when local development provides a dependable revenue stream that is adequate to support debt service on the permanent financing.

The Engineering and Business Departments regularly meet to discuss the status of all capital improvement projects. These meetings are held to maintain communication regarding the progress / delays of construction projects, to ensure funding for monthly expenditures are appropriately budgeted, adjustments to project completion timelines can be made, and to update the capital improvement program for any new or deleted projects. The District currently has capital improvement projects underway or planned in the Regional Treated Water System, Non-Potable Water System, Lakeview Regional Water Reclamation System, Northeast Regional Water Reclamation System (consisting of the Riverbend and Doe Branch Water Reclamation Plants), and at the Peninsula Water Reclamation Plant.

Allocation of Debt Service and Effect on District Operating Budget

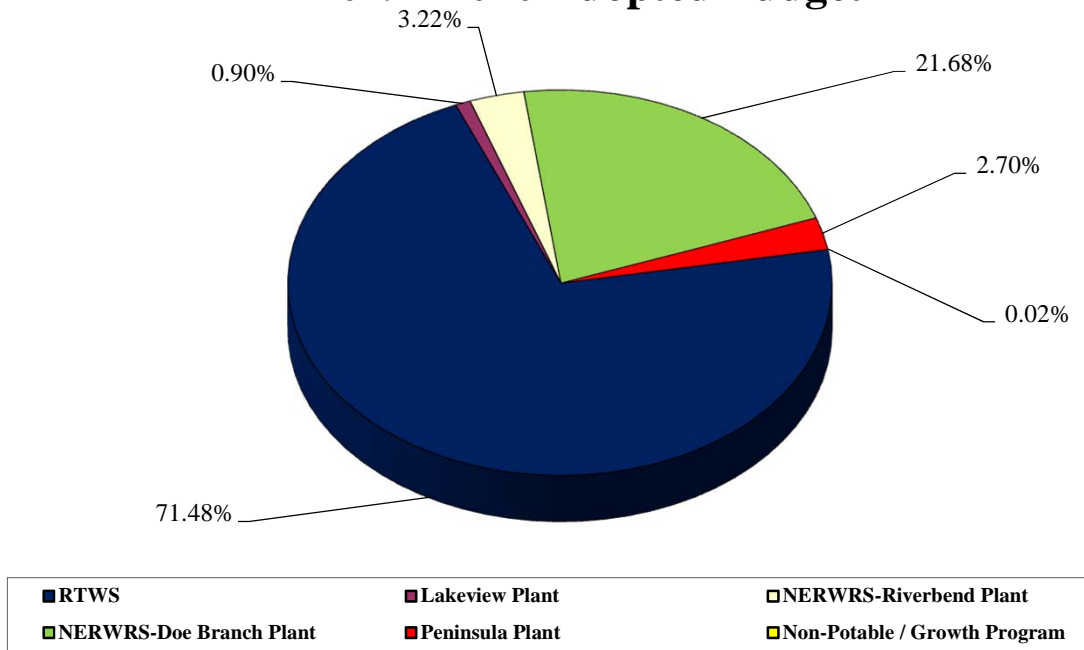
A project detail sheet is included for each capital project with funding for FY 2020. This detail sheet includes a project description, the annual project expenditures (by category) and its annual funding sources. In addition, for capital projects placed into service between FY 2020 and FY 2024, and for those having an effect on the District's operating budget, estimates are provided for their annual operating expenses.

For purposes of reflecting a construction project's share of a system's annual debt service, allocated annual debt service amounts are provided for projects funded by Commercial Paper, Revenue Bonds, Texas Water Development Board Funds and / or Water Infrastructure Funds. Debt service assigned to a project is its proportionate share of debt service expense based on its

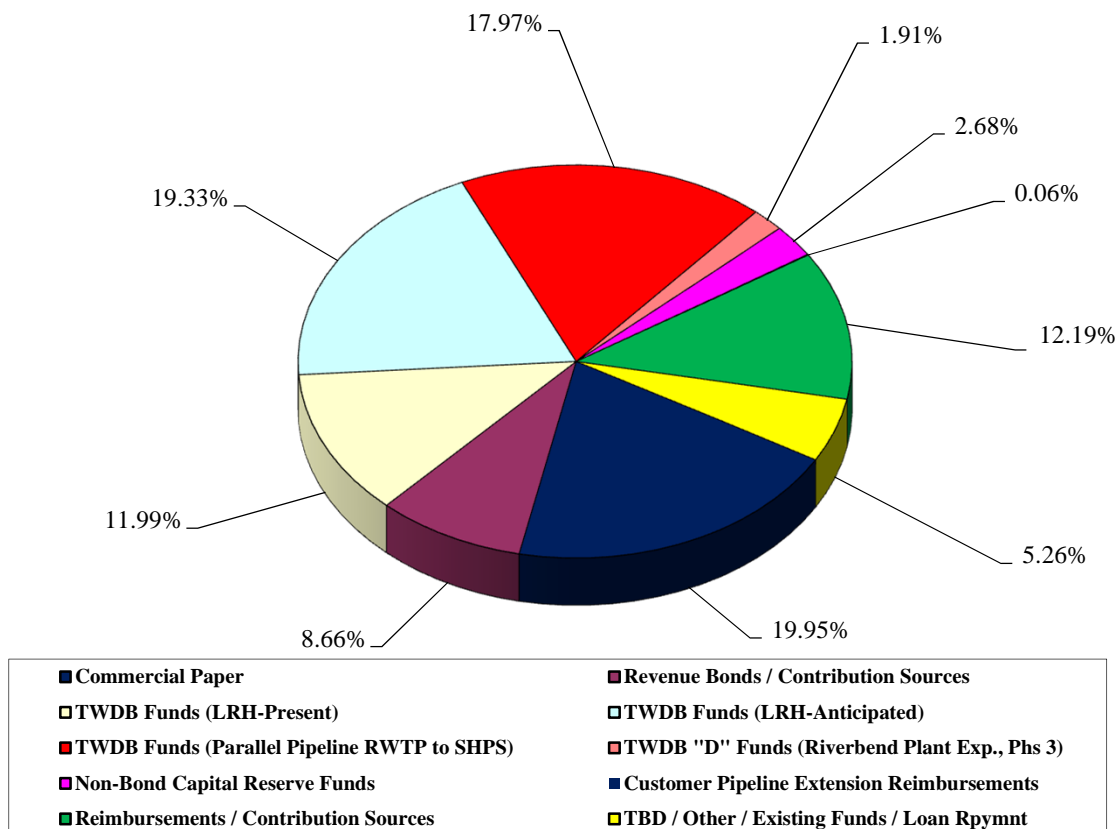
actual expenditures. For example, if revenue bonds were issued to fund one project, that project would be assigned 100% of the annual debt service. Additionally, if Commercial Paper was used to fund ten (10) projects, each of those projects would be assigned a portion of the total annual expense related to the use of Commercial Paper (i.e., interest, letter of credit costs, dealer fees, etc), based on each projects' actual expenditures (current year plus prior years).

A summary sheet reflecting estimated operating and debt expense estimates from capital projects, along with their effect on the each system's operating budget, is also included.

Capital Expenditures by System FY 2019 - 2020 Adopted Budget



Capital Expenditures by Funding Source FY 2019 - 2020 Adopted Budget



CONSTRUCTION FUNDS

The following type of fund is used to account for transactions from construction of various District capital improvement projects.

Construction Cash Fund – To account for financial resources used for the acquisition and construction of major capital facilities and infrastructure. The primary source of funding for District Capital Improvement Programs is the issuance of long-term debt. Water and Water Reclamation System Revenue Bonds are specifically issued for improvements to the Water and Water Reclamation systems and are repaid from the operating revenue generated by water and water reclamation sales. Other sources of construction funding are Texas Water Development Board loans, issuance of commercial paper, contributions from developers and District participants, and federal grants. Interest earned on these funds is retained in this fund and are subject to Internal Revenue Service arbitrage rules.

ENGINEERING

The District is committed to providing engineering services for the provision of safe, adequate, efficient, and reliable transportation of raw and finished water, transportation of wastewater, and treatment facilities for water and wastewater that meet the long-term needs of the growing region.

MISSION

Our mission is to provide planning, design, construction management, and field inspection services for capital projects, and to ensure that projects are completed on schedule, within budget, and comply with professional services and construction contracts.

GOALS AND OBJECTIVES

- Maintain a Capital Improvement Plan that provides adequate facilities to the existing and planned development areas in a manner that does not exceed the District's financial capability.
 - All capital improvements shall continue to be developed through an assessment of existing capacity, existing demand and projected demand over the next five-year or other appropriate period.
- Conduct project management with respect to adhering to the scope of the project, project timelines and financial restraints.
 - Compare construction contract requirements to the actual work performed on a timely basis to ensure that the contractor continues to follow the scope of the project, within the agreed timelines and budget, and manage projects in the best interest of the District.
- Provide up-to-date information on the progress of projects that are currently under design or construction during Board of Director briefings.
 - For major projects, provide periodic updates to the Board at their meetings.
- Identify future right-of-way needs and the impact to future capital improvement projects.
 - Appraisal preparation and review of right-of-way acquisition should begin timely following a project being identified and all acquisition complete prior to the construction contract being let.

BUDGET SUMMARY

	FY 2017-2018	FY 2018-2019	FY 2018-2019	FY 2019-2020
	Actuals	Budget	Estimates	Budget
Beginning Balance	\$ -	\$ -	\$ -	\$ -
Operating Expense				
Personnel Services	\$ 1,486,064	\$ 1,580,570	\$ 2,035,000	\$ 2,197,500
O&M Expenses	4,978	-	10,500	-
Total Operating Expense	\$ 1,491,042	\$ 1,580,570	\$ 2,045,500	\$ 2,197,500
Transfer to Capital Projects*	(1,491,042)	(1,580,570)	(2,045,500)	(2,197,500)
Ending Balance	\$ -	\$ -	\$ -	\$ -

* - Throughout the year, these expenditures are directly expensed to capital projects, as well as operating systems based on actual activities. All remaining expenditures (indirect) are allocated to all capital projects having incurred expenses during the fiscal year.

For Fiscal Year 2020, only 90% of the Personnel Service expenses are solely allocated to all capital projects via aforementioned methodology. The remaining 10% of these expenses, along with 100% of Administrative and O&M Expenses are included in the Fiscal Year 2020 Administration (General) Fund budget. Subsequently, 95% of all Administration Fund expenses are then allocated to the Operating Funds (Systems) and individual capital projects. This was done so that a portion of the Engineering Fund expenses become a revenue requirement and are therefore, funded via Rates and Charges from Operating Systems.

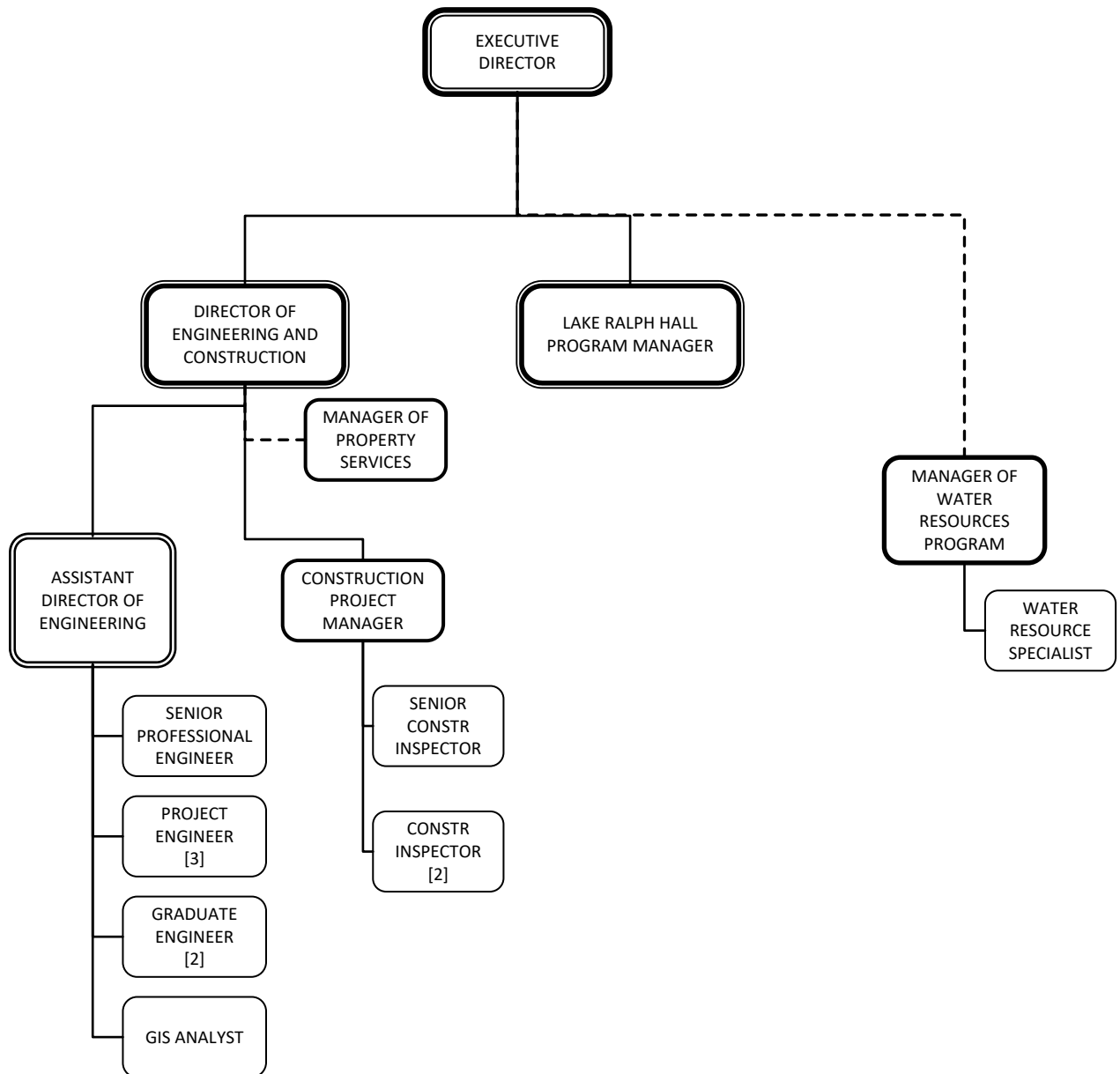
PERSONNEL SUMMARY

Positions	FY 2017-2018 Actuals	FY 2018-2019 Adopted	FY 2018-2019 Revised	FY 2019-2020 Adopted
Executive Director	0	.25	.25	.25
Deputy Executive Director	.30	.30	.30	0
Director of Engineering & Construction	1	.9	.9	.9
Manager of Government Affairs / Communication	.15	.15	.15	.15
Assistant Director of Engineering	1	.9	.9	.9
Senior Professional Engineer	0	0	0	.9
Project Engineer	2.5	2.2	2.2	2.2
Professional Engineer	0	.9	.9	0
Graduate Engineer	1	.9	.9	1.8
GIS Analyst	.5	.45	.45	.45
Manager of Property Services	1	.9	.9	.9
Construction Project Manager	1	.9	.9	.9
Senior Construction Inspector	0	.9	.9	.9
Construction Inspector	2	1.8	1.8	1.8
Executive Secretary	1	0	0	0
Technical Service Specialist	.10	.10	.10	0
Manager of Water Resources	1	.9	.9	.8
Water Resource Specialist	1	.9	.9	.7
Total FTEs	13.55	13.35	13.35	13.55

Additional Positions (contract, other):

- Former Executive Director
- Special Assistant for Property Services
- Special Assistant for Water Resources
- Lake Ralph Hall Program Manager

ENGINEERING ORGANIZATIONAL CHART



PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2017-2018 Actuals	FY 2018-2019 Estimates	FY 2019-2020 Target
Projects In-Process completed within requested funding period	Percentage of projects that are substantially completed on schedule	46.2%	50.0%	> 75.0%
Projects completed within Construction and Engineering estimates	Percent variation to cost estimates	-12%	+/- 3.0%	+/- 5.0%
Change orders processed on completed construction projects	Percent variation on completed construction project amounts	3%	5%	+/- 7.0%
Construction contract awards approved by the Board	Number of contracts awarded	10	6	6
Construction contracts accepted by Board as complete	Number of contracts accepted	8	4	7
Right of way parcels acquired	Number of parcels acquired	LRH=18 Other=	LRH=34 Other=20	LRH=51 Other=5
Right of way parcels acquired according to budget and construction timelines	Percent of properties acquired on time and within budget	100.0%	100.0%	> 90.0%

SUMMARY OF MAJOR CHANGES

The following is a brief description of each system's major capital projects (total expenditures in excess of \$500,000) included in the Adopted FY 2020 Construction Improvement Program Budget. A broader description of each capital project (by system) is included in subsequent pages.

Regional Treated Water System

Thomas E. Taylor Regional Water Treatment Plant

- Continue due diligence to develop new water supply by obtaining a 404 permit from the U.S. Corps of Engineers, maintain strategic land purchases, and broaden design and engineering efforts for the proposed Lake Ralph Hall.

Thomas E. Taylor Regional Water Treatment Plant

- Continue design / engineering and begin construction of a 72" diameter pipeline parallel to the existing transmission main from the Taylor Regional Water Treatment Plant to the Stone Hill Pump Station for additional pipeline capacity needed to meet customer needs in the District's southwest service area.

Tom Harpool Regional Water Treatment Plant

- Provide funding for a phased expansion of Plant to include additional administration, maintenance and treatment facilities.
- Complete acquisition of rights-of-way, continue design / engineering, and begin construction for a strategic raw water pipeline from the raw water storage (North) at the future Regatta Development to the Harpool Regional Water Treatment Plant.
- Continue design / engineering and begin construction of a regional treated water transmission main to deliver water to Mustang Special Utility District's third point of delivery and other District customers north of the Harpool Regional Water Treatment Plant.

Other System Projects

- Complete installation of a new SCADA platform that will upgrade the District's current version of Wonderware software due to obsolescence and decreased efficiency.
- Complete construction of upgrades to the ground storage tank, associated manholes, metering facilities, valves and pipelines, surrounding the Stone Hill Pump Station.

Lakeview Regional Water Reclamation System

- No capital projects listed are in excess of \$500,000.

Northeast Regional Water Reclamation System

- Complete construction for the expansion of the Riverbend Regional Water Reclamation Plant from 2.0 to 4.0 MGD that was placed into service April 2019.
- Continue design / engineering and begin construction to expand the Doe Branch Regional Water Reclamation Plant from 2.0 to 4.0 MGD for projected completion in FY 2021.
- Continue preliminary planning and coordination with the Texas Department of Transportation's (TxDOT) U.S. Hwy 380 project for the relocation of the Doe Branch Plant's wastewater pipelines due to roadway improvements.

Peninsula Water Reclamation Plant

- Complete initial design / engineering and begin construction to expand the Peninsula Water Reclamation Plant from 0.94 to 2.0 MGD for projected completion in FY 2022.

ACCOMPLISHMENTS FOR FY 2018 – 2019

- Maintain a Capital Improvement Plan that provides adequate facilities to serve the existing and planned areas in a manner that does not exceed the District's financial ability.

The Capital Improvement Program includes major repairs and expansions to existing facilities, as well as providing for new facilities as they are necessary to meet the needs of the District's customers/participants. This program is updated annually.

- Conduct project management with respect to adhering to the scope of the project, project timelines and financial restraints.

Ongoing, monthly meetings are scheduled to review the status of each current project.

- For major projects, provide up-to-date information on the progress of projects that are currently under design or construction during Board of Director briefings.

Several times during the fiscal year status reports were provided to the Board on the current projects during their regular scheduled meetings.

- Identify future right-of-way needs and the impact for future capital improvement projects.

Upon the completion of alignment studies, rights-of-way will be identified.

- Strive to make substantial progress and / or complete capital improvement projects.
Regional Treated Water System

- *Construction of a vehicle / equipment storage facility was completed at the District's campus.*
- *Upgrade and installation of two (2) high service pumps were installed at the Harpool Regional Treated Water Plant.*
- *Improvements were made to upgrade the filters and underdrain structures at the Taylor Regional Treated Water Plant.*
- *A new Microwave System was installed throughout the District's service area.*

Lakeview Regional Water Reclamation System

- *Completion of a coordination project with the Texas Department of Transportation (TxDOT) that included modifications to District water reclamation facilities along the IH-35E corridor.*

*Northeast Regional Water Reclamation System
Riverbend Plant*

- *Substantial work was completed to expand the treatment capacity of the Riverbend Regional Water Reclamation Plant from 2.0 to 4.0 MGD, thus allowing the District to place the newly expanded facilities into operations in April 2019. Funds are provided for FY 2020 for the completion of supporting facilities such as administrative and maintenance office and a vehicle and equipment storage facility.*

Peninsula Water Reclamation Plant

- *A new security entry gate was constructed for the Peninsula Water Reclamation Plant.*

Regional Treated Water System

Upon establishment of the District in 1989, the Board of Directors embarked on an ambitious vision to plan, develop, and implement regional water supply and regional water reclamation programs for approximately 30 cities and utilities. Water supply was the largest and most immediate challenge. Prior to completion of its own treatment facilities, the District purchased treated water from other entities to resell to its customers. This arrangement continued until the District's first water treatment plant began operation in 1997. The Thomas E. Taylor Water Treatment Plant is planned with staged expansion capability to at least 300 million gallons per day (mgd) of treatment capacity as needed to provide for future growth within the District's service area.

The Regional Treated Water System began by providing service to 11 towns and cities. Growth continues throughout the District's service area and many communities (members and customers) have requested service. To provide for the needs of the member entities and other wholesale customers, the District has extended a network of major transmission pipelines across Denton County. In addition, the Tom Harpool Water Treatment Plant was completed in 2008 with a current treatment capacity of 20 mgd and a staged expansion capability to at least 240 mgd. Additionally, both treatment plants are interconnected to ensure safety and redundancy.

The District is meeting the needs of its members who have contracted for service and each community has access to an adequate supply of water, including the peak needs that occur during periods of drought. The District has continually supplied wholesale water service to 29 cities and / or utilities without any curtailment in service.

Construction Improvement Program Funding

FY 2020 funding for this system's capital budget consists of \$24.1 million of Commercial Paper, TWDB Funds for Lake Ralph Hall (Present and Anticipated) of \$37.8 million, TWDB Funds for the Parallel Pipeline Project - Taylor RWTP to Stone Hill Pump Station (Subsidized Interest) of \$21.7 million, Non-Bond Capital Reserve funds of \$2.6 million, Growth Program funds of \$17,585, and Contribution Pipeline Extension Reimbursements of \$50,000.

Current Projects

Due to growth in the southwest service area of the Regional Treated Water System, as well as to increase the capacity and pumping pressure for water sent to the farthest edges of this area, Commercial Paper funding is provided in FY 2020 for the purchase of rights-of-way, along with design and engineering activities, for the subsequent construction of the Southwest Pump Station, Phase 1 and Interim Pump Station. This project will also include a screening wall and fence to provide a buffer barrier for a nearby subdivision.

The District is continuing with its strategic planning activities to ensure an adequate supply of water resources for the next 50 years. The District was previously awarded a water rights permit by the Texas Commission on Environmental Quality (TCEQ) to enable the District to construct a new water supply lake – Lake Ralph Hall with a tentative completion date of FY 2030. The proposed lake will be located in Fannin County in the Sulphur River Basin and will provide the District with approximately 30 mgd of raw water. For FY 2020, the District anticipates receipt of

the coveted 404 permit from the U.S. Corps of Engineers, which will allow for actual construction activities to commence immediately. In addition, the District will continue with its preliminary design and engineering activities, along with making strategic land purchases. FY 2020 funding for these activities consists of approximately \$37.8 million of both present and anticipated TWDB Funds and \$9.6 million of Commercial Paper.

Due to the age of the ozone system at the Taylor Regional Water Treatment Plant and the importance of this system for the treatment of the District's drinking water, the FY 2020 capital budget contains Non-Bond Capital Reserve funding of \$480,000 to complete design / engineering and construction for the rehabilitation of this system.

As customer demand increases, the District will complete preliminary design and begin construction of a 72" diameter pipeline parallel to the existing treated water delivery line from the Taylor Regional Water Treatment Plant to the Stone Hill Pump Station for additional pipeline capacity. Also, since the existing pipeline serves such a large section of the System's southwest service area, the need for a redundant pipeline to serve these customers is in-place in case of a break in this existing pipeline. TWDB SWIFT Subsidized Interest funding of \$21.7 million is included for FY 2020 to continue this project.

To address the current customer demand needs, as well as preparing for the phased capacity expansion at the Harpool Regional Water Treatment Plant, the FY 2020 capital budget provides Commercial Paper funding of \$298,770 to complete the installation of three high service pumps (Phase 1B).

With projected population growth in the Northeast service area, the FY 2020 capital budget provides Commercial Paper funding of \$9.5 million to continue a phased expansion of the Harpool Regional Water Treatment Plant to include expanded administration, maintenance, and water treatment facilities, leading to an expanded plant capacity of 40.0 mgd by 2025 to 2030.

In FY 2010, the District purchased approximately 60 acres of land in the Regatta Development area for the construction of raw water storage facilities that will serve the Harpool Plant as a secondary raw water storage source. Commercial Paper of \$100,000 is provided for FY 2020 to begin construction of this storage reservoir.

The FY 2020 capital budget also contains Commercial Paper funding of \$2.0 million to complete initial design / engineering, rights-of-way acquisition, and begin construction of a raw water pipeline from the planned water reservoir at the Regatta Development in Aubrey, Texas, to the Harpool Regional Water Treatment Plant.

In anticipation of increased growth within the service area of one of the System's participants, Mustang Special Utility District, as well as customers north of this participant, the FY 2020 includes Commercial Paper funding of \$1.0 million to complete initial design / engineering and acquisition of rights-of-way, and to begin construction of a regional treated water transmission main to deliver water to Mustang SUD's third point of delivery and other District customers north of Harpool Regional Water Treatment Plant.

The FY 2020 capital budget also includes Commercial Paper of \$10,000 to continue design / engineering for the subsequent construction of the aforementioned third point of delivery for

treated water service for Mustang SUD. Upon completion of this project, Mustang SUD is to reimburse the District approximately \$70,000 of total project costs.

Due to aging of System infrastructure, the District has included Commercial Paper funding of \$793,755 for FY 2020 to complete upgrades to the ground storage tank and associated manholes, meters, valves, pumps, and pipelines, surrounding the Stone Hill Pump Station.

Over the past several fiscal years, the District has been enhancing its SCADA systems within the Regional Treated Water System. Non-Bond Capital Reserve funding of \$410,800 is included in the FY 2020 budget for the upgrade and rehabilitation of Programmable Logic Controllers (PLCs) and Local Processing Units (LPUs) at the Taylor and Harpoon Regional Treated Water Plants due to age and obsolescence.

The FY 2020 budget also provides funding to upgrade the District's current version of Wonderware software due to obsolescence and decreased efficiency. Currently, the District has several versions of Wonderware operating separately at each of its water and wastewater plants. Non-Bond Capital Reserve Funds of \$1.0 million are provided for FY 2020 to create a platform on which the most recent version of this software will operate, thus allowing for greater consistency between all SCADA functions across the District, as well as providing a more cost effective method of adding new infrastructure to SCADA operations.

In order to enhance the District's management of data from operations, Non-Bond Capital Reserve funding of \$75,000 is included in the FY 2020 capital budget to complete the transition of the System's operational data from Excel spreadsheets to a Microsoft Structured Query Language (SQL) centralized database for improved reliability and accuracy of data, as well as improved operational efficiency.

District staff will also be continuing their coordination that began in FY 2011 with other public entities to identify conflicts between proposed roadway improvements and District facilities. The FY 2020 budget provides Non-Bond Capital Reserve funding of \$10,000 for this project.

The FY 2020 capital budget includes Non-Bond Capital Reserve funding of \$10,000 to allow District staff to coordinate with the U.S. Corps of Engineers' utility relocation regarding the District's water pipelines located in the vicinity of the Lewisville Lake Dam.

Many active highway projects are under construction in the District's water service area. The FY 2020 capital budget provides funding for District staff to coordinate with Texas Department of Transportation (TxDOT) regarding the possible relocation of District water pipelines in conjunction with their U.S. Highway 380 roadway project in Denton County. Non-Bond Capital Reserve funding of \$500,000 is provided for this project. In addition, Non-Bond Capital Reserve funding of \$10,000 is also provided for FY 2020 for this same project that extends into Collin County.

Due to recent work done by TxDOT's FM 2181 project, the FY 2020 capital budget reflects Commercial Paper funding of \$711,380 to complete preliminary design / engineering and to begin installing 1,300 feet of new 24" pipeline, including a new check-meter vault, located in the District's easement on the west side of FM 2181 between Montecito Drive and Hickory Creek Road in Denton, Tx.

Non-Bond Capital Reserve funding of \$30,000 is provided for FY 2020 to complete the RTWS Risk and Resilience Plan, mandated by the U.S. Environmental Protection Agency under the America's Water Infrastructure Act of 2018, to determine and evaluate the risk and resilience of the Regional Treated Water System from vulnerabilities, threats, and consequences from potential hazards.

In order to update the District's hydraulic model for the Regional Treated Water System, Non-Bond Capital Reserve funding of \$50,000 is shown for FY 2020 to complete a study to verify and calibrate this model and to include with it, the new geographical information system database with future water demands, to evaluate hydraulic and operational parameters for System optimization.

To adequately plan for possible new pipeline extensions for current and / or future customers of the Regional Treated Water System, the FY 2020 capital budget provides \$50,000, reimbursable by any requesting customer / member, to offset costs for District efforts provided.

Finally, the FY 2020 capital budget contains annual expenditures of \$70,000 for Contingency Improvements to allow for various projects that may be identified throughout the fiscal year. Annual funding for FY 2020 consists of \$52,415 provided by Non-Bond Capital Reserve funds and \$17,585 of transferred Growth Program funds.

As shown in the five-year capital improvement program, the FY 2020 adopted capital budget for the Regional Treated Water System is \$86,376,495; an increase of \$36,550,405 from the previous year adopted capital budget of \$49,826,090. This increase is primarily due to additional efforts required for the Lake Ralph Hall project related to the acquisition of more land, as well as funding to begin construction, assuming that the 404 permit has been awarded, on the lake infrastructure. In addition, construction efforts will be increased on the Parallel Pipeline project (from the Taylor RWTP to the Stone Hill Pump Station).

Future Projects

Aubrey Pipeline and Point of Delivery #1 – The City of Aubrey, Texas currently has 0.10 mg of capacity in the Regional Treated Water System, but does not receive regular treated water service. In an attempt to anticipate future population growth in Aubrey and its need for treated water services, Commercial Paper funding of \$100,000 and \$300,000 in FYs 2021 and 2022, respectively, for District planning efforts for the construction of a treated water transmission main to provide regular water service to the City of Aubrey.

Pilot Point Pipeline – This project is planned for FY 2022, and entails the construction of a pipeline to deliver treated water to the City of Pilot Point, Texas. However, funding for these years is for initial planning activities. Commercial Paper of \$125,000 for FY 2022 is provided for District planning efforts.

RTWS General Treatment and Pumping Improvements – This project is planned for FYs 2021 through FY 2025 to complete upgrades and improvements of several components of the Regional Treated Water System that include additional new pumps and electrical components at the Raw Water Intake Structure, Taylor Regional Water Treatment Plant, and Stone Hill Pump Station, as well as upgrades to the filter underdrain and sediment basin rakes at the Taylor RWTP. Commercial paper of \$2.0 million annually is shown for the completion of this project.

Harpool In-Line Booster Pump Station at Northeast Pipeline – This project is planned for FYs 2023 and 2024, and is required to boost the pumping pressure at the Northeast Pipeline. Commercial Paper of \$50,000 and \$500,000 is provided for the completion of the project.

Regional Treated Water System Construction Cash Fund FY 2019 - 2020 Adopted Budget

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 6,910,169	\$ 6,339,488	\$ 8,761,158	\$ 6,415,703
REVENUES				
Commercial Paper	7,400,000	25,700,000	18,065,490	24,127,720
Texas Water Development Board SWIFT Funds				
Deferred Interest Loan	3,636,540	9,427,388	6,683,145	13,589,870
Board Participation Funds	1,303,548	4,418,042	6,674,705	23,363,090
Subsidized Interest Loan	-	6,935,000	3,213,840	21,721,060
Interfund Transfers				
Non-Bond Capital Reserve Fund	819,948	3,277,930	7,903,925	2,628,215
Growth Program	16,355	17,480	17,480	17,585
Contribution Sources	73,502	-	-	15,000
Customer Reimbursements	-	100,000	-	50,000
Interest Revenue	122,856	96,155	362,085	87,090
TOTAL REVENUES	\$ 13,372,749	\$ 49,971,995	\$ 42,920,670	\$ 85,599,630
EXPENDITURES				
Construction Improvement Projects	11,521,760	49,826,090	45,266,125 *	86,376,495
TOTAL EXPENDITURES	\$ 11,521,760	\$ 49,826,090	\$ 45,266,125	\$ 86,376,495
ENDING CASH BALANCE 9/30	\$ 8,761,158	\$ 6,485,393	\$ 6,415,703	\$ 5,638,838

FY 2020 Ending Balance decrease of \$846,555 is largely due to projected FY 2020 capital improvement expenditures exceeding total revenues (including use of escrowed Texas Water Development Board funds).

* Amount also contains expenditures: \$10,000 - Regional Treated Water System Geographical Information System Mapping, Phase 2 (5G2), \$98,215 - CMMS Installation Project (59M), \$65,000 - SCADA and Communication Systems Improvements (59S), \$90,000 - Lake Sharon Road Pipeline Lowering Project (52L), \$1,250,000 - Vehicle / Equipment Storage Building (5VS), \$12,500 - IH-35E Corridor Improvements (5IH), \$4,094,060 - Relocation / TxDOT FM 720 Coordination Project, Phase 1 (57T) and Phase 2 (57V), \$12,000 - Coordinate Northlake Pipeline and Point of Delivery #2 (5N1), \$20,000 - Relocaiton / TxDOT FM 2181 Project (5T3), \$10,000 - Harpool RWTP High Service Pumping Improvements, Phase 1A (53P), \$394,315 - Pipeline for Mustang Special Utility District's 2nd Point of Delivery (52P), \$148,475 - Interconnect Between District's Treated Water Transmission Pipeline along Byron Rd and Mustang SUD's Elevated Water Storage Tank (53F), \$1,000,000 - Filter and Underdrain Improvements at the Taylor RWTP (53U), and \$15,000 - Phase 1A Pipeline Easement Renewal (51G). These projects were finished, or are expected to be completed in FY 2019, and are not shown on the accompanying 5-Year list of capital improvement projects.


**Upper Trinity Regional Water District
Regional Treated Water System
FY 2020 Adopted Capital Budget with projections through FY 2024
September 5, 2019**

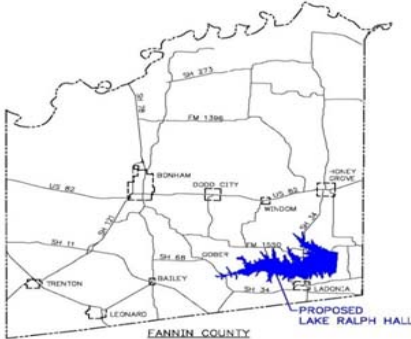
Project Acct	Project	Prior Expenditures	Estimates FY 2019	Adopted FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
5WP	Southwest Pump Station - Phase 1 and Interim Pump Station * (Includes Screening Wall and Fencing)	\$ 399,543	\$ -	\$ 50,000	\$ 265,155	\$ 4,800,000	\$ 1,704,000	\$ -	\$ 7,218,698
5RH	Lake Ralph Hall Project *	43,146,467	25,610,725	47,488,730	146,449,340	80,498,500	99,871,435	55,180,000	498,245,197
5M1	Aubrey Pipeline and Point of Delivery #1	655	-	-	100,000	300,000	-	-	400,655
566	Pilot Point Pipeline *	4,929	-	-	-	125,000	-	-	129,929
TBD	RTWS General Treatment and Pumping Improvements	-	-	-	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
5T0	Ozone System Rehabilitation at the Taylor RWTP	-	500,000	480,000	-	-	-	-	980,000
5PS	Parallel Pipeline from Taylor RTWP to Stone Hill Pump Station	213,939	3,000,000	21,721,060	16,775,000	-	-	-	41,709,999
5HB	Harpool In-Line Booster Pump Station @ N.E. Pipeline	-	-	-	-	-	50,000	500,000	550,000
54P	Harpool RTWP High Service Pumping Improvements, Phase 1B	979,732	5,000,000	298,770	-	-	-	-	6,278,502
5HO	Harpool RWTP Phased Treatment Expansion, Phase 1	11,958	2,000,000	9,500,000	8,370,500	10,629,500	6,000,000	8,000,000	44,511,958
5HR	Harpool RWTP Raw Water North Storage	593,997	50,000	100,000	1,358,785	-	-	-	2,102,782
5HP	Pipeline from Harpool RWTP Raw Water North Storage to the Harpool RWTP	1,148,763	3,000	2,000,000	6,495,240	2,240,000	-	-	11,887,003
5H1	Harpool RWTP North Transmission Main, Phase 1	9,991	3,000	1,007,000	2,915,005	2,915,005	-	-	6,850,001
5M3	Mustang Point of Delivery #3 *	29,793	-	10,000	100,000	346,305	-	-	486,098

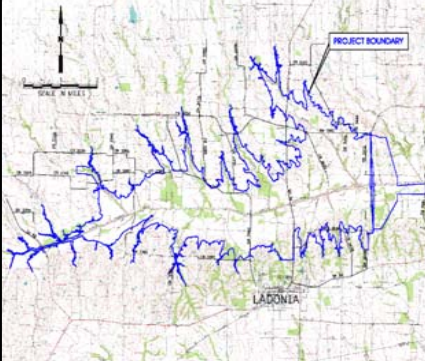
**Upper Trinity Regional Water District
Regional Treated Water System
FY 2020 Adopted Capital Budget with projections through FY 2024
September 5, 2019**

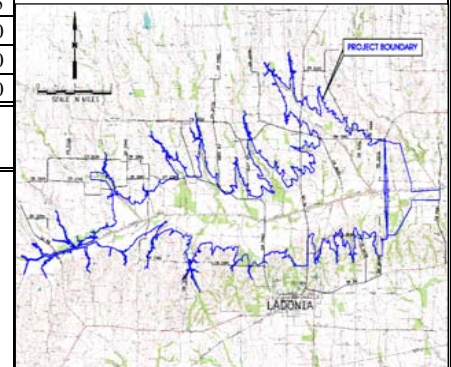
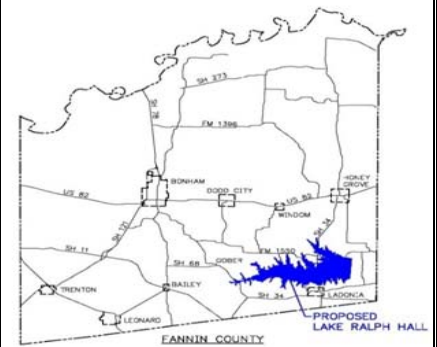
Project Acct	Project	Prior Expenditures	Estimates FY 2019	Adopted FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
5SR	RTWS Valve, Meter, Tank, and Pipeline Impr. / Rehab Project	206,245	1,400,000	793,755	-	-	-	-	2,400,000
59X	SCADA Systems Improvements (PLC and LPU Upgrade & Rehabilitation Project)	-	50,000	410,800	-	-	-	-	460,800
59Q	SCADA System Improvements (Wonderware Platform Upgrade Project)	-	-	1,000,000	-	-	-	-	1,000,000
54M	Operational Data Management Project	102,663	47,335	75,000	-	-	-	-	224,998
53W	Roadway Improvements Coordination Adjustments *	78,131	5,000	10,000	10,000	10,000	10,000	10,000	133,131
5W3	Lewisville Lake / USACE Dam Coordination	-	2,500	10,000	10,000	10,000	10,000	10,000	52,500
5T8	Relocation / TxDOT US Hwy 380 Project (DENTON COUNTY)	-	50,000	500,000	50,000	-	-	-	600,000
5T9	Relocation / TxDOT US Hwy 380 Project (COLLIN COUNTY)	-	5,000	10,000	10,000	-	-	-	25,000
5T4	Upsizing / Relocation FM 2181 24" Pipeline Project	97	50,000	711,380	2,800,775	-	-	-	3,562,252
59K	RTWS Risk and Resiliency Plan	-	20,000	30,000	-	-	-	-	50,000
55H	Hydraulics Efficiency and Optimization Study	883	250,000	50,000	-	-	-	-	300,883
538	Customer Pipeline Extensions	-	-	50,000	50,000	50,000	50,000	50,000	250,000
5WI	Contingency Improvements	-	-	70,000	100,000	100,000	100,000	100,000	470,000
Total		\$ 46,927,786	\$38,046,560	\$ 86,376,495	\$ 187,859,800	\$ 104,024,310	\$ 109,795,435	\$ 65,850,000	\$ 638,880,386
Funding Sources:									
	Commercial Paper	\$ 21,090,891	\$22,238,863	\$ 24,111,676	\$ 32,373,118	\$ 32,053,706	\$ 12,154,612	\$ 11,500,000	\$ 155,522,866
	Commercial Paper (Reimbursement from TWDB Funds for 5PS)	-	(213,939)	-	-	-	-	-	(213,939)
	Commercial Paper (Reimb. From Contribution Sources)	-	-	-	-	(70,000)	-	-	(70,000)
	Revenue Bonds	24,185	-	-	-	-	-	-	24,185
	Texas Water Development Board Funds								
	Lake Ralph Hall (Present)	25,631,033	11,877,862	14,484,869	3,623,481	-	-	-	55,617,245
	Lake Ralph Hall (Anticipated)	-	-	23,363,090	134,858,201	71,800,604	97,470,823	54,180,000	381,672,718
	Parallel Pipeline from Taylor RWTP to Stone Hill PS (5PS)	-	3,213,939	21,721,060	16,775,000	-	-	-	41,709,999
	Non-Bond Capital Reserve	177,807	929,835	2,628,215	162,415	102,415	102,415	102,415	4,205,517
	Contribution Sources								
	Mustang SUD (5M3)	-	-	-	-	70,000	-	-	70,000
	Operating Funds	3,870	-	-	-	-	-	-	3,870
	Growth Program	-	-	17,585	17,585	17,585	17,585	17,585	87,925
	Customer Pipeline Extension Reimbursements	-	-	50,000	50,000	50,000	50,000	50,000	250,000
Total		\$ 46,927,786	\$38,046,560	\$ 86,376,495	\$ 187,859,800	\$ 104,024,310	\$ 109,795,435	\$ 65,850,000	\$ 638,880,386



* - Multiple Funding Sources

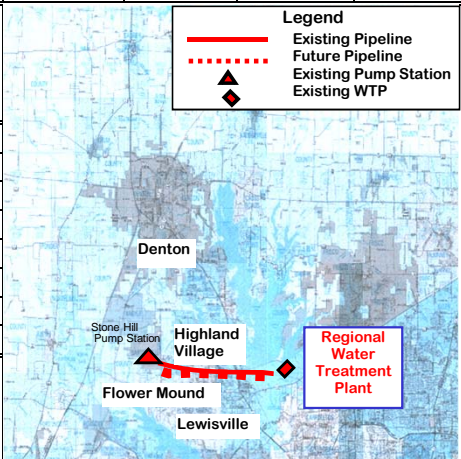
Project Title							Southwest Pump Station - Phase 1 and Interim Pump Station (Includes Screening Wall and Fencing)			Department					5WP			
Description Funding provides for the purchase of rights-of-way and design / engineering for the subsequent construction of a pump station, including a screening wall and fencing.							Operating Budget Impact											
							2020		2021		2022		2023		2024			
							Personnel Services		\$ -		\$ -		\$ -		\$ -		\$ 3,500	
							Administrative		-		-		-		-		-	
							Office Expenses		-		-		-		-		-	
							Professional Services		-		-		-		-		1,500	
							Operating and Maintenance		-		-		-		-		45,000	
							Debt Service		26,340		31,165		128,980		181,150		198,105	
							Furniture and Equipment		-		-		-		-		20,000	
Maintenance/OH Allocation		-		-		-		-		7,000								
Total							\$ 26,340		\$ 31,165		\$ 128,980		\$ 181,150		\$ 275,105			
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total									
				2020	2021	2022	2023	2024 to Completion										
Design/Engineering		\$ 45,956	\$ -	\$ 19,500	\$ 235,155	\$ 250,000	\$ 26,000	\$ -	\$ 576,611									
Land/Right of Way		279,395	-	25,000	-	-	-	-	304,395									
Construction		-	-	-	-	4,019,000	1,490,500	-	5,509,500									
Admin/Inspection		74,192	-	5,500	30,000	531,000	187,500	-	828,192									
Legal																		
Furniture/Equipment																		
Other																		
Total Costs		\$ 399,543	\$ -	\$ 50,000	\$ 265,155	\$ 4,800,000	\$ 1,704,000	\$ -	\$ 7,218,698									
Source of Funds		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total									
				2020	2021	2022	2023	2024 to Completion										
Commercial Paper		\$ 380,287	\$ -	\$ 50,000	\$ 265,155	\$ 4,800,000	\$ 1,704,000	\$ -	\$ 7,199,442									
Revenue Bonds		19,256	-	-	-	-	-	-	19,256									
Operating Funds																		
O&M Reserve Funds																		
Total Sources		\$ 399,543	\$ -	\$ 50,000	\$ 265,155	\$ 4,800,000	\$ 1,704,000	\$ -	\$ 7,218,698									
Project Schedule		Project Start Date		Project Completion Date		Site Information												
Design/Engineering		Mar-13		2023		Town of Northlake and Argyle Water Supply Corporation (Denton County, Texas)												
Land/Right of Way		Apr-13		2020														
Construction		2022		2023														
Admin/Inspection		Mar-03		2023														
Legal																		
Furniture/Equipment																		
Total Project				2023														

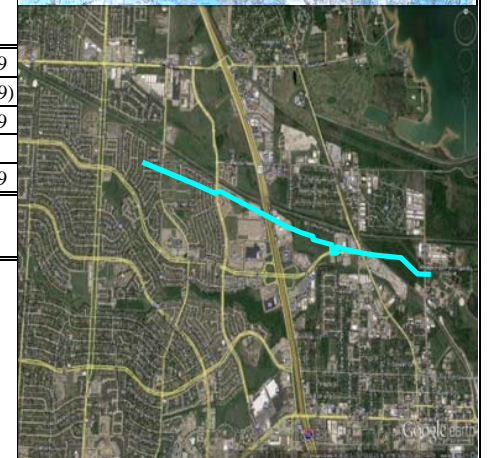
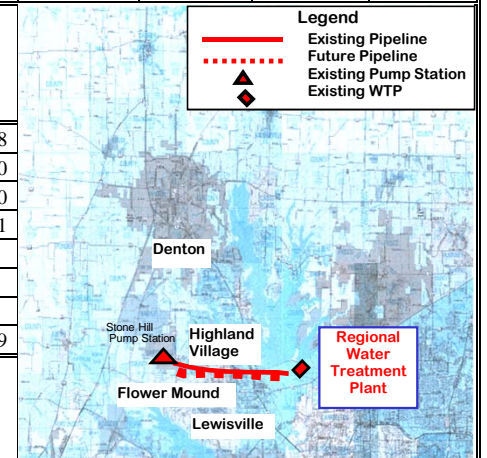
Project Title			Lake Ralph Hall Project					Department		5RH		
Description Continue due diligence to develop a new water supply by obtaining a 404 permit from the U.S. Corps of Engineers, maintaining strategic land acquisition, and broadening our design / engineering efforts for the proposed Lake Ralph Hall and associated transmission pipelines.							Operating Budget Impact					
								2020	2021	2022	2023	2024
							Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
							Administrative	-	-	-	-	-
							Office Expenses	-	-	-	-	-
							Professional Services	-	-	-	-	-
							Operating and Maintenance	-	-	-	-	-
							Debt Service	2,113,600	3,022,425	3,346,155	3,911,675	7,414,920
							Furniture and Equipment	-	-	-	-	-
Maintenance/OH Allocation	-	-	-	-	-							
Total							\$ 2,113,600	\$3,022,425	\$3,346,155	\$ 3,911,675	\$ 7,414,920	
	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total				
			2020	2021	2022	2023	2024 to Completion					
Total Costs	\$ 43,146,467	\$ 25,610,725	\$ 47,488,730	\$ 146,449,340	\$ 80,498,500	\$ 99,871,435	\$ 131,111,993	\$ 574,177,190				
Source of Funds	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total				
			2020	2021	2022	2023	2024 to Completion					
Commercial Paper	\$ 17,504,204	\$ 13,732,863	\$ 9,640,771	\$ 7,967,658	\$ 8,697,896	\$ 2,400,611	\$ 37,277,192	\$ 97,221,195				
TWDB Funds - Present	25,631,033	11,877,862	14,484,869	3,623,481	-	-	-	55,617,245				
TWDB Funds - Anticipated	-	-	23,363,090	134,858,201	71,800,604	97,470,823	93,834,802	421,327,520				
Donated Assets	11,230	-	-	-	-	-	-	11,230				
Total Sources	\$ 43,146,467	\$ 25,610,725	\$ 47,488,730	\$ 146,449,340	\$ 80,498,500	\$ 99,871,435	\$ 131,111,993	\$ 574,177,190				
Project Schedule	Project Start Date	Project Completion Date	Site Information									
Permitting/Design/Engineering/Reuse	Jul-03	2030	Southeast Fannin County, Tx									
Land/Right of Way/Mitigation	Dec-08	2030										
Construction	2020	2030										
Admin/Inspection	May-03	2030										
Contested Hearing/Expert Witness	May-12	Jun-17										
Other												
Total Project		2030										

		
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Project Title								Department				
Ozone System Rehabilitation at the Taylor RWTP								5T0				
Description Complete design / engineering and construction of improvements to the Ozone System at the Taylor Regional Water Treatment Plant.						Operating Budget Impact						
							2020	2021	2022	2023	2024	
						Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	
						Administrative	-	-	-	-	-	
						Office Expenses	-	-	-	-	-	
						Professional Services	-	2,500	2,575	2,650	2,730	
						Operating and Maintenance	-	(65,000)	(66,950)	(68,960)	(71,030)	
						Furniture and Equipment	-	-	-	-	-	
Maintenance/OH Allocation						-	(6,250)	(6,440)	(6,630)	(7,105)		
Total						\$ -	\$ (68,750)	\$ (70,815)	\$ (72,940)	\$ (75,405)		
Project Costs	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total				
			2020	2021	2022	2023	2024 to Completion					
Design/Engineering	\$ -	\$ 65,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 90,000				
Land/Right of Way												
Construction	-	380,000	402,500	-	-	-	-	782,500				
Admin/Inspection	-	55,000	52,500	-	-	-	-	107,500				
Legal												
Furniture/Equipment												
Other												
Total Costs	\$ -	\$ 500,000	\$ 480,000	\$ -	\$ -	\$ -	\$ -	\$ 980,000				
Source of Funds	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total				
			2020	2021	2022	2023	2024 to Completion					
Commercial Paper												
Revenue Bonds												
Contribution Sources												
Non-Bond Capital Rsrv Funds	\$ -	\$ 500,000	\$ 480,000	\$ -	\$ -	\$ -	\$ -	\$ 980,000				
TWDB Funds												
Total Sources	\$ -	\$ 500,000	\$ 480,000	\$ -	\$ -	\$ -	\$ -	\$ 980,000				
Project Schedule	Project Start Date	Project Completion Date	Site Information									
Design/Engineering	Jan-19	2020	300 Treatment Plant Road Lewisville, Tx									
Land/Right of Way												
Construction	Sep-2019	2020										
Admin/Inspection	Oct-18	2020										
Legal												
Furniture/Equipment												
Total Project		2020										

Project Title								Department			
Parallel Pipeline Taylor RWTP to Stone Hill Pump Station								SPS			
Description Continue design / engineering and begin construction of a 72" diameter pipeline parallel to the existing transmission main from the Taylor Regional Water Treatment Plant to the Stone Hill Pump Station for additional pipeline capacity needed to meet customer needs.						Operating Budget Impact					
							2020	2021	2022	2023	2024
						Personnel Services	\$ -	\$ -	\$ 6,580	\$ 6,910	\$ 7,255
						Administrative	-	-	-	-	-
						Office Expenses	-	-	-	-	-
						Professional Services	-	-	1,850	1,905	1,960
						Operating and Maintenance	-	-	15,000	15,450	15,915
						Debt Service	1,455,325	2,322,405	2,323,610	2,327,685	2,326,710
						Maintenance/OH Allocation	-	-	2,345	2,425	2,515
Total						\$ 1,455,325	\$ 2,322,405	\$ 2,349,385	\$ 2,354,375	\$ 2,354,355	
Project Costs	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total	<div>Legend — Existing Pipeline Future Pipeline ▲ Existing Pump Station ◆ Existing WTP</div> 		
			2020	2021	2022	2023	2024 to Completion				
Design/Engineering	\$ 169,208	\$ 1,478,000	\$ 1,525,290	\$ 167,000	\$ -	\$ -	\$ -	\$ 3,339,498			
Land/Right of Way	-	1,200,000	-	-	-	-	-	1,200,000			
Construction	-	-	17,868,035	14,806,965	-	-	-	32,675,000			
Admin/Inspection	44,731	322,000	2,327,735	1,801,035	-	-	-	4,495,501			
Furniture/Equipment											
Other											
Total Costs	\$ 213,939	\$ 3,000,000	\$ 21,721,060	\$ 16,775,000	\$ -	\$ -	\$ -	\$ 41,709,999			
Source of Funds	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total			
			2020	2021	2022	2023	2024 to Completion				
Commercial Paper - Outflow	\$ 213,939	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 213,939			
Commercial Paper - Inflow	-	(213,939)	-	-	-	-	-	(213,939)			
TWDB Subsidized Interest Funding	-	3,213,939	21,721,060	16,775,000	-	-	-	41,709,999			
Operating Funds											
Total Sources	\$ 213,939	\$ 3,000,000	\$ 21,721,060	\$ 16,775,000	\$ -	\$ -	\$ -	\$ 41,709,999			
Project Schedule	Project Start Date		Project Completion Date		Site Information						
Design/Engineering	Jul-18		2021		Parallel to the Burlington Northern Santa Fe Railroad tracks from Lewisville to Flower Mound, Tx						
Land/Right of Way	Aug-19		Sep-19								
Construction	2020		2021								
Admin/Inspection	Apr-18		2021								
Furniture/Equipment											
Other											
Total Project			2021								





Project Title							Department					
Harpool RWTP High Service Pumping Improvements, Phase 1B							54P					
Description Complete construction of pumping improvements, including the installation of three (3) high service pumps, to meet increasing customer demand at the Harpool Regional Water Treatment Plant.					Operating Budget Impact							
						2020	2021	2022	2023	2024		
					Personnel Services	\$ 2,300	\$ 2,415	\$ 2,535	\$ 2,660	\$ 2,795		
					Administrative	-	-	-	-	-		
					Office Expenses	-	-	-	-	-		
					Professional Services	-	-	-	-	-		
					Operating and Maintenance	8,935	9,205	9,480	9,765	10,060		
					Debt Service	94,180	401,895	401,895	401,895	401,895		
					Furniture and Equipment	-	-	-	-	-		
					Maintenance/OH Allocation	1,125	1,160	1,200	1,245	1,285		
Total					\$ 106,540	\$ 414,675	\$ 415,110	\$ 415,565	\$ 416,035			
Project Costs	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total				
			2020	2021	2022	2023	2024 to Completion					
			Design/Engineering	\$ 624,473	\$ 52,525	\$ -	\$ -		\$ -	\$ -	\$ 676,998	
			Land/Right of Way									
			Construction	233,730	4,406,275	265,770	-		-	-	4,905,775	
			Admin/Inspection	121,529	541,200	33,000	-		-	-	695,729	
			Legal									
			Furniture/Equipment									
Total Costs	\$ 979,732	\$ 5,000,000	\$ 298,770	\$ -	\$ -	\$ -	\$ -	\$ 6,278,502				
Source of Funding	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total				
			2020	2021	2022	2023	2024 to Completion					
			Commercial Paper	\$ 979,732	\$ 5,000,000	\$ 298,770	\$ -		\$ -	\$ -	\$ -	\$ 6,278,502
			Revenue Bonds									
			Non-Bond Capital Rsrv Funds									
			Operating Funds									
			O&M Reserve Funds									
			Total Sources	\$ 979,732	\$ 5,000,000	\$ 298,770	\$ -		\$ -	\$ -	\$ -	\$ 6,278,502
			Project Schedule	Project Start Date		Project Completion Date			Site Information 11500 Fishtrap Road Aubrey, Tx			
Apr-17		Sep-19										
May-18		2020										
Dec-16		2020										
Total Project		2020										

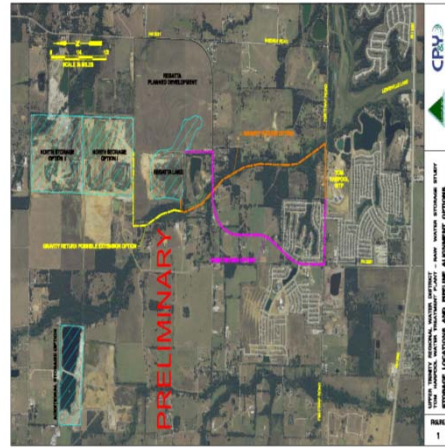
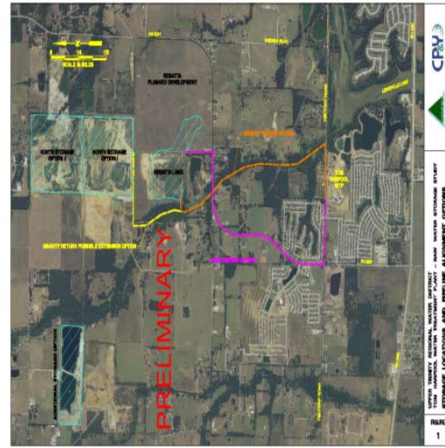





Project Title								Department				
Harpool RWTP Phased Treatment Expansion, Phase 1								5HO				
Description Funding provides for a phased expansion of the Harpool RTWP, including expanded administration and maintenance facilities, increased raw water handling and membrane water treatment capability (filter membranes and diurnal pond), leading to an expanded plant capacity of 40.0 MGD by 2025 to 2030.						Operating Budget Impact						
							2020	2021	2022	2023	2024	
						Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	
						Administrative	-	-	-	-	-	
						Office Expenses	-	-	-	-	-	
						Professional Services	-	-	-	-	-	
						Operating and Maintenance	-	-	-	-	-	
						Debt Service	165,135	441,520	619,220	860,735	1,308,165	
Maintenance/OH Allocation	-	-	-	-	-							
Total						\$ 165,135	\$ 441,520	\$ 619,220	\$ 860,735	\$ 1,308,165		
Project Costs	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total				
			2020	2021	2022	2023	2024 to Completion					
Design/Engineering	\$ 4,500	\$ 535,560	\$ 4,236,065	\$ 340,665	\$ 250,000	\$ 200,000	\$ 125,000	\$ 5,691,790				
Land/Right of Way												
Construction	-	1,250,000	4,236,855	7,126,640	9,225,000	5,150,000	7,000,000	33,988,495				
Admin/Inspection	7,458	214,440	1,027,080	903,195	1,154,500	650,000	875,000	4,831,673				
Furniture/Equipment												
Other												
Total Costs	\$ 11,958	\$ 2,000,000	\$ 9,500,000	\$ 8,370,500	\$ 10,629,500	\$ 6,000,000	\$ 8,000,000	\$ 44,511,958				
Source of Funding	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total				
			2020	2021	2022	2023	2024 to Completion					
Commercial Paper	\$ 11,958	\$ 2,000,000	\$ 9,500,000	\$ 8,370,500	\$ 10,629,500	\$ 6,000,000	\$ 8,000,000	\$ 44,511,958				
Revenue Bonds												
Non-Bond Capital Rsrv Funds												
Operating Funds												
Total Sources	\$ 11,958	\$ 2,000,000	\$ 9,500,000	\$ 8,370,500	\$ 10,629,500	\$ 6,000,000	\$ 8,000,000	\$ 44,511,958				
Project Schedule	Project Start Date	Project Completion Date	Site Information									
Design/Engineering	Aug-18	2024	11500 Fishtrap Road Aubrey, Tx									
Land/Right of Way												
Construction	Sep-19	2024										
Admin/Inspection	Sep-17	2024										
Furniture/Equipment												
Other												
Total Project		2024										



Project Title			Harpool RWTP Raw Water North Storage					Department		5HR													
Description			Operating Budget Impact							Funding provides for the District's participation in the construction of the Harpool Regional Water Treatment Plant North Raw Water Storage at the future Regatta Development.													
												2020		2021		2022		2023		2024			
												Personnel Services		\$	-	\$	-	\$	1,700	\$	1,785	\$	1,875
												Administrative		-	-	-	-	-	-	-	-		
												Office Expenses		-	-	-	-	-	-	-	-		
												Professional Services		-	-	-	-	-	-	-	-		
												Operating and Maintenance		-	-	5,200	5,410	5,625					
												Debt Service		39,655	66,775	70,420	74,070	107,735					
												Furniture and Equipment		-	-	-	-	-	-	-			
												Maintenance/OH Allocation		-	-	6,900	7,195	7,500					
Total			\$	39,655	\$	66,775	\$	84,220	\$	88,460	\$	122,735											
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total														
				2020	2021	2022	2023	2024 to Completion															
Design/Engineering		\$	-	\$	44,500	\$	28,000	\$	-			\$	-	\$	-	\$	72,500						
Land/Right of Way		485,217	-	-	-	-	-	-	485,217														
Construction		-	-	61,000	1,213,285	-	-	-	1,274,285														
Admin/Inspection		105,321	5,500	11,000	145,500	-	-	-	267,321														
Legal		3,459	-	-	-	-	-	-	3,459														
Furniture/Equipment																							
Total Costs		\$	593,997	\$	50,000	\$	100,000	\$	1,358,785			\$	-	\$	-	\$	-	\$	2,102,782				
Source of Funds		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total														
				2020	2021	2022	2023	2024 to Completion															
Commercial Paper		\$	593,997	\$	50,000	\$	100,000	\$	1,358,785	\$	-	\$	-	\$	-	\$	2,102,782						
Revenue Bonds																							
Operating Funds																							
O&M Reserve Funds																							
Total Sources		\$	593,997	\$	50,000	\$	100,000	\$	1,358,785	\$	-	\$	-	\$	-	\$	2,102,782						
Project Schedule		Project Start Date		Project Completion Date		Site Information																	
Design/Engineering		Sep-19		2020		Northeast Denton County Aubrey, Tx																	
Land/Right of Way		Dec-09		Dec-09																			
Construction		2020		2021																			
Admin/Inspection		Dec-09		2021																			
Legal		May-10		Mar-17																			
Furniture/Equipment																							
Total Project				2021																			

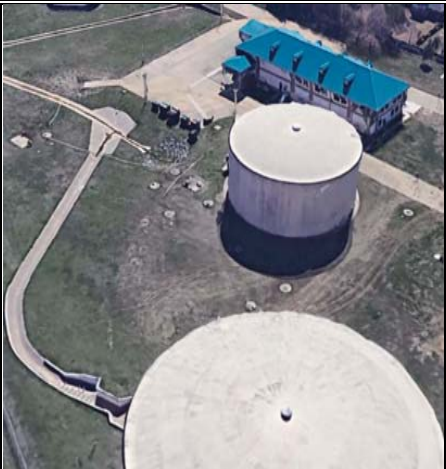

Project Title							Pipeline from Harpool RWTP Raw Water North Storage to the Harpool RWTP					Department													
												5HP													
Description							Operating Budget Impact																		
Complete initial design / engineering and acquisition of rights-of-way, and begin construction for a strategic raw water pipeline from the raw water storage (North) site at the future Regatta Development to the Harpool Regional Water Treatment Plant.									2020		2021		2022		2023		2024								
							Personnel Services		\$ -		\$ -		\$ 1,500		\$ 3,415		\$ 3,585								
							Administrative		-		-		-		-		-								
							Office Expenses		-		-		-		-		-								
							Professional Services		-		-		-		-		-								
							Operating and Maintenance		-		-		3,585		23,035		23,725								
							Debt Service		69,420		220,185		286,220		313,075		483,440								
							Furniture and Equipment		-		-		-		-		-								
							Maintenance/OH Allocation		-		-		510		2,645		2,730								
							Total		\$ 69,420		\$ 220,185		\$ 291,815		\$ 342,170		\$ 513,480								
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total																
				2020	2021	2022	2023	2024 to Completion																	
Design/Engineering		\$ 396,154	\$ 2,675	\$ 450,000	\$ 60,000	\$ 7,525	\$ -	\$ -	\$ 916,354																
Land/Right of Way		597,804	-	402,195	-	-	-	-	999,999																
Construction		-	-	917,805	5,735,240	1,980,000	-	-	8,633,045																
Admin/Inspection		132,087	325	220,000	700,000	252,475	-	-	1,304,887																
Legal		22,718	-	10,000	-	-	-	-	32,718																
Furniture/Equipment																									
Other																									
Total Costs		\$ 1,148,763	\$ 3,000	\$ 2,000,000	\$ 6,495,240	\$ 2,240,000	\$ -	\$ -	\$ 11,887,003																
Source of Funding		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total																
				2020	2021	2022	2023	2024 to Completion																	
Commercial Paper		\$ 1,148,763	\$ 3,000	\$ 2,000,000	\$ 6,495,240	\$ 2,240,000	\$ -	\$ -	\$ 11,887,003																
Revenue Bonds																									
Non-Bond Capital Rsrv Funds																									
Operating Funds																									
O&M Reserve Funds																									
Total Sources		\$ 1,148,763	\$ 3,000	\$ 2,000,000	\$ 6,495,240	\$ 2,240,000	\$ -	\$ -	\$ 11,887,003																
Project Schedule		Project		Project		Site Information																			
		Start Date		Completion Date																					
Design/Engineering		Sep-11		2022		Northeast Denton County Aubrey, Tx (to the Harpool WTP in Southeast Denton County)																			
Land/Right of Way		Sep-17		2020																					
Construction		2020		2022																					
Admin/Inspection		Sep-11		2022																					
Legal		Sep-14		2020																					
Furniture/Equipment																									
Total Project				2022																					

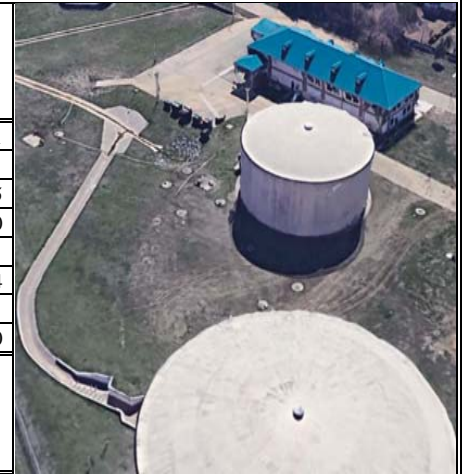
Project Title							Department			
Harpool RWTP North Transmission Main, Phase 1							5H1			
Description Complete initial design / engineering, acquisition of rights-of-way, and begin construction of a regional treated water transmission main to deliver water to Mustang SUD's third point of delivery and other District Customers north of Harpool Regional Water Treatment Plant.					Operating Budget Impact					
						2020	2021	2022	2023	2024
					Personnel Services	\$ -	\$ -	\$ -	\$ 2,850	\$ 2,965
					Administrative	-	-	-	-	-
					Office Expenses	-	-	-	-	-
					Professional Services	-	-	-	800	825
					Operating and Maintenance	-	-	-	4,250	4,420
					Debt Service	15,200	69,465	137,570	154,665	199,720
Maintenance/OH Allocation	-	-	-	790	820					
Total					\$ 15,200	\$ 69,465	\$ 137,570	\$ 163,355	\$ 208,750	
Project Costs	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total		
			2020	2021	2022	2023	2024 to Completion			
Design/Engineering	\$ 7,806	\$ 2,675	\$ 143,100	\$ 20,595	\$ 20,595	\$ -	\$ -	\$ 194,771		
Land/Right of Way	-	-	500,000	-	-	-	-	500,000		
Construction	-	-	250,000	2,575,500	2,575,500	-	-	5,401,000		
Admin/Inspection	1,410	325	108,900	316,410	316,410	-	-	743,455		
Legal	775	-	5,000	2,500	2,500	-	-	10,775		
Furniture/Equipment										
Total Costs	\$ 9,991	\$ 3,000	\$ 1,007,000	\$ 2,915,005	\$ 2,915,005	\$ -	\$ -	\$ 6,850,001		
Source of Funding	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total		
			2020	2021	2022	2023	2024 to Completion			
Commercial Paper	\$ 9,991	\$ 3,000	\$ 1,007,000	\$ 2,915,005	\$ 2,915,005	\$ -	\$ -	\$ 6,850,001		
Revenue Bonds										
O&M Reserve Funds										
Contribution Sources										
Total Sources	\$ 9,991	\$ 3,000	\$ 1,007,000	\$ 2,915,005	\$ 2,915,005	\$ -	\$ -	\$ 6,850,001		
Project Schedule	Project Start Date	Project Completion Date	Site Information							
Design/Engineering	Aug-17	2022	Vicinity of Fish Trap Road to north of FM 2931 Aubrey, Tx							
Land/Right of Way	2020	2020								
Construction	2020	2022								
Admin/Inspection	Mar-17	2022								
Legal	Apr-17	2022								
Furniture/Equipment										
Total Project		2022								

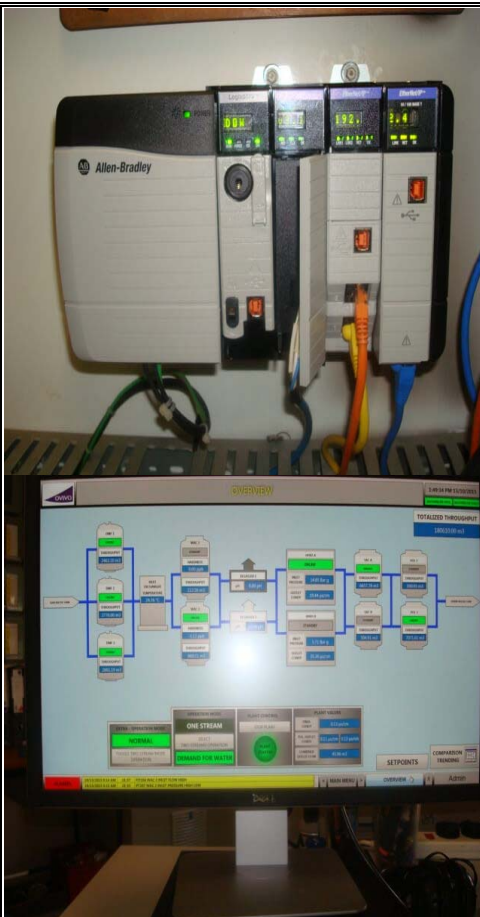


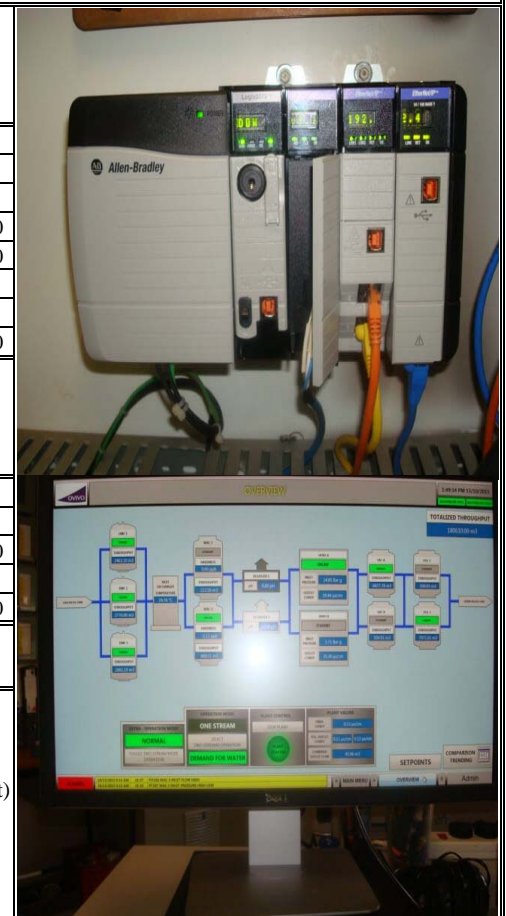
Project Title							Department			
Mustang Point of Delivery #3							5M3			
Description Funding provided to continue design / engineering for the future construction of a meter vault to serve as the third delivery point for treated water service to Mustang Special Utility District.					Operating Budget Impact					
						2020	2021	2022	2023	2024
					Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
					Administrative	-	-	-	-	-
					Office Expenses	-	-	-	-	-
					Professional Services	-	-	-	-	-
					Operating and Maintenance	-	-	-	-	-
					Debt Service	1,950	3,725	9,525	10,490	15,240
Maintenance/OH Allocation					-	-	-	-	-	
Total					\$ 1,950	\$ 3,725	\$ 9,525	\$ 10,490	\$ 15,240	
Project Costs	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total		
			2020	2021	2022	2023	2024 to Completion			
Design/Engineering	\$ 23,465	\$ -	\$ 8,900	\$ 3,735	\$ 8,900	\$ -	\$ -	\$ 45,000		
Land/Right of Way										
Construction	-	-	-	85,500	300,000	-	-	385,500		
Admin/Inspection	6,328	-	1,100	10,765	37,405	-	-	55,598		
Legal										
Furniture/Equipment										
Total Costs	\$ 29,793	\$ -	\$ 10,000	\$ 100,000	\$ 346,305	\$ -	\$ -	\$ 486,098		
Source of Funds	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total		
			2020	2021	2022	2023	2024 to Completion			
Commercial Paper (Outflow)	\$ 29,793	\$ -	\$ 10,000	\$ 100,000	\$ 346,305	\$ -	\$ -	\$ 486,098		
Commercial Paper (Inflow)	-	-	-	-	(70,000)	-	-	(70,000)		
Non-Bond Capital Rsrv Funds										
Operating Funds										
Contribution Sources-MSUD	-	-	-	-	70,000	-	-	70,000		
Total Sources	\$ 29,793	\$ -	\$ 10,000	\$ 100,000	\$ 346,305	\$ -	\$ -	\$ 486,098		
Project Schedule	Project Start Date	Project Completion Date		Site Information						
Design/Engineering	Feb-17	2022		FM 2931 (Between Brewer Road and Mustang Lane) Aubrey, Tx						
Land/Right of Way										
Construction	2021	2022								
Admin/Inspection	Mar-16	2022								
Legal										
Furniture/Equipment										
Total Project		2022								

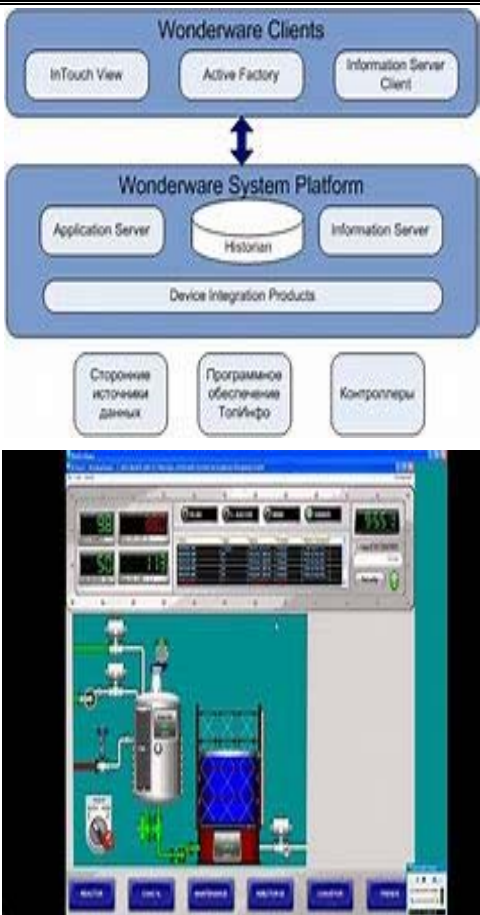


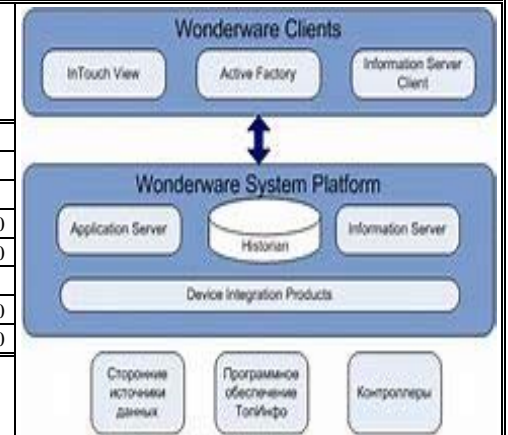
Project Title							Regional Treated Water System Valve, Meter, Tank, and Pipeline Improvements and Rehabilitation Project			Department		5SR									
Description Based on recommendations from a recent evaluation and analysis of the operability of valves, appurtenances, and metering facilities, complete the upgrade and rehabilitation to the ground storage tank and associated manholes, meters, valves, pumps, and pipelines, surrounding the Stone Hill Pump Station.							Operating Budget Impact														
								2020	2021	2022	2023	2024									
							Personnel Services	\$	-	\$	3,500	\$	3,640	\$	3,785	\$	3,935				
							Administrative		-		-		-		-		-				
							Office Expenses		-		-		-		-		-				
							Professional Services		-		2,000		2,060		2,120		2,185				
							Operating and Maintenance		-		(35,080)		(36,485)		(37,945)		(39,460)				
							Debt Service		36,000		116,710		118,690		120,675		122,660				
							Maintenance/OH Allocation		-		(2,960)		(3,080)		(3,205)		(3,335)				
Total							\$	36,000	\$	84,170	\$	84,825	\$	85,430	\$	85,985					
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total												
				2020	2021	2022	2023	2024 to Completion													
Design/Engineering	\$	117,111	\$	162,890	\$	-	\$	-	\$						-	\$	-	\$	280,001		
Land/Right of Way																					
Construction		-		1,096,495		708,700		-							-		-		1,805,195		
Admin/Inspection		34,330		140,615		85,055		-							-		-		260,000		
Legal																					
Furniture/Equipment		54,804		-		-		-							-		-		54,804		
Total Costs	\$	206,245	\$	1,400,000	\$	793,755	\$	-	\$						-	\$	-	\$	-	\$	2,400,000
Source of Funds		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total												
				2020	2021	2022	2023	2024 to Completion													
Commercial Paper	\$	206,245	\$	1,400,000	\$	793,755	\$	-	\$						-	\$	-	\$	-	\$	2,400,000
Revenue Bonds																					
Non-Bond Capital Rsrv																					
TWDB Funds																					
Total Sources	\$	206,245	\$	1,400,000	\$	793,755	\$	-	\$						-	\$	-	\$	-	\$	2,400,000
Project Schedule		Project Start Date		Project Completion Date		Site Information															
		Apr-17		Sep-19																	
Design/Engineering						1201 FM 407 Flower Mound, Tx															
Land/Right of Way																					
Construction		Apr-19		2020																	
Admin/Inspection		Apr-17		2020																	
Legal																					
Furniture/Equipment		May-18		May-18																	
Total Project				2020																	



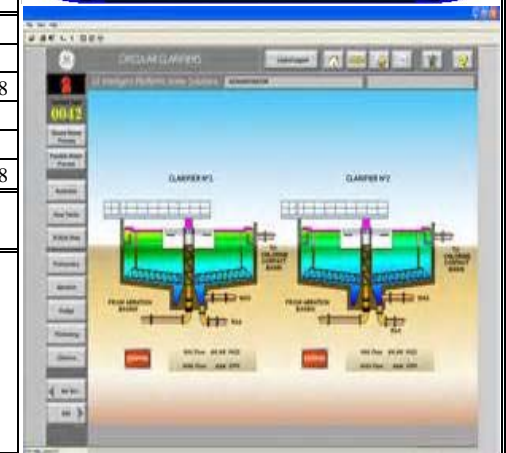
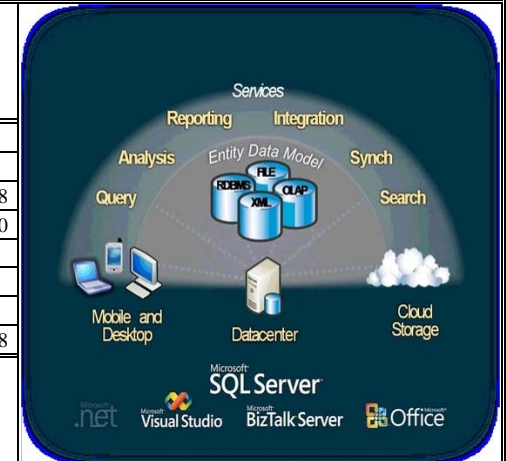
Project Title								SCADA System Improvements (PLC and LPU Upgrade & Rehabilitation Project)					Department									
Description								Operating Budget Impact					59X									
													2020					2021				
													2022					2023				
													2024									
Funds provided for the upgrade and rehabilitation of Programmable Logic Controllers (PLCs) and Local Processing Units (LPUs) at the Taylor and Harpool Regional Treated Water Plants due to age and obsolescence.								Personnel Services														
								Administrative														
								Office Expenses														
								Professional Services														
								Operating and Maintenance														
								Furniture and Equipment														
								Maintenance/OH Allocation														
								Total														
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total													
				2020	2021	2022	2023	2024 to Completion														
Design/Engineering																						
Land/Right of Way																						
Construction																						
Admin/Inspection		\$ -	\$ 5,500	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -						\$ 50,500							
Professional Services		-	44,500	365,800	-	-	-	-	-						410,300							
Furniture/Equipment																						
Other																						
Total Costs		\$ -	\$ 50,000	\$ 410,800	\$ -	\$ -	\$ -	\$ -	\$ -						\$ 460,800							
Source of Funds		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total													
				2020	2021	2022	2023	2024 to Completion														
Revenue Bonds										\$ -												
Commercial Paper										-												
Non-Bond Capital Rsrv Funds		\$ -	\$ 50,000	\$ 410,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 460,800												
Operating Cash										-												
Total Sources		\$ -	\$ 50,000	\$ 410,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 460,800												
Project Schedule		Project Start Date		Project Completion Date		Site Information																
Design/Engineering						300 Treatment Plant Road Lewisville, Tx (Taylor Plant) 11500 Fishtrap Road Aubrey, Tx (Harpool Plant)																
Land/Right of Way																						
Construction																						
Admin/Inspection		Jan-19		2020																		
Professional Services		Jan-19		2020																		
Furniture/Equipment																						
Other																						
Total Project				2020																		



Project Title								SCADA System Improvements (Wonderware Platform Upgrade Project)		Department		59Q	
Description Funds provided to upgrade the District's current version of Wonderware software due to obsolescence and decreased efficiency.								Operating Budget Impact					
									2020	2021	2022	2023	2024
								Personnel Services	\$ -	\$ 3,500	\$ 3,675	\$ 3,860	\$ 4,055
								Administrative	-	-	-	-	-
								Office Expenses	-	-	-	-	-
								Professional Services	-	65,000	66,950	68,960	71,030
								Operating and Maintenance	-	3,500	3,640	3,785	3,935
								Furniture and Equipment	-	-	-	-	-
Maintenance/OH Allocation	-	7,200	7,425	7,660	7,900								
Total								\$ -	\$ 79,200	\$ 81,690	\$ 84,265	\$ 86,920	
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures				Project Total					
				2020	2021	2022	2023						2024 to Completion
Design/Engineering													
Land/Right of Way													
Construction													
Admin/Inspection		\$ -	\$ -	\$ 110,000	\$ -	\$ -	\$ -	\$ -					\$ 110,000
Professional Services		-	-	240,000	-	-	-	-					240,000
Furniture/Equipment													
Other - Software		-	-	650,000	-	-	-	-					650,000
Total Costs		\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -					\$ 1,000,000
Source of Funds		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations				Project Total					
				2020	2021	2022	2023		2024 to Completion				
Revenue Bonds													
Commercial Paper													
Non-Bond Capital Rsrv Funds		\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000				
Operating Cash													
Total Sources		\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000				
Project Schedule		Project Start Date		Project Completion Date		Site Information							
Design/Engineering						Various Areas in the District's services area.							
Land/Right of Way													
Construction													
Admin/Inspection		2020		2020									
Professional Services		2020		2020									
Furniture/Equipment													
Other - Software		2020		2020									
Total Project				2020									

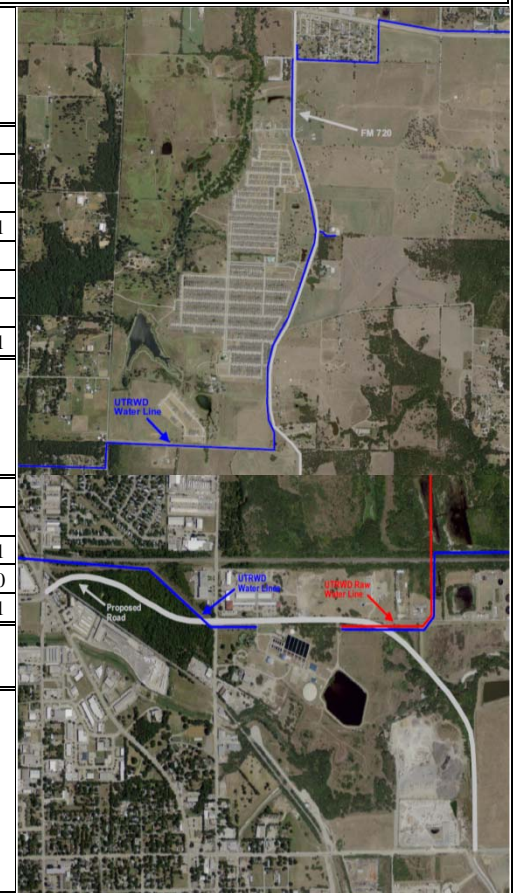


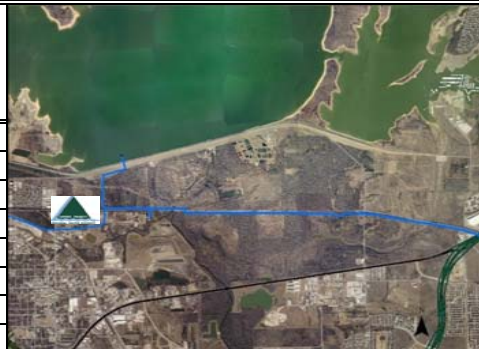
Project Title							Department			
Operational Data Management Project							54M			
Description Complete the process of transitioning water system operational data from Excel spreadsheets to a Microsoft Structured Query Language (SQL) centralized database for improved reliability and accuracy of data, as well as improved operational efficiency.					Operating Budget Impact					
						2020	2021	2022	2023	2024
					Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
					Administrative	-	-	-	-	-
					Office Expenses	-	-	-	-	-
					Professional Services	-	-	-	-	-
					Operating and Maintenance	-	-	-	-	-
					Furniture and Equipment	-	-	-	-	-
Maintenance/OH Allocation	-	1,350	1,405	1,460	1,520					
Total					\$ -	\$ 1,350	\$ 1,405	\$ 1,460	\$ 1,520	
Project Costs	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total		
			2020	2021	2022	2023	2024 to Completion			
Design/Engineering										
Land/Right of Way										
Admin/Inspection	\$ 17,363	\$ 5,195	\$ 8,250	\$ -	\$ -	\$ -	\$ -	\$ 30,808		
Professional Services	85,300	42,140	66,750	-	-	-	-	194,190		
Legal										
Other										
Total Costs	\$ 102,663	\$ 47,335	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 224,998		
Source of Funds	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total		
			2020	2021	2022	2023	2024 to Completion			
Commercial Paper										
Revenue Bonds										
Non-Bond Capital Reserve	\$ 102,663	\$ 47,335	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 224,998		
Operating Funds										
TWDB Funds										
Total Sources	\$ 102,663	\$ 47,335	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 224,998		
Project Schedule	Project Start Date	Project Completion Date	Site Information							
Design/Engineering			Various areas in the District's service area.							
Land/Right of Way										
Admin/Inspection	Aug-16	2020								
Professional Services	Jun-17	2020								
Legal										
Other										
Total Project		2020								

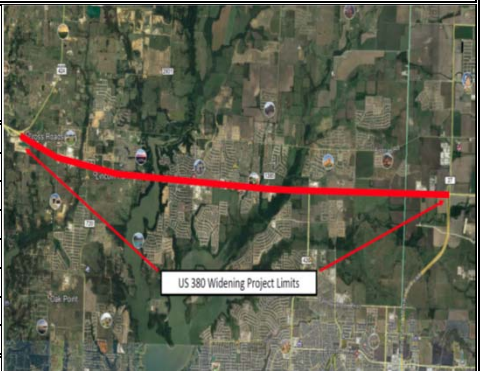



Project Title							Department							
Roadway Improvements Coordination Adjustments							53W							
Description Continue to coordinate with other public entities to identify potential conflicts between proposed roadway improvements and the District's facilities. (Does not include funding for modifications to District facilities.)					Operating Budget Impact									
					2020		2021		2022		2023		2024	
					Personnel Services									
					Administrative									
					Office Expenses									
					Professional Services									
					Operating and Maintenance									
Debt Service														
Furniture and Equipment														
Maintenance/OH Allocation														
Total														
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total					
				2020	2021	2022	2023	2024 to Completion						
Design/Engineering														
Land/Right of Way														
Construction														
Admin/Inspection		\$ 78,131	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 133,131					
Legal														
Furniture/Equipment														
Total Costs		\$ 78,131	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 133,131					
Source of Funding		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total					
				2020	2021	2022	2023	2024 to Completion						
Commercial Paper														
Revenue Bonds														
Non-Bond Capital Rsrv Funds		\$ 74,261	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 129,261					
Operating Funds		3,870	-	-	-	-	-	-	3,870					
Total Sources		\$ 78,131	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 133,131					
Project Schedule		Project Start Date		Project Completion Date		Site Information								
Design/Engineering						Various areas in the District's service area								
Land/Right of Way														
Construction														
Admin/Inspection		Oct-10		Ongoing										
Legal														
Furniture/Equipment														
Total Project				Ongoing										


An aerial photograph of a rural area with agricultural fields and some buildings. A blue line traces a path through the fields, labeled 'UTRWD Water Line'. A red line branches off from the blue line, labeled 'UTRWD New Water Line'. A grey line is labeled 'Proposed Road'. In the upper right, a road is labeled 'PM 720'. In the lower left, a road is labeled 'Highway 275'.





Project Title								Department					
Lewisville Lake / USACE Dam Coordination								5W3					
Description Continue coordination with the U.S. Army Corps of Engineers (USACE) on utility relocations, including engineering / design and construction activities, with regard to the District's water pipelines in the vicinity of of the Lewisville Lake Dam.					Operating Budget Impact								
					2020					2021	2022	2023	2024
					Personnel Services								
					Administrative								
					Office Expenses								
					Professional Services								
					Operating and Maintenance								
Furniture and Equipment													
Maintenance/OH Allocation													
Total													
Project Costs	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total					
			2020	2021	2022	2023	2024 to Completion						
Design/Engineering													
Land/Right of Way													
Construction													
Admin/Inspection	\$ -	\$ 2,500	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 52,500					
Legal													
Furniture/Equipment													
Other - Chemicals		-											
Total Costs	\$ -	\$ 2,500	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 52,500					
Source of Funding	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total					
			2020	2021	2022	2023	2024 to Completion						
Commercial Paper													
Revenue Bonds													
Operating Funds													
Non-Bond Capital Rsrv Funds	\$ -	\$ 2,500	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 52,500					
Total Sources	\$ -	\$ 2,500	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 52,500					
Project Schedule	Project Start Date	Project Completion Date	Site Information										
Design/Engineering			Near the Lake Lewisville intake pump station and intake pipeline Lewisville, Tx										
Land/Right of Way													
Construction													
Admin/Inspection	2019	On-Going											
Utility Enhancements													
Furniture/Equipment													
Total Project		On-Going											

Project Title								Department			
Relocation / TxDOT US Hwy 380 Project (Denton County)								5T8			
Description Funding provides for continued coordination with the Texas Department of Transportation's (TxDOT) U.S. Hwy 380 project (Denton County portion) and to begin relocation of the District's water pipelines. Upon project completion, the District will be reimbursed by the Texas Department of Transportation for a portion of project costs.						Operating Budget Impact <div>20202021202220232024</div> <div>Personnel ServicesAdministrativeOffice ExpensesProfessional ServicesOperating and MaintenanceFurniture and EquipmentMaintenance/OH AllocationTotal</div>					
Project Costs	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total			
	2020	2021	2022	2023	2024 to Completion						
	Design/Engineering	\$ -	\$ 44,500	\$ 5,000	\$ 1,000	\$ -	\$ -	\$ -		\$ 50,500	
	Land/Right of Way										
	Construction	-	-	440,000	43,500	-	-	-		483,500	
	Admin/Inspection	-	5,500	55,000	5,500	-	-	-		66,000	
	Legal										
	Furniture/Equipment										
	Other										
	Total Costs	\$ -	\$ 50,000	\$ 500,000	\$ 50,000	\$ -	\$ -	\$ -		\$ 600,000	
Source of Funding	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total			
			2020	2021	2022	2023	2024 to Completion				
Commercial Paper											
Revenue Bonds											
Non-Bond Capital Rsrv Funds	\$ -	\$ 50,000	\$ 500,000	\$ 50,000	\$ -	\$ -		\$ 600,000			
Contribution Sources											
Total Sources	\$ -	\$ 50,000	\$ 500,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 600,000			
Project Schedule	Project Start Date	Project Completion Date	Site Information								
Design/Engineering	Aug-19	2021	Project limits are from approximately Loop 288 to the U.S. Hwy 380 Denton County, Tx								
Land/Right of Way											
Construction	2020	2021									
Admin/Inspection	Feb-19	2021									
Legal											
Furniture/Equipment											
Total Project		2021									

Project Title								Department													
Relocation / TxDOT US Hwy 380 Project (Collin County)								5T9													
Description Funding provides for continued coordination with the Texas Department of Transportation's (TxDOT) U.S. Hwy 380 project (Collin County portion) and the City of Irving, Texas.						Operating Budget Impact															
						2020		2021		2022		2023		2024							
						Personnel Services															
						Administrative															
						Office Expenses															
						Professional Services															
						Operating and Maintenance															
Furniture and Equipment																					
Maintenance/OH Allocation																					
Total																					
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total												
				2020	2021	2022	2023	2024 to Completion													
Design/Engineering																					
Land/Right of Way																					
Construction																					
Admin/Inspection		\$ -	\$ 5,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 25,000												
Legal																					
Furniture/Equipment																					
Other																					
Total Costs		\$ -	\$ 5,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 25,000												
Source of Funding		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total												
				2020	2021	2022	2023	2024 to Completion													
Commercial Paper																					
Revenue Bonds																					
Non-Bond Capital Rsrv Funds		\$ -	\$ 5,000	\$ 10,000	\$ 10,000	\$ -	\$ -		\$ 25,000												
Contribution Sources																					
Total Sources		\$ -	\$ 5,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 25,000												
Project Schedule		Project Start Date		Project Completion Date		Site Information															
Design/Engineering		Aug-19		2021		Selected areas along U.S. Hwy 380 Collin County, Tx															
Land/Right of Way																					
Construction		2020		2021																	
Admin/Inspection		Feb-19		2021																	
Legal																					
Furniture/Equipment																					
Total Project				2021																	

Project Title								Department				
Upsizing / Relocation FM 2181 24" Pipeline Project								5T4				
Description Funding provided to complete preliminary design / engineering and begin construction to install 1,300 feet of new 24 inch pipeline, including a new check meter vault, located in the District's easement on the west side of FM 2181 between Montecito Drive and Hickory Creek Road in Denton, Texas.						Operating Budget Impact						
							2020	2021	2022	2023	2024	
						Personnel Services	\$ -	\$ -	\$ 660	\$ 695	\$ 730	
						Administrative	-	-	-	-	-	
						Office Expenses	-	-	-	-	-	
						Professional Services	-	-	-	-	-	
						Operating and Maintenance	-	-	1,250	1,300	1,350	
						Debt Service	11,420	64,670	73,450	82,230	91,010	
						Maintenance/OH Allocation	-	-	190	200	210	
Total						\$ 11,420	\$ 64,670	\$ 75,550	\$ 84,425	\$ 93,300		
Project Costs	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total				
			2020	2021	2022	2023	2024 to Completion					
Design/Engineering	\$ -	\$ 44,500	\$ 297,380	\$ 10,000	\$ -	\$ -	\$ -	\$ 351,880				
Land/Right of Way								-				
Construction	-	-	336,000	2,489,000	-	-	-	2,825,000				
Admin/Inspection	97	5,500	78,000	301,775	-	-	-	385,372				
Legal												
Furniture/Equipment												
Other												
Total Costs	\$ 97	\$ 50,000	\$ 711,380	\$ 2,800,775	\$ -	\$ -	\$ -	\$ 3,562,252				
Source of Funding	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total				
			2020	2021	2022	2023	2024 to Completion					
Commercial Paper	\$ 97	\$ 50,000	\$ 711,380	\$ 2,800,775	\$ -	\$ -	\$ -	\$ 3,562,252				
Non-Bond Capital Rsrv Funds												
Operating Funds												
Contribution Sources												
Total Sources	\$ 97	\$ 50,000	\$ 711,380	\$ 2,800,775	\$ -	\$ -	\$ -	\$ 3,562,252				
Project Schedule	Project Start Date		Project Completion Date		Site Information							
Design/Engineering	Sep-19		2021		Approximately between Montecito Road and Hickory Creek Rd. in Denton, Tx.							
Land/Right of Way												
Construction	2020		2021									
Admin/Inspection	Sep-18		2021									
Legal												
Furniture/Equipment												
Total Project			2021									

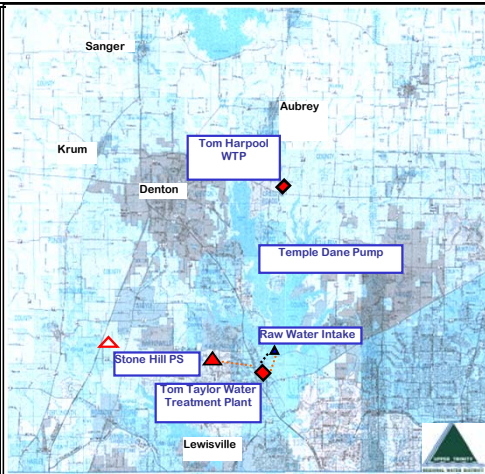


Project Title							RTWS Risk and Resilience Plan			Department					59K				
Description Funding provides for the completion of a study, mandated by the US EPA under Section 2013 of America’s Water Infrastructure Act of 2018, to determine and evaluate the risk and resilience of the RTWS from vulnerabilities, threats, and consequences from potential hazards.							Operating Budget Impact							2020	2021	2022	2023	2024	
							Personnel Services Administrative Office Expenses Professional Services Operating and Maintenance Debt Service Furniture and Equipment Maintenance/OH Allocation Total												
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total										
				2020	2021	2022	2023	2024 to Completion											
Design/Engineering		\$ -	\$ 17,850	\$ 26,750	\$ -	\$ -	\$ -	\$ -	\$ 44,600										
Land/Right of Way																			
Construction																			
Admin/Inspection		-	2,150	3,250	-	-	-	-	5,400										
Legal																			
Furniture/Equipment																			
Total Costs		\$ -	\$ 20,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000										
Source of Funds		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total										
				2020	2021	2022	2023	2024 to Completion											
Commercial Paper																			
Revenue Bonds																			
Non-Bond Capital Rsrv Funds		\$ -	\$ 20,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000										
Contribution Sources																			
Total Sources		\$ -	\$ 20,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000										
Project Schedule		Project Start Date		Project Completion Date		Site Information													
		Aug-19		2020															
Design/Engineering						Various areas in the District's service area													
Land/Right of Way																			
Construction																			
Admin/Inspection		Aug-19		2020															
Legal																			
Furniture/Equipment																			
Total Project				2020															



Project Title								Department
Hydraulic Efficiency and Optimization Study								55H
Description				Operating Budget Impact				
Funding provided to complete a study to verify and calibrate the Regional Treated Water System's (RTWS) hydraulic model, to include the new GIS database with future water demands, and to simulate RTWS pumping, piping, and other capital improvements, to evaluate hydraulic and operational parameters for optimization.				2020	2021	2022	2023	2024
				Personnel Services				
				Administrative				
				Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Furniture and Equipment				
				Maintenance/OH Allocation				
				Total				
Project Costs	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total
			2020	2021	2022	2023	2024 to Completion	
Design/Engineering/Study	\$ -	\$ 222,500	\$ 44,500	\$ -	\$ -	\$ -	\$ -	\$ 267,000
Land/Right of Way								
Construction								
Admin/Inspection	883	27,500	5,500	-	-	-	-	33,883
Legal								
Furniture/Equipment								
Total Costs	\$ 883	\$ 250,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 300,883
Source of Funding	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total
			2020	2021	2022	2023	2024 to Completion	
Revenue Bonds								
Commercial Paper								
Non-Bond Capital Rsrv Funds	\$ 883	\$ 250,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 300,883
Growth Program Funds								
Total Sources	\$ 883	\$ 250,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 300,883
Project Schedule	Project Start Date	Project Completion Date	Site Information					
Design/Engineering/Study	Dec-18	2020	Denton County, Tx					
Land/Right of Way								
Construction								
Admin/Inspection	Sep-18	2020						
Legal								
Furniture/Equipment								
Total Project		2020						



Project Title								Department													
Customer Pipeline Extensions								538													
Description Provides funding for District efforts to coordinate and plan for future water pipeline extensions for current and / or future customers of the Regional Treated Water System.						Operating Budget Impact															
						2020		2021		2022		2023		2024							
						Personnel Services															
						Administrative															
						Office Expenses															
						Professional Services															
						Operating and Maintenance															
Debt Service																					
Furniture and Equipment																					
Maintenance/OH Allocation																					
Total																					
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total												
				2020	2021	2022	2023	2024 to Completion													
Design/Engineering																					
Land/Right of Way																					
Construction/Other		\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 300,000	\$ 500,000												
Admin/Inspection																					
Legal																					
Furniture/Equipment																					
Total Costs		\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 300,000	\$ 500,000												
Source of Funding		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total	<div>Legend Existing WTP Existing Pump Station Future Pump Station</div>											
				2020	2021	2022	2023	2024 to Completion													
Commercial Paper																					
Revenue Bonds																					
Customer Reimbursements		\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 300,000	\$ 500,000												
Operating Funds																					
Total Sources		\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 300,000	\$ 500,000												
Project Schedule		Project Start Date		Project Completion Date		Site Information															
Design/Engineering						Various areas in the District's service area															
Land/Right of Way																					
Construction/Other		2020		Ongoing																	
Admin/Inspection																					
Legal																					
Furniture/Equipment																					
Total Project				Ongoing																	

Project Title								Contingency Improvements		Department					5WI					
Description								Operating Budget Impact								2020	2021	2022	2023	2024
To allow for various projects that may be identified throughout the year.								Personnel Services Administrative Office Expenses Professional Services Operating and Maintenance Debt Service Furniture and Equipment Maintenance/OH Allocation Total												

**Upper Trinity Regional Water District
Regional Treated Water System
Estimated Annual Operating Expense from Investments in Capital Projects
FY 2020 through FY 2024**

Project Acct	Project	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	5-Year Total
5WP	Southwest Pump Station, Phase 1 and Interim Pump Station	\$ 26,340	\$ 31,165	\$ 128,980	\$ 181,150	\$ 275,105	\$ 642,740
5RH	Lake Ralph Hall Project	2,113,600	3,022,425	3,346,155	3,911,675	7,414,920	19,808,775
5T0	Ozone System Rehabilitation at the Taylor RWTP *	-	(68,750)	(70,815)	(72,940)	(75,405)	(287,910)
5PS	Parallel Pipeline Taylor RWTP to Stone Hill Pump Station	1,455,325	2,322,405	2,349,385	2,354,375	2,354,355	10,835,845
54P	Harpool RWTP High Service Pumping Improvements, Phase 1B	106,540	414,675	415,110	415,565	416,035	1,767,925
5HO	Tom Harpool Regional Water Treatment Plant Phased Expansion to 40.0 MGD	165,135	441,520	619,220	860,735	1,308,165	3,394,775
5HR	Harpool RWTP Raw Water North Storage	39,655	66,775	84,220	88,460	122,735	401,845
5HP	Pipeline from Harpool RWTP Raw Water North Storage to Harpool RWTP	69,420	220,185	291,815	342,170	513,480	1,437,070
5H1	Harpool RWTP North Transmission Main, Phase 1	15,200	69,465	137,570	163,355	208,750	594,340
5M3	Mustang Point of Delivery #3	1,950	3,725	9,525	10,490	15,240	40,930
5SR	Regional Treated Water System Valve, Tank, Meter and Pipeline Improvements and Rehabilitation Project	36,000	84,170	84,825	85,430	85,985	376,410
59Q	SCADA System Improvements (Wonderware Platform Upgrade Project	-	79,200	81,690	84,265	86,920	332,075
54M	Operational Data Management Project	-	1,350	1,405	1,460	1,520	5,735
5T4	Upsizing / Relocation FM 2181 24" Pipeline Project	11,420	64,670	75,550	84,425	93,300	329,365
Total		\$ 4,040,585	\$ 6,752,980	\$ 7,554,635	\$ 8,510,615	\$ 12,821,105	\$ 39,679,920

Lakeview Regional Water Reclamation System

In 1996, Lake Cities Municipal Utility Authority (LCMUA), a member of the District, transferred its existing wastewater treatment plant with 1.0 million gallons per day (mgd) capacity to the District. By 1998, the District had organized the Lakeview Regional Water Reclamation System and enlarged the treatment plant to 3.5 mgd to serve LCMUA, the City of Corinth, and the City of Highland Village. In 2003, the District expanded the Plant's treatment capacity to 5.0 mgd extending wholesale service to Double Oak, Bartonville, and Denton County Fresh Water Supply District #7. Additionally, the District completed construction in 2013 to upgrade the Plant's processing equipment and expanded its treatment capacity to 5.5 mgd.

Construction Improvement Program Funding

FY 2020 funding consists of existing Construction funds (including Series 2015 Revenue Bond proceeds) of \$495,290 and \$593,000 of Non-Bond Capital Reserve funds.

Current Projects

Due to a confluence of many entities' pipelines and connections in the vicinity of IH-35E and Swisher Road (Corinth, Texas), the District is planning to reconfigure its wastewater facilities by replacing and upgrading fittings and appurtenances on the trunk main and connections in this area. Construction funds of \$495,290 is shown for FY 2020 to complete this project.

The FY 2020 capital budget also includes Non-Bond Capital Reserve funding of \$386,815 to complete design / engineering and construction of odor control improvements, such as installation of scrubbing towers and / or carbon canisters, on the Swisher Force Main.

Non-Bond Capital Reserve funding of \$156,185 is included for FY 2020 to upgrade SCADA equipment processors in the Lakeview Regional Water Reclamation System due to age and obsolescence, as well as to improve efficiency and reliability of plant operations.

Finally, the FY 2020 capital budget contains Non-Bond Capital Reserve funding of \$50,000 for Contingency Improvements to allow for various projects that may be identified throughout the fiscal year.

The FY 2020 adopted capital budget for the Lakeview Regional Water Reclamation System is \$1,088,290; a decrease of \$381,005 from the previous year adopted capital budget of \$1,469,295. This decrease is primarily due to having already completed a portion of the Trunk Mains Fittings and Appurtenances Upgrade project in FY 2019, leaving \$495,290 to complete this project in FY 2020.

Future Projects

Permit Renewal – The next renewal of the Lakeview Plant's Texas Pollutant Discharge Elimination System permit is scheduled for FYs 2021 and 2022, and is funded via Plant Permitting Reserve funds of \$40,000 and \$20,000, respectively. The renewal of this permit is required every five years by the Texas Commission on Environmental Quality.

Plant Expansion, Phase 3 (from 5.5 to 7.5 mgd) – This project is planned for FY 2022 through 2026 and consists of construction of treatment facilities and sludge processing improvements to increase the treatment capacity of the Lakeview Regional Water Reclamation Plant from 5.5 mgd to 7.5 mgd. Construction funds of \$25,000 and \$1.0 million, are planned for FYs 2022 and 2023, respectively, while Revenue Bond proceeds of \$5.0 million, \$15.0 million, and \$8.3 million, are planned for FYs 2024, 2025, and 2026, respectively, for this project.

Lakeview Regional Water Reclamation System
Construction Cash Fund
FY 2019 - 2020 Adopted Budget

	FY 2017-2018	FY 2018-2019	FY 2018-2019	FY 2019-2020
	Actuals	Budget	Estimates	Budget
BEGINNING CASH BALANCE 10/01	\$ 2,292,025	\$ 2,064,425	\$ 2,310,057	\$ 1,901,917
REVENUES				
Interfund Transfer				
Non-Bond Capital Reserve Fund	3,373	619,295	17,500	593,000
Interest Income	75,419	52,825	91,860	47,475
TOTAL REVENUES	\$ 78,792	\$ 672,120	\$ 109,360	\$ 640,475
EXPENDITURES				
Construction Improvement Projects	60,760	1,469,295	517,500 *	1,088,290
TOTAL EXPENDITURES	\$ 60,760	\$ 1,469,295	\$ 517,500	\$ 1,088,290
ENDING CASH BALANCE 9/30	\$ 2,310,057	\$ 1,267,250	\$ 1,901,917	\$ 1,454,102

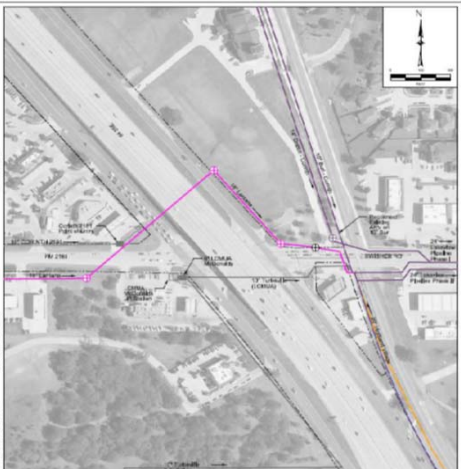
FY 2020 Ending Balance increase of \$186,852 is due to combination of higher than projected interest revenue for FY 2019, as well as including interest revenue for FY 2020, realizing \$50,000 in savings due to having no Contingency Improvement expenditures for FY 2019, and delaying \$25,000 of Adopted FY 2019 expenditures for a Flow / Population Study for the Phase 3 expansion of the Lakeview Regional Water Treatment Plant until FY 2022.

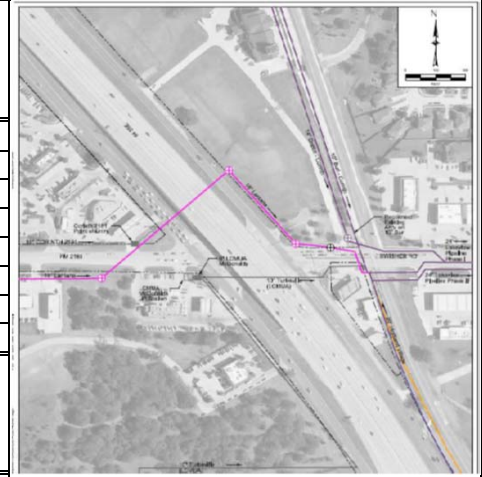
* Amount also contains expenditures: \$5,000 - Relocation / TxDOT FM 2181 Project (57W) and \$12,500 - IH 35E Corridor Improvements (51H). These projects are projected to be completed by the end of FY 2019 and are not shown on the accompanying 5-Year list of capital improvement projects.

**Upper Trinity Regional Water District
Lakeview Regional Water Reclamation System
FY 2020 Adopted Capital Budget with projections through FY 2024
September 5, 2019**


Project Acct	Project	Prior Expenditures	Estimates FY 2019	Adopted FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
5LL	Permit Renewal	\$ -	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ 60,000
5L2	Plant Expansion, Phase 3 (from 5.5 to 7.5 MGD) - Includes Biosolids Improvements *	7,339	-	-	-	25,000	1,000,000	5,000,000	6,032,339
539	Trunk Mains Fittings and Appurtenances Upgrade	30,628	500,000	495,290	-	-	-	-	1,025,918
5SF	Swisher Force Main Odor Control Improvements	13,186	-	386,815	-	-	-	-	400,001
599	Security / SCADA Improvements *	74,066	-	156,185	-	-	-	-	230,251
5LM	Contingency Improvements	-	-	50,000	50,000	50,000	50,000	50,000	250,000
	Total	\$ 125,219	\$ 500,000	\$ 1,088,290	\$ 90,000	\$ 95,000	\$ 1,050,000	\$ 5,050,000	\$ 7,998,509
Funding Sources:									
	Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000
	Construction Funds (Includes Prior Revenue Bond Proceeds)	77,845	500,000	495,290	-	25,000	1,000,000	-	2,098,135
	Plant Permitting Reserve Funds	-	-	-	40,000	20,000	-	-	60,000
	Non-Bond Capital Reserve Funds	20,783	-	593,000	50,000	50,000	50,000	50,000	813,783
	Operating Funds	26,591	-	-	-	-	-	-	26,591
	Total	\$ 125,219	\$ 500,000	\$ 1,088,290	\$ 90,000	\$ 95,000	\$ 1,050,000	\$ 5,050,000	\$ 7,998,509




* - Multiple Funding Sources


Project Title							Department			
Trunk Mains Fittings and Appurtenances Upgrade							539			
Description Complete design / engineering and construction to replace and upgrade fittings and appurtenances on the trunk main and connections in the vicinity of IH-35E and Swisher Road.					Operating Budget Impact					
						2020	2021	2022	2023	2024
					Personnel Services	\$ 500	\$ 800	\$ 830	\$ 865	\$ 900
					Administrative	-	-	-	-	-
					Office Expenses	-	-	-	-	-
					Professional Services	-	-	-	-	-
					Operating and Maintenance	1,250	2,380	2,475	2,575	2,680
					Debt Service	38,320	38,470	38,595	38,695	39,005
Maintenance/OH Allocation					175	320	330	345	360	
Total					\$ 40,245	\$ 41,970	\$ 42,230	\$ 42,480	\$ 42,945	
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures				Project Total		
				2020	2021	2022	2023		2024 to Completion	
Design/Engineering		\$ 13,900	\$ 100,000	\$ 24,100	\$ -	\$ -	\$ -	\$ -	\$ 138,000	
Land/Right of Way										
Construction		-	345,000	417,000	-	-	-	-	762,000	
Admin/Inspection		16,728	55,000	54,190	-	-	-	-	125,918	
Legal										
Furniture/Equipment										
Total Costs		\$ 30,628	\$ 500,000	\$ 495,290	\$ -	\$ -	\$ -	\$ -	\$ 1,025,918	
Source of Funds		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations				Project Total		
				2020	2021	2022	2023		2024 to Completion	
Revenue Bonds										
Const. Cash Funds (Prior Bond Proceeds)		\$ 30,628	\$ 500,000	\$ 495,290	\$ -	\$ -	\$ -	\$ -	\$ 1,025,918	
Non-Bond Capital Reserve Funds										
Operating Funds										
Total Sources		\$ 30,628	\$ 500,000	\$ 495,290	\$ -	\$ -	\$ -	\$ -	\$ 1,025,918	
Project Schedule		Project Start Date		Project Completion Date		Site Information				
Design/Engineering		Sep-18		2020		IH-35E and Swisher Road Area Corinth, Tx.				
Land/Right of Way										
Construction		Sep-19		2020						
Admin/Inspection		Mar-17		2020						
Legal										
Furniture/Equipment										
Total Project				2020						
										



Project Title								Department				
Swisher Force Main Odor Control Improvements								5SF				
Description Complete design / engineering and construction of odor control improvements, such as installation of scrubbing towers and/or carbon canisters, on the Swisher Force Main.						Operating Budget Impact						
							2020	2021	2022	2023	2024	
						Personnel Services	\$ -	\$ 385	\$ 400	\$ 415	\$ 430	
						Administrative	-	-	-	-	-	
						Office Expenses	-	-	-	-	-	
						Professional Services	-	-	-	-	-	
						Operating and Maintenance	-	1,350	1,405	1,460	1,520	
						Furniture and Equipment	-	-	-	-	-	
						Maintenance/OH Allocation	-	175	180	190	195	
Total						\$ -	\$ 1,910	\$ 1,985	\$ 2,065	\$ 2,145		
Project Costs	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total				
			2020	2021	2022	2023	2024 to Completion					
Design/Engineering	\$ 11,994	\$ -	\$ 33,005	\$ -	\$ -	\$ -	\$ -	\$ 44,999				
Land/Right of Way	-	-	61,000	-	-	-	-	61,000				
Construction	-	-	250,000	-	-	-	-	250,000				
Admin/Inspection	1,192	-	42,810	-	-	-	-	44,002				
Utility Enhancements												
Furniture/Equipment												
Total Costs	\$ 13,186	\$ -	\$ 386,815	\$ -	\$ -	\$ -	\$ -	\$ 400,001				
Source of Funds	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total				
			2020	2021	2022	2023	2024 to Completion					
Revenue Bonds												
Const. Cash Funds (Prior Bond Proceeds)												
Non-Bond Capital Reserve Funds	\$ 13,186	\$ -	\$ 386,815	\$ -	\$ -	\$ -	\$ -	\$ 400,001				
Contribution Sources												
Total Sources	\$ 13,186	\$ -	\$ 386,815	\$ -	\$ -	\$ -	\$ -	\$ 400,001				
Project Schedule	Project Start Date		Project Completion Date		Site Information							
Design/Engineering	May-17		2020									
Land/Right of Way	2020		2020		Swisher Road and I35 North Corinth, Tx.							
Construction	2020		2020									
Admin/Inspection	May-17		2020									
Utility Enhancements												
Furniture/Equipment												
Total Project			2020									



Project Title							Department			
Security / SCADA Improvements							599			
Description Funding provides for the upgrade of SCADA equipment processors in the Lakeview Regional Water Reclamation System due to age and obsolescence, as well as to improve efficiency and reliability of plant operations.					Operating Budget Impact					
						2020	2021	2022	2023	2024
					Personnel Services	\$ -	\$ 500	\$ 520	\$ 540	\$ 560
					Administrative	-	-	-	-	-
					Office Expenses	-	-	-	-	-
					Professional Services	-	1,180	1,215	1,250	1,285
					Operating and Maintenance	-	805	835	870	905
					Furniture and Equipment	-	-	-	-	-
Maintenance/OH Allocation					-	250	255	265	275	
Total					\$ -	\$ 2,735	\$ 2,825	\$ 2,925	\$ 3,025	
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures				Project Total		
				2020	2021	2022	2023			2024 to Completion
Design/Engineering										
Land/Right of Way										
Construction										
Admin/Inspection		\$ 8,762	\$ -	\$ 17,470	\$ -	\$ -	\$ -	\$ 26,232		
Furniture/Equipment		26,787	-	138,715	-	-	-	165,502		
Other - Software/Upgrades		38,517	-	-	-	-	-	38,517		
Total Costs		\$ 74,066	\$ -	\$ 156,185	\$ -	\$ -	\$ -	\$ 230,251		
Source of Funds		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations				Project Total		
				2020	2021	2022	2023			2024 to Completion
Const. Cash Funds (Prior Bond Proceeds)		\$ 39,878	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,878		
Non-Bond Capital Reserve		7,597	-	156,185	-	-	-	163,782		
Operating Funds		26,591	-	-	-	-	-	26,591		
O&M Reserve Funds										
Total Sources		\$ 74,066	\$ -	\$ 156,185	\$ -	\$ -	\$ -	\$ 230,251		
Project Schedule		Project		Project		Site Information				
		Start Date		Completion Date						
Design/Engineering						689 North Lakeview Drive Lake Dallas, Tx.				
Land/Right of Way										
Construction										
Admin/Inspection		Jul-13		2020						
Furniture/Equipment		Aug-13		2020						
Other - Software/Upgrades		Aug-13		Apr-17						
Total Project				2020						

Project Title								Contingency Improvements					Department					5LM
Description To allow for various projects that may be identified throughout the year.							Operating Budget Impact											
							2020			2021		2022		2023		2024		
							Personnel Services											
							Administrative											
							Office Expenses											
							Professional Services											
							Operating and Maintenance											
							Furniture and Equipment											
							Maintenance/OH Allocation											
							Total											
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total									
				2020	2021	2022	2023	2024 to Completion										
Design/Engineering																		
Land/Right of Way																		
Construction/Other		\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 300,000	\$ 500,000									
Admin/Inspection																		
Legal																		
Furniture/Equipment																		
Total Costs		\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 300,000	\$ 500,000									
Source of Funds		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total									
				2020	2021	2022	2023	2024 to Completion										
Construction Funds																		
Non-Bond Capital Rsrv Funds		\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 300,000	\$ 500,000									
Contribution Sources																		
Operating Funds																		
O&M Reserve Funds																		
Total Sources		\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 300,000	\$ 500,000									
Project Schedule		Project Start Date		Project Completion Date		Site Information												
Design/Engineering						Various areas within the District's service area												
Land/Right of Way																		
Construction/Other		2020		Ongoing														
Admin/Inspection																		
Legal																		
Furniture/Equipment																		
Total Project				Ongoing														

**Upper Trinity Regional Water District
Lakeview Regional Water Reclamation System
Estimated Annual Operating Expense from Investments in Capital Projects
FY 2020 through FY 2024**

Project Acct	Project	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	5-Year Total
539	Trunk Mains Fittings & Appurtenances Upgrade	\$ 40,245	\$ 41,970	\$ 42,230	\$ 42,480	\$ 42,945	\$ 209,870
5SF	Swisher Force Main Odor Control Improvements	-	1,910	1,985	2,065	2,145	8,105
599	Security / SCADA Improvements	-	2,735	2,825	2,925	3,025	11,510
Total		\$ 40,245	\$ 46,615	\$ 47,040	\$ 47,470	\$ 48,115	\$ 229,485

Non-Potable Water System

This system was created in 1995 after entering into a contract with Denton County Fresh Water Supply District #1A to supply treated wastewater for golf course irrigation. The system consists of a pipeline and a pump station and provides both treated effluent and raw water service.

Construction Improvement Program Funding

FY 2020 funding consists of existing Construction funds of \$3,000.

Current Projects

The FY 2020 capital budget includes funding from existing Construction funds of \$3,000 to allow District staff to coordinate with the U.S. Corps of Engineers' utility relocation regarding the District's non-potable water pipeline located in the vicinity of the Lewisville Lake Dam. Additional annual Construction Cash funding of \$3,000 is also shown for FYs 2021 through 2024 for District coordination efforts related to this project.

Future Projects

No future capital projects planned for the Non-Potable Water System.


**Non-Potable Water System
Construction Cash Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 313,834	\$ 392,519	\$ 401,090	\$ 397,710
REVENUES				
Deposit				
Reimbursement from Texas Department of Transportation for prior year expenses for 13-573	85,803	-	-	-
Interest Income	1,453	1,800	1,620	1,750
TOTAL REVENUES	\$ 87,256	\$ 1,800	\$ 1,620	\$ 1,750
EXPENDITURES				
Construction Improvement Project	-	5,000	5,000	3,000
TOTAL EXPENDITURES	\$ -	\$ 5,000	\$ 5,000	\$ 3,000
ENDING CASH BALANCE 9/30	\$ 401,090	\$ 389,319	\$ 397,710	\$ 396,460

Upper Trinity Regional Water District
Non-Potable Water System
FY 2020 Adopted Capital Budget with projections through FY 2024
September 5, 2019

Project Acct	Project	Prior Expenditures	Estimates FY 2019	Adopted FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
53N	Lake Lewisville / USACE Dam Coordination	\$ -	\$ 5,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 20,000
	Total	\$ -	\$ 5,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 20,000
Funding Source:									
	Construction Funds	\$ -	\$ 5,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 20,000
	Total	\$ -	\$ 5,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 20,000

Project Title								Department				
Lewisville Lake / USACE Dam Coordination								53N				
Description Continue coordinating with the U.S. Army Corps of Engineers (USACE) on utility relocations, including engineering / design and construction activities with regard to the District’s non-potable water pipeline in the vicinity of the Lewisville Lake Dam.						Operating Budget Impact						
						Total						
Project Costs	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total				
			2020	2021	2022	2023	2024 to Completion					
	Design/Engineering											
	Land/Right of Way											
	Construction											
	Admin/Inspection	\$ -	\$ 5,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 20,000				
	Legal											
	Furniture/Equipment											
Total Costs	\$ -	\$ 5,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 20,000				
Source of Funding	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total				
			2020	2021	2022	2023	2024 to Completion					
	Revenue Bonds											
	Construction Funds	\$ -	\$ 5,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 20,000				
	Operating Funds											
	O&M Reserve Funds											
	Total Sources	\$ -	\$ 5,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 20,000			
	Project Schedule	Project Start Date		Project Completion Date		Site Information						
Design/Engineering					FM 544 near Windhaven Parkway Lewisville, Texas							
Land/Right of Way												
Construction												
Admin/Inspection	Sep-19		Ongoing									
Legal												
Furniture/Equipment												
Total Project			2024									



Northeast Regional Water Reclamation System – Riverbend Plant

Due to population growth in northeast Denton County, the District constructed new water reclamation facilities in FY 2003 to serve six contracted entities on a wholesale basis. One of these plants, Riverbend, is a 2.0 mgd plant that serves: Denton County Fresh Water Supply Districts #8A, #10, #11A, Providence Village, and Mustang Special Utility District (which acquired former-member entity Lincoln Park in FY 2015, as well as 0.5265 mgd of DCFWSD #10's 0.5475 capacity at the Riverbend Plant in August 2018). In April 2019, the newly expanded portion of the Riverbend Plant's treatment capacity was put into operations, therefore yielding a total of 4.0 mgd of treatment capacity.

Construction Improvement Program Funding

FY 2020 funding for this system's capital budget consists of Texas Water Development Board (TWDB) "D" funds of \$2.3 million, \$675,000 of funds "to be determined" for the Relocation / TxDOT U.S. Hwy 380 Project, \$88,090 of prior Construction Funds, \$16,745 of Plant Permitting Reserve funds, and approximately \$806,649 from Contribution Sources.

Current Projects

In conjunction with the expansion of the Riverbend Regional Water Reclamation Plant's treatment capacity from 2.0 to 4.0 mg, the process for having the Riverbend Plant's Texas Pollutant Discharge Elimination System permit re-rated by the Texas Commission on Environmental Quality to a higher discharge amount due to the higher treatment capacity is scheduled for completion in FY 2020, with Plant Permitting Reserve funding of \$16,745 provided.

The Riverbend Plant Expansion, Phase 3 project (from 2.0 to 4.0 mg) is scheduled to be completed during the first quarter of FY 2020. The newly completed wastewater treatment facilities were put into operation in April 2019. However, the additional administration and maintenance structures are continuing to be constructed. FY 2020 funding consists of \$2.3 million of Texas Water Development Board (TWDB) "D" funds (bonds issued in FYs 2016 and 2017), Construction Funds of \$88,090, and Contribution Sources from plant participants of \$796,649.

Contingent funding of \$10,000 from Contribution Sources is shown for FY 2020 to coordinate and plan for future wastewater pipeline extensions for current and/or future customers of the Northeast Regional Water Reclamation System.

Many active highway projects are under construction in the District's northeast service area. The FY 2020 capital budget provides funding for District staff to coordinate with Texas Department of Transportation (TxDOT) regarding the possible relocation of District Riverbend Plant wastewater pipelines in conjunction with their U.S. Highway 380 roadway project. While permanent funding for this project was not determinable at the time that the CIP budget was adopted, \$675,000 of required funding is shown as "to be determined".

The FY 2020 adopted capital budget for the Northeast Regional Water Reclamation System – Riverbend Plant is \$3,895,530; a decrease of \$4,016,240 from the previous year adopted capital budget of \$7,911,770. This decrease is due to completing the majority of work towards the expansion of the Riverbend Regional Water Reclamation Plant in FY 2019.

Future Project

Permit Renewal – The next renewal of the Riverbend Plant’s Texas Pollutant Discharge Elimination System permit is scheduled for FYs 2024 and 2025, and is funded via Plant Permitting Reserve funds of \$40,000 and \$20,000, respectively. The renewal of this permit is required every five years by the Texas Commission on Environmental Quality.

West Influent Pump Station Improvements – Due to increases of projected wastewater flows from the Riverbend Plant service area, the District is planning to upgrade its west influent pump station facilities to process flows and prevent clogs, as well as to provide the ability to overcome heavy downpours and remain fully functional. Revenue Bond funding of \$2.0 million is reflected in FY 2023 to complete this project.

**Northeast Regional Water Reclamation System -
Riverbend Plant
Construction Cash Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 27,766,620	\$ 8,147,265	\$ 8,308,343	\$ 3,348,868
REVENUES				
Interfund Transfers				
Non-Bond Capital Reserve Fund	52,243	210,000	53,000	-
Plant Permitting Reserve Fund	-	50,000	50,000	16,745
Contribution Sources	-	10,000	-	685,000
Interest Income	260,966	5,305	40,525	2,445
TOTAL REVENUES	\$ 313,209	\$ 275,305	\$ 143,525	\$ 704,190
EXPENDITURES				
Construction Improvement Projects	19,771,486	7,911,770	5,103,000 *	3,895,530
TOTAL EXPENDITURES	\$ 19,771,486	\$ 7,911,770	\$ 5,103,000	\$ 3,895,530
ENDING CASH BALANCE 9/30	\$ 8,308,343	\$ 510,800	\$ 3,348,868	\$ 157,528

FY 2020 Ending Balance decrease of \$353,272 is largely due to cancelling the use of \$400,000 of District reserves (shown in our FY 2018 estimates) to fund a portion of the Riverbend Plant Expansion, Phase 3 project, and instead, utilize sufficient contributions and bond proceeds already on-hand.

* - Amount also contains expenditures: \$25,000 - Security / SCADA Improvements (5RS), \$3,000 - Riverbend North Interceptor (5AM), and \$2,500 - Coordinate Mustang SUD Point of Entry #3 and Trunk Main Extension (5RM). These projects are to be completed in FY 2019 and are not shown on the accompanying 5-Year list of capital improvement projects.


Upper Trinity Regional Water District
Riverbend Plant
FY 2020 Adopted Capital Budget with projections through FY 2024
September 5, 2019

Project Acct	Project	Prior Expenditures	Estimates FY 2019	Adopted FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
5RL	Permit Re-Rating / Renewal	\$ 8,256	\$ 50,000	\$ 16,745	\$ -	\$ -	\$ -	\$ 40,000	\$ 115,001
5R3	Plant Expansion, Phase 3 (from 2.0 to 4.0 MGD) * & **	35,245,065	5,000,000	3,193,785	-	-	-	-	43,438,850
5IP	Riverbend Plant West Influent Pump Station Improvements *	-	-	-	-	-	2,000,000	-	2,000,000
5RX	Customer Pipeline Extensions	-	-	10,000	10,000	10,000	10,000	10,000	50,000
5R8	Relocation / TxDOT US Hwy 380 Project *	-	22,500	675,000	112,500	-	-	-	810,000
	Total	\$ 35,253,321	\$ 5,072,500	\$ 3,895,530	\$ 122,500	\$ 10,000	\$ 2,010,000	\$ 50,000	\$ 46,413,851
Funding Sources:									
	Texas Water Development "D" Funds (RB Plant Expansion, Phs 3)	\$ 25,464,414	\$ 3,717,439	\$ 2,309,046	\$ -	\$ -	\$ -	\$ -	\$ 31,490,899
	Revenue Bonds / Contributions (West Influent Pump Station Impr)	-	-	-	-	-	2,000,000	-	2,000,000
	To Be Determined (Relocation / TxDOT 380 Project)	-	-	675,000	112,500	-	-	-	787,500
	Prior Construction Funds (Landscaping)	-	-	88,090	-	-	-	-	88,090
	Non-Bond Capital Reserve Funds	-	22,500	-	-	-	-	-	22,500
	Plant Permitting Reserve Funds	8,256	50,000	16,745	-	-	-	40,000	115,001
	Contribution Sources								-
	Plant Expansion, Phase 3 (from 2.0 to 4.0 MGD)	739,861	-	-	-	-	-	-	739,861
	Mustang Special Utility District	9,040,790	1,282,561	796,649	-	-	-	-	11,120,000
	Customer Pipeline Extensions	-	-	10,000	10,000	10,000	10,000	10,000	50,000
	Total	\$ 35,253,321	\$ 5,072,500	\$ 3,895,530	\$ 122,500	\$ 10,000	\$ 2,010,000	\$ 50,000	\$ 46,413,851




* Multiple Funding Sources

** Includes prior expenses for the Sidestream Project (5BS)



Project Title							Department			
Permit Re-Rating / Renewal							5RL			
Description Complete the process of re-rating the Texas Pollutant Discharge Elimination System permit to a higher treatment capacity of the Riverbend Plant, as required by the Texas Commission on Environmental Quality. Future funding shown in FY 2024 to begin the next renewal period for this permit that is required every 5 years.						Operating Budget Impact				
						2020	2021	2022	2023	2024
						Personnel Services				
						Administrative				
						Office Expenses				
						Professional Services				
						Operating and Maintenance				
						Furniture and Equipment				
						Maintenance/OH Allocation				
						Total				
Project Costs	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total		
			2020	2021	2022	2023	2024 to Completion			
Design/Engineering	\$ 8,256	\$ 34,000	\$ 14,945	\$ -	\$ -	\$ -	\$ 30,000	\$ 87,201		
Land/Right of Way										
Construction										
Admin/Inspection	-	5,500	1,800	-	-	-	2,500	9,800		
Legal	-	10,500	-	-	-	-	7,500	18,000		
Furniture/Equipment										
Total Costs	\$ 8,256	\$ 50,000	\$ 16,745	\$ -	\$ -	\$ -	\$ 40,000	\$ 115,001		
Source of Funds	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total		
			2020	2021	2022	2023	2024 to Completion			
Revenue Bonds										
Non-Bond Capital Rsrv Funds										
Plant Permitting Rsrv Funds	\$ 8,256	\$ 50,000	\$ 16,745	\$ -	\$ -	\$ -	\$ 40,000	\$ 115,001		
Operating Funds										
O&M Reserve Funds										
Total Sources	\$ 8,256	\$ 50,000	\$ 16,745	\$ -	\$ -	\$ -	\$ 40,000	\$ 115,001		
Project Schedule	Project Start Date	Project Completion Date	Site Information							
Design/Engineering	Sep-18	2020	1780 Navo Road Aubrey, Tx.							
Land/Right of Way										
Construction										
Admin/Inspection	Oct-18	2020								
Legal	May-19	Sep-19								
Furniture/Equipment										
Total Project		Every 5 Years								

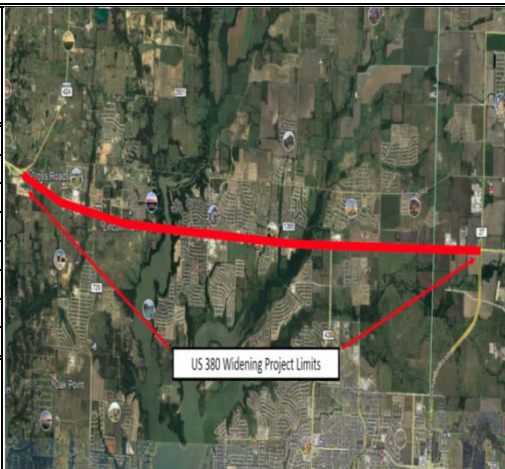


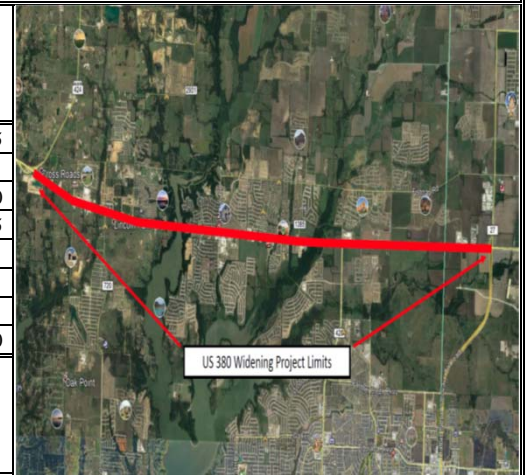


Project Title								Department				
Plant Expansion, Phase 3 (from 2.0 to 4.0 MGD)								5R3				
Description Complete upgrades and construction for the expansion of the Riverbend Regional Water Reclamation Plant from 2.0 to 4.0 MGD.						Operating Budget Impact						
							2020	2021	2022	2023	2024	
						Personnel Services	\$ 150,000	\$ 157,500	\$ 165,375	\$ 173,645	\$ 182,325	
						Admin./Office Expenses	10,000	7,500	7,725	7,955	8,195	
						Professional Services	5,000	5,200	5,410	5,625	5,850	
						Operating and Maintenance	185,000	325,000	338,000	351,520	365,580	
						Debt Service	1,264,270	1,264,270	1,264,270	1,639,270	1,957,605	
						Furniture and Equipment	35,000	18,500	19,055	19,625	20,215	
Maintenance/OH Allocation	38,500	51,370	535,565	55,835	58,215							
Total						\$ 1,687,770	\$1,829,340	\$ 2,335,400	\$2,253,475	\$2,597,985		
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures				Project Total				
				2020	2021	2022	2023			2024 to Completion		
Design/Engineering		\$ 4,499,416	\$ 300,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -		\$ 4,899,416		
Sidestream Treatment Project (5BS)		1,161,793	-	-	-	-	-	-		1,161,793		
Construction		26,513,333	4,015,945	2,620,000	-	-	-	-		33,149,278		
Admin/Inspection		3,005,893	624,055	385,695	-	-	-	-		4,015,643		
Bio-Mag Testing		64,630	-	-	-	-	-	-		64,630		
Furniture/Equipment (Lab Cabinets/Counters)		-	60,000	-	-	-	-	-		60,000		
Landscaping		-	-	88,090	-	-	-	-		88,090		
Total Costs		\$ 35,245,065	\$ 5,000,000	\$ 3,193,785	\$ -	\$ -	\$ -	\$ -		\$ 43,438,850		
Source of Funds		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations				Project Total				
				2020	2021	2022	2023			2024 to Completion		
TWDB "D" Funds		\$ 25,464,414	\$ 3,717,439	\$ 2,309,046	\$ -	\$ -	\$ -	\$ -		\$ 31,490,899		
Contribution Sources		9,780,651	1,282,561	796,649	-	-	-	-		11,859,861		
Prior Construction Funds (Landscaping)		-	-	88,090	-	-	-	-		88,090		
Building Activity Fee Reserve Funds												
Operating Funds												
Total Sources		\$ 35,245,065	\$ 5,000,000	\$ 3,193,785	\$ -	\$ -	\$ -	\$ -		\$ 43,438,850		
Project Schedule		Project		Project		Site Information						
		Start Date		Completion Date								
Design/Engineering		Jun-15		2020		1780 Navo Road Aubrey, Tx.						
Sidestream Treatment Project (5BS)		Oct-14		Jul-16								
Construction		Sep-16		2020								
Admin/Inspection		Mar-15		2020								
Bio-Mag Testing		Jan-17		Mar-17								
Furniture/Equipment (Lab Cabinets/Counters)		May-19		May-19								
Total Project				2020								



Project Title								Department					
Customer Pipeline Extensions								5RX					
Description Coordinate and plan for future wastewater pipeline extensions for current and / or future customers of the Northeast Regional Water Reclamation System (Riverbend Plant).						Operating Budget Impact							
						2020				2021	2022	2023	2024
						Personnel Services							
						Administrative							
						Office Expenses							
						Professional Services							
						Operating and Maintenance							
Furniture and Equipment													
Maintenance/OH Allocation													
Total													
Project Costs	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total					
			2020	2021	2022	2023	2024 to Completion						
Design/Engineering													
Land/Right of Way													
Construction/Other	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000	\$ 70,000					
Admin/Inspection													
Legal													
Furniture/Equipment													
Total Costs	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000	\$ 70,000					
Source of Funds	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total					
			2020	2021	2022	2023	2024 to Completion						
Revenue Bonds													
Commercial Paper													
Operating Funds													
Contribution Sources	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000	\$ 70,000					
Operating Funds													
Total Sources	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000	\$ 70,000					
Project Schedule	Project Start Date		Project Completion Date		Site Information								
Design/Engineering					1780 Navo Road Aubrey, Tx. (and surrounding areas)								
Land/Right of Way													
Construction/Other	2020		Ongoing										
Admin/Inspection													
Legal													
Furniture/Equipment													
Total Project			Ongoing										

Project Title								Department					
Relocation / TxDOT US Hwy 380 Project								SR8					
Description Continue preliminary planning and coordination with the Texas Department of Transportation's US Hwy 380 project for the relocation of the Riverbend Plant's wastewater pipelines due to roadway improvements.						Operating Budget Impact							
						2020							
						2021							
						2022							
						2023							
						2024							
						Personnel Services							
						Administrative							
						Office Expenses							
						Professional Services							
						Operating and Maintenance							
						Furniture and Equipment							
						Maintenance/OH Allocation							
						Total							
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures				Project Total					
				2020	2021	2022	2023						
Design/Engineering	\$ -	\$ 17,600	\$ 78,750	\$ 13,125	\$ -	\$ -	\$ -	\$ 109,475					
Land/Right of Way													
Construction / Other	-	-	450,000	75,000	-	-	-	525,000					
Admin/Inspection	-	4,900	146,250	24,375	-	-	-	175,525					
Legal													
Furniture/Equipment													
Total Costs	\$ -	\$ 22,500	\$ 675,000	\$ 112,500	\$ -	\$ -	\$ -	\$ 810,000					
Source of Funds		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations				Project Total					
				2020	2021	2022	2023						
To Be Determined	\$ -	\$ -	\$ 675,000	\$ 112,500	\$ -	\$ -	\$ -	\$ 787,500					
Non-Bond Capital Reserve	-	22,500	-	-	-	-	-	22,500					
Operating Funds													
Total Sources	\$ -	\$ 22,500	\$ 675,000	\$ 112,500	\$ -	\$ -	\$ -	\$ 810,000					
Project Schedule		Project Start Date		Project Completion Date		Site Information							
Design/Engineering		Jul-19		2021		Project limits are from approximately Loop 288 to the Tollway (Denton County, Tx.)							
Land/Right of Way													
Construction / Other		2020		2021									
Admin/Inspection		Feb-19		2021									
Legal													
Furniture/Equipment													
Total Project				2021									



Upper Trinity Regional Water District
Northeast Regional Water Reclamation System - Riverbend Plant
Estimated Annual Operating Expense from Investments in Capital Projects
FY 2020 through FY 2024

Project Acct	Project	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	5-Year Total
5R3	Plant Expansion, Phase 3 (from 2.0 to 4.0 MGD)	\$ 1,687,770	\$ 1,829,340	\$ 2,335,400	\$ 2,253,475	\$ 2,597,985	\$ 10,703,970
	Total	\$ 1,687,770	\$ 1,829,340	\$ 2,335,400	\$ 2,253,475	\$ 2,597,985	\$ 10,703,970

Northeast Regional Water Reclamation System – Doe Branch Plant

In 2002, the District began planning activities for a new 2.5 mgd water reclamation facility that will serve Prosper, Celina, Mustang Special Utility District and Denton County Water Supply District #10 in the Doe Branch drainage basin in northeast Denton County, Texas. The Doe Branch Plant capacity was later reduced to 2.0 mgd and began construction in FY 2014, with wastewater flows from any of the above entities sent over to the Riverbend Plant for treatment on an interim basis. The Doe Branch Plant became operational in November 2016 and with continued growth in its service area, the District is currently working on the expansion of this Plant (from 2.0 mgd to 4.0 mgd of treatment capacity) with projected completion in FY 2021.

Construction Improvement Program Funding

FY 2020 funding for this system’s capital budget consists of a combination of Revenue Bonds and Plant participant Contribution Sources totaling \$10.5 million, \$3.8 million of “to be determined” funding, \$16,745 of Non-Bond Capital Reserve funds, and Contribution Sources of \$11.9 million.

Current Projects

With the upcoming expansion of the Doe Branch Plant, the District will begin the process of having the Texas Pollutant Discharge Elimination System permit re-rated by the Texas Commission on Environmental Quality to a higher discharge amount due to the higher treatment capacity of the Plant once the expansion is completed. Non-Bond Capital Reserve funding of \$16,745 is shown for FY 2020.

Due to continued customer growth in the Doe Branch service area, the FY 2020 capital budget includes \$10.5 million from Revenue Bonds (issued in FY 2019 to fund Celina’s additional capacity portion of the new expanded treatment capacity of the Doe Branch Plant) and \$11.9 million from Contribution Sources from Mustang Special Utility District and Denton County Fresh Water Supply District #10. This expansion is currently scheduled to be completed during the first quarter of FY 2021 and will increase the Doe Branch plant’s treatment capacity from 2.0 to 4.0 mgd.

As customer wastewater flows increase, the need to improve the metering of these flows delivered by the Doe Branch plant participants has become apparent. Contribution Sources of \$5,000 is shown for FY 2020, which will allow District staff to coordinate with Plant participants to correct and improve the metering of wastewater flows at their respective entry points into the Doe Branch Plant.

As stated previously, many active highway projects are under construction in the District’s northeast service area. The FY 2020 capital budget provides funding for District staff to coordinate with Texas Department of Transportation (TxDOT) regarding the possible relocation of District Doe Branch Plant wastewater pipelines in conjunction with their U.S. Highway 380 roadway project. While permanent funding for this project was not determinable at the time that the CIP budget was adopted, \$3.8 million of required funding is shown as “to be determined”.

In addition, funding is included for possible new wastewater pipeline extensions for current and / or future customers of the Northeast Regional Water Reclamation System. The FY 2020 capital budget provides \$10,000, reimbursable by any requesting customer / member, to offset costs incurred by the District.

The FY 2020 adopted capital budget for the Northeast Regional Water Reclamation System – Doe Branch Plant is \$26,204,090; an increase of \$21,261,990 from the previous year adopted capital budget of \$4,942,100. This increase is primarily due to continuing with the expansion of the Doe Branch Regional Water Reclamation Plant.

Future Projects

Permit Renewal – The next renewal of the Doe Branch Plant’s Texas Pollutant Discharge Elimination System permit is scheduled for FYs 2024 and 2025, and is funded via Plant Permitting Reserve funds of \$40,000 and \$20,000, respectively. The renewal of this permit is required every five years by the Texas Commission on Environmental Quality.

Plant Expansion, Phase 3 (from 4.0 to 6.0 mgd) – Due to projected growth in the Doe Branch service area, the District is planning for the next expansion of the Doe Branch Plant to increase its treatment capacity from 4.0 to 6.0 mgd. Tentative funding for this project includes a combination of Revenue Bonds and / or Contribution Sources from Plant participants. Currently, funding of \$500,000, \$1.5 million, and \$12.0 million is shown for FYs 2022 through 2024, respectively. Funding of \$26.0 million is planned for FY 2025 (past the five-year planning period).

Phase 1, Parallel Interceptor – With the projected increase in wastewater flows from the Doe Branch service area, the District is planning for construction of a parallel interceptor to deliver wastewater flows from various trunk mains to the Doe Branch Plant for treatment. Currently, a combination of Revenue Bonds and / or Contribution Sources from Plant participants totaling \$500,000, \$4.9 million, and \$4.6 million is shown for FYs 2021 through 2023, respectively.

**Northeast Regional Water Reclamation System -
Doe Branch Plant
Construction Cash Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Estimates	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 79,221	\$ 468,871	\$ 479,313	\$ 27,159,856
REVENUES				
Revenue Bonds / Contribution Sources	-	5,850,000	14,278,378	-
Doe Branch Plant Project, Phase 2	-	-	15,289,950	-
Relocation / TxDOT U.S. Hwy 380 Project	-	-	-	3,825,000
Participant Reimbursements				
Doe Branch Plant Project, Phase 1	331,774	-	-	-
Town of Little Elm (Fence Project)	33,322	-	-	-
Contribution Sources - Other Projects				
Doe Branch Plant Participants				
Metering Points Coordination Project	-	10,000	-	5,000
Reimbursements - Customer Pipeline Extensions	-	10,000	-	10,000
Interfund Transfers				
Non-Bond Capital Reserve Fund	33,070	50,000	177,500	16,745
Regional Treated Water System				
Non-Bond Capital Reserve Fund				
Loan to Doe Branch Plant				
Expansion Project, Phase 2	1,100,000	-	-	-
Interest Income	5,919	60,685	212,215	37,900
TOTAL REVENUES	\$ 1,504,085	\$ 5,980,685	\$ 29,958,043	\$ 3,894,645
EXPENDITURES				
Construction Improvement Projects	678,993	4,942,100	2,177,500	26,204,090
Interfund Transfers				
Regional Treated Water System				
Reserve Funds				
Non-Bond Capital	425,000	1,100,000	1,100,000	-
TOTAL EXPENDITURES	\$ 1,103,993	\$ 6,042,100	\$ 3,277,500	\$ 26,204,090
ENDING CASH BALANCE 9/30	\$ 479,313	\$ 407,456	\$ 27,159,856	\$ 4,850,411

FY 2020 Ending Balance increase of \$4,442,955 is largely due to the advanced collection of funding sources for the Doe Branch Plant Expansion, Phase 2 project (\$3,769,200 shown as an expenditure in FY 2021) and the Relocation / TxDOT U.S. Hwy 380 project (\$637,500 shown as an expenditure in FY 2021) in FY 2019 and FY 2020.

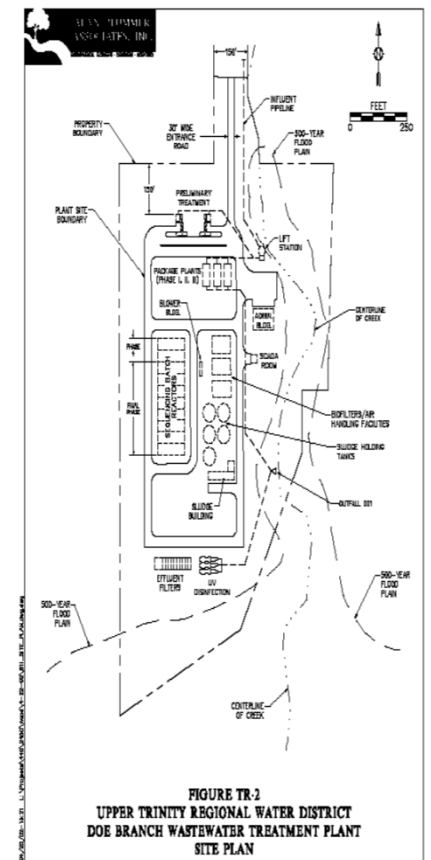
**Upper Trinity Regional Water District
Doe Branch Plant
FY 2020 Adopted Capital Budget with projections through FY 2024
September 5, 2019**

Project Acct	Project	Prior Expenditures	Estimates FY 2019	Adopted FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
5BL	Permit Re-Rating / Renewal	\$ 8,257	\$ 50,000	\$ 16,745	\$ -	\$ -	\$ -	\$ 40,000	\$ 115,002
58T	Plant Expansion, Phase 2 (from 2.0 to 4.0 MGD) *	623,454	2,000,000	22,347,345	3,769,200	-	-	-	28,739,999
58U	Plant Expansion, Phase 3 (from 4.0 to 6.0 MGD) *	-	-	-	-	500,000	1,500,000	12,000,000	14,000,000
51A	Phase 1, Parallel Interceptor *	-	-	-	500,000	4,930,000	4,570,000	-	10,000,000
58M	Metering Points Coordination Project	97	-	5,000	-	-	-	-	5,097
5B8	Relocation / TxDOT US Hwy 380 Project *	-	127,500	3,825,000	637,500	-	-	-	4,590,000
58X	Customer Pipeline Extensions	-	-	10,000	10,000	10,000	10,000	10,000	50,000
	Total	\$ 631,808	\$ 2,177,500	\$ 26,204,090	\$ 4,916,700	\$ 5,440,000	\$ 6,080,000	\$ 12,050,000	\$ 57,500,098
Funding Sources:									
Revenue Bonds / Contribution Sources									
	Plant Expansion, Phase 2 (from 2.0 to 4.0 MGD)	\$ -	\$ 1,227,752	\$ 10,458,347	\$ 1,763,950	\$ -	\$ -	\$ -	\$ 13,450,049
	Plant Expansion, Phase 3 (from 4.0 to 6.0 MGD)	-	-	-	-	500,000	1,500,000	12,000,000	14,000,000
	Phase 1, Parallel Interceptor	-	-	-	500,000	4,930,000	4,570,000	-	10,000,000
	To Be Determined (Relocation / TxDOT US Hwy 380 Project)	-	-	3,825,000	637,500	-	-	-	4,462,500
	Non-Bond Capital Reserve Funds	8,257	177,500	16,745	-	-	-	-	202,502
	Plant Permitting Reserve Funds	-	-	-	-	-	-	40,000	40,000
	RTWS Non-Bond Capital Reserve Funds Loan (Inflow)	-	(1,100,000)	-	-	-	-	-	(1,100,000)
	RTWS Non-Bond Capital Reserve Funds Loan (Outflow)	623,454	476,546	-	-	-	-	-	1,100,000
Contribution Sources									
	Plant Expansion, Phase 2 (from 2.0 to 4.0 MGD)	-	-	-	-	-	-	-	-
	DCFWSO #10	-	296,535	2,525,973	426,042	-	-	-	3,248,550
	Mustang SUD	-	1,099,167	9,363,025	1,579,208	-	-	-	12,041,400
	Metering Points Coordination Project	97	-	5,000	-	-	-	-	5,097
	Customer Pipeline Extensions	-	-	10,000	10,000	10,000	10,000	10,000	50,000
	Total	\$ 631,808	\$ 2,177,500	\$ 26,204,090	\$ 4,916,700	\$ 5,440,000	\$ 6,080,000	\$ 12,050,000	\$ 57,500,098

* Multiple Funding Sources

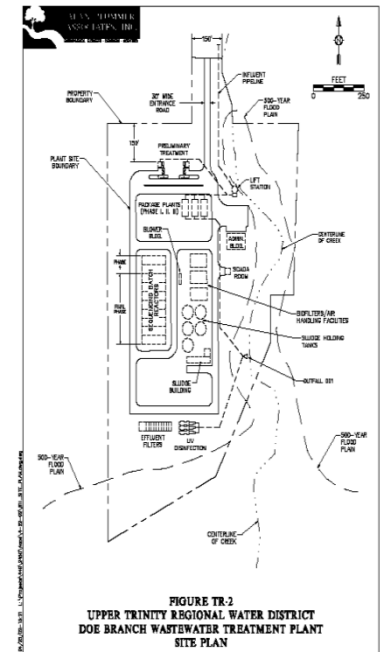
Project Title								Department				
Permit Re-Rating / Renewal								5BL				
Description								Operating Budget Impact				
Complete the process of re-rating the Texas Pollutant Discharge Elimination System permit to a higher treatment capacity of the Doe Branch Plant, as required by the Texas Commission on Environmental Quality. Future funding shown for the required renewal of this permit every 5 years.								2020	2021	2022	2023	2024
								Personnel Services				
								Administrative				
								Office Expenses				
								Professional Services				
								Operating and Maintenance				
								Furniture and Equipment				
								Maintenance/OH Allocation				
								Total				
Project Costs	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total				
			2020	2021	2022	2023	2024 to Completion					
Design/Engineering	\$ 8,257	\$ 34,000	\$ 14,945	\$ -	\$ -	\$ -	\$ 30,000	\$ 87,202				
Land/Right of Way												
Construction												
Admin/Inspection	-	5,500	1,800	-	-	-	4,300	11,600				
Legal	-	10,500	-	-	-	-	5,700	16,200				
Furniture/Equipment												
Total Costs	\$ 8,257	\$ 50,000	\$ 16,745	\$ -	\$ -	\$ -	\$ 40,000	\$ 115,002				
Source of Funds	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total				
			2020	2021	2022	2023	2024 to Completion					
Revenue Bonds												
Non-Bond Capital Reserve Funds	\$ 8,257	\$ 50,000	\$ 16,745	\$ -	\$ -	\$ -	\$ -	\$ 75,002				
Plant Permitting Rsrv Funds	-	-	-	-	-	-	40,000	40,000				
Operating Funds												
State Participation												
Total Sources	\$ 8,257	\$ 50,000	\$ 16,745	\$ -	\$ -	\$ -	\$ 40,000	\$ 115,002				
Project Schedule	Project Start Date	Project Completion Date	Site Information									
Design/Engineering	Sep-18	2020	27080 U.S. Highway 380 Little Elm, Tx									
Land/Right of Way												
Construction												
Admin/Inspection	Oct-18	2020										
Legal	May-19	Sep-19										
Furniture/Equipment												
Total Project		Every 5 Years										

FIGURE TR-2
UPPER TRINITY REGIONAL WATER DISTRICT
DOE BRANCH WASTEWATER TREATMENT PLANT
SITE PLAN

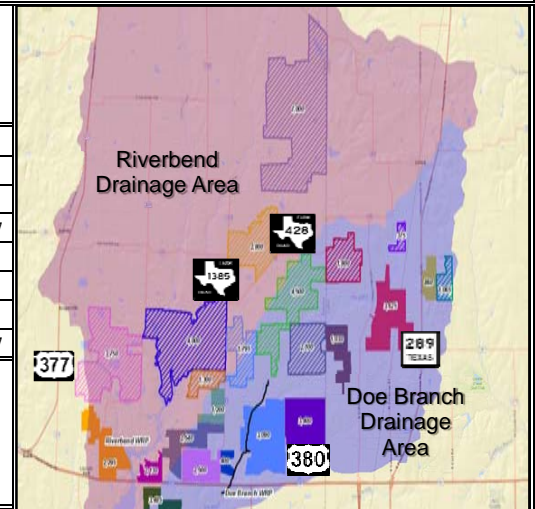


Project Title								Department			
Plant Expansion, Phase 2 (2.0 to 4.0 MGD)								58T			
Description Complete design / engineering and begin construction to expand the treatment capacity of the Doe Branch Regional Water Reclamation Plant from 2.0 MGD to 4.0 MGD.						Operating Budget Impact					
							2020	2021	2022	2023	2024
						Personnel Services	\$ -	\$ 100,000	\$ 125,000	\$ 131,250	\$ 137,815
						Admin/Office Expenses	-	50,000	28,570	29,425	30,310
						Professional Services	-	85,000	125,000	130,000	135,200
						Operating and Maintenance	-	458,060	750,000	780,000	811,200
						Debt Service	-	994,900	993,700	997,100	991,850
						Furniture and Equipment	-	125,000	35,000	36,050	37,130
Maintenance/OH Allocation	-	81,805	106,355	110,675	115,165						
Total						\$ -	\$ 1,894,765	\$ 2,163,625	\$ 2,214,500	\$ 2,258,670	
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total		
				2020	2021	2022	2023	2024 to Completion			
Design/Engineering		\$ 527,060	\$ 1,778,200	\$ 321,800	\$ 50,440	\$ -	\$ -	\$ -	\$ 2,677,500		
Land/Right of Way											
Construction		-	-	19,535,000	3,235,000	-	-	-	22,770,000		
Engineering & Inspection (STAFF)		24,187	40,000	460,000	167,235	-	-	-	691,422		
Project Mgmt & Overhead		72,207	181,800	2,030,545	316,525	-	-	-	2,601,077		
Furniture/Equipment											
Other											
Total Costs		\$ 623,454	\$ 2,000,000	\$ 22,347,345	\$ 3,769,200	\$ -	\$ -	\$ -	\$ 28,739,999		
Source of Funds		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total		
				2020	2021	2022	2023	2024 to Completion			
Revenue Bonds		\$ -	\$ 1,227,752	\$ 10,458,347	\$ 1,763,950	\$ -	\$ -	\$ -	\$ 13,450,049		
RTWS Non-Bond Capital Rsrv (Loan)		623,454	476,546	-	-	-	-	-	1,100,000		
RTWS Non-Bond Capital Rsrv (Pymt)		-	(1,100,000)	-	-	-	-	-	(1,100,000)		
Contribution Sources		-	1,395,702	11,888,998	2,005,250	-	-	-	15,289,950		
State-Participation											
Total Sources		\$ 623,454	\$ 2,000,000	\$ 22,347,345	\$ 3,769,200	\$ -	\$ -	\$ -	\$ 28,739,999		
Project Schedule		Project Start Date		Project Completion Date		Site Information					
Design/Engineering		Jan-18		2021		27080 U.S. Highway 380 Little Elm, Tx					
Land/Right of Way											
Construction		2020		2021							
Admin/Inspection		Jan-18		2021							
Legal											
Furniture/Equipment											
Total Project				2021							

FIGURE TR-2
UPPER TRINITY REGIONAL WATER DISTRICT
DOE BRANCH WASTEWATER TREATMENT PLANT
SITE PLAN



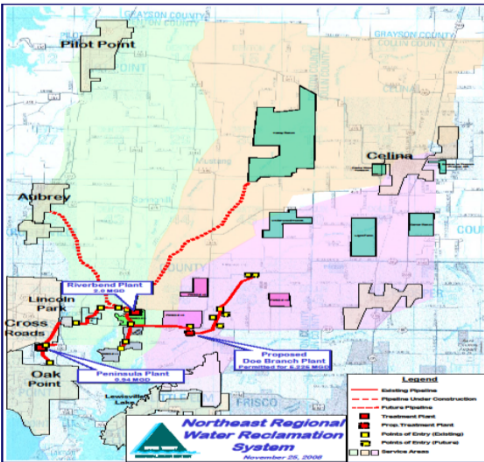
Project Title								Department
Metering Points Coordination Project								58M
Description				Operating Budget Impact				
Coordinate with Doe Branch Plant participants for the installation of metering devices at their respective points of entry.				2020	2021	2022	2023	2024
				Personnel Services				
				Administrative				
				Office Expenses				
				Professional Services				
				Operating and Maintenance				
				Furniture and Equipment				
				Maintenance/OH Allocation				
				Total				
Project Costs	Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total
			2020	2021	2022	2023	2024 to Completion	
Design/Engineering								
Land/Right of Way								
Construction								
Admin/Inspection	\$ 97	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,097
Legal								
Furniture/Equipment								
Total Costs	\$ 97	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,097
Source of Funds	Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total
			2020	2021	2022	2023	2024 to Completion	
Revenue Bonds								
Commercial Paper								
Operating Funds								-
Contribution Sources	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Total Sources	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Project Schedule	Project Start Date	Project Completion Date	Site Information					
Design/Engineering			Various locations in the Northeast Regional Water Reclamation System (Doe Branch Plant) service area.					
Land/Right of Way								
Construction								
Admin/Inspection	Jun-18	2020						
Legal								
Furniture/Equipment								
Total Project		2020						

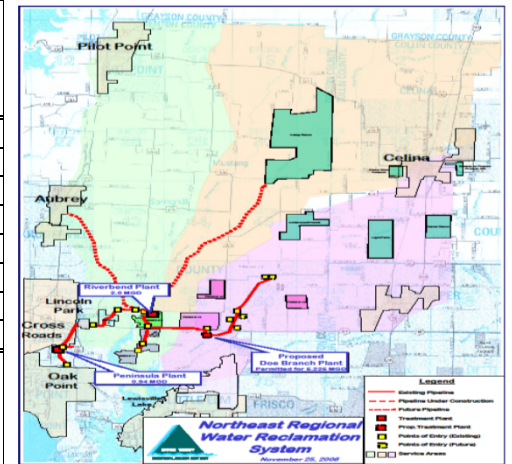


Project Title								Department				
Relocation / TxDOT US Hwy 380 Project								5B8				
Description Continue preliminary planning and coordination with the Texas Department of Transportation's US Hwy 380 project for the relocation of the Doe Branch Plant's wastewater pipelines due to roadway improvements.						Operating Budget Impact						
						</						



Project Title								Department									
Customer Pipeline Extensions								58X									
Description Coordinate and plan for future wastewater pipeline extensions for current and / or future customers of the Northeast Regional Water Reclamation System (Doe Branch Plant).						Operating Budget Impact											
						2020		2021		2022		2023		2024			
						Personnel Services											
						Administrative											
						Office Expenses											
						Professional Services											
Operating and Maintenance																	
Furniture and Equipment																	
Maintenance/OH Allocation																	
Total																	
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total								
				2020	2021	2022	2023	2024 to Completion									
Design/Engineering																	
Land/Right of Way																	
Construction/Other		\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000	\$ 70,000								
Admin/Inspection																	
Legal																	
Furniture/Equipment																	
Other																	
Total Costs		\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000	\$ 70,000								
Source of Funds		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total								
				2020	2021	2022	2023	2024 to Completion									
Revenue Bonds																	
Non-Bond Capital Rsrv Funds																	
Contribution Sources		\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000	\$ 70,000								
Operating Funds																	
O&M Reserve Funds																	
Total Sources		\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000	\$ 70,000								
Project Schedule		Project Start Date		Project Completion Date		Site Information											
Design/Engineering						Various locations in the Northeast Regional Water Reclamation System service area.											
Land/Right of Way																	
Construction/Other		2020		Ongoing													
Admin/Inspection																	
Legal																	
Furniture/Equipment																	
Total Project				Ongoing													





**Upper Trinity Regional Water District
 Northeast Regional Water Reclamation System - Doe Branch Plant
 Estimated Annual Operating Expense from Investments in Capital Projects
 FY 2020 through FY 2024**

Project Acct	Project	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	5-Year Total
58T	Water Reclamation Plant, Phase 2 (from 2.0 to 4.0 MGD)	\$ -	\$ 1,894,765	\$ 2,163,625	\$ 2,214,500	\$ 2,258,670	\$ 8,531,560
	Total	\$ -	\$ 1,894,765	\$ 2,163,625	\$ 2,214,500	\$ 2,258,670	\$ 8,531,560

Peninsula Water Reclamation Plant

The Peninsula Plant in the northeast region has 0.94 mgd of capacity and serves the Mustang Special Utility District.

Construction Improvement Program Funding

FY 2020 funding consists of Construction Funds of \$100,000 (from Series 2015 Revenue Bond Issue), Contribution Sources of \$3,156,625, which includes \$1,116,000 of Building Activity Permit Fees paid by Mustang SUD for the Peninsula Plant Expansion, Phase 3 project.

Current Projects

Due to continued growth in the Peninsula Plant service area, the District will complete initial design / engineering and begin construction to expand the treatment capacity of the Peninsula Plant from 0.94 to 2.0 mgd. The FY 2020 capital budget provides total funding of \$3.3 million (explained above).

Future Projects

Permit Renewal – The next renewal of the Peninsula Plant's Texas Pollutant Discharge Elimination System permit is scheduled for FYs 2021 and 2022, and is funded via Plant Permitting Reserve funds of \$40,000 and \$20,000, respectively. The renewal of this permit is required every five years by the Texas Commission on Environmental Quality.

**Peninsula Water Reclamation Plant
Construction Cash Fund
FY 2019 - 2020 Adopted Budget**

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
BEGINNING CASH BALANCE 10/01	\$ 341,951	\$ 280,416	\$ 309,204	\$ 160,479
REVENUES				
Revenue Bonds / Contribution Sources	-	1,050,160	-	2,040,125
Interfund Transfers				
Non-Bond Capital Reserve Fund	-	28,735	95,000	-
Northeast Regional Water Reclamation System				
Building Activity Fee Reserve Fund	-	-	-	1,116,500
Interest Income	1,538	9,800	1,275	1,360
TOTAL REVENUES	\$ 1,538	\$ 1,088,695	\$ 96,275	\$ 3,157,985
EXPENDITURES				
Construction Improvement Projects	4,285	1,048,735	95,000 *	3,256,625
Interfund Transfers				
Plant Permitting Reserve Fund	30,000	-	-	-
Project Development Fund	-	150,000	150,000	-
TOTAL EXPENDITURES	\$ 34,285	\$ 1,198,735	\$ 245,000	\$ 3,256,625
ENDING CASH BALANCE 9/30	\$ 309,204	\$ 170,376	\$ 160,479	\$ 61,839

FY 2020 Ending Balance decrease of \$108,537 is largely due to utilizing existing construction funds of \$100,000 for the initial design / engineering for the Peninsula Water Reclamation Plant Expansion Phase 3 project in FY 2020.
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* Amount also contains expenditures: \$45,000 -SCADA / Security System Improvements (5S6). This project is to be completed in FY 2019 and is not shown on the accompanying 5-Year list of capital improvement projects.

**Upper Trinity Regional Water District
Peninsula Water Reclamation Plant
FY 2020 Adopted Capital Budget with projections through FY 2024
September 5, 2019**

Project Acct	Project	Prior Year Expenditures	Estimates FY 2019	Adopted FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
5PL	Permit Renewal	\$ -	\$ -	\$ -	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ 60,000
5N3	Plant Expansion, Phase 3 (from 0.94 to 2.0 MGD) *	387	50,000	3,256,625	6,200,000	9,770,000	-	-	19,277,012
	Total	\$ 387	\$ 50,000	\$ 3,256,625	\$ 6,240,000	\$ 9,790,000	\$ -	\$ -	\$ 19,337,012
Funding Sources:									
	Construction Funds (Includes Prior Revenue Bond Proceeds)	\$ 387	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,387
	Contribution Sources	-	-	2,040,125	6,200,000	9,770,000	-	-	18,010,125
	Contribution Sources (Building Activity Fees)	-	-	1,116,500	-	-	-	-	1,116,500
	Non-Bond Capital Reserve Funds	-	50,000	-	-	-	-	-	50,000
	Plant Permitting Reserve Funds	-	-	-	40,000	20,000	-	-	60,000
	Total	\$ 387	\$ 50,000	\$ 3,256,625	\$ 6,240,000	\$ 9,790,000	\$ -	\$ -	\$ 19,337,012

* Multiple Funding Sources

Project Title								Department									
Plant Expansion, Phase 3 (from 0.94 to 2.0 MGD)								5N3									
Description Complete initial design / engineering and begin construction to expand the treatment capacity of the Peninsula Water Reclamation Plant from 0.94 to 2.0 MGD.						Operating Budget Impact											
								2020	2021	2022	2023	2024					
						Personnel Services		\$	-	\$	-	\$	125,000	\$	125,000	\$	131,250
						Administrative			-		-		10,500		7,500		7,725
						Office Expenses			-		-		5,500		5,500		1,250
						Professional Services			-		-		10,580		10,580		3,760
						Operating and Maintenance			-		-		208,670		208,670		214,930
						Debt Service			-		-		-		-		-
Maintenance/OH Allocation			-		-		36,025		35,725		35,890						
Total		\$	-	\$	-	\$	396,275	\$	392,975	\$	394,805						
Project Costs		Expenditures through FY 2018	Estimated Expenditures FY 2019	Future Planned Expenditures					Project Total								
				2020	2021	2022	2023	2024 to Completion									
Design/Engineering		\$	-	\$	44,500	\$	1,483,500	\$	352,000	\$	20,800	\$	-	\$	-	\$	1,900,800
Land/Right of Way																	
Construction			-		-		1,421,500		5,163,000		8,679,400		-		-		15,263,900
Admin/Inspection			387		5,500		351,625		685,000		1,069,800		-		-		2,112,312
Legal																	
Furniture/Equipment																	-
Other																	
Total Costs		\$	387	\$	50,000	\$	3,256,625	\$	6,200,000	\$	9,770,000	\$	-	\$	-		\$ 19,277,012
Source of Funds		Appropriations through FY 2018	Estimated Appropriations FY 2019	Future Planned Appropriations					Project Total								
				2020	2021	2022	2023	2024 to Completion									
TWDB / Revenue Bonds		\$	-	\$	-	\$	2,040,125	\$	6,200,000	\$	9,770,000	\$	-	\$	-		\$ 18,010,125
Construction Cash (Series 2016 Bonds)			387		-		100,000		-		-		-		-		100,387
Non-Bond Capital Reserve Funds			-		50,000		-		-		-		-		-		50,000
Contribution Sources (Bldg Activity Fees)			-		-		1,116,500		-		-		-		-		1,116,500
Operating Funds																	
Total Sources		\$	387	\$	50,000	\$	3,256,625	\$	6,200,000	\$	9,770,000	\$	-	\$	-		\$ 19,277,012
Project Schedule		Project Start Date		Project Completion Date		Site Information											
Design/Engineering		Sep-19		2022		1130 Naylor Road Oak Point, TX (FM 720 and Hwy 380)											
Land/Right of Way																	
Construction		2020		2022													
Admin/Inspection		Mar-16		2022													
Legal																	
Furniture/Equipment																	
Total Project				2022													





**Upper Trinity Regional Water District
Peninsula Water Reclamation Plant
Estimated Annual Operating Expense from Investments in Capital Projects
FY 2020 through FY 2024**

Project Acct	Project	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	5-Year Total
5N3	Plant Expansion, Phase 3 (from 0.94 to 2.0 MGD)	\$ -	\$ -	\$ 396,275	\$ 392,975	\$ 394,805	\$ 1,184,055
	Total	\$ -	\$ -	\$ 396,275	\$ 392,975	\$ 394,805	\$ 1,184,055

GROWTH PROGRAM FUND

The Growth Program Fund was established to allow members not yet receiving services from the District to provide funding for land, rights-of-way and easement purchases associated with future projects for the District's service areas. In order to continue this effort, the FY 2020 budget contains a transfer to the Regional Treated Water System Construction Fund for capital project funding assistance.

MISSION

The mission is to adequately plan for the purchase of land, rights-of-way, and other costs necessary for future District facilities.

GOALS AND OBJECTIVE

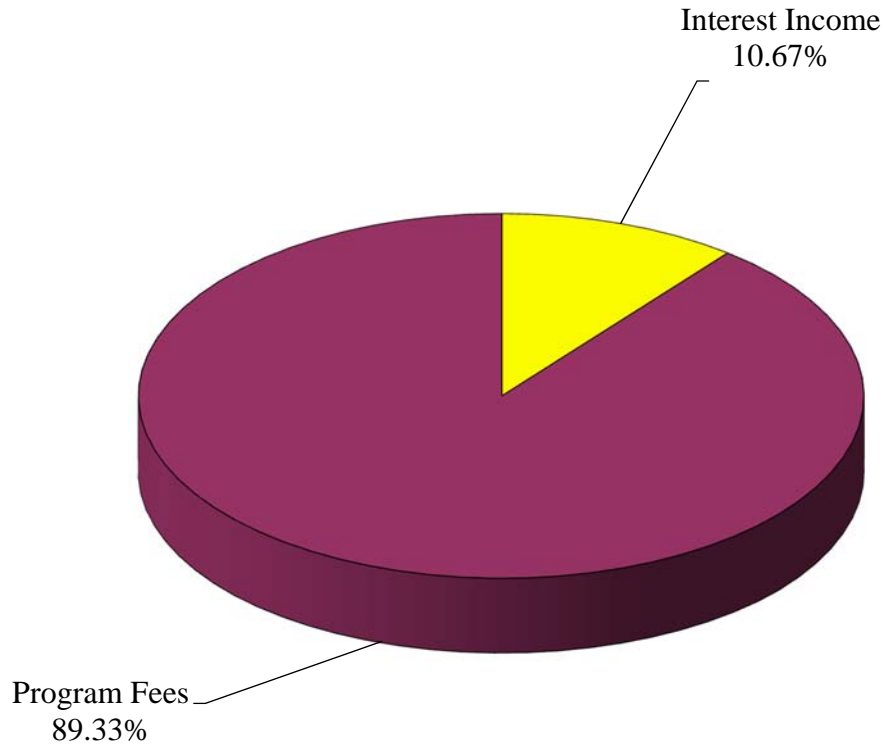
- Provide accurate accounting of land, rights-of-way, and other costs associated with District construction projects.

Growth Program

FY 2019 - 2020 Adopted Budget

		FY 2017-2018	FY 2018-2019	FY 2018-2019	FY 2019-2020
		Actuals	Budget	Estimates	Budget
Beginning Balance		\$ 54,903	\$ 55,688	\$ 55,725	\$ 57,475
Capital Revenue					
Program Fees:	2020				
	Est. Pop.				
Argyle	4,170	\$ 3,136	\$ 3,230	\$ 3,230	\$ 3,335
Black Rock WSC	1,350	3,013	3,105	3,105	3,105
Copper Canyon	1,430	1,112	1,145	1,145	1,145
Pilot Point	4,260	5,000	5,000	5,000	5,000
Ponder	2,390	4,094	5,000	5,000	5,000
Total Program Fees	13,600	\$ 16,355	\$ 17,480	\$ 17,480	\$ 17,585
Interest Revenue		822	960	1,750	2,100
Total Capital Revenue		\$ 17,177	\$ 18,440	\$ 19,230	\$ 19,685
Capital Expense					
Interfund Transfer:					
RTWS - CIP Projects		\$ 16,355	\$ 17,480	\$ 17,480	\$ 17,585
Total Capital Expense		\$ 16,355	\$ 17,480	\$ 17,480	\$ 17,585
Ending Balance		\$ 55,725	\$ 56,648	\$ 57,475	\$ 59,575

Capital Revenues



SUMMARY OF MAJOR CHANGES

- Program fees are budgeted at \$2.30/capita. For those entities that receive indirect service from the District's Water Project (Argyle and Copper Canyon), the fees are \$0.80/capita. A minimum fee of \$1,100 and a maximum fee of \$5,000, applies to all participants.
- Interest Income is representative of current market conditions.
- Transfer of Program Fees to the Regional Treated Water System capital project funding assistance.

Growth Fund Project Summary

Project/ Description	Year End FY 2019	FY 2020 Expenses	FY 2020 Reimbursements	Projected Year End FY 2020
Regional Treated Water System – CIP Projects	\$ 17,480	\$ 17,585	\$ (0.00)	\$35,065

PROJECT DEVELOPMENT FUND

The purpose of the Project Development Fund is to account for appropriations from operating funds related to the feasibility of future capital projects for expansion of, and improvements to, District facilities. Also, it provides funding assistance for “start-up” facilities. Once projects are approved to begin, the Project Development Fund is reimbursed from the capital funds designated specifically for the project. This is a revolving fund which began with funding contributed by early members and continues with contributions from District systems.

MISSION

The mission is to adequately and efficiently conduct studies that will provide District management with sufficient decision-making information on the feasibility of projects that will be beneficial to the District and its members.

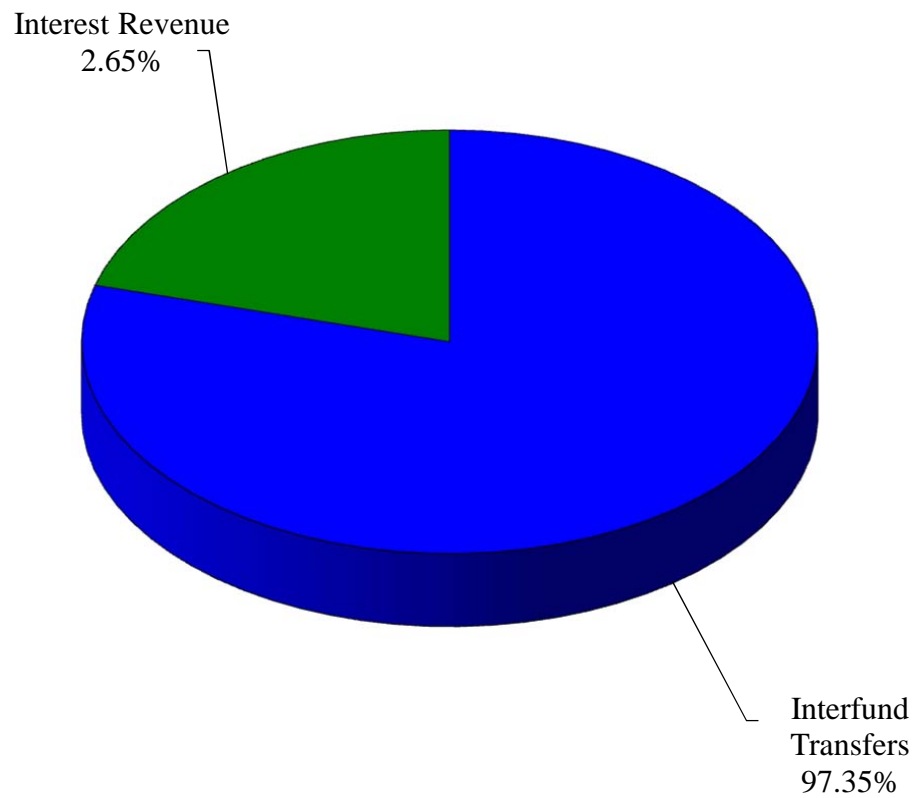
GOALS AND OBJECTIVE

- Provide accurate accounting of all activities associated with feasibility studies deemed necessary to determine the potential of future projects.

Project Development Fund FY 2019 - 2020 Adopted Budget

	FY 2017-2018 Actuals	FY 2018-2019 Budget	FY 2018-2019 Estimates	FY 2019-2020 Budget
Beginning Balance	\$ 167,274	\$ 356,504	\$ 356,639	\$ 552,534
Capital Revenue				
Interfund Transfers:				
LRWRS Service Area Plan (Reimbursement)				
Lakeview Regional Water Reclamation System	\$ 68,911	\$ -	\$ -	\$ -
NERWRS CIP Study				
Riverbend and Doe Branch Water Rec. Plants	\$ 29,828	\$ 29,830	\$ 29,830	\$ 30,355
Peninsula Water Reclamation Plant	7,457	7,455	7,455	7,580
Total	\$ 37,285	\$ 37,285	\$ 37,285	\$ 37,935
Loan for Peninsula Plant, Phase 3 Expansion				
Peninsula Water Reclamation Plant	\$ -	\$ 150,000	\$ 150,000	\$ -
Facilities Condition Assessment Study (Reimb.)				
Administration Fund (General)	\$ 2,445	\$ -	\$ -	\$ -
Lakeview Regional Water Reclamation System	13,854	-	-	-
Non-Potable Water System	815	-	-	-
NERWRS - Riverbend & Doe Branch Plants	12,224	-	-	-
Peninsula Water Reclamation Plant	4,889	-	-	-
Regional Treated Water System	47,265	-	-	-
Total	\$ 81,492	\$ -	\$ -	\$ -
 Total Interfund Transfers	 \$ 187,688	 \$ 187,285	 \$ 187,285	 \$ 37,935
Interest Revenue	\$ 2,464	\$ 2,580	\$ 8,610	\$ 9,900
Total Capital Revenue	\$ 190,152	\$ 189,865	\$ 195,895	\$ 47,835
Capital Expense				
Water & Wastewater System Facility Conditions Assessment	\$ 787	\$ -	\$ -	\$ -
Total Capital Expense	\$ 787	\$ -	\$ -	\$ -
Ending Balance	\$ 356,639	\$ 546,369	\$ 552,534	\$ 600,369

Capital Revenues



SUMMARY OF MAJOR CHANGES

- Interest Income is representative of current market conditions.
- Transfer-in of the fourth of five annual principal and interest payments from the Northeast Regional Water Reclamation System (Riverbend and Doe Branch Plants), and the Peninsula Water Reclamation Plant, for allocated amounts owed to Project Development Fund for the Northeast Regional Water Reclamation System CIP study. The interest rate for this reimbursement was increased from 1.50% to 2.69% based on the District's Interfund Loan Provision Policy (approved by the Board of Directors on March 7, 2019), to reflect the Texpool rate of 2.44% (as of May 2, 2019), plus 0.25 basis points. This rate will remain in effect for FY 2020 and will be adjusted in May 2020 for the FY 2021 budget.
- Reimbursement Peninsula Water Reclamation Plant construction cash for a \$150,000 loan made in FY 2015 was completed in FY 2019. Therefore, no additional funds are required for transfer in FY 2020.

UPPER TRINITY REGIONAL WATER DISTRICT

MEMBER/CUSTOMER POPULATIONS

	2014	2015	2016	2017	2018	2019
Argyle WSC	6,724	6,675	6,831	6,968	7,113	7,695
Argyle	3,510	3,690	3,820	3,920	4,040	4,170
Aubrey	2,670	2,780	3,100	3,110	3,200	4,530
Bartonville	1,630	1,640	1,650	1,670	1,680	1,710
Blackrock WSC	1,287	1,287	1,287	1,310	1,350	1,350
Celina	6,660	7,320	8,650	10,310	14,364	18,860
Copper Canyon	1,350	1,370	1,380	1,390	1,430	1,430
Corinth	20,520	20,900	20,900	20,800	21,030	21,260
Cross Timbers WSC	6,733	6,845	7,254	7,255	7,266	7,456
Denton	120,820	123,200	125,980	128,160	130,990	134,460
Denton County*	30,324	29,677	30,931	52,164	53,751	50,441
DCFWSO #1A	9,973	10,881	10,881	12,106	12,977	13,042
DCFWSO #7	9,710	10,000	10,673	11,324	12,000	12,000
DCFWSO #8A	4,070	3,918	4,650	5,264	5,794	6,219
Providence Village (DCFWSO#9)	5,400	5,750	6,170	6,310	6,550	6,630
DCFWSO #10	5,160	7,142	6,634	11,783	3,729	4,290
DCFWSO #11A	4,288	5,757	6,684	7,831	8,739	9,272
Double Oak	2,920	2,920	2,950	2,970	2,960	2,970
Flower Mound	66,130	66,820	70,180	71,850	73,130	76,030
Highland Village	16,500	17,000	17,000	17,000	17,000	17,000
Irving	227,030	228,610	231,040	234,710	237,490	240,420
Justin	3,250	3,260	4,320	4,320	4,455	4,455
Krum	4,750	4,790	5,760	5,760	5,760	5,760
Lake Cities MUA	14,697	14,917	15,150	15,500	15,426	15,512
Lewisville	98,330	99,480	100,400	103,640	104,780	105,640
Lincoln Park	487	487	-	-	-	-
Mustang SUD	15,603	19,737	20,022	21,846	32,441	38,075
Northlake	-	-	-	-	4,500	4,500
Oak Point	3,040	3,040	3,180	3,210	3,440	3,680
Pilot Point	3,880	3,890	4,050	4,130	4,120	4,260
Ponder	1,460	1,520	1,560	1,780	2,330	2,390
Prosper	14,710	15,970	17,790	20,160	22,650	25,630
Sanger	7,490	7,415	7,800	8,000	7,991	8,800
TOTAL	721,106	738,688	758,677	806,551	834,475	859,937

*Includes only unincorporated areas within the County

Sources:

North Central Texas Council of Governments (NCTCOG)

UTRWD Annual Survey

UPPER TRINITY REGIONAL WATER DISTRICT

OPERATING INDICATORS BY SYSTEM

SYSTEM	Fiscal Year					
	2014	2015	2016	2017	2018	2019
Regional Treated Water System						
Wholesale Customers Contracted (See Note)	20	20	20	19	19	19
Total Towns, Cities and Others Served (See Note)	30	30	30	29	29	29
Total Customer Delivery Points	25	28	28	31	27	27
Total Yearly Billed Flows (millions of gallons)	8,146	8,956	9,485	9,960	11,241	10,419
Lakeview Regional Water Reclamation System						
Wholesale Customers Contracted (See Note)	6	6	6	6	6	6
Total Towns, Cities and Others Served (See Note)	9	9	9	9	9	9
Customer Points of Entry	10	10	10	10	10	10
Total Yearly Billed Flows (millions of gallons)	1,333	1,664	1,703	1,434	1,440	1,748
Northeast Regional Water Reclamation System						
Wholesale Customers Contracted (See Note)	8	8	9	9	9	9
Total Towns, Cities and Others Served (See Note)	9	9	9	9	9	10
Customer Points of Entry	12	12	14	15	15	15
Total Yearly Billed Flows (millions of gallons)	511	655	768	899	1,123	1,484
Peninsula Water Reclamation Plant						
Wholesale Customers Contracted (See Note)	2	2	1	1	1	1
Total Towns, Cities and Others Served (See Note)	2	2	2	2	2	2
Customer Points of Entry	2	2	2	2	2	2
Total Yearly Billed Flows (millions of gallons)	103	124	139	140	178	230

Note: Some contracting parties provide service to more than one town or city

Source: UTRWD Business Department

UPPER TRINITY REGIONAL WATER DISTRICT

CAPACITY CONTRACTED BY PARTICIPANTS

Participant	Treated Water		Lakeview Wastewater Treatment		Northeast Wastewater Treatment		Peninsula Wastewater Treatment		Non-Potable Water	
	MGD	%	MGD	%	MGD	%	MGD	%	MGD	%
Argyle Water Supply Corp.	2.00	2.55	-	-	-	-	-	-	-	-
City of Aubrey	0.10	0.13	-	-	-	-	-	-	-	-
Cross Timbers Water Supply Corp.	2.50	3.19	-	-	-	-	-	-	-	-
Town of Bartonville	-	-	0.0378	0.71	-	-	-	-	-	-
City of Celina	5.00	6.38	-	-	0.665	12.20	-	-	-	-
City of Corinth	7.50	9.58	1.6080	30.18	-	-	-	-	-	-
City of Denton	-	-	(1)	-	-	-	-	-	-	-
Denton County Fresh Water Supply Dist. #1A	3.00	3.83	-	-	-	-	-	-	All	100.00
Denton County Fresh Water Supply Dist. #7	3.50	4.47	0.8440	15.84	-	-	-	-	-	-
Denton County Fresh Water Supply Dist. #8A	1.87	2.39	-	-	0.454	8.32	-	-	-	-
Providence Village Water Control District	2.40	3.06	-	-	0.550	10.09	-	-	-	-
Denton County Fresh Water Supply Dist. #10	0.82	1.05	-	-	0.250	4.59	-	-	-	-
Denton County Fresh Water Supply Dist. #11A	3.30	4.21	-	-	0.716	13.13	-	-	-	-
Town of Double Oak	-	-	0.0080	0.15	-	-	-	-	-	-
Town of Flower Mound	30.00	38.30	-	-	-	-	-	-	-	-
City of Highland Village	3.00	3.83	1.6500	30.96	-	-	-	-	-	-
City of Justin	1.15	1.47	-	-	-	-	-	-	-	-
City of Krum	0.40	0.51	-	-	-	-	-	-	-	-
Lake Cities Municipal Utility Authority	3.80	4.85	1.1810	22.16	-	-	-	-	-	-
Mustang Special Utility District	4.48	5.72	-	-	1.817	33.33	0.940	100.00	-	-
Town of Northlake	3.00	3.83	-	-	-	-	-	-	-	-
Town of Prosper	-	-	-	-	1.000	18.34	-	-	-	-
City of Sanger	0.50	0.64	-	-	-	-	-	-	-	-
Total Subscriptions	78.32	100.00	5.329	100.00	5.452	100.00	0.940	100.00	All	100.00

(1) Service is provided via emergency interconnect according to need - no specific capacity

Source: UTRWD Business Department

UPPER TRINITY REGIONAL WATER DISTRICT

CAPITAL ASSET (IN SERVICE) STATISTICS BY SYSTEM

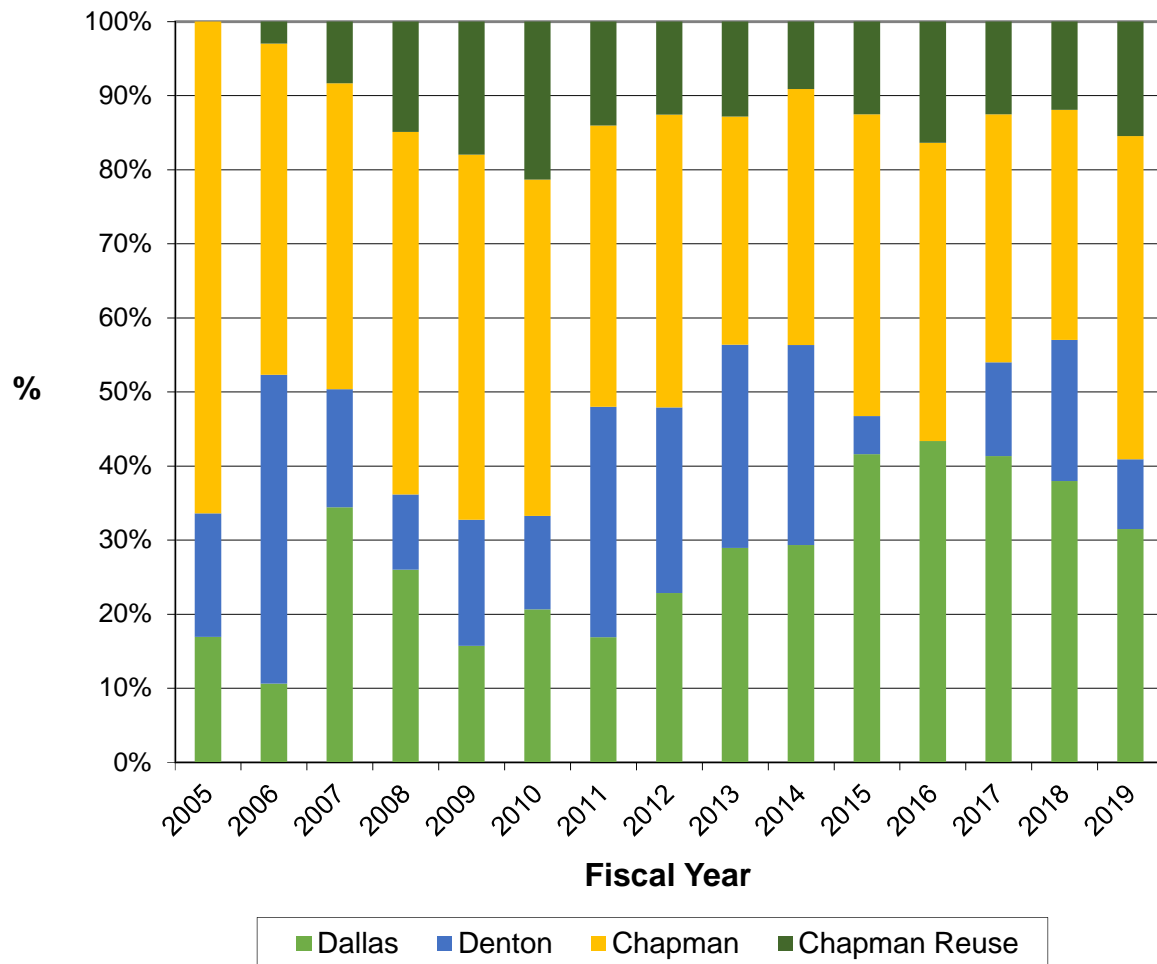
SYSTEM	Fiscal Year					
	2014	2015	2016	2017	2018	2019
<u>Regional Treated Water System</u>						
<u>Taylor Regional Treated Water Plant</u>						
Raw Water Intake Capacity	200 mgd	200 mgd	200 mgd	200 mgd	200 mgd	200 mgd
Water Treatment Plant Capacity	70 mgd	70 mgd	70 mgd	70 mgd	70 mgd	70 mgd
Treated Water Pumping Capacity (est.)	130 mgd	130 mgd	130 mgd	130 mgd	130 mgd	130 mgd
Transmission Pipelines (miles):						
12" to 20"	30.18	30.18	45.29	45.93	37.10	37.07
24" to 36"	40.27	40.27	42.95	43.34	43.34	43.77
42" to 72"	18.88	19.50	20.34	22.74	22.74	22.65
Treated Water Storage Tanks:						
Treatment Plant	4	4	4	4	4	4
Other	6	6	6	6	6	6
<u>Tom Harpool Water Treatment Plant</u>						
Raw Water Intake Capacity	45 mgd	45 mgd	45 mgd	45 mgd	45 mgd	45 mgd
Water Treatment Plant Capacity	20 mgd	20 mgd	20 mgd	20 mgd	20 mgd	20 mgd
Treated Water Pumping Capacity (est.)	16 mgd	16 mgd	16 mgd	16 mgd	16 mgd	16 mgd
<u>Lakeview Regional Water Reclamation System</u>						
Water Reclamation Plant Capacity	5.5 mgd	5.5 mgd	5.5 mgd	5.5 mgd	5.5 mgd	5.5 mgd
Interceptor Pipeline (miles):						
8" to 10"	1.25	1.25	1.25	1.25	1.25	1.25
12" to 14"	1.10	1.10	1.10	1.10	1.10	1.10
18" to 20"	7.55	7.55	7.55	7.60	7.60	7.60
24" to 27"	4.72	4.72	4.72	4.76	4.76	4.76
Wastewater Lift Stations	5	5	5	5	5	5
<u>Northeast Regional Water Reclamation System</u>						
Riverbend Water Reclamation Plant Capacity	2.0 mgd	2.0 mgd	2.0 mgd	2.0 mgd	2.0 mgd	4.0 mgd
Doe Branch Water Reclamation Plant Capacity				2.0 mgd	2.0 mgd	2.0 mgd
Interceptor Pipeline (miles):						
8" to 21"	4.63	4.63	4.63	6.09	6.09	6.54
24" to 36"	6.06	6.06	6.06	6.06	6.06	6.54
Wastewater Lift Stations	1	1	1	1	1	1
<u>Peninsula Water Reclamation Plant</u>						
Water Reclamation Plant Capacity	0.94 mgd	0.94 mgd	0.94 mgd	0.94 mgd	0.94 mgd	0.94 mgd
Interceptor Pipeline (miles):						
24" to 36"	0.01	0.01	0.01	0.01	0.01	0.16

Note: mgd is million gallons per day

Source: UTRWD Engineering Department

Raw Water Purchases

Year	Dallas	Denton	Lake Chapman	Lake Chapman Reuse
2005	1,129,662	1,112,810	4,431,890	-
2006	869,843	3,411,981	3,665,161	242,682
2007	2,103,229	974,414	2,523,320	508,351
2008	1,827,869	715,987	3,444,425	1,049,195
2009	1,058,500	1,148,490	3,327,848	1,212,826
2010	1,329,068	812,700	2,928,090	1,374,011
2011	1,606,414	2,962,945	3,621,610	1,336,021
2012	1,989,791	2,185,143	3,450,510	1,095,823
2013	2,449,347	2,319,774	2,605,160	1,087,245
2014	2,486,465	2,290,683	2,930,600	772,568
2015	3,803,797	473,021	3,726,550	1,145,329
2016	4,126,720	-	3,832,100	1,558,496
2017	4,248,537	1,300,385	3,439,020	1,288,114
2018	4,412,500	2,214,086	3,611,900	1,388,286
2019	3,409,870	1,020,913	4,733,150	1,676,447



UPPER TRINITY REGIONAL WATER DISTRICT
FUNDED DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

<u>Function/Program</u>	Fiscal Year					
	2015	2016	2017	2018	2019	2020
Administration	9	16	15	15	14	14
Business/Finance	19	13	13	13	14	14
Operations	33	42	47	47	49	54
Maintenance	14	16	17	17	18	19
Engineering/Construction	19	11	11	13	15	16
Contract Positions	1	1	1	2	5	5
Total	95	99	104	107	115	122

Source: UTRWD Business Department

Awards and Honors

Business

Government Finance Officers Association (GFOA)

Certificate of Achievement for Excellence in Financial Reporting, 2000 – 2018

Distinguished Budget Presentation Award, 2010 – 2019

Special Capital Recognition, FY 2015, FY 2019

Regional Water Treatment Plant

American Water Works Association (AWWA)

“Best Tasting Water” for the State of Texas, 2007, April 2012

Texas Water Utilities Association (TWUA)

“Best Tasting Water” for the North Texas Region, May 2012, 2017, 2019

“Best Tasting Surface Water” for the State of Texas, 2008, 2018

Texas Commission on Environmental Quality (TCEQ) Total Coliform Rule Award, 2003 – 2013

TCEQ “Innovative or Proactive Water System” Award, 2015

South Central Membrane Association Outstanding Membrane Plant Award, 2013, 2019

South Central Membrane Association “Best Tasting Water”, 2015, 2019

Lakeview Regional Water Reclamation System

National Association of Clean Water Agencies (NACWA) Platinum Peak Performance Award, 1999-2018 (Platinum 20 years)

Northeast Regional Water Reclamation System – Riverbend Plant

Water Environment Association of Texas (WEAT)

Municipal Wastewater Treatment Plant of the Year – Category 2 (1-15 MGD), 2019

NACWA Platinum Peak Performance Award, 2008-2018 (Platinum 11 years)

Northeast Regional Water Reclamation System – Doe Branch Plant

NACWA Gold Peak Performance Award, 2016-2018

Peninsula Water Reclamation Plant

Water Environment Association of Texas (WEAT)

Municipal Wastewater Treatment Plant of the Year – Category 1 (<1 MGD), 2010

NACWA Platinum Peak Performance Award, 2003-2018 (Platinum 15 years)

Water / Water Conservation:

NACWA Excellence in Management – Silver Award, 2019

NACWA National Environment Achievement Award, 2014

Keep Texas Beautiful 1st Place Government Award, 2013

Watermark Award – Waters to the Sea Program, 2011

Personal Awards:

Water Environment Association of Texas (WEAT)

Life Membership Award – Thomas E. Taylor, 2013

Lifetime Achievement Award – Larry N. Patterson, 2014

Outstanding Operator of the Year – Joe Thompson, 2013

Arthur Sidney Bedell Award – Jody Zabolio, 2013

Presidential Service Award – Jody Zabolio, 2011

Texas Shootout Award – James Rogers, 2013

William D. Hatfield Award – Ben Hodges, 2016

NACWA President’s Award – Larry N. Patterson, 2015

TAWWA W.T. “Doc” Ballard Award – Thomas E. Taylor, 2014

Upper Trinity Regional Water District Glossary of Terms

A

Account – A record of a business transaction of money received or paid.

Account Balance – The different in dollars between total debits and the total credits in an account.

Accrual Basis of Accounting – A basis of accounting under which increases and decreases in economic resources are recognized as soon as the underlying event or transaction occurs. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

Accrual – The recognition of a revenue or expense in a budget year even though the actual cash may not be received or paid until the following budget year.

Acre-foot of Water – The volume of water that covers one acre to a depth of one foot; 43,560 cubic feet; 1,233.5 cubic meters; 325,872 gallons.

Actual – The final audited revenue/expenditure results of operations for the fiscal year indicated.

Adjustment for Accrued Expenditures – The adjustment necessary to align the Ending Balance on a cash basis vs. accrual basis used by accounting.

Adoption – Formal action by the Board of Directors which sets the spending limits for the fiscal year.

Amortization – Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts.

Arbitrage – The gain that may be realized by borrowing funds at tax-exempt rates and investing those funds at taxable rates.

Assets – Resources owned or held by the District which have monetary value.

Audit – An examination of the books and records of the District to determine financial status and results of operations (excess or loss).

Average Daily Demand – A water system's average daily use based on total annual water sales (total annual gallons or cubic feet divided by 365).

B

Backflow – The backing up of water through a conduit or channel in the direction opposite to normal flow.

Balance Sheet – A statement showing the financial position at a given time, disclosing assets, liabilities and fund balances.

Balanced Budget – A budget in which revenues are sufficient to meet all expenditure and debt service requirements.

Basin – A shallow depression or tank through which liquids may be passed or in which they are detained for treatment or storage.

Basis Point – One-hundredth of a percentage point (i.e. the difference between interest rates of 10.5% and 10.0% is 50 basis points).

Benefits – Consist of employee benefits directly related to salary allocation.

Biochemical Oxygen Demand (BOD) – The quantity of oxygen used in the biochemical oxidation of organic matter in a specified time, at a specific temperature, and under specific conditions; the BOD analysis is a standard test used in assessing wastewater strength.

Biosolids – The nutrient-rich organic materials resulting from the treatment of domestic sewage in a wastewater treatment facility. This organic material (sludge) that has been treated to reduce pathogens, organics, and odors, forms a reusable agricultural product.

Board of Directors – The District is governed by a Board, the members of which are appointed by the governing bodies of Members and by the County. The Board sets policy and provides overall leadership for District including the mission, goals, priorities and resource allocation.

Bond – A written promise to pay a specific amount of money (called the principal) with interest within a specific time period, usually long-term. In the budget document, these payments are identified as debt service.

Bond Counsel – An attorney who prepares the legal opinion concerning a bond issue.

Bond Issuance Costs – The costs incurred by the bond issuer during the planning, marketing and sale of a bond issue.

Bond Resolution – A document that contains terms and conditions relating to the issuance and sale of Bonds and sets forth the District's legal obligations to bondholders.

Bonds Issued – Bonds that are sold.

Budget – A balanced financial plan for a given period of time, which includes appropriations and rate and fee resolutions for the various sources of revenue which finance the various funds. The budget is not only a financial plan; it also services as a policy guide, as an operations guide and as a communications medium.

Budget Adjustment – Adjust current base budget figures for a given account from available cash.

Budget Calendar – The schedule of key dates or milestones which the District follows in the preparation, adoption, and administration of the budget.

Budget Transfer – Redistribute revenue and/or expenditure budgets between accounts within same fund.

Budgetary Control – The control of management in accordance with the approved budget to keep expenditures within the limitations of available appropriations and revenues.

C

Callable Agency Steps – A bond, usually issued by government agencies, with a coupon that increases (“steps-up”), usually at regular intervals, while the bond is outstanding.

Capacity – The ability of available water / wastewater utility resources to meet the quantity, quality, and peak loads of the various customers or members served.

Capital Equipment (Assets) – Fixed assets such as vehicles, computers, furniture, technical instruments, etc., which have a life expectancy greater than one year and a cost of \$5,000 or greater.

Capital Improvement Program – A long-range plan of the District for the construction, rehabilitation and modernization of District-owned and operated infrastructure and facilities.

Capital Project – A project requiring relatively large expenditures to acquire, develop, improve, and/or maintain a capital asset (such as land, buildings, dykes, roads).

Capitalized Interest – Funds provided from the proceeds of a bond issue to cover interest payments until revenue sources to repay debt are available.

Carry-Over – The term used to denote amounts which were expected to be expended during one fiscal year on a contract, or obligation or purchase but were not expended for various reasons. Amounts are “carried-over” into the subsequent fiscal year.

Cash Flows – The movement of cash in and out of the District from day-to-day activities.

Cash Management – The management of cash flows in such a way that interest and penalties paid are minimized and interest earned is maximized. Funds received are deposited on the day of receipt and invested as soon as the funds are available. The District maximizes the return on all funds available for investment without sacrifice of safety or necessary liquidity.

Certificates of Deposit – Short or medium term, interest-bearing, FDIC (Federal Deposit Insurance Corporation) insured debt instruments offered by banks and savings and loans, that offer higher rates of return than most comparable investments, in exchange for tying up invested money for the duration of the certificate's maturity.

Chlorine – A chemical applied to water for purposes of disinfecting.

Clean Water Act – Legislation passed by the U.S. Congress designed to control water pollution.

Collection System – A system of underground conduits/sewers collecting wastewater from a source and conveying it to the treatment facility.

Commercial Paper – Short-term (usually less than 270 days) notes issued by the District to provide interim financing of its capital improvement program. Commercial paper typically carries lower interest rates than long-term debt and is issued on a subordinate basis.

Compensated Absences – Time off, with pay, made available to employees primarily for vacation, sick, and administrative leave.

Constant Maturity Securities – Fixed financial instruments having a quoted yield that compares the instrument to other fixed financial instruments of different maturities. This allows the investor to compare various securities to each other, provided that they have the same maturity date.

Consumer Price Index (CPI) – A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living or doing business (i.e. economic inflation).

Contributions – The transfer, promise or pledge of money, credit, property, financial assistance of any kind or value in response to a solicitation.

Current Assets – Cash plus assets that are expected to be converted to cash, sold or consumed during the next 12 months or as a part of the normal operating cycle.

Current Liabilities – Obligations that will become due within the next year or within the normal operating cycle.

Customers – Any non-member wholesale user of the services provided by the District which provides retail utility service within its boundaries.

D

DCFWS – an acronym for Denton County Fresh Water Supply District (see “Fresh Water Supply District”), various Districts that help provide water to different areas of Denton County.

Denton County Soil and Water Conservation District (DCSWC) – a subdivision of the State, created to help promote and coordinate conservation and nonpoint source water pollution abatement programs throughout the State

Debt – An obligation resulting from the borrowing of money or from the purchase of goods and services. These include bonds and accounts payable.

Debt Coverage Ratio – A ratio that expresses the relationship of total net revenue to existing debt.

Debt Service – The payment of principal and interest on any short-term and long-term debt.

Debt Service Requirements – The amount of money required to pay interest and principal on outstanding debt.

Deferred Interest – The amount of interest that is added to the principal balance of a loan when the contractual terms of that loan allow for a scheduled payment to be made that is less than the interest due.

Deficiency – A general term indicating the amount by which anything falls short of some requirement of expectation.

Deficit – The excess of expenditures over revenues during an accounting period.

Demand – The amount of flow expressed in MGD mutually established by Member and District that is or may be taken by Member within a Water Year.

Demand Costs – Costs associated with providing facilities to meet demands placed on the system by customers.

Denton County Transportation Authority (DCTA) – is a coordinated county transportation authority that is committed to provide safe, customer focused, and efficient mobility solutions for Denton County.

Depreciation – A method of allocating the cost of a tangible asset over its useful life.

Design Capacity – The maximum rate of flow which a treatment plant is capable of treating, on a long-term basis, to continuously attain required water or effluent quality.

Dewatering – Water removal or concentration of solids by filtration, centrifugation, or drying.

Drought Adjustment Clause – A clause adopted by the Board of Directors that enables the District to recover the actual costs of raw water purchased at marginal cost that exceeds budgeted amounts to be used.

E

Easement – An acquired legal right to the use of land owned by others.

Effluent – The resulting end product of the wastewater treatment process.

Elevated tank – A tank used for storage in a water distribution system, which is raised above the surface of the ground.

Encumbrance – Obligations incurred in the form of purchase orders, contracts and similar items that will become payable when goods are delivered or services rendered.

Enterprise Fund – A fund established to account for the operation of self-supporting enterprises.

EPA – Environmental Protection Agency – The federal government agency responsible for promulgation and enforcement of environmental regulations and investigation and prosecution of infractions of non-compliance.

Equity – The net value of an asset or business (i.e. assets minus liabilities).

Expenditures – A decrease in net financial resources, actual payment for goods and services received.

F

Financial Advisor – Provides expertise to the debt issuer in matters of financial activities, the marketing and sale of debt and the preparation of required disclosure statements.

Financial Statement – A set of summary documents which pertain to financial information that consist of the following: Balance Sheet or Combining Schedule of Net Assets, Income Statement or Combining Schedule of Revenues and Expenses, Statement of Cash Flows, Notes of Financial Statements and, in the District's case, various Supplements, Schedules, etc.

Fiscal Policy – The District's policies with respect to revenues, spending, and debt management and their relationship to services, programs and capital investment.

Fiscal Year – A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The District’s fiscal year is October 1 through September 30.

Fixed Assets – Long-term tangible assets that have a normal use expectancy of more than one year and do not lose their individual identity through use. Fixed assets include primarily buildings, equipment, and land.

Fixed O&M Costs – Operating and maintenance expenses charged to the project participants which do not vary with the amount of water delivered to the project participant.

Fixed Capital Project Costs – Capital costs, including debt service, reserves for the payment of debt service and other payments under the bond resolution which do not vary with the amount of water delivered or wastewater treated to the project members/customers.

Flow – The actual amount of water flowing by a particular point over some specified time. Flow is frequently expressed in millions of gallons per day (MGD).

Fresh Water Supply District (FWSD) – is a district created to provide and distribute water for domestic and commercial use. The districts are organized on much the same basis as the water improvement districts and have no limitation on bonds or taxation.

Full Time Equivalent (FTE) – Full-time employee works 40 hours per week and is eligible for full benefits.

Fund – A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance – The cumulative difference of all revenues and all expenditures of the fund from the time the District was established. Fund balance is also considered to be the difference between fund assets and fund liabilities and is sometimes referred to as “fund equity” at any given point in time.

G

General Revenue Bonds – Bonds which are obligations of the issuer on which revenues received from operations are pledged for the payment of the principal and interest thereon.

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards of, and guidelines for, external financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time.

They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provides a standard by which to measure financial presentations. The primary authoritative statement on the application of GAAP to state and local governments is Government Accounting Standards Board (GASB) pronouncements.

Geographic Information System (GIS) – An organized collection of computer hardware, software and geographic data designed to efficiently capture, store, update, manipulate, analyze, and display all forms of geographically referenced information.

Goals – General statements of desired state, condition, or situation to be achieved, which may be viewed from a short or long term perspective.

Governmental Accounting Standards Board (GASB) – Their mission is to establish and improve standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports.

Governmental Finance Officers of America (GFOA) – Their purpose is to enhance and promote the professional management of governments for the public benefit. The GFOA accomplishes this mission by identifying and developing financial policies and practices and promoting them through education, training and leadership.

Groundwater – Water produced by pumping from underground.

H

Household Hazardous Waste – Common materials in your home such as cleaning products, paint, paint thinner, aerosol cans and lawn fertilizers that can pollute the water in area creeks and lakes if not disposed of properly.

High Test Hypochlorite (HTH) – granular calcium.

I

Independent Auditor – External public accounting firm hired to audit the annual financial statements and express an opinion on those statements as to conformity with generally accepted accounting principles.

Infiltration/Inflow – Infiltration is groundwater that leaks into the sewerage system through pipe joints and defects. Inflow refers to water that enters sewers from improperly connected catch basins, sump pumps, and defective manholes.

Influent – Wastewater or other liquid flowing into a reservoir, basin or treatment plant.

Infrastructure – District owned capital assets that provide services to the members/customers.

Interceptors – Large pipes that intercepts the wastewater from smaller and or local sewers to one of the District’s wastewater treatment plants.

Internal Control – Methods and procedures that are primarily concerned with the authorization of transactions, safeguarding of assets, and accuracy of the financial records.

Inventories – Items held for future use.

Investment Income – Income derived by investing certain fund balance in interest-yielding securities in compliance with the provisions of the District’s Investment Policy.

J

K

L

L.A.N.D.S. – Acronym for Learning Across New Dimensions in Science, a program sponsored through the Texas Wildlife Association, that promotes an awareness of wildlife and wildlife related issues among Texas youth.

LCMUA – Acronym for Lake Cities Municipal Utility Authority, a water and wastewater member of the District.

Liabilities – Obligations incurred in past or current transactions requiring present or future settlement.

Line items – Expenditure classifications established to account for and budget the appropriations approved.

Liquidity – The ability to convert an asset to cash.

Load Factor – Monthly flow average divided by monthly maximum (subscription).

Local Government Investment Pool – a state or local government pool offered to public entities for the investment of public funds and that offer safety and a competitive yield.

Long-Term Debt – Debt with a maturity of more than one year after the date of issuance.

LRWRS – Acronym for Lakeview Regional Water Reclamation System.

M

Maintenance – The upkeep necessary for efficient operation of physical properties. It involves labor and materials, but is not to be confused with replacement or retirement.

Members – An entity that provides service to customers that contracts with the District for wholesale service.

Membranes – Engineers classify membranes in many different ways, including describing them to be used for separating materials in water treatment, the membranes most widely used are broadly described as pressure driven.

Meter – An instrument of measuring the flow of water/wastewater.

MGD – Million Gallons per Day – Used in measuring volume of water and wastewater flow.

Mid-Year Review – Midway through the fiscal year the current year budget is evaluated based on spending to date and current projections. The primary areas reviewed and analyzed are year-to-date expenditure and revenue status plus expenditure and revenue projections for the remainder of the year and data to support recommendations for budget adjustments.

Minimum Flow – The flow which members and customers must use as part of their contract with the District.

Modified Accrual Basis – The accrual basis of accounting adapted to the governmental fund type. Revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the liability is incurred except on long-term debt which is recognized when due.

Money Market Account – A deposit account offered by a bank, which invests in government and corporate securities and pays the depositor interest based on current interest rates in the money markets.

N

National Association of Clean Water Agencies (NACWA) – a dynamic national organization, involved in all facets of water quality protection, represents the collective interest of America's clean water utilities, and is the leading advocate for responsible national policies that advance clean water.

National Pollutant Discharge Elimination System (NPDES) – A permit issued by the EPA that governs effluent discharges into various rivers and waterways.

NERWRS – Acronym for Northeast Regional Water Reclamation System, the system includes the Riverbend Water Reclamation Plant and the Doe Branch Plant.

Net Present Value – A mathematical formula used to measure the expected return on investments by calculating how much money needs to be invested today to result in a certain sum at a future time.

Non-Bond Capital Reserve – A reserve fund used to account for deposits earmarked to provide funding for the capital improvement program.

Non-Potable Water Supply (NPWS) – A water supply that is not treated to drinking water standards and is not meant for human consumption.

Notes Payable – Long or short-term obligations that are payable according to a contract or agreement in which the timeframe is executed.

O

O&M – Acronym for Operations and Maintenance, relates to the day to day operations of the District.

Objective – A statement of purpose defined more specifically than goals, defining the result-oriented activities necessary to achieve a stated goal.

Obligation – Amounts which the District may be legally required to meet out of its resources and includes not only actual liabilities, but also encumbrances not yet paid.

Operating Expense – All costs required for the daily operation of the District necessary to provide services and maintain the systems in good operating condition that are not considered capital improvements or debt repayments. These expenses are separated into fixed and variable costs for purposes of structuring rates.

Operating Reserves – an unrestricted fund balance set aside to provide a cushion against future expenses or losses.

Overtime – Hours worked in excess of 40 hours per work week or hours worked in excess of those scheduled in a shift.

P

Pass-Through Charges – A transportation (variable) rate associated with raw water passing through pipelines or reservoirs that are not owned by the District, (i.e. Lake Chapman).

Peak Flow – The maximum momentary quantity placed on a water/wastewater plant and/or pumping station.

Performance Measure – Performance measures quantify how well or how poorly an alternative has met a specific objective. Good performance measures are quantifiable, have a specific target, indicate when a target has been reached, and measure the degree to which the goal has been met.

Point(s) of Delivery – The point designated in a contract where treated water will be delivered from the System.

Potable Water – Water that is safe for human consumption.

Pro - Rata – In proportion to, as determined by a specific factor

Projected – An estimate of revenues or expenditures based on past trends, the present economic situation and future financial forecasts.

Public Utilities Commission (PUC) – Created in 1975, the Public Utility Commission of Texas (PUC or Commission) regulates the rates and services of telephone utilities statewide, electric utilities in unincorporated areas, radio-telephone statewide, and water and sewer utilities in unincorporated areas. The PUC was not given authority to regulate municipally owned utilities or political subdivisions such as municipal utility districts or public utility districts.

Pump Station – Structure containing pumps and accessory piping, valves and other mechanical and electrical equipment for pumping water, wastewater or other liquids.

Q

R

Rate of Flow – The rate of flow of water, silt or other mobile substance, which emerges from an opening, pump, or turbine or passes along a conduit or channel, usually expressed as cubic feet per second, gallons per minute or million gallons per day.

Rating Agency – A private corporation that assigns a credit worthiness rating to new bond issues upon their review of financial statements and disclosures provided by the issuer.

Raw Water – Water obtained from natural sources such as streams or reservoirs.

Reclaimed Water – Water that has received at least secondary treatment and basic disinfection and is reused after flowing out of a domestic wastewater treatment facility.

Reconciliation – The process of analyzing two related records and, if differences exist between them, finding the cause and bringing the two records into agreement. A common example of reconciliation is the comparison of an up-to-date checkbook with a monthly statement from the financial institution holding the account.

Refunding Bonds – Bonds issued to retire bonds already outstanding.

Reimbursements – Payment made to someone for out-of-pocket expenses incurred.

Reserves – An account used to indicate that a portion of a fund's assets are restricted for a specific purpose.

Reservoir – A pond, lake, or basin, either natural or man made, for the collection, storage, regulation and control of water.

Resolution – A special or temporary order of the Board of Directors.

Reuse – The deliberate application of reclaimed water for a beneficial purpose.

Revenue – An inflow of assets, not necessarily in cash, in exchange for services.

Revenue Bonds – A particular kind of bond in which the revenue to pay back the bond and interest comes from the project that the borrowed money was used to create, expand, or improve.

Right of Way – A legal right of passage over another person's ground.

Riparian Zones – The part of the watershed immediately adjacent to the stream channel.

Risk Management – A coordinated effort to minimize costs – typically where insurance policies are purchased to manage the District's exposure to various risks of loss- Workers' Compensation; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters.

RTWP – Acronym for Regional Treated Water Plant which includes the Thomas E. Taylor Regional Treatment Water Plant and the Tom Harpool Regional Water Treatment Plant.

RTWS – Acronym for Regional Treated Water System, includes the two treatment plants – Thomas E. Taylor Regional Treatment Water Plant and the Tom Harpool Regional Water Treatment Plant.

S

SCADA System – “Supervisory Control and Data Acquisition” System – The computer system that collects data, processes the data and allows operating personnel to take corrective actions.

SWIFT – An acronym for State Water Implementation Fund of Texas, a funding program created by the Texas Legislature and administered by the Texas Water Development Board (TWDB), to provide affordable, ongoing state financial assistance for projects in the state water plan. Passed by the Legislature and approved by Texas voters through a constitutional amendment, the SWIFT helps communities develop and optimize water supplies at cost-effective rates. The program provides low-interest loans, extended repayment terms, deferral of loan repayments, and incremental repurchase terms for projects with state ownership aspects.

Seasonal Rates – Rates based on the cost of service variations with respect to system seasonal requirements. For example, higher rates may be charged during the summer months when a system peak occurs, as opposed to winter months.

Sludge – Solid residue from wastewater treatment.

State Participation Funds – The State Participation Program enables the Texas Water Development Board (TWDB) to assume a temporary ownership interest in a regional project when the local sponsors are unable to assume debt for the optimally sized facility. The TWDB may acquire an ownership interest on property and treatment works. The loan repayments that would have been required, if the assistance had been from a loan, are deferred. Ultimately, however, the cost of the funding is repaid to the TWDB based upon purchase payments, which allow the TWDB to recover its principal and interest costs and issuance expenses, etc., but on a deferred timetable.

The intent of this program is to allow for optimization of regional projects through state participation where the benefits can be documented, and such development is unaffordable without state participation. The goal is to allow for the "Right Sizing" of projects in consideration of future growth.

Special Facilities Bonds – Revenue obligations of the District which are secured by and payable solely from sources provided by the benefitting entity.

Strategic Goal – The long range plans and direction of the District.

Surface Water – Natural sources of water, such as rivers and lakes.

T

Take or Pay – Agreement between a member/customer and the District in which the member/customer will still pay a certain amount even if that amount of water is not taken.

Texas Commission on Environment Quality (TCEQ) – Previously known as the Texas National Resources Conservation Commission and is the environmental agency for the State.

Texas National Resources Conservation Commission (TNRCC) – See Texas Commission on Environment Quality (TCEQ)

Texas Water Development Board (TWDB) – This Board was established by the State to provide leadership, planning, financial assistance, information, and education for the conservation and responsible development of water for Texas.

Transportation Rate – The rate charged to cover the variable costs associated with carrying flows thru the main pipeline to the Lakeview Regional Water Reclamation Plant.

Treasury Security – A United States government debt issued by the United States Department of the Treasury through the Bureau of Public Debt and are debt financing instruments of the U.S. Federal government; often referred to simply as Treasuries.

Treated Water – Water that has been processed through the District’s water treatment plant(s) or imported from other utilities, to supplement the District’s water supplies.

True Interest Cost (TIC) – Method of computing the interest expense of bonds and is defined as the rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of bonds. TIC computations produce a figure slightly different from the “net interest cost” (NIC) method because TIC considers the time value of money while NIC does not.

Turnout – A delivery structure which includes metering and valve facilities through which District water is delivered from the pipeline to a delivery system.

U

Unaccounted Water – Difference between amount of water treated and the amount of water sold. The difference is caused by system losses, leakage, unbilled public usage, and water used during construction projects.

U.S. Army Corps of Engineers – The Corps’ mission is to provide quality, responsive engineering services to the nation including: planning, designing, building and operating water resources and other civil works projects (Navigation, Flood Control, Environmental Protection, Disaster Response, etc.)

V

Variable O&M Expenses – Operations and maintenance expenses which vary directly in proportion to the amount of water delivered.

Variance – The dollar and/or percentage difference between two sets of figures.

W

Wastewater – The waterborne discharge from residences, commercial buildings, industrial plants and institutions.

Wastewater Treatment – Processes which involve physical removal of contaminants from the wastewater.

Water Conservation – Reducing the demand for water through activities that alter water use practices, e.g., improving efficiency in water use, and reducing losses of water from leaks.

Water Quality – The chemical, physical and biological characteristics of water with respect to its suitability for a particular purpose. The same water may be of good quality for one purpose or use, and bad for another, depending on its characteristics and the requirements for the particular use.

Water Reclamation – A process by which water used in houses and businesses goes down the drain and becomes wastewater, which is then cleaned using biological and chemical processes so the water can be returned to the environment safely to augment the natural systems from which it came.

Water Rights – A legally protected right, granted by law, to take possession on water occurring in a water supply and to guide the water and put it to beneficial use.

Water Year – The period of June 1 of each calendar year through May 31 of the following calendar year.

Watershed – Area from which water drains to the nearest stream, or lake, eventually to the ocean. Also referred to as a drainage basin.

Well – A vertical drilled hole into an underground formation, usually to obtain a source of water, to monitor ground water quality or to determine the position of the water table.

X

Y

Yield – The average annual rate of return on an investment if it is held to maturity.

Z