UPPER TRINITY
REGIONAL WATER DISTRICT

2025
2026
FISCAL YEAR

- Treated Water
- Long-Range Water Supply
- Water Reclamation
- Non-Potable Water Reuse
- Watershed Protection
- Water Conservation
- Household Hazardous Waste Disposal

ANNUAL BUDGETS
OPERATING & CAPITAL

LAKE RALPH HALL

Lake Ralph Hall Progress

In 2025, construction on Lake Ralph Hall saw major milestones completed. The 32-mile untreated water pipeline and balancing reservoir were finished in the spring, marked by a ceremonial signing of the final pipe section. Significant environmental mitigation also wrapped up, with over 32,000 feet of stream restored and thousands of native trees planted to improve habitat. Key infrastructure such as new bridges, road relocations, and clearing of the reservoir area were completed, while preparations began for the new Ladonia Fossil Park scheduled to open later in the year. With these accomplishments, the project remains on track for completion by the end of 2026.

UPPER TRINITY
REGIONAL WATER DISTRICT
900 N KEALY AVE.
LEWISVILLE, TX 75057

UPPER TRINITY REGIONAL WATER DISTRICT
LEWISVILLE, TEXAS

OPERATING AND CAPITAL BUDGETS

FISCAL YEAR 2025 - 2026

OCTOBER 1, 2025 – SEPTEMBER 30, 2026

Record Vote for Operating Budget

For: **19**
Against: **0**
Absent: **4**

Record Vote for Capital Budget

For: **19**
Against: **0**
Absent: **4**

Adopted by the Board of Directors
September 4, 2025

UPPER TRINITY REGIONAL WATER DISTRICT
BOARD OF DIRECTORS
Fiscal Year 2025 – 2026

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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 01, 2024

Christopher P. Morrill

Executive Director

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READER'S GUIDE

Welcome to the Upper Trinity Regional Water District's (UTRWD's) FY 2026 Budget document. This document is intended to provide practical and pertinent information about the District's financial planning, policies, goals, and priorities for FY 2026, but also provides insight through FY 2030.

THIS BUDGET IS A POLICY DOCUMENT

It describes financial and operating policies, goals, and priorities for every fund and department of the District for the coming year and for our 5-year planning horizon for the District's largest operating system, the Regional Treated Water System. Our Mission Statement, Vision, and Goals as an organization are found in the Strategic Plan section, while the District's Financial Policies are described in the Budget Overview section.

THIS BUDGET IS A FINANCIAL PLAN

It describes the costs of the services provided by UTRWD and how they are funded. The Revenue Summary section presents projected revenues from the District's core business sectors that include Treated and Non-Potable water sales, Water Reclamation services, and Household Hazardous Waste Program. Additionally, interest and other revenues generated from these services are included. The Operating Fund Detail section provides revenues and expenditures by operating system (Fund). Long-term financial planning for the District's Regional Treated Water System is included under the Strategic Planning section of this document and is also presented to the District's Board of Directors. The Capital Improvement Program (for a 5-year planning period) is included in the CIP Funds section of this Budget document.

THIS BUDGET IS A MEANS OF COMMUNICATION

It is an easy-to-read document with summary information in charts and graphs that complement the details in the text. The Executive Summary, found in the Introduction section, presents an organizational and financial overview of the District for FY 2026. The Budget Overview presents summary information by revenue and expenditure category for the District on a "combined" basis and points out major changes between FY 2025 and FY 2026. An overall description of how the District's operating funds and associated internal reserve funds are structured is included in the Fund Summary section. The budget for each fund – one water fund, three wastewater funds, one non-potable water fund, one household hazardous waste fund, and three internal service funds (Administration, Information Technology, and Maintenance), is described in the Operating Fund Detail section, while all outstanding debt and annual debt service amounts (by Fund) are shown in the Debt Summary section. The District's profile and history is included in the Introduction section, while supporting information on the District's member / customer base, service levels, and populations is included in the Statistical Information section of the Budget document.

THIS BUDGET IS AN OPERATIONS GUIDE

UTRWD's Budget document shows each Department's organization chart and budget overview, followed by a detailed budget which includes goals, performance benchmarks, and accomplishments for each. This information is shown in the Operating Fund Detail section, while this information for the District's Engineering Division is shown in the CIP Funds section of this budget document.

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UPPER TRINITY
REGIONAL WATER DISTRICT

MEMORANDUM

TO: Board of Directors

FROM: Larry N. Patterson, Executive Director

DATE: September 4, 2025

SUBJECT: **FY 2025 - 2026 PROPOSED BUDGETS**

I respectfully submit the proposed Operating and Capital Budgets for the Fiscal Year beginning October 1, 2025, for your consideration. These proposed budgets will fund operations, keep our critically important capital improvement program moving forward, and position the District to respond to continued growth within our service area while also providing adequate reserves to respond to unexpected expenses.

Proposed Operating Budgets will allow the District to continue to provide the highest quality services in an efficient manner. Proposed Capital Improvements reflect the implementation of priority regional projects to meet on-going and future needs within the District's service area. Key projects are listed in the Executive Summary of the FY 2025 – 2026 Budget document.

With the Board's continued support and guidance, the staff and I look forward to another productive fiscal year of service for District members and customers.

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EXECUTIVE SUMMARY

Staff is pleased to present the FY 2025-2026 Budget for consideration by the Board of Directors. District staff continue to be committed to good fiscal stewardship, while protecting the environment and providing the highest level of performance for on-going District programs, while also complying with all relevant District financial policies. Each fiscal year, the District's goal is to develop a budget that not only provides sufficient funding to continue our award-winning water and wastewater operations, but that also allows for advancement toward completing the District's Annual Work Program Guidelines for 2025, which was approved by the District's Board of Directors on February 6, 2025.

The FY 2025-2026 budget is consistent with providing funding for the advancement of the annual work program and achieving the following key objectives:

- Completion of various components of the Lake Ralph Hall Reservoir that will allow for the transportation of raw water to be delivered to the District's Harpool Regional Water Treatment Plant beginning in early FY 2027.
- Providing increased staffing for the future operation of Lake Ralph Hall Reservoir.
- Maintaining infrastructure to ensure reliability of service and compliance with all regulatory requirements.
- Increasing the District's investment in its information technology efforts by increasing staff by one additional position.
- Providing additional training, benefits enhancements (increased to Service Incentive Pay based on service longevity), and increased education and advisory services related to employee retirement and investment strategies.
- Increasing contribution amounts to the District's Water Conservation Program to expand the District's goals on educating and assisting its members and customers on the importance of conserving water.
- Assessing the personnel needs of the Business Department and promoting, acquiring, and further developing skilled employees to meet the quickly accelerating financial planning needs of the District. Funding provided for two new positions: Financial Analyst and Staff Accountant.
- Providing additional funding for employee recruitment efforts through internships, job fairs, high school career day events, and the development of an apprenticeship program with local Technical schools.

FY 2026 OPERATING BUDGET HIGHLIGHTS

District management has worked diligently to manage and control costs, while minimizing rate increases. The following reflects Staff recommendations for rate adjustments:

Regional Treated Water Service	5.75%
Northeast Regional Water Reclamation System	2.75%
Lakeview Regional Water Reclamation System	2.75%
Peninsula Water Reclamation Plant	2.75%
Administration	0.00%
Non-Potable Water System	0.22%
Household Hazardous Waste	11.36%

During the budget preparation process, all proposed expenditures were evaluated closely to control cost increases. Highlights of the adopted operating budgets include:

- A maximum merit-raise increase of 5.0% used as a tool to remain competitive in the Dallas / Fort Worth labor market.
- A projected 20.0% increase in health insurance costs due to the need to request bids for a stop-loss provider, since the District is partially self-funded for all medical claims.
- Seven additional positions (Full year funded) will be required to keep up with the increasing workload as the District continues to grow.
- Debt issues planned for FY 2026 include:
    - Regional Treated Water System
        - ✓ $65.00 million conversion of Variable Rate Debt to Long-Term Debt - - $2.30 million of principal and interest debt service (half-year) for FY 2026.
        - ✓ Issuance of approximately $188.74 million of Board Participation Debt for continued construction of Lake Ralph Hall, the Taylor and Harpool Water Treatment Plant expansion projects, and for the Harpool Plant Northeast Transmission Pipeline, Phase 3 - - no debt service until FY 2029.
    - Northeast Regional Water Reclamation System
        - ✓ $38.94 million (Tentative Amount) for continued funding of the Doe Branch Plant expansion and Parallel Interceptor project - - $1.30 million of interest only debt service for FY 2026.

The adopted operating budgets (unchanged from the proposed operating budgets) for the District's utility systems total $119.16 million for the fiscal year, an overall increase of 15.1% compared to last year's adopted budget of $103.53 million. The District continues to experience extraordinary growth and utilizes various reserves to offset rates when economic conditions allow. The adopted budget represents a practical approach to providing the highest quality service at a reasonable rate to its members and customers.

FY 2026 Capital Budget Highlights

The adopted budget (unchanged from the proposed capital budget) for capital improvements is recommended to be $475.88 million, a (2.5%) decrease from last year's budget of $488.09 million. This slight decrease is due to having completed significant construction on the Lake Ralph Hall Reservoir project (FY 2025 budget of $240.32 million to the FY 2026 budget amount of $103.86 million). Continued growth in the District's service areas is driving our capital spending. Two water treatment plants and three water reclamation plants are currently under expansion to serve an ever-increasing customer base. Here's a summary of how the District is investing money into capital infrastructure to better service our growing Member and Customer entities this year:

- Approximately $103.86 million in funding to continue the construction of Lake Ralph Hall that when completed will provide up to 54 million gallons per day - 35 million gallons daily (MGD) of raw and 19 MGD of reuse water to the District. The dam component is scheduled to be substantially complete and placed into operations in September 2026, while the remaining portions of the project are projected to be complete by FY 2031.
- $17.85 million to complete the new Southwest Pump Station to increase pumping capacity to the District's western service area of the Regional Treated Water System.
- $145.40 million for continued phases of expansion for the Taylor and Harpool Regional Water Treatment Plants.

- $52.20 million towards the extension of water transmission lines that will provide additional water to both new and existing members / customers.
- $101.65 million to expand the treatment capacity of the Lakeview, Riverbend, Doe Branch, and Peninsula Water Reclamation Plants.
- $21.30 million to construct a parallel wastewater interceptor to carry increasing flows from the District's northeast service area.

CONCLUSION

The Upper Trinity Regional Water District continues to fulfill its regional mission to provide reliable water and wastewater services to its members / customers. Through our comprehensive and deliberate budget process and collaboration with our Board of Directors, we believe this annual budget positions the District well to advance the vision and mission of our agency. In all that the Upper Trinity Regional Water District does, we strive to provide valued public service, to be accountable to our members / customers / regional partners, and to be good fiscal stewards of the public resources with which we are entrusted.

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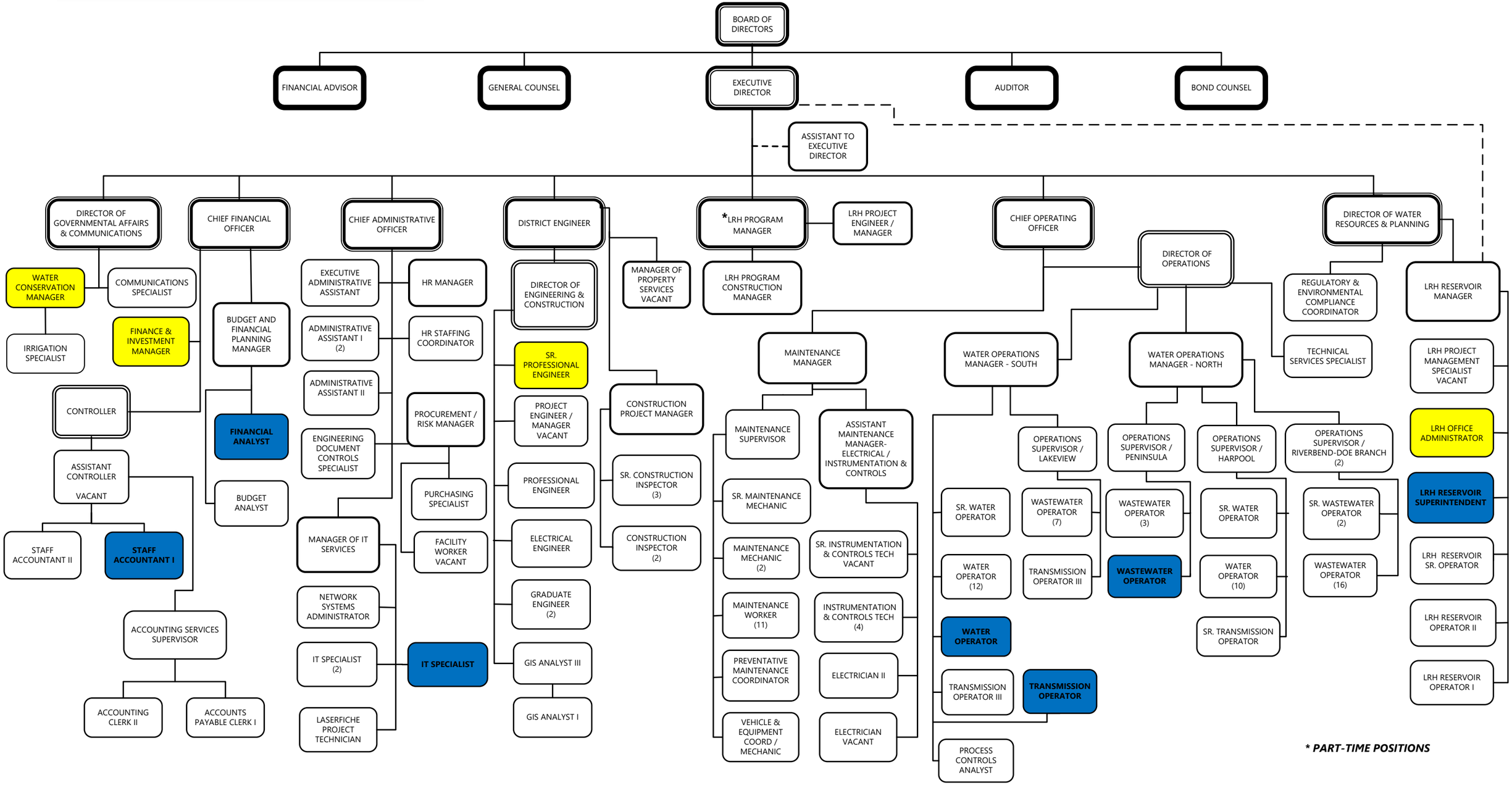
FY 2026 Adopted Organizational Chart



**** PART-TIME POSITIONS***

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SUMMARY OF AUTHORIZED POSITIONS

	2024 Adopted Budget	2025 Adopted Budget	2026 Adopted Budget
Administration			
Executive Director	1	1	1
Assistant to Executive Director	1	1	1
Chief Administrative Officer	1	1	1
Director of Governmental Affairs & Communications	0	1	1
Manager of Governmental Affairs & Communications	1	0	0
Human Resources Manager	1	1	1
Procurement / Risk Manager	1	1	1
Manager of IT Services	1	1	1
Network Systems Administrator	1	1	1
Water Conservation Manager	0	0	1
Human Resources Staffing Coordinator	1	1	1
Water Education Coordinator	1	1	0
Laserfiche Project Technician	1	1	1
Communications Specialist	1	1	1
Purchasing Specialist	1	1	1
Information Technology Specialist	2	2	2
Information Technology Specialist *	0	0	1
Facility Worker **	0	0	1
Engineering Document Controls Specialist	1	0	0
Senior Executive Secretary	1	0	0
Executive Administrative Assistant	0	1	1
Administrative Assistant II	0	2	1
Administrative Assistant I	0	1	2
Secretary	3	0	0
Total	**20**	**19**	**21**
Business/Finance			
Chief Financial Officer	1	1	1
Controller	1	1	1
Assistant Controller	1	1	1
Staff Accountant II	1	1	1
Staff Accountant I *	0	0	1
Accounting Services Supervisor	1	1	1
Accounting Clerk II	1	1	1
Accounts Payable Clerk I	1	1	1
Budget and Financial Planning Manager	1	1	1
Finance and Investment Manager	0	0	1
Senior Financial Analyst	1	1	0
Financial Analyst *	0	0	1
Budget Analyst	1	1	1
Total	**10**	**10**	**12**
Engineering/Construction			
District Engineer	0	0	1
Director of Engineering and Construction	1	1	1
Director of Special Projects and System Optimization	1	0	0
Deputy Director of Engineering and Construction	0	1	0
Assistant Director of Engineering and Construction	1	0	0
Engineering Document Controls Specialist	0	1	1
Senior Professional Engineer	0	0	1
Project Engineer / Manager	2	3	1
Professional Engineer	0	0	1
Electrical Engineer	1	1	1
Graduate Engineer I / Graduate Engineer II	2	2	2
GIS Analyst III	1	1	1
GIS Analyst I	1	1	1
Manager of Property Services	1	1	1
Construction Project Manager	1	1	1
Senior Construction Inspector	1	1	3
Construction Inspector	3	3	1
Construction Inspector **	0	0	1
Total	**16**	**17**	**18**
Lake Ralph Hall (LRH)			
Director of Water Resources & Planning	0	0	1
Assistant Director of Operations - Water Resources	1	1	0
LRH Program Manager	1	1	1
LRH Program Construction Manager	1	1	1
LRH Reservoir Manager **	0	0	1
LRH Project Engineer / Manager	1	1	1
Regulatory and Environmental Compliance Coordinator	1	1	1
LRH Project Management Specialist	1	1	1
LRH Reservoir Superintendent *	0	0	1
Senior Maintenance Mechanic	1	1	0
LRH Reservoir Senior Operator	0	0	1
LRH Transmission Operator I	0	1	0
LRH Reservoir Operator II	0	0	1
LRH Reservoir Operator I **	0	0	1
LRH Office Administrator	0	0	1
LRH Construction Inspector	1	0	0
LRH Accounting Specialist	1	1	0
Total	**9**	**9**	**12**

	2024 Adopted Budget	2025 Adopted Budget	2026 Adopted Budget
Operations/Maintenance			
Chief Operating Officer	0	0	1
Director of Operations	0	0	1
Director of Operations and Water Resources	1	1	0
Deputy Director of Operations	1	1	0
Technical Services Specialist	1	1	1
Maintenance Manager	1	1	1
Assistant Maintenance Manager-Electrical / Instrumentation & Controls	0	0	1
Maintenance Supervisor	1	1	1
Electronics Supervisor	1	1	0
Preventative Maintenance Coordinator	2	2	1
Vehicle & Equipment Coordinator / Mechanic	1	1	1
Electrician	1	1	1
Electrician II	0	1	1
Senior Maintenance Mechanic	1	1	1
Maintenance Mechanic	3	2	2
Senior Instrumentation & Controls Technician	1	1	1
Instrumentation & Controls Technician II	0	0	3
Electronic Technician II	2	2	0
Instrumentation & Controls Technician I	0	0	1
Electronic Technician I	2	2	0
Maintenance Worker II	4	4	4
Maintenance Worker I	4	6	7
Total	**27**	**29**	**29**
Lakeview Regional Water Reclamation System			
LRWRS Operations Superintendent	1	1	0
Operations Supervisor / Lakeview	0	0	1
Senior Wastewater Operator	1	1	0
Wastewater Operator III	3	2	4
Wastewater Operator II	3	2	0
Wastewater Operator I	0	2	3
Transmission Operator III	1	1	1
Total	**9**	**9**	**9**
Northeast Water/Wastewater Reclamation System			
Water Operations Manager - North	1	1	1
Operations Supervisor / Riverbend - Doe Branch	1	1	2
Senior Water Operator	1	1	1
Senior Transmission Operator	1	1	1
Water Operator III	4	4	5
Water Operator II	3	3	3
Water Operator I	3	3	2
Operations Supervisor / Harpool	2	2	1
Senior Wastewater Operator	2	2	2
Wastewater Operator III	7	6	4
Wastewater Operator II	3	6	3
Wastewater Operator I	3	4	9
Total	**31**	**34**	**34**
Peninsula Plant			
Operations Supervisor / Peninsula	0	0	1
Senior Wastewater Operator	1	1	0
Wastewater Operator III	1	1	1
Wastewater Operator II	2	1	2
Wastewater Operator I	0	1	0
Wastewater Operator I *	0	0	1
Total	**4**	**4**	**5**
Regional Treated Water System			
Water Operations Manager - South	1	1	1
Senior Water Operator	1	1	1
Process Controls Analyst	0	1	1
Water Operator III	8	10	7
Water Operator II	3	1	2
Water Operator I	1	1	3
Water Operator I *	0	0	1
Transmission Operator III	1	1	1
Transmission Operator *	0	0	1
Irrigation Specialist	0	1	1
Total	**15**	**17**	**19**
Total Authorized Positions	**141**	**148**	**159**

*** Requested Positions (7) for FY 2026**

**** Positions (4) added at Mid-Year FY 2025**

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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 33 entities (24 cities and towns, 1 utility authority, 2 water supply corporations, 3 fresh water supply districts, 1 utility district, 1 water control improvement 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 24 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 and derives 100% 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 17 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.

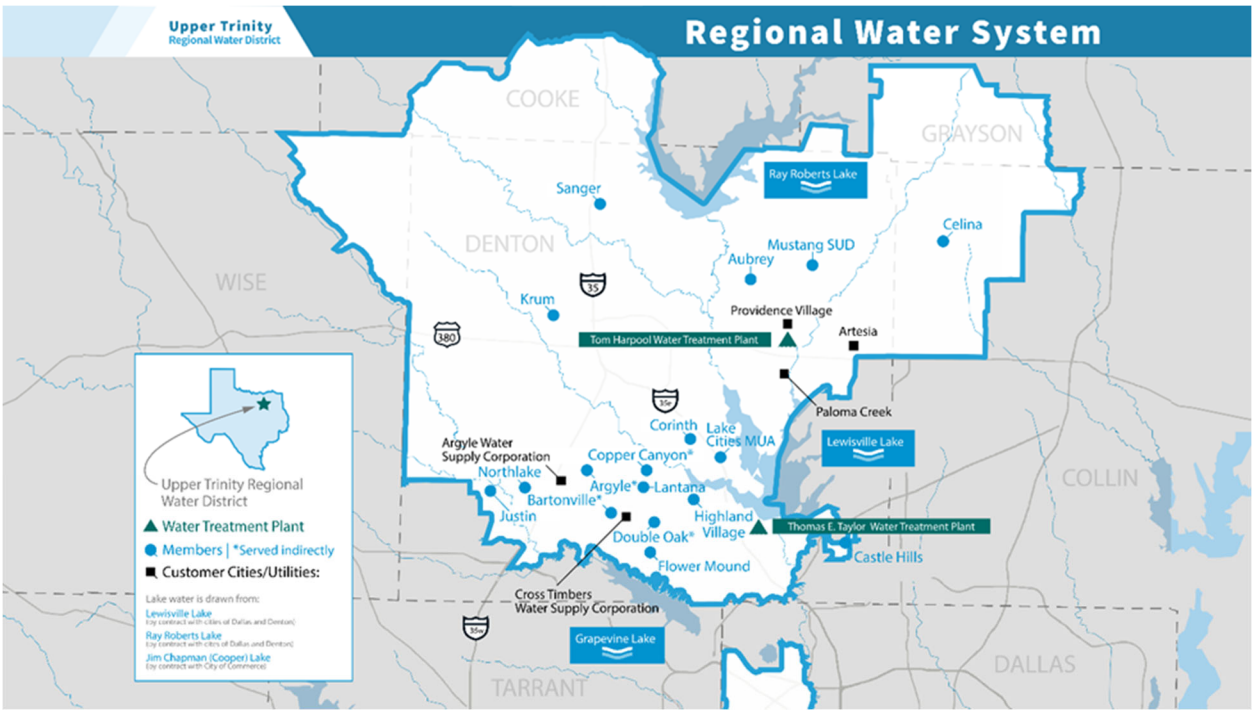
Using state-of-the-art technology and processes, the District prides itself in delivering high quality drinking water, while holding ourselves to higher water quality standards than what traditionally is required by state and federal regulations.

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.

The District's Diversified Water Portfolio
Lewisville Lake (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 and Grapevine Lake

Water from Chapman Lake is delivered through a pipeline owned and operated by the City of Irving. A portion of the District's flow 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.



To maintain adequate water supplies in the future, more water conservation and more reuse of existing supplies are part of the answer. However, additional water sources are critical. The District is constructing a new source of water in Fannin County - Lake Ralph Hall. Additional sources are also being developed to meet the long-term demand projections.

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 will be built in time to avoid a water shortfall. The reservoir is projected to begin yielding raw water for District operations in the fall of 2026.

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. 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 - This water treatment plant provides treated drinking water to communities and utilities in southern Denton County. Treating to its full 20 million gallon per day (MGD) capacity the first full year of operation, the plant was expanded to 70.0 MGD in 2001. The next phase of the expansion from 70.0 to 85.0 MGD is currently underway and is anticipated to be completed in FY 2028. Initial design for an additional expansion is anticipated to begin in FY 2026. The plant was planned with staged expansion capability to 300.0 MGD of treatment capacity as needed to provide for future growth within the District's service area. 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 30.0 MGD and the expansion of administration and maintenance facilities, increased raw water handling, and treatment capability is ongoing. Construction to further expand from 30.0 to 60.0 MGD began in FY 2024. 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 240.0 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 include approximately 106.86 miles of pipelines transporting water to its members and customers, along with pump stations and water storage facilities. All 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 pumping capacity to deliver approximately 40.0 MGD of treated water to the District's members and customers.

Temple Dane Pump Station – In 2000, the District partnered with Mustang Special Utility District to construct a joint pump station and a one-million-gallon storage facility to provide approximately 12.0 MGD of treated water to the District's members and customers.

Southwest Pump Station – Located in the Canyon Falls Development near Northlake and Flower Mound, the Southwest Pump Station will have two 5-million-gallon ground storage tanks that are able to pump approximately 25.0 MGD of treated water to District Members and Customers. This project is anticipated to be completed in FY 2026.

Water Reclamation Facilities

Lakeview Regional Water Reclamation System

The District initiated wholesale water reclamation 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 water reclamation 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. As the District has experienced with its other water reclamation plants, flows in the Lakeview Regional Water Reclamation System have reached the point where expansion of

the treatment capacity of the Plant is necessary. Construction to expand the treatment capacity of the Lakeview Plant from 5.5 MGD to 7.5 MGD is projected to begin in FY 2027.

NORTHEAST REGIONAL WATER RECLAMATION SYSTEM

In 2003, water reclamation 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, while DCFWSD #10 later became Elm Ridge Water Control Improvement District in 2022). 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 water reclamation contracts. In FY 2018, Mustang SUD acquired a majority of DCFWSD #10's subscribed capacity at the Riverbend Plant (0.5265 MGD) and later acquired the City of Aubrey's 0.28 MGD subscribed capacity in FY 2019. In FY 2026, Mustang will acquire the subscribed capacities of DCFWSD #8A (0.45375 MGD) and DCFWSD #11 (0.71575 MGD). 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 reliability 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. An additional expansion from 4.0 to 8.0 MGD is anticipated to begin in FY 2026.

East Side Lift Station - This water reclamation pump station was constructed in 2003 ahead of the Doe Branch Plant on the Doe Branch property, to serve development in the Doe Branch drainage basin. The Lift Station is currently used in conjunction with the Doe Branch plant, which became operational in November 2016.

West Influent Lift Station – This water reclamation pump station serves developments north and west of the Riverbend Plant and is currently being rehabilitated with completion expected in FY 2027.

Doe Branch Plant - This water reclamation plant became operational in November 2016 and serves the cities of Celina and Prosper, as well as a portion of Elm Ridge WCID (formerly DCFWSD #10) and Mustang Special Utility District. Like the Riverbend Plant service area, the Doe Branch Plant service area has experienced tremendous population growth. An expansion of this Plant's treatment capacity from 2.0 to 4.0 MGD began in FY 2020 and became operational in FY 2022. Construction for further expansion from the current capacity of 4.0 to 12.0 MGD began in August 2023 and is anticipated to be completed in FY 2028.

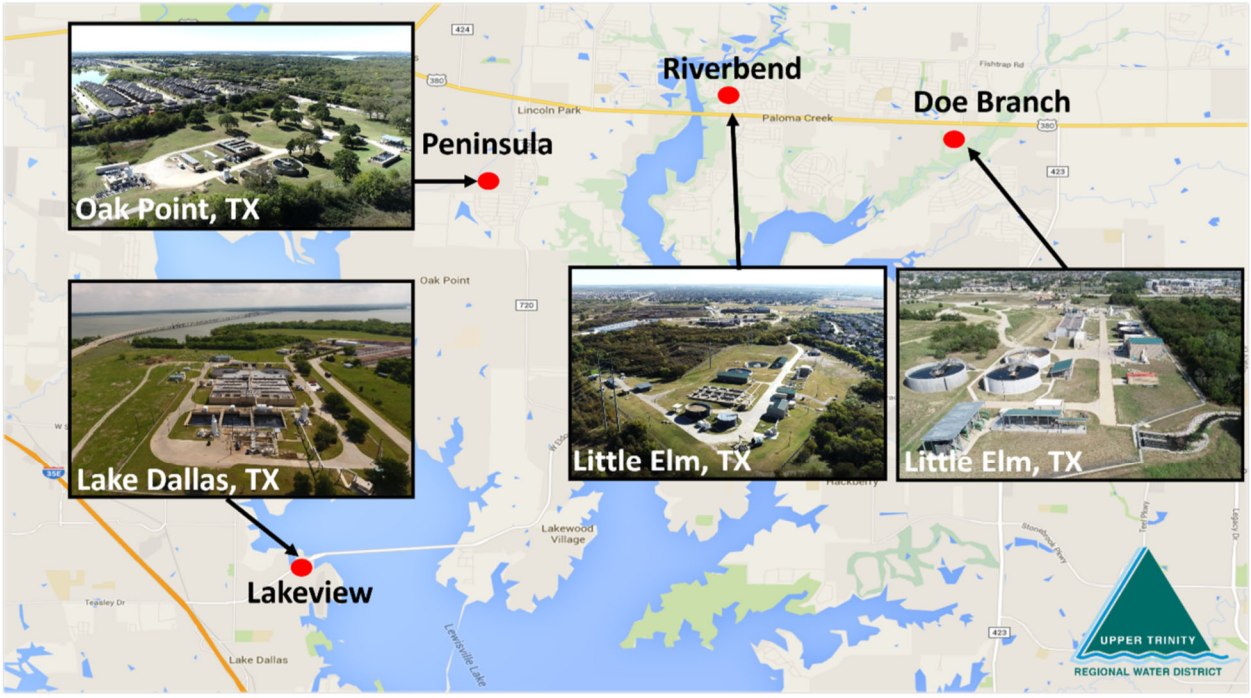
PENINSULA WATER RECLAMATION PLANT

Constructed and placed in service in 2003, the Peninsula Plant was initially 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 plant's effluent flows are 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 grass 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 water reclamation services for the Mustang Special Utility District. The City of Oak Point transferred its water reclamation Certificate of Convenience and Necessity (CCN) and assigned its water reclamation 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 began design and engineering for the expansion of its treatment capacity to 2.0 MGD in January 2020. The expansion was completed, and the additional treatment capacity was placed on-line in September 2023. An additional expansion from 2.0 to 4.6 MGD is anticipated to begin in FY 2026.



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 of treated effluent from the City of Lewisville wastewater treatment plant can be pumped to the Castle Hills golf course in Lewisville for irrigation. DCFWSD #1A was annexed by Lewisville in 2022.

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 continue. In the public interest, it is urgent that the potential effect on water quality and the water supply for this region is not 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 coordinates 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 Community Organic 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, etc., the vegetable garden provides educational opportunities that promote the District's Watershed Protection Program. The garden currently has a total of 55 plots, growing healthy fruits and vegetables.

Water Conservation Program

To assure adequate water supplies for the future, conservation of existing resources is 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 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. The District also hosts tours of the Taylor Water Treatment Plant for schools and other groups to teach the importance of water conservation and to explain how water is treated and distributed. District staff coordinate with local partners to host educational events, such as presentations and workshops, and staff are also available to make presentations to schools and other groups upon request.

The District also promotes the importance of conservation through public awareness campaigns primarily focused on reducing outdoor watering. The District places public service announcements and advertisements on radio, television, digital billboards, social media and its website or by promoting newspaper articles and advertisements in newspapers with general circulation in the service area. The District provides messaging to its Customer utilities to use to promote a regional conservation message on their respective social media and websites.

The District has implemented Texas A&M AgriLife's 'Water My Yard' outdoor watering management program. The 'Water My Yard' website, WaterMyYard.org, allows residents to receive weekly lawn watering recommendations, which are given in minutes. Recommendations are based on data from four weather stations installed in the District's service area, as well as the landscape's needs, to prevent unnecessary overwatering. 'Water My Yard' is a free service. To gain new subscribers, the District encourages its Customer utilities to promote 'Water My Yard' to their respective retail customers.

The District began a residential irrigation system evaluation program in 2017. A typical evaluation includes identification of potential system leaks, diagnosis of equipment malfunctions, and recommendations for equipment upgrades and controller settings to enhance water efficiency. During the evaluation, education about good landscape watering practices and the use of earth-friendly materials is shared with the retail customer. Evaluations are paid by Upper Trinity and are free for residents. Due to continued growth in the District's overall service area and the importance of maintaining sufficient raw water supplies, public

education and outreach activities that stress the importance of water conservation are being funded through the FY 2026 adopted budget, including additional funding for a new Irrigation Specialist to conduct residential sprinkler inspections, with approximately 500 evaluations projected for completion this fiscal year.

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 participating in the event.

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

- **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.

- **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.
- **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 can host 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 can achieve results and services on better terms and at lower costs than would otherwise be possible if each community acted alone.

AWARDS AND HONORS

BUSINESS

Government Finance Officers Association (GFOA)
- Certificate of Achievement for Excellence in Financial Reporting, 2000 – 2024 (for Fiscal Year End) (25 Years)
- Distinguished Budget Presentation Award, 2009 – 2024 (for Fiscal Year Beginning) (16 Years)
  - Special Capital Recognition, 2014, 2018, 2019, 2021, 2022

PURCHASING

Achievement in Excellence in Procurement Award, 2020

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
Association of Metropolitan Water Agencies (AMWA) Gold Award for Exceptional Utility Performance, 2023

LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM

National Association of Clean Water Agencies (NACWA) Platinum Peak Performance Award, 1999-2023 (Platinum 25 years)

NORTHEAST REGIONAL WATER RECLAMATION SYSTEM – RIVERBEND PLANT

WEAT George W. Burke Jr. Award, 2020
WEAT Municipal Wastewater Treatment Plant of the Year – Category 2 (1-15 MGD), 2019
WEF Safety Award, 2020
NACWA Platinum Peak Performance Award, 2008-2023 (Platinum 16 years)
NACWA Environmental Achievement Award, 2020

NORTHEAST REGIONAL WATER RECLAMATION SYSTEM – DOE BRANCH PLANT

NACWA Gold Peak Performance Award, 2016-2023 (Platinum 8 years)
WEAT Municipal Wastewater Treatment Plant of the Year Award, 2024

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, 2003-2023 (Platinum 20 years)
WEAT Municipal Wastewater Treatment Plant of the Year Award, 2024

WATER / WATER CONSERVATION:

NACWA Excellence in Management – Platinum Award, 2020

NACWA Excellence in Management – Silver Award, 2019
NACWA National Environment Achievement Award, 2014
WEAT Exemplary Employer Award, 2024
WEF Utility of the Future Today (UotFT) Recognition, 2024

COMMUNICATIONS / OUTREACH

American Water Works Association – Texas Section (TAWWA) Texas Water Watermark Award for Multimedia, 2023

PERSONAL AWARDS:

Water Environment Association of Texas (WEAT)

- Lifetime Achievement Award – Larry N. Patterson, 2014
- Outstanding Operator of the Year – Joe Thompson, 2013
- Arthur Sidney Bedell Award – Jody Zabolio, 2013
- Texas Shootout Award – James Rogers, 2013
- William D. Hatfield Award – Ben Hodges, 2016
- Pillars of the Profession – Larry N. Patterson, 2020
- Bill Tatum Operations Excellence Award – Steven McHenry, 2024
- Emerging Leader Award – Kaylee Waldo, 2024
- WEAT Workforce Development Award – Ben Hodges, 2024
- WEAT Winfield S. Mahlie Award – Jody Zabolio, 2024

Water Environment Federation (WEF) William D. Hatfield Award – Jody Zabolio, 2023

South Central Membrane Association (SCMA) Outstanding Plant Operator Award – Jeff Mlak, 2023

NACWA President's Award – Larry N. Patterson, 2015

Distinguished Graduate of the Zachry Department of Civil & Environmental Engineering at Texas A&M University – Larry N. Patterson, 2023

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*				
Celina				
Copper Canyon*				
Corinth				
Cross Roads*				
Cross Timbers WSC				
Denton	***			
Denton County				
Denton County FWSD #7				
Denton County FWSD #8A *				
Denton County FWSD #11A *				
Double Oak*				
Elm Ridge WCID				
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

**** Mustang SUD begins directly servicing Denton County Fresh Water Supply Districts #8A & #11A in FY 2026

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BUDGET OVERVIEW

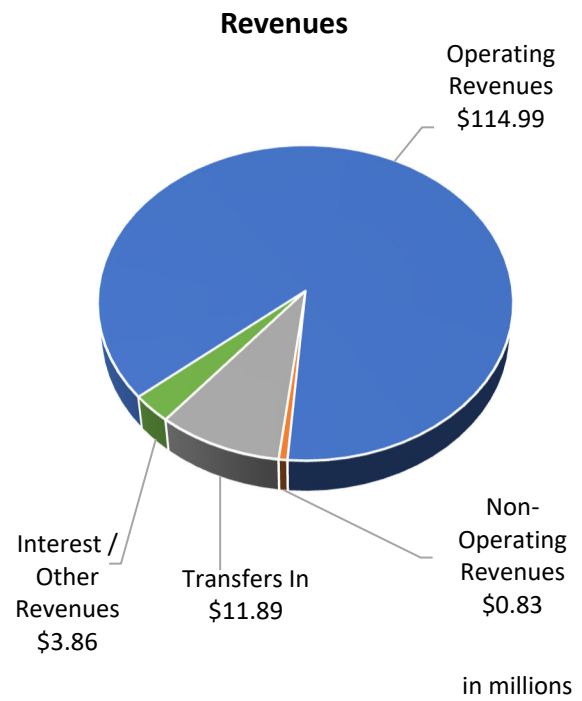
The adopted FY 2026 budget presents a comprehensive projection of Upper Trinity Regional Water District (UTRWD) operations from October 1, 2025 through September 30, 2026. This budget overview describes the key recommendations encompassing the FY 2026 budget.

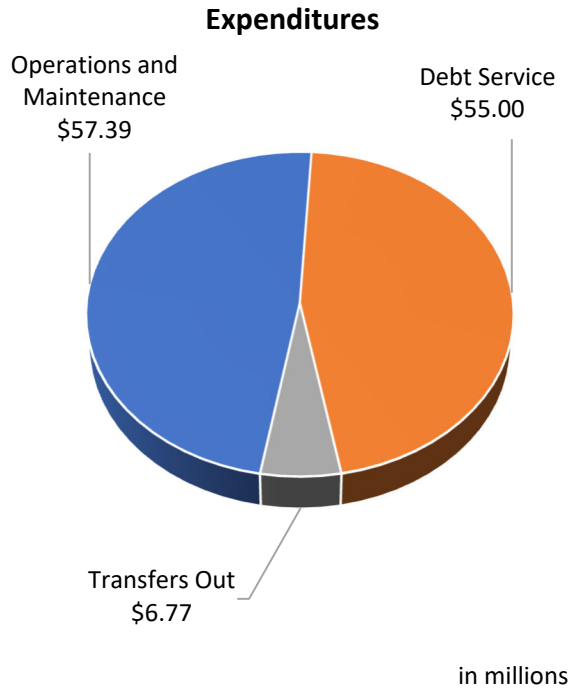
The District functions as an Enterprise Fund that provides wholesale water and wastewater service to municipalities and special districts primarily in Denton County and in parts of northwest Collin County and presents an annual budget that is prepared on the Cash Basis method, whereby all transactions are recognized when cash changes hands. This differs from the method used to prepare the District's annual financial statements, which are reported under the accrual method, whereby revenues are recognized when earned and expenses are recognized when incurred. There are also Internal Service funds (Administration, Information Technology, and Maintenance) that support the District's four core businesses. These core businesses consist of:

- **Water System** – the Regional Treated Water System includes functions related to the development and provision of additional water resources, pumping of raw water from existing sources, treatment of raw water, and distribution of treated water to members / customers of the System. Additionally, this System provides funding (through a portion of its Volume Rate) for development of Future Water Sources, Watershed Protection outreach and educational programs, and promotion of Water Conservation initiatives.
- **Wastewater Systems** – the Lakeview and Northeast Regional Water Reclamation Systems and the Peninsula Water Reclamation Plant include functions related to the collection of wastewater flows from members / customers entities, treatment of wastewater flows, and pumping of treated effluent water (reuse) back into Lake Lewisville (a raw water source of UTRWD).
- **Non-Potable Water System** – includes functions related to providing treated effluent and raw water to one member of the UTRWD for irrigation and industrial purposes.
- **Household Hazardous Waste** – includes functions related to coordinating collection events with contracted communities in the UTRWD's service area and properly disposing of hazardous waste (paint, chemicals, e-waste, batteries, etc.) at a contracted landfill. This program is offered by UTRWD to ensure that such hazardous materials are disposed of properly and kept out of the District's watershed.

UTRWD's FY 2026 Operating budget, adopted by its Board of Directors on September 4, 2025, totals **$119,163,610** an overall increase of **15.1% ($15,636,235)** from the 2025 budget total of $103,527,375. Debt service expense increased **$5,613,225** from FY 2025 due to the District's capital improvement program. Additionally, Raw Water expense (Regional Treated Water and Non-Potable Water Systems) reflects an increase of **$3,440,365** due to a 9.3% rate increase from Dallas Water Utilities, as well as an increase in projected usage of Dallas raw water for FY 2026. A District-wide summary of FY 2026 revenue requirements (expenses), as well as the sources of funding to meet these requirements (revenues), is provided in the following table (next page). FY 2025 data is also provided for comparison purposes.

Operating Systems	$ in Millions			
	FY 2025 Budget	FY 2026 Budget	$ Change	% Change
Revenues				
Operating Revenues	$ 105.00	$ 114.99	$ 9.99	9.5%
Non-Operating Revenues	0.91	0.83	(0.08)	(8.8%)
Transfers In				
Internal Reserve Funds	5.18	11.80	6.62	127.8%
Other Systems	0.16	0.09	(0.07)	(43.8%)
Interest / Other Revenues	3.46	3.86	0.40	11.6%
Total	**$ 114.71**	**$ 131.57**	**$ 16.86**	**14.7%**
Expenditures				
Operations and Maintenance	$ 49.15	$ 57.39	$ 8.24	16.8%
Debt Service and Related Expenses	49.39	55.00	5.61	11.4%
Transfers Out				
Internal Reserve Funds	4.77	6.69	1.92	40.3%
Other Systems	0.22	0.08	(0.14)	(63.6%)
Total	**$ 103.53**	**$ 119.16**	**$ 15.63**	**15.1%**
Increase / (Decrease) to Fund Balance	**$ 11.18**	**$ 12.41**	**$ 1.23**	**11.0%**





Operations and Maintenance (O&M) Budget Highlights

The FY 2026 O&M budget totals $57.39 million, reflecting an increase of $8.24 million, or 16.8%, compared to $49.15 million in FY 2025. The table below summarizes the primary drivers for the change in the O&M budget from FY 2025 to FY 2026:

	$ in Millions	
FY 2025 O&M Budget		**$ 49.15**
Personnel Services	$ 1.17	
Plant & Equipment Maintenance	3.31	
Raw Water Purchases / Pumping Costs	3.44	
Chemicals	(0.08)	
Electricity	0.05	
Professional Services	0.02	
Insurance – Property & General Liability	0.17	
Tools, Equipment, & Machinery < $5K	0.12	
Other O&M Changes (Net)	0.04	
Net Increase in O&M		$ 8.24
FY 2026 O&M Budget		**$ 57.39**

With the continued growth in member / customer population demands for water and wastewater services, including placing components of the Lake Ralph Hall project into operations in FY 2027, the FY 2026 adopted budget provides funding for seven new positions in Operations, Maintenance, and Engineering / Construction, consisting of:

- A Financial Analyst assigned to the Administration Fund.
- A Staff Accountant I assigned to the Administration Fund.
- An I/T Specialist assigned to the Information Technology Division (100.0% allocated to the Administration Fund).
- A Transmission Operator assigned to the Regional Treated Water System.
- A Water Operator II assigned to the Regional Treated Water System.
- A Wastewater Operator I assigned to the Peninsula Water Reclamation Plant.
- An O&M Supervisor allocated 100% to the Lake Ralph Hall project (CIP Budget).

Additional funding is needed for a projected 20.0% increase in the District's health insurance benefit for its employees due to the raising the maximum total of medical and prescription claim expenses per employee from $35,000 to $50,000 and for having a new stop-loss carrier pick up those expenses that are more than the $50,000 per employee cap.

For FY 2026, Plant and Equipment Maintenance expenses are projected to increase by 160.6% (approximately $3.31 million). However, this amount includes $2.90 million for the completion of a dredging project at the Harpool Regional Water Treatment Plant to remove silt and other solids from the

raw water holding pond, used to allow raw water that is brought over from Lake Chapman to sit and stabilize so that any mud or dirt particles are brought into the Plant for treatment. This project is being 100.0% funded by a transfer in from the Raw Water Holding Pond Reserve and is currently being funded via a $0.02 / 1,000-gallon component included in the Regional Treated Water System's Volume Rate, along with excess working capital from prior year operations that were deposited to accumulate funds to be used specifically to provide funding for these periodic maintenance projects. The remaining increase of $0.41 million represents a 19.9% increase from FY 2025, allowing for ongoing maintenance and repairs of District's treatment plants to be more in line with current expenditure amounts.

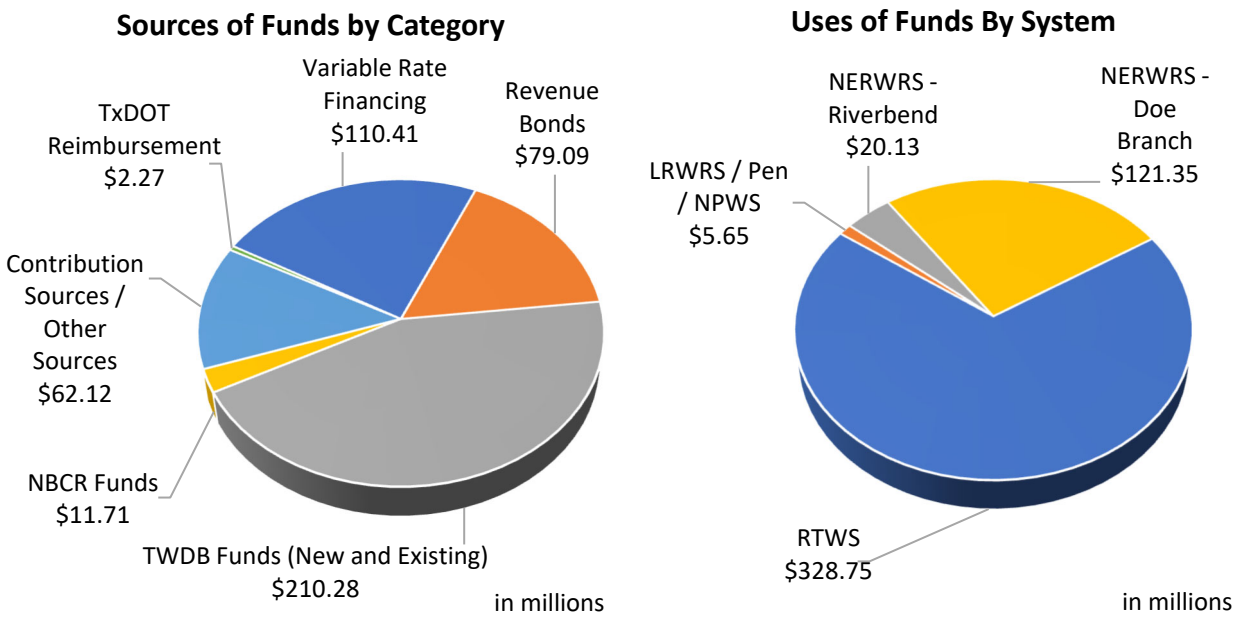
Raw Water Purchases and Pumping costs for FY 2026 represent a 24.5% increase (approximately $3.44 million) from the prior year due to a 9.3% increase from Dallas Water Utilities (City of Dallas, Texas), as well as a projected 15.5% increase in the projected usage of their water by the District from 29.47 to 34.03 MGD. Currently, raw water from Dallas Water Utilities makes up the largest source available to the District for its production of treated water. However, when raw water becomes available from the new Lake Ralph Hall Reservoir, projected to come on-line in late FY 2026 or early FY 2027, the District will be able to lower its overall raw water costs by including a lower cost source into the current raw water portfolio.

More details on projected operation and maintenance expenditures for FY 2026 can be found in the **Operating Funds Detail** section of this budget document.

CAPITAL IMPROVEMENT PROGRAM (CIP) HIGHLIGHTS

The FY 2026 Capital Improvement Program totals $475,878,980, an overall decrease of (2.5%) from the FY 2025 budget total of $488,085,920. Planned projects include:

- Construction of a ground storage tank and pump station with a screening wall and fencing, for the Southwest Pump Station, Phase 1 project - Regional Treated Water System.
- Expansion of treatment capacity at the Taylor and Harpool Regional Water Treatment Plants – Regional Treated Water System.
- Continued construction on the proposed Lake Ralph Hall with projected delivery of raw water to be used in the production of drinking water to be online in FY 2027 – Regional Treated Water System.
- Continued work on the construction of treated water pipelines from the Harpool Regional Water Treatment Plant to participants located in the northeast service area – Regional Treated Water System.
- Continued work towards expanding the treatment capacity of the Lakeview Regional Water Reclamation Plant and Odor Control and Lift Station improvements around the System - Lakeview Regional Water Reclamation System.
- Continued construction of improvements to the West Influent Lift Station – Northeast Regional Water Reclamation System.
- Planning / design for the next expansion of the Riverbend Plant's treatment capacity – Northeast Regional Water Reclamation System.
- Continued construction to expand the treatment capacity of the Doe Branch Plant – Northeast Regional Water Reclamation System.
- Completion of improvements to Clarifier #1 and to begin planning / design for the next expansion of treatment capacity at the Peninsula Water Reclamation Plant.



For additional information on the District's capital improvement budget, refer to the **CIP Funds** section of this budget document.

Impact on Rates

Regional Treated Water System

The following rates and charges are established to keep the overall blended rate increase for the Regional Treated Water System at 5.75% for FY 2026:

- The adopted Volume Rate for members is $1.72 / 1,000 gallons (a 10.3% increase from the FY 2025 rate of $1.56 / 1,000 gallons) and for customers it is $1.85 / 1,000 gallons (a 10.8% increase from the FY 2025 rate of $1.67 / 1,000 gallons).
- The adopted Demand Charge increased to $557,765 per MGD of contracted system capacity, a 3.4% increase over the FY 2025 charge of $539,435 per MGD.
- The Flat Rate / Temporary Service Rate adopted by the Board is $6.18 / 1,000 gallons, representing a 5.8% increase from the prior year rate of $5.84 / 1,000 gallons.

Lakeview Regional Water Reclamation System

The following rates and charges (Treatment Rate, Excess Flow Surcharge, and Fixed O&M Charge only) are adopted to reflect an overall average rate increase of 2.75% for FY 2026:

- The adopted Treatment Rate is $1.40 / 1,000 gallons (a 2.2% increase from the FY 2025 rate of $1.37 / 1,000 gallons).
- The adopted Fixed O&M Charge is $490,300 per MGD of contracted system capacity, representing a 7.0% increase from the FY 2025 charge of $458,180 per MGD.
- Capital Charges for Joint / Individual Facilities are assessed to recover debt service costs associated with capital facilities for each individual system participant. The FY 2026 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 used to construct common-to-all facilities.

NORTHEAST REGIONAL WATER RECLAMATION SYSTEM – RIVERBEND AND DOE BRANCH PLANTS

The following rates and charges (Treatment Rate and Fixed O&M Charge only) are adopted to reflect an overall average rate increase of 2.75% for FY 2026:

- The adopted Treatment Rate for members is $1.49 / 1,000 gallons (a 3.5% increase from the FY 2025 member rate of $1.44 / 1,000 gallons) and $1.60 / 1,000 gallons (a 3.2% increase from the FY 2025 customer rate of $1.55 / 1,000 gallons).
- The adopted Fixed O&M Charge is $669,900 per MGD of contracted system capacity, representing a 2.1% increase from the FY 2025 charge of $656,300 per MGD.
- An adopted Excess Flow Surcharge of $0.59 / 1,000 gallons (a 5.4% increase from the FY 2025 surcharge of $0.56 / 1,000 gallons) for any System participant whose monthly wastewater flows exceed their monthly contracted capacity in the System. All surcharge revenues are to be transferred to the System's O&M Reserve on a monthly basis.
- Capital Charges for Joint / Individual facilities are assessed to recover debt service costs associated with capital facilities for each customer. The FY 2026 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 used to construction common-to-all facilities.

PENINSULA WATER RECLAMATION PLANT

The following rates and charges (Treatment Rate and Fixed O&M Charge only) are adopted to reflect a 2.75% overall average rate change from FY 2025:

- The adopted Treatment Rate for members is $1.49 / 1,000 gallons (a 9.7% decrease from the FY 2025 rate of $1.65/ 1,000 gallons).
- The adopted Fixed O&M Charge of $774,000 per MGD of contracted system capacity (a 10.2% increase from the FY 2025 Fixed O&M Charge of $702,200 per MGD).
- Capital Charges for Joint facilities are assessed to recover debt service costs associated with capital facilities for Mustang Special Utility District (the only participant of the Peninsula Plant). The FY 2026 capital charge is based on the debt service requirement for the 2016 Revenue Bonds issued for the completion of the UV Disinfection System Improvement project.

ADMINISTRATION FUND

By Contract, each Member and Contract Utility pays for administration and planning costs of the District, generally according to population. The FY 2026 adopted per capita rate for populations up to 5,000 remains at $0.435 per capita. For populations with 5,001 to 25,000, the rate remains at $0.244 per capita. The final population category for over 25,000 remains at a rate of $0.096 per capita. These administrative fees are unchanged from FY 2025 and have not increased since FY 2019 mainly due to continued population increases in the District's service areas over the past six years.

NON-POTABLE WATER SYSTEM

The following rates and charges are established that reflect an overall average rate impact at 0.22% for FY 2026:

- The adopted Treated Effluent Water Rate is $0.53 / 1,000 gallons and remains unchanged from FY 2025.
- The adopted Raw Water Rate is $1.39 / 1,000 gallons (a 9.4% increase from the FY 2025 rate of $1.27 / 1,000 gallons).
- The adopted Demand Charge of $125,000 per MGD of contracted system capacity - - unchanged from FY 2025.

HOUSEHOLD HAZARDOUS WASTE FUND

The FY 2026 adopted Collection and Disposal rate of $147 per household for HHW Events held by the District is increased by $15 each (an 11.4% increase from the FY 2025 rate of $132) and the individual Fort Worth voucher rate of $125 per household is also increased by $15 each (a 13.6% from the FY 2025 rate) due to the Landfill Disposal Fee for each household / voucher charged by the City of Fort Worth being raised by $30 (from $95 in FY 2025 to $125 for FY 2026). Rather than passing on the full $30 increase to the participants, the rates were increased by half of the cost increase per household / voucher, while utilizing additional working capital to mitigate the remainder of the cost increase to balance the budget for FY 2026. The District's program has been providing this service on an interim basis until cities begin hosting their own programs, generally through their solid waste providers. This initiative has been very successful in keeping pollution out of the District's watershed sources.

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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. Next, all budget forms with instructions are emailed to Superintendents, Managers and Directors by Budget staff which outlines 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, and by the Rate Committee in May, preliminary rates, fees, and charges are presented to 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.

Any Operating or Capital Budget amendments require approval by the District's Board of Directors. When these are required, a "Budget Amendment" form is completed reflecting the reason, amount, and the fund, department, and account number for the revenue or expenditure. This form is included in the board packet sent to the Board member before a Board meeting and is voted on under the "Items for Individual Consideration" on the Board meeting agenda.

Mid-Year Budget Amendment

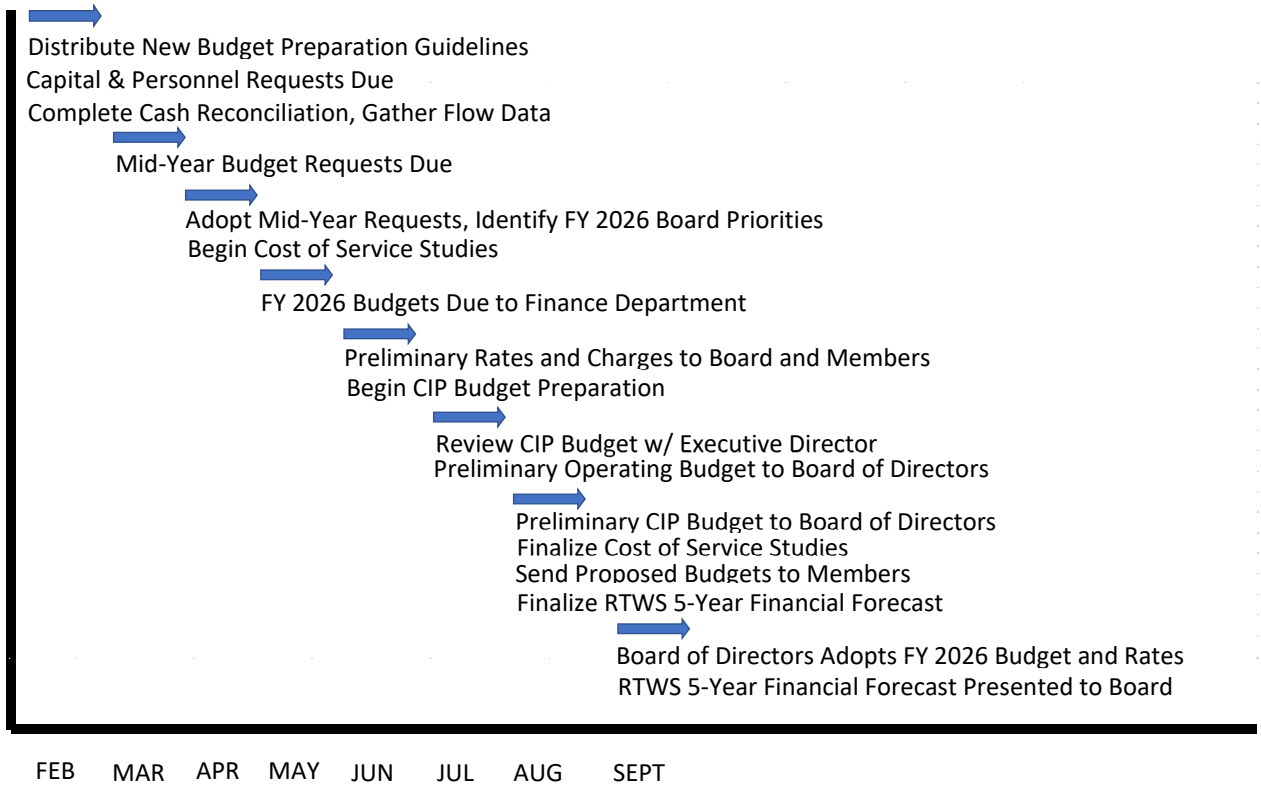
Modifications to the operating and capital improvement budgets are made primarily during the mid-year budget process. This process begins with meetings of the Operations and Engineering Departments to assess any changes that should to be made in the budgets to accommodate changes in revenues and expenses 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 budgets 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 Operation Supervisors, Superintendents, Managers, and Directors
Mid-February	Kick-off meeting for FY 2025 mid-year budget and FY 2026 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 2025 mid-year budget requests due to Business Services FY 2026 new personnel requests due to Human Resources FY 2026 capital purchase requests due to Purchasing to assist in developing cost estimates FY 2026 Information Technology requests due
Mid-March	FY 2025 mid-year CIP meeting with Engineering Department FY 2025 mid-year budget salary and benefits forecast
Late March	Review proposed FY 2025 mid-year budget requests with Executive Director Complete FY 2025 mid-year budget amendments and resolution Receive flow data surveys
Early April	Adopt FY 2025 mid-year budget amendments and discuss FY 2026 budget priorities
Mid-April	FY 2026 budget request forms due to Directors Begin FY 2026 CIP review with Engineering Department FY 2026 budget request forms due to Business Services FY 2026 budget salary and benefit forecast
Mid-May	Review FY 2026 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 2026 preliminary operating budget Second review of FY 2026 preliminary operating budget with Executive Director
Early July	FY 2026 preliminary operating budget presented to Board of Directors
Mid-July	Finalize FY 2026 – 2030 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 2026 preliminary operating and capital budgets to members / customers Final review of FY 2026 proposed operating and capital budgets and rate, fees, and charges with Executive Director Finalize RTWS 5-Year Financial Forecast
September	Present FY 2026 proposed operating and capital budgets and rate resolutions to Board of Directors for adoption RTWS 5-Year Financial Forecast Presented to Board of Directors

BUDGET PREPARATION TIMELINE



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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 Covenants.

These policies represent long-standing principles, traditions, and practices that have guided the District in the past and 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

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 yield adequate Net Revenues to sufficiently meet reserve and debt requirements.

- All adopted FY 2026 budgets are projected to yield an increase in ending cash.

District Fund	Increase in Ending Cash
Administration Fund	$61,915
Lakeview Regional Water Reclamation System	$521,185
Non-Potable Water System	$38,100
Northeast Regional Water Reclamation System	$1,588,370
Peninsula Water Reclamation Plant	$107,130
Regional Treated Water System	$10,088,290
Household Hazardous Waste	$1,270

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.

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 100.0% collection rate with an average aging period for accounts receivable of approximately 30 days.

INVESTMENT POLICIES

The investment of District funds emphasizes the importance of capital preservation in its overall portfolio and invests in accordance with the Public Funds Investment Act (PFIA).

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 should 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, 2025, the weighted average yield to maturity for the District's investments was 3.949% with an investment mix of Local Government Investment Pools, an MMA Sweep account, CD's, and Bank Deposits. Notably, 8% of the District's investments are held in bank accounts, 10% in an MMA Sweep account, and 82% are invested in TexPool, which is rated AAA by Standard & Poor's.

Cash balances are maintained to allow for adequate liquidity of funds to meet the District's projected operating and capital requirements to ensure timely satisfaction with financial obligations.

The District will be in conformance with federal, state, and other legal requirements.

Operating Budget Policies

Budgetary Basis

The District uses the cash basis of budgeting for all fund types. Under the cash basis of budgeting, transactions are recognized only when cash changes hands. Encumbrances and depreciation are not budgeted. District expenses may not exceed the amounts appropriated.

The District adopts an annual balanced budget with revenues that are equal to or greater than its expenditures 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).

District management (including Operations and Human Resources) annually review all approved positions to determine adequate staffing levels in each department with current positions.

Accounting Basis

The proprietary fund is 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.

Budgetary Basis vs. Accounting Basis

The basis of budgeting differs from the basis of accounting by the timing of the recognition of revenues and expenditures. The budget assumes that all revenues and expenditures, as well as the associated cash, will be expended or received during the budget period. Conversely, the basis of accounting only recognizes revenues when measurable and available, and expenditures when incurred. Cash is not necessarily received or expended at the time of recognition.

Expense Policy

The District procures all 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

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 (including Debt Service), plus up to a 5.0% contingency for variable conditions.

Upon receipt of year-end results, operating surplus funds that exceed 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 transferred to the Non-Bond Capital Reserve to be used for funding capital improvement projects, urgent repairs, purchase of heavy maintenance items, or rate stabilization.

At Mid-Year 2024 (April 2024), District staff identified and presented $15.12 million of excess working capital (from FY 2023 operations) to the District's Board of Directors. This excess working capital was authorized to be transferred to District reserve funds in accordance with the above policies and are included in the transfer out totals throughout the District's systems (See Operating Fund Detail section of this budget document).

At Mid-Year 2025 (April 2025), District staff identified and presented $19.43 million of excess working capital (from FY 2024 operations) to the District's Board of Directors. This excess working capital was authorized to be transferred to District reserve funds in accordance with the above policies and are included in the transfer out totals throughout the District's systems (See Operating Fund Detail section of this budget document).

Interfund Loan Policies

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 was 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 for 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.

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 is used. 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 an 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

The District maintains an **Operating and Maintenance (O&M) Reserve** in most systems and makes annual deposits to this fund designed to equal 25.0% of annual operating and maintenance expenditures (not including debt service).

- Adopted FY 2026 budgets for the District's major systems having an O&M Reserve are all projected to have a minimum of 100.0% funding levels at the end of the fiscal year. **These funding levels are shown in the Budget Overview section of this budget document.**

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 Reserve is used to report those proceeds of revenue bond issuances that are restricted for use in construction.

The Interest and Sinking (I&S) Reserve is used to segregate resources accumulated for debt services payments over the period of construction.

The Debt Service Reserve is used to report resources set aside to make up potential future deficiencies in the Interest and Sinking Reserve fund and is equal to the average annual senior lien debt outstanding.

A **Capital Replacement Reserve** has been established in the District's Operating Systems (Funds) to accumulate resources for future replacement of capital assets (plants, pipelines, etc.).

A **Vehicle and Equipment Replacement Reserve** 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.

A **Non-Bond Capital Reserve** 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 capital improvement

projects 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 Systems 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 the availability of equity funds or changes in need or conditions for capital funds.

A **Lake Ralph Hall Reserve** has been established to accumulate funds, at the discretion of the District's Board of Directors, as rate stabilization for future annual debt service payments from debt issues related to the construction of Lake Ralph Hall.

A **Lake Ralph Hall Reservoir Operating Reserve** has been established to accumulate funds, at the discretion of the District's Board of Directors, as a funding tool for the purchase of various assets to be used in the operation of Lake Ralph Hall, rather than using debt instruments to purchase these assets once the Lake has been placed into operation and open to the public.

A **Raw Water Holding Pond Dredging Reserve** has been established to accumulate funds for future dredging of the Regional Treated Water System's raw water holding ponds. Dredging is necessary every 6 - 8 years at the Harpool Plant holding pond and every 8 - 10 years for the Taylor Plant holding pond. Annual contributions per 1,000 gallons of flows treated will help provide funding for future holding pond dredging project expenditures so that these large and infrequent expenses do not cause large rate fluctuations.

A **Property Insurance Deductible Reserve** has been established to accumulate funds to meet insurance deductible requirements in the event of a claim. This was established in April 2025 due to increasing the deductible amount for all property related claims to reduce insurance premium expenses.

For additional information regarding the District's Reserves, refer to the Other Reserves / Funds section of this budget document.

Debt Policies

The District is empowered to use debt financing when it is appropriate and authorized by the Board of Directors.

The District finances capital improvements over a period that is not greater than the useful life of the improvement.

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 (Cash Basis Debt Coverage Ratio), but with a minimum of 1.15. Additionally, there is no specified debt limit established for the District. **The Cash Basis Debt Coverage Ratio (CBDCR) and the Additional Bonds Test Coverage Ratio (ABTCR) are shown in the Debt Summary section for District Operating Systems with outstanding debt.**

All outstanding revenue bonds will be secured by a pledge of the net revenues of the System benefiting from the borrowed capital.

The District utilizes a minimum present value parameter of 3.0% to 3.5% present value savings regarding the decision to refund any outstanding debt. The most recent bond refunding is as follows:

- In July 2025, the Regional Treated Water System issued $73.79 million (par value) of Refunding Bonds to convert $62.20 million of outstanding Variable Rate Financing to long-term debt. This issue also refinanced apportion of its Series 2015 Revenue Bonds (outstanding principal of $11.59 million) that yielded net present value savings of 4.3%. This debt service savings has been incorporated into the FY 2026 Regional Treated Water System **(see the Operating Fund Detail section of this budget document).**

The District maintains good communication with bond rating agencies about its financial condition. Current bond ratings are shown in the Debt Summary section of this budget document.

The District publishes and distributes an official statement for each bond issuance, except for those occasions when bonds are sold by the Texas Water Development Board for proceeds loaned to the District as Board / State Participation loans.

Variable Rate Financing Replacement Policies

The District utilizes Variable Rate Financing in the Regional Treated Water System to match cash flow needs more accurately for capital improvement projects and to lower the District's cost of debt service in early years. In prior years, the District participated in a Commercial Paper program and more recently, a Direct Purchase Program. This program was phased out in FY 2024 so that the District could enter into a Variable Rate Financing agreement with another financial institution to increase its variable debt financing capacity from $75.0 to $100.0 million. In FY 2025, this program was expanded to $150.0 million.

Furthermore, it is the District's policy that variable rate financing is 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.

- The Adopted FY 2026 Budget includes a half year of debt service for a $65.00 million conversion of outstanding Variable Rate financing to Revenue Bonds for late FY 2026. The FY 2026 blended rate increase for the Regional Treated Water System is 5.75% from FY 2025. Refer to the Debt Summary section of this budget document for additional information regarding the District's Variable Rate Financing balance for FY 2026.

Fixed Asset Policies

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 or more years and having a cost of $5,000 or greater) and those not requiring capitalization. Furthermore, departmental staff are assigned the responsibilities of control, transfer, disposition, and annual inventory of control assets (those valued at 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.

LONG-RANGE PLANNING POLICIES

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 2030. The Five-Year financial forecast for the Regional Treated Water System is then presented to the Board of Directors. Similar rate forecasts have been developed for the District's wastewater systems as well. However, they have not been presented to the District's Board of Directors. These long-range planning models allow staff to include any known trends regarding 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 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 chemical treatment costs due to less movement of flows creating stagnant conditions and odor problems in the system.
    - Economic conditions such as oil and electricity market volatility, recessions, interest rate uncertainty, etc., also require District staff to adjust financial planning forecasts.

Other variables District staff incorporate into these planning tools include:

- Available funding.
- Financial Risk.
- Regulatory requirements.

- Level of services that can be sustained.
- Capital investment requirements.
- Future commitments and resource demands.
- Other variables that could cause a change in the level of revenue.

Refer to the "Long-Range Financial Plan" section of the District's FY 2026 GFOA budget document for the Regional Treated Water System's 5-Year financial plan for FY 2026 through FY 2030.

Accounting, Auditing, and Financial Reporting Policies

An independent audit of the District's financial statements is performed annually.

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

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 like 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 prepare the budget for the District's cash inflows (revenues) and outflows (expenses), which recognizes only those revenues when collected and expenses when paid by the District.**

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

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.

The cost of field engineering, construction, inspection, and project management shall be charged to the applicable project or system, according to actual time incurred.

Administration (overhead) expenditure includes management and support staff salary and benefits, office expenses, general operating expenses (e.g., utilities, landscaping, etc.) and professional services. In FY 2021, the District established a separate Information Technology (IT) Fund that includes all IT personnel salaries and benefits, computer equipment and supplies for the District, professional services expense, and O&M expenses (vehicle expenses, fiber optics maintenance, and equipment and furniture purchases).

100.0% of Information Technology Fund expenses are then allocated to the Administration Fund. 3.0% of all Administration Fund expenses are kept within the Administration Fund with the remaining 97.0% proportionately allocated to District operations and the Capital Improvement Program (based on total expenses). From time to time, the Board of Directors reviews and adjusts the level of Fees for Administration and Planning to be paid by all members of the District as required to cover the 3.0% total of administrative expenses held in the fund.

For projects funded and owned by others, for which the District provides only coordination and inspection services, no administrative overhead expenses will be allocated. However, direct labor and administration overhead allocation may be addressed separately in special provisions of a project participant's contract with the District.

Capital Budget Policies

The District adopts a one-year budget, with subsequent changes made via individual budget amendments (completed as needed), as well as mid-year budget amendments (presented to the Board of Directors in April of each fiscal year). All budget amendments must be approved by the District's Board of Directors. Additionally, a 5-year Capital Improvement Program budget is developed and presented to the Board of Directors in September of each fiscal year **(see the Long-Range Financial Plan section of this budget document)**. Informally, a 20-year Capital Improvement Program budget is developed for further planning purposes, but due to the risks involved with planning periods over 5 years, this is not presented to the Board but kept internally for District staff strategic planning purposes.

Regarding the District's physical assets, the District's Maintenance Division keeps records of the prior maintenance expenses and condition levels of District assets through the Computerized Maintenance Management System. This asset condition information is periodically communicated with Operating System superintendents to be used for future planning, to ensure that these financial needs are incorporated into the District's cash flow projections.

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MISSION – VISION – GOALS

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

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STRATEGIC GOALS

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 the development of regional systems in an efficient manner throughout the District's service area in a relatively short period of time.

Each calendar year, the District's Board of Directors approves the annual Work Program Guidelines, developed and proposed by District staff, that include strategic goals to be achieved by the end of the year. This annual Work Plan includes goals that staff must work towards every year and that are consistent with the District's mission to provide the highest level of services that are environmentally and economically sound. Within this section is a summarized list of Special Activities and Projects from the 2025 Work Program Guidelines adopted by the District's Board of Directors on February 6, 2025. This summarized list of Goals / Objectives includes those to be met by District Management, as well as specific items that are shown at the District's departmental level for 2025. To reflect progress made on each of these strategic goals and objectives, the reader will find:

- Links to District websites reflecting actions by the Board of Directors (UTRWD.com and LakeRalphHall.com).
- Links to external websites.
- Cites to the District's budget document of the section and page number(s).
- A statement of the most up-to-date status of a work plan item obtained from District staff / department assigned to achieve a particular goal / objective.

Additionally, these guidelines fall into two major categories:

- **General** – Covering broad goals and themes. This is where we see the heart and can sense the personality of the District – the image we want to convey to others.
- **Specific** – These are the activities and individual projects we plan to get accomplished or underway in 2025.

GENERAL WORK PLAN GUIDELINES FOR 2025

- Inform Public Officials, Civic Leaders, and Citizens About Vital Programs of Upper Trinity.
- Be a Strong Advocate for the Regional Perspective.
- Focus on Water Resources / Planning and Conserving.
- Cultivate a Culture of Teamwork and Cooperation.
- 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 Opportunities to Support Members / Customers.
- 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
~ Practice Great Teamwork
~ Educate & Inform the Public
~ Build Positive Image
~ Encourage Safe Work Habits
~ Strive for Efficient Operations
~ Show Flexibility & Agility
~ Streamline & Simplify
~ Produce Superior Results
~ Be Creative & Innovative
~ Sustain the Environment
~ Aggressively Plan for the Future
~ Maintain Cost Control
~ Share Cost Equitably
~ Promote Conservation
~ Excel at Customer Service

SPECIFIC PROJECTS AND ACTIVITIES FOR 2025 (WORK PLAN GUIDELINES)

LEADERSHIP - BE A PROACTIVE, VISIONARY AGENCY FOR THE REGIONAL; ADDRESS THE NEEDS OF THE SERVICE AREA AND BE RECEPTIVE TO NEW OPPORTUNITIES TO SERVE.

Initiative: Continue mandated long-range water supply planning efforts: Continued coordination with water supply partners during the development of the 2026 Region C Water Plan / 2027 State Water Plan to identify new water supply sources during development of 2026 Region C Water Plant / 2027 State Water Plan.	
Goal #1	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. **Results / Reference(s):** *Water Sources - UTRWD* ***(Link)*** *Home - Home (lakeralphhall.com)* ***(Link)***
Goal #2	Continue to implement water rights permit No. 5821 issued December 11, 2013 by TCEQ for LRH in Fannin County, Texas. • With funds provided by TWDB • financial assistance, continue construction of the Leon Hurse Dam and Lake Ralph Hall Conveyance System, and resolve eminent domain cases. **Results / Reference(s):** *Project Schedule - Lake Ralph Hall* ***(Link)*** *The monthly project updates reflect continual progress on all components of the Lake Ralph Hall project.* *25_0904_Board-Agenda.pdf* ***(Link)*** Minutes-September-4-2025.pdf **(Link)** *Agenda Item #13A to consider approval of a Financing Agreement with the Texas Water Development Board (TWDB) under the State Water Implementation Fund for Texas (SWIFT) Program for the Regional Treated Water System-Board Participation for the Lake Ralph Hall project. This additional tranche of funding is projected to be $60.375 million.* *As of September 20, 2023, all 136 parcels needed for the Lake Ralph Hall 32-Mile Pipeline have been acquired. As of October 13, 2025, there are 9 eminent domain cases representing 400 acres outstanding. These are expected to be resolved by the end of calendar year 2025 or in 2026.* *See CIP Funds section of this budget document (21-51RH), Page #283.* • Continue to coordinate with the U.S. Forest Service to complete the Land Exchange process for Lake Ralph Hall. **Results / Reference(s):** *District staff are continuing to work through the Federal Government's multi-step process to finalize this land transaction and anticipate that it will be completed in 2026.*

Goal #3	Maintain a progressive public stance regarding District activities concerning LRH and in relationships with Fannin County, City of Ladonia, and the general public. • Continue to support Fannin County and the City of Ladonia regarding administration of zoning regulations around Lake Ralph Hall. **Results / Reference(s):** *Lake Ralph Hall - Home | Facebook* ***(Link)*** *Fannin County, Texas* ***(Link)*** Project Updates - Lake Ralph Hall **(Link)** • Continue discussions with the City of Ladonia and other interested parties regarding responsibilities for water and / or sewer relocations, future water supply, and operation of a future Fossil Park, and take appropriate actions. **Results / Reference(s):** *District staff continue to work with the City of Ladonia regarding these issues.* *Lake_Ralph_Hall_Comprehensive_Plan__Adopted_2022.10.11_-Website_Version.pdf* ***(Link)*** *Ladonia Fossil Park Relocation | Lake Ralph Hall* ***(Link)*** *25_0605_Board-Agenda.pdf* ***(Link)*** *Agenda Item #19C reflects approval and acceptance of work from Kimley-Horn and Associates, Inc. on the Lake Ralph Hall Water and Wastewater Master Plan.* • Partner with the City of Ladonia to address the city's transition to a lakeside community by providing technical support and advice relative to the operation and maintenance of their water and wastewater systems. **Results / Reference(s):** *District staff continue to work with the City of Ladonia regarding these issues.* *Lake_Ralph_Hall_Comprehensive_Plan__Adopted_2022.10.11_-Website_Version.pdf* ***(Link)*** *Lake Ralph Hall Comprehensive Plan | Social Pinpoint (mysocialpinpoint.com)* ***(Link)*** Fannin County, Texas *attested 07-15-2025 LRHZC Minutes.pdf* ***(Link)*** • Continue coordinating with Fannin County for safety enforcement services in support of Lake Ralph Hall operations and the public's recreational use. **Results / Reference(s):** *Staff continue to meet with Fannin County officials to develop an agreement for these types of services. The District is hopeful that this will be resolved in FY 2026.* • Continue the planning / visioning for the area around Lake Ralph Hall. Begin to implement the conceptual plan for the overall lake site, including public access, water resource features, and public amenities. **Results / Reference(s):** *Staff continue to meet with Fannin County law enforcement to review any requests that they may have regarding law enforcement at LRH. This item is projected to be resolved in 2026.*

	Lake_Ralph_Hall_Comprehensive_Plan__Adopted_2022.10.11_-Website_Version.pdf *attested 07-15-2025 LRHZC Minutes.pdf* • Continue outreach programs to District customers, elected officials, and the general public to provide project construction updates and other key information using the Lake Ralph Hall website, electronic newsletter, and social media channels; and provide presentations to elected officials and civic groups as requested. **Results / Reference(s):** *Home | UTRWD* ***(Link)*** *Home | Lake Ralph Hall* ***(Link)*** *Lake Ralph Hall - Home | Facebook* ***(Link)*** *Upper Trinity R Water District (@uppertrinitywater1989) • Instagram photos and videos* ***(Link)*** *Upper Trinity Regional Water District - YouTube* ***(Link)*** • Continue to install watershed markers in appropriate locations along public roads on District property throughout the project site. **Results / Reference(s):** *Watershed Protection Program - UTRWD* ***(Link)*** *Mitigation & Watershed Protection - Lake Ralph Hall* ***(Link)*** *Education_Public_Awareness.pdf (ctfassets.net)* ***(Link)*** *See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2024 – 2025, (Watershed Protection Program), Page #158.* • As part of the District's watershed protection program, continue to 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. **Results / Reference(s):** *Conservation Easements | UTRWD* ***(Link)***
Goal #4	In coordination with the City of Irving, complete the design and begin construction of the Princeton Booster Pump Station improvements needed to transport LRH water through Irving's existing pipeline from Chapman Lake; begin updating the Operations Plan in cooperation with Irving. **Results / Reference(s):** *25_0605_Board-Agenda.pdf* ***(Link)*** *Agenda Item #19D requesting approval for the Executive Director to release funding to the City of Irving for construction of the Princeton Booster Pump Station Capacity Expansion Project.*

Goal #5	Regarding Oklahoma Water, keep applications up to date (with financial reporting 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, considering the recent court case dismissal), and for water from Lake Texoma. **Results / Reference(s):** *See Operating Funds Detail section of this budget document – Regional Treated Water System, Accomplishments for FY 2024 – 2025, Page #217 (5th and 6th bullet points). These efforts are on-going.*
Goal #6	Regarding Chapman Lake Reuse: • Secure an amendment to the Chapman Lake Reuse Permit (#5778) to include effluent from Mustang SUD's Sandbrock Wastewater Treatment Plant and Celina's planned new wastewater treatment plant system. **Results / Reference(s):** *Permit has been issued as of February 21, 2025.* • Begin permitting process with TCEQ to secure an indirect Reuse Permit for LRH water, as well as a Bed and Banks Permit to discharge LRH water into Lewisville Lake. **Results / Reference(s):** *This application was filed June 4, 2025, and deemed administratively complete on June 18, 2025. Currently, this item is under technical review with the Texas Commission on Environmental Quality.* • Evaluate the possibility of filing an application regarding acquisition of reuse rights for Members' and Customers' wastewater generated by groundwater or surface water flows to the District's water reclamation plants. **Results / Reference(s):** *Currently (at budget document submission date), this item is on-hold.*
Goal #7	Evaluate beginning implementation of additional water management strategies to meet the long-term water supply needs of the District. **Results / Reference(s):** *A Raw Water Master Plon and Regional Water system feasibility study in coordination with Greater Texoma Utility Authority and the North Texas Municipal Water District. A final draft report for this project is under review. Additionally, District staff have also met with various water providers regarding water availability. There are also a couple of additional water supply studies ongoing.*

Initiative: Continue involvement with Texas Water Supply Partners	
Goal #8	Continue involvement with Texas Water Supply Partners by monitoring 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, and the newly created Texas Water Fund. **Results / Reference(s):** *This is on-going and is funded through the Administration Fund and the RTWS Future Water Program.* *See Operating Funds Detail section of this budget document – Administration Fund ($48,650 is Included in Other Outside Services budget for FY 2026) and Other Funds section of this budget document – Future Water Program, Page #226 (Description) and Page #234 (Budget of $48,650 included under Professional Services).*
Initiative: Monitor legislative activities during the 89th Legislative Session	
Goal #9	Continue monitoring all legislative activities under consideration that could affect the District or its Members. **Results / Reference(s):** *The District provides funding for these activities in the Administration Fund budget (FY 2025) and has secured a law firm to provide legislative monitoring services. Additional funding for these services is included every other fiscal year for the period that the Texas Legislature is in session.*
Initiative: Water Conservation / Drought Contingencies	
Goal #10	Actively monitor the current drought conditions and remain ready to make adjustments to the District's drought response as needed. **Results / Reference(s):** *Upper Trinity Regional water district (utrwd.com)* ***(Link)*** *UTRWD's updated Drought Contingency Plan dated February 8, 2024, and presented at the February 1, 2024 Board meeting.* UPPER TRINITY REGIONAL WATER DISTRICT (utrwd.com) ***(Link)*** *UTRWD's updated Water Conservation Plan dated February 8, 2024, and presented at the February 1, 2024 Board meeting.*
Goal #11	Continue promoting 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, particularly the year-round maximum twice weekly outdoor watering requirements. **Results / Reference(s):** *Conserving Water - UTRWD* ***(Link)*** *The District utilizes several mediums to promote its Water Conservation program, including the District's website, social media, plant tours, presentations, and others.* *See Other Funds section of this budget document – Water Conservation Program, Page #226 (Description) and Page #233 (Budget).* City & Utility Resources - UTRWD ***(Link)*** *Customer entities are encouraged to adopt these model plans, which include the latest best management practices and are consistent across all Customers.*

Goal #12	In coordination with Customer entities, continue promoting the District's conservation programs, including implementation of strategies adopted as part of the District's Water Conservation Plan. For reporting purposes, document the conservation efforts, activities, and expenditures. **Results / Reference(s):** *Conserving Water - UTRWD* ***(Link)*** *The District utilizes several mediums to promote its Water Conservation program, including the District's website, social media, plant tours, presentations, and others.* *See Other Funds section of this budget document – Water Conservation Program, Page #226 (Description) and Page #233 (Budget).*

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.

Initiative: Maintain a robust preventive maintenance program	
Goal #1	Continue to review necessary staff levels and initiate staff training to fully support the operational and maintenance needs of the growing facilities of the District, to include Lake Ralph Hall. Remain focused on recruitment / training of Electrician and Instrumental and control Technician positions District-wide. **Results / Reference(s):** *Operations and Maintenance managers communicate their staffing needs to the Director of Operations when developing the annual preliminary budget. These requests are communicated to the District's Human Resource Department so that any requested positions are linked to a current job description with costing provided to the Budget Division. Lake Ralph Hall staffing needs are currently being developed to ensure adequate staffing when the Lake comes online.* *See Operating Funds Detail section of this budget document – Administration Fund, Performance Measures Section (Employment Rate), Page #148.* *See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2024 – FY 2025, (Recruit capable candidates for vacant positions), Page #157.*
Goal #2	Continue the on-going assessment of maintenance efforts for corrosion protection of District facilities (underground, underwater) and take necessary steps to address deficiencies and staff training. **Results / Reference(s):** *Based on service provided by HDR Engineering in FY 2021 and 2022, District operation staff continue to maintain the corrosion protection systems developed by the consultant as part of all routine pipeline inspections throughout all District operations.*

Goal #3	Continue with condition assessment techniques, including inspection, planning, and other technologies on District pipelines and facilities. Use results to prioritize capital improvement projects, operational improvements, and proactive maintenance activities. **Results / Reference(s):** *District staff continue to utilize recommendations from a study completed by HDR Engineering, Inc., for the Regional Treated Water System's Condition Assessment Planning Project to prioritize capital projects for the water and wastewater systems, along with techniques and procedures for preventative maintenance.*
Goal #4	Continue to purchase spare parts and equipment to build up District inventory during this period of limited supply. **Results / Reference(s):** *Operations and Maintenance are given the opportunity to request spare equipment items during the development of the preliminary budget during April through May of each fiscal year. These purchases are included in the annual revenue requirement and funded through rates and charges. Additionally, if these items meet the District's capitalization requirements, these purchases are included as assets and if not, these purchases are expensed in the year of purchase.*
Initiative: Updated Emergency Operations Plan from the District's Risk and Resilience Assessment and updated Emergency Operations Plan mandated by the America's Water Infrastructure Act.	
Goal #5	Provide an overview briefing for the Board and key staff members. Take steps to implement any required changes and initiate training exercises for staff. **Results / Reference(s):** *District staff completed and certified the mandated Risk and Resiliency Assessment used to update the District's Emergency Operations Plan and have presented this to the Board. Staff training on all facets of the District's Emergency Operations Plan has continued since the Plan was updated in FY 2022 and meets all regulatory requirements and the Board continues to be briefed, as necessary.*
Initiative: Training Program for Employees	
Goal #6	Continue to review and modify the annual training program for 2025 according to future needs and goals. Develop a new employee training program by position. **Results / Reference(s):** *The Human Resources Department continues to review with Executive staff all training needs for District staff. Safety skills training continues to be provided to ensure that our employees follow proper procedures in all areas within the District. H/R staff continues to work with Maintenance and Operations management to develop a new employee training program by position. Additionally, Leadership and computer training was completed during the year.*

Goal #7	Introduce a leadership coaching program to employees who show potential for leadership positions in support of the District's succession planning program. **Results / Reference(s):** *In May 2024, the District began a series of on-line classes to kick off a Leadership Training Program to provide not only current leadership, but up and coming leaders the tools for communication, relationship building, and the integration of strategy and culture to strengthen workplace excellence. This training lasted through September 2025 and included in-person workshops for select District Managers, Supervisors, and Director staff.*
Initiative: District Personnel Policies	
Goal #8	Continue review of District Personnel Policies, incorporate Administrative Directives, and make any needed revisions. **Results / Reference(s):** *The Human Resources Department continually reviews the District's Personnel Policies and updates are made as needed. All new policies are presented to District's Personnel Committee, before being presented to the Board of Directors for approval. A new Tuition Reimbursement Policy and revised Vacation and Service Incentive Pay policy have been presented to the Board of Directors' Personnel Committee for consideration.*
Initiative: Employee Retirement Plan – Advisory and Training Improvements	
Goal #9	Begin an affiliation with a Retirement Fiduciary Advisor to assist with benchmarking the District's Retirement Plan to bring down costs and provide investment monitoring, review, and advice for best-in-class investments. **Results / Reference(s):** *The District began working with a Fiduciary to provide fiduciary investment advisory services for the District and its employees continue to build a robust retirement planning environment for our employees as well as to meet the District's expectations for comprehensive and quality financial planning services. The Fiduciary negotiated recordkeeping price reduction for our employees dropped from 0.23% to 0.08%.*
Goal #10	Establish an employee investment committee, an investment policy statement, and provide fiduciary training and regulatory updates, while providing training to maximize employee engagement. **Results / Reference(s):** *The Employee Investment Committee was established in May 2025 and comprehensive fiduciary training was provided. An Investment Policy Statement and Committee Charter were also adopted.*

Initiative: Electronic Filing System	
Goal #11	Continue implementation of the Laserfiche electronic filing system to include Engineering and Construction files. Continue developing a trained staff capable of maintaining the system to ensure full conversion of records to the electronic format. Provide in-house training to District employees on how to locate documents in Laserfiche to eliminate manual document searches. **Results / Reference(s):** *The conversion of Administration files into an electronic format has been completed. The conversion of Engineering / Construction documents is ongoing. Additionally, the IT Department developed a training video to teach employees how to complete various search features within the Laserfiche software.*
Goal #12	Develop an in-house training manual for District employees to learn how to locate documents in Laserfiche to eliminate manual document searches. **Results / Reference(s):** *The IT Department developed and distributed a training video to demonstrate the various search functions within the software to assist District employees.*
Goal #13	Increase user subscriptions to allow all District employees to access to search District documents. **Results / Reference(s):** *The beginning user count for Laserfiche was 10 users under the 10-49 level subscription. We moved to the next level subscription that is 50-99 users, and we currently have 50 user licenses. Currently 40 of the 50 user licenses are being used by various users including standard users and administrators.*
Initiative: Development of a District Intranet	
Goal #14	Develop an Intranet to provide better internal communications to employees as the District continues to grow with an initial rollout in 2025. **Results / Reference(s):** *This project is ongoing with an anticipated launch in FY 2026.*

Lake Ralph Hall Items

Initiative: Lake Ralph Hall	
Goal #1	Continue to manage and monitor planning, design, and construction of Lake Ralph Hall, and the associated mitigation and conveyance systems. **Results / Reference(s):** *Project Updates - Lake Ralph Hall* ***(Link)*** *Monthly Reports reporting on the activities of the Lake Ralph Hall Project are shown on the District's website, www.lakeralphhall.com.*

Goal #2	Regarding Lake Ralph Hall infrastructure: • Obtain TxDOT and Fannin County approval of roadway relocations and close out the Flatiron contract. **Results / Reference(s):** 25_0904_Board-Agenda.pdf **(Link)** *Agenda Item #17A to consider a resolution authorizing acceptance of completed work, approval of final change order, final payment, and release of retainage for the Progressive Design Build Contract for Lake Ralph Hall Roadway Relocations awarded to Flat Iron Constructors, Inc.* • Continue construction of the Leon Hurse Dam and work to resolve outstanding construction issues. **Results / Reference(s):** *25_0904_Board-Agenda.pdf* ***(Link)*** *Agenda Item #17B to consider approval of Task Order #7 to an existing contract with Freese and Nichols, Inc. for Lake Ralph Hall Leon Hurse Dam Construction Management Services.* *At the October 2, 2025 Board of Director's meeting, it was presented that the construction of the Leon Hurse Dam is 75% complete. The Dam is projected to be substantially complete (to divert water) in September 2026, with final completion in December 2026.* • Continue construction of a raw water pipeline, raw water pump station, balancing reservoir, delivery point into the Irving (Chapman) system. **Results / Reference(s):** LRH-Bi-Monthly-Report-Final-Updated-8-4-25.pdf *The August 2025 Lake Ralph Hall progress report provides status updates on the raw water pipeline, raw water pump station, balancing reservoir, and delivery point into the Irving (Chapman) system. Monthly reporting on the activities of the Lake Ralph Hall Project is shown on the District's website, www.lakeralphhall.com.* *At the October 2, 2025 Board of Director's meeting, it was presented that:* *Raw Water Pipeline installation has been installed with scheduled completion in Fall 2025* *Balancing Reservoir is 50% complete with scheduled completion in December 2025* *Lake Ralph Hall Delivery Point is 84% complete with scheduled completion in October 2025* *Raw Water Pump Station is 90% complete with scheduled completion in December 2025* • Work with Fannin County Electrical Cooperative (DCEC) and Oncor to complete the necessary utility relocations, and close out contract with AT&T, Oncore, and FCEC. **Results / Reference(s):** *At the October 2, 2025 Board of Director's meeting, it was presented that all utility relocations were complete.* • Finalize design and begin construction of the new Fossil Park. **Results / Reference(s):** *25_0306_Board-Agenda.pdf* ***(Link)*** *Agenda Item #12C requesting approval of a Resolution awarding a contract with Pace Construction Services, LLC for the construction of the Lake Ralph Hall Fossil Park project.*

	• Finalize design and begin construction of the Lake Ralph Hall Administration Building and Event Center. **Results / Reference(s):** *At the October 2, 2025 Board of Director's meeting, it was presented that the design of the Lake Ralph Hall Administration Building and Event Center is 60% complete, with the construction contract projected to be awarded in March 2026 and tentative construction completion in the Summer 2027.*
Goal #3	Continue to perform cultural resource studies as required by USACE Section 404 Permit and submit required reporting to the appropriate agencies. **Results / Reference(s):** *25_0605_Board-Agenda.pdf* ***(Link)*** *Agenda Item #19B to consider approval of Task Order #13 to an existing contract with AR Consultants for Cultural Resource Consulting to provide continued cultural studies to perform Phase 2 and Phase 3 investigations for Lake Ralph Hall.*
Goal #4	Continue working with Texas Parks and Wildlife Fisheries Division to enhance future fishing opportunities at Lake Ralph Hall. **Results / Reference(s):** *Recreation | Lake Ralph Hall* ***(Link)*** *UTRWD is already working to make Lake Ralph Hall a prime fishing location. A pond inside the future Lake Ralph Hall footprint is being stocked with a variety of advanced fingerlings (young fish about the size of a finger) as part of the Texas Parks and Wildlife Departments' Toyota ShareLunker program. Introducing the adolescent bass and threadfin gamefish now will help them mature and establish a healthy population by the time Lake Ralph Hall fills up. Texas Parks and Wildlife will also eventually stock forage species such as bluegill sunfish and gizzard shad as well as black and white crappie, and channel and blue catfish for additional fishing opportunities. Construction crews are also strategically leaving some timber standing as they clear the future lake's footprint. The standing timber will provide fish habitat, while cut timber will be collected for the Visitor Center and other local uses. In addition, crew members are creating fish habitat structures (like the one below) by arranging rocks, logs and brush into piles and strapping them down with steel cables and earthen anchors. These structures will ideally be 20-30 feet under the lake's surface to provide ideal fish spawning areas. They are also using and arranging reef balls to create fish habitat.* *LRH-Bi-Monthly-Report-Feb-2025-FINAL.pdf* ***(Link)*** *In this monthly report on the Lake Ralph Hall project update is an article discussing Texas Parks and Wildlife's efforts to create future fish habitats at Lake Ralph Hall by arranging rocks, logs and reef balls into various structures. As of February 2025, they had constructed 38 "spider humps" (log/rip-rap piles), placed 203 reef balls at 30 different "reef" locations, and constructed five 10,000 square feet spawning beds in areas that will be 3-8 feet deep. The Parks and Wildlife team also planted about 600 Buttonbush trees near the future lake's shoreline, so they will be established when the lake opens. These shrubs are common to Texas reservoirs and provide shoreline stabilization and cover for sunfish and bass.*

Goal #5	Continue developing operation and maintenance plans that outline staffing, infrastructure, and logistical needs for the efficient operation of the Lake Ralph Hall program, including the reservoir, Leon Hurse Dam, and conveyance system. **Results / Reference(s):** *The Human Resources Department continues to work with the Lake Ralph Hall Project Manager to ensure staffing requirements are met when necessary. The Adopted FY 2026 budget includes the following new positions for Lake Ralph Hall:* *Lake Ralph Hall Reservoir Manager* *Lake Ralph Hall Operator I* *(Both of these positions were approved by the District's Board of Directors in the Mid-Year 2025 Budget)* *Lake Ralph Hall Reservoir Superintendent (FY 2026 New Position)*
Goal #6	Initiate planning to transition the Lake Ralph Hall program from Construction to Operations. **Results / Reference(s):** *Each fiscal year, District staff develop an RTWS Long Range Financial Plan and present it to the Board of Directors in September. The September 2025 version incorporates hiring of additional Lake Ralph Hall positions in FY 2027 through FY 2030, while completing the various segments of the LRH Reservoir. While the Leon Hurse Dam is now projected to be substantially complete by September 2026, the District is projecting that the ability to bring water over from Lake Ralph Hall to the District will occur in FY 2027 with related components being brought into Operations from the Capital Improvement Program.* *Project Schedule - Lake Ralph Hall* ***(Link)*** *See Long Range Financial Plan section of this budget document, Page #s 85 – 92.*
Goal #7	Coordinate with local entities to implement the Water Supply and Wastewater Master Plan for the Lake Ralph Hall area. **Results / Reference(s):** *25_0605_Board-Agenda.pdf* ***(Link)*** *Agenda Item #19C requesting acceptance of a Water and Wastewater Master Plan for the Lake Ralph Hall Area, prepared by Kimley-Horn and Associates, Inc.* *attested 07-15-2025 LRHZC Minutes.pdf* ***(Link)*** *Minutes of the Fannin County Lake Ralph Hall Zoning Commission regarding the discussion, presentation, and possible action regarding approval and adoption of the Master Water and Wastewater Plan for Lake Ralph Hall as a supplement to the Lake Ralph Hall Comprehensive Plan, Chapter 4.* *08-14-2025 LRHZC signed.pdf* ***(Link)*** Agenda of the Fannin County Lake Ralph Hall Zoning Commission for discussion and possible action regarding recommendation to Commissioner's Court to approve or deny the Master Water and Wastewater Plan for Lake Ralph Hall as a supplement to the Lake Ralph Hall Comprehensive Plant (LRHCP), Chapter 4.

Goal #8	Finalize, adopt, and implement the LRH Shoreline Management Plan. **Results / Reference(s):** *FINAL-Agenda-October-2-2025-002.pdf* ***(Link)*** *Agenda Item #13C notifying the Board of Directors that the Draft Lake Ralph Hall Lake and Shoreline Management Plan was received and to ask the Board to authorize staff to solicit comments from interested parties.*
Goal #9	Complete a Marina Feasibility Plan for Lake Ralph Hall. **Results / Reference(s):** *Lake_Ralph_Hall_Comprehensive_Plan__Adopted_2022.10.11_-Website_Version.pdf* ***(Link)*** *This project is still on-going between our consultants and Fannin County officials.* *attested 02-08-2024 Minutes LRH.pdf (fannin.tx.us)* ***(Link)*** *Minutes from the 2/8/24 Lake Ralph Hall Zoning Commission (City of Ladonia, Texas' website) regarding the Water and Wastewater Master Plan.* *See the CIP section (RTWS) of this budget document, Page #283 (21-51RH).*
Goal #10	Begin evaluating the LRH watershed and develop, at an appropriate time, a watershed protection plan to protect water quality in the new reservoir. **Results / Reference(s):** *Mitigation & Watershed Protection - Lake Ralph Hall* ***(Link)***
Goal #11	Begin process of Letter of Mapping Revision to the current Federal Emergency Management Agency (FEMA) maps. **Results / Reference(s):** *The District has retained Freese and Nichols, Inc. to assist in revising FEMA maps. FNI has completed modeling and is currently preparing submittal to FEMA.*
Goal #12	Complete water assessment for Lake Ralph Hall and begin the process of TCEQ source water certification. **Results / Reference(s):** *Carollo Engineering has been retained to assist in obtaining TCEQ (Texas Commission on Environmental Quality) source water certification and have obtained water samples to characterize the potential LRH water. A meeting with TCEQ has been completed to coordinate the submission of all required information. The data will be submitted to TCEQ in January 2026 after another set of samples are obtained.*
Goal #13	Initiate and complete LiDAR mapping and volumetric survey of the lake area. **Results / Reference(s):** *Coordinated with Texas Water Development Board to schedule new Lidar surveys to be completed in December2025 or January 2026.*

FUNCTIONAL – DEVELOP, TREAT, AND DELIVER SAFE AND DEPENDABLE LONG-TERM RESOURCES; PROVIDE QUALITY WATER RECLAMATION, WATERSHED MANAGEMENT, AND SOLID WASTE SERVICES.

Initiative: Security Matters	
Goal #1	Continue review of District progress, strategies, and training efforts related to site security and cybersecurity. **Results / Reference(s):** *The Human Resources Department continues to require cybersecurity online courses and has begun developing a Professional Competency Training Series. The District has also contracted with an unbiased security and compliance firm to perform Vulnerability Assessments and Penetration Testing on all District endpoints and evaluated / initiated applicable recommendations based on best practices. This testing will be performed on an annual basis. In addition, IT staff have updated the District's cybersecurity training curriculum provided to all District employees throughout the year to reinforce awareness of new and ever-evolving cyber threats. Simulated phishing campaigns will continue to be utilized to assess our user base to help identify problem areas.* *See Operating Funds Detail section of this budget document – Information Technology Fund, Accomplishments for FY 2024 – 2025, Page # 164.* *See Operating Funds Detail section of this budget document – Information Technology Fund, Footnotes to Adopted FY 2026 budget, Page #163 – Other Outside Services.*
Initiative: Administration Facilities:	
Goal #2	Establish a policy for use of the new Event Center within the 802 N. Kealy Annex building by outside entities. **Results / Reference(s):** *The policy for Event Center Protocols has been drafter and is currently under review.*
Initiative: Northeast Regional Water Reclamation System	
Goal #3	Complete design and begin construction the of Doe Branch WRP, Phase 3 Expansion and proceed with purchase of long lead equipment and items and early out packages, to mitigate supply issues and meet Project schedule. **Results / Reference(s):** *Dec-05-2024-Minutes.pdf* ***(Link)*** *Agenda Item #9A reflecting approval of Amendment #2 to existing Construction Manager at Risk (CMAR) contract with Archer Western Construction, LLC., to establish a Progressive Guaranteed Maximum Price #2 – Early Work Package #2 - - for the NE Water Reclamation System Project (includes the Doe Branch Plant Expansion, Phase 3, Parallel Interceptor, Phase 1, and the Riverbend Plant Lift Station Improvement projects). The initial construction contract for this project was approved by the District's Board of Directors at the June 2023 meeting.* Minutes-of-June-5-2025-Board-Meeting-Copy.pdf **(Link)** *Agenda Item #16B reflecting approval of Amendment #3 to an existing construction Manager at Rick contract with Archer Western Construction, LLC to establish a Progressive Guaranteed Maximum Price #3 for the Northeast Water Reclamation System Expansion.* *See CIP Funds section of this budget document (14-518U), Page #342.*

Goal #4	Finalize installation of planned landscaping improvements along north and west boundaries of Doe Branch Plant site. **Results / Reference(s):** *The landscaping improvements at the Doe Branch Plant will not be made until the Phase 3 expansion of the Plant that is currently underway.* *See CIP Funds section of this budget document (14-518U), Page #342.*
Initiative: Regional Treated Water System	
Goal #5	Regarding Zebra Mussels in local lakes. • Continue to monitor implemented measures for control / mitigation at the Lewisville Lake Intake Structure. • Continue to monitor Chapman Lake for Zebra Mussels, and if Zebra Mussels are found, be prepared to proceed with design and construction of a control/mitigation system for the Harpool Plant and associated raw water pipeline. **Results / Reference(s):** *Zebra Mussels | UTRWD* ***(Link)*** • Continue to support the Texas Parks and Wildlife Division's Zebra Mussel Public Awareness Program. **Results / Reference(s):** *See Other Funds section of this budget document - Watershed Protection Program, Page #226 (Description) and Page #232 (Budget).*
Goal #6	In coordination with current developer and Lakes of Aubrey Fresh Water Supply District. • Finalize the timing to initiate construction on the Lake Ralph Hall Terminal Storage project. **Results / Reference(s):** *Freese & Nichols (Engineering consultant) is currently providing services under a letter agreement (approximately 60% completed) to determine the embankment design and updating estimates of over-excavation and compaction that may be encountered during the construction of the reservoir.* *See CIP Funds section of this budget document (21-51HR), Page #293.* • Continue coordination with North Texas Natural Select Material (NTNSM) to complete work in accordance with the agreement. **Results / Reference(s):** *Engineering and soil work was completed in late FY 2022 / early FY 2023, while construction of the pipeline is set to begin in FY 2027.* *See CIP Funds section of this budget document (21-51HP), Page #279.*

Goal #7	Regarding Taylor Plant improvements and expansion. • Complete design for improvements and begin construction of all improvements required to increase rated treatment capacity. • Continue construction of filters, backwash recovery, electrical, and other improvements required to increase reliability and sustainability at high flows. **Results / Reference(s):** *25_0306_Board-Agenda.pdf* ***(Link)*** *Agenda Item #10A requesting approval of Amendment #5 to an existing Construction Manager at Risk contract with Archer Western Construction, LLC to establish Progressive Guaranteed Maximum Price #5 for the Taylor Regional Water Treatment Plant, Phase 3 and Lewisville Lake Intake Pump Station Improvements project.* *See CIP Funds section of this budget document (21-514R), Page #285.* • Submit an application for additional funding to the Texas Water Development Board (TWDB) to take advantage of TWDB least-cost financing opportunities for the Taylor Plant expansion. **Results / Reference(s):** *25_0904_Board-Agenda.pdf* ***(Link)*** *Agenda Item #13B requesting approval of a Financing Agreement with the Texas Water Development Board (TWDB) under the State Water Implementation Fund for Texas (SWIFT) Program for the Regional Treated Water System-Board Participation for the Taylor Plant Expansion, Phase 3 project.*
Goal #8	Regarding Harpool Plant expansion. • Complete design and begin awarding bid packages for long lead items and other necessary pumping improvements. **Results / Reference(s):** *Feb-6-2025-Minutes.pdf* ***(Link)*** *Agenda Item #14 reflecting approval of Amendment #1 to an existing Construction Manager at Risk (CMAR) Agreement with McCarthy Building Companies, Inc. to establish a Progressive Guaranteed Maximum Price #1 – Early Work Package #1 – Membrane Procurement, Electrical Equipment, and Sleeve Salve.* *Minutes-of-Meeting-April-3-2025-signed.pdf* ***(Link)*** *Agenda Item #15 reflecting approval of Amendment #2 to an existing CMAR Agreement with McCarthy Building Companies, Inc. to establish a Progressive Guaranteed Maximum Price #2 – Early Work Package #2 – Long Lead Valves.* *See CIP Funds section of this budget document (21-512H), Page #292.* • Begin construction of electrical, pumping, and Clearwell improvements. **Results / Reference(s):** *Feb-6-2025-Minutes.pdf* ***(Link)*** *Agenda Item #14 reflecting approval of Amendment #1 to an existing Construction Manager at Risk (CMAR) Agreement with McCarthy Building Companies, Inc. to establish a Progressive Guaranteed Maximum Price #1 – Early Work Package #1 – Membrane Procurement, Electrical Equipment, and Sleeve Salve.*

	Minutes-of-June-5-2025-Board-Meeting-Copy.pdf ***(Link)*** *Agenda Item #16 reflecting approval of Amendment #3 to an existing CMAR Agreement with McCarthy Building Companies, Inc. to establish a Progressive Guaranteed Maximum Price #3 – Pump Station and Clearwell for Harpool RWTP Phase 2 Expansion Project.* • Coordinate with TWDB to meet project funding requirements. **Results / Reference(s):** *Minutes-September-4-2025.pdf* ***(Link)*** *Agenda Item #13D reflecting approval of a Financing Agreement with the Texas Water Development Board (TWDB) under the State Water Implementation Fund for Texas (SWIFT) Program for the Regional Treated Water System – Board Participation for the Harpool Plant Expansion Project.* • Collect and analyze water quality data for treatment ability of Lake Ralph Hall Water. **Results / Reference(s):** *Minutes_June-6-2024-1.pdf* ***(Link)*** *Agenda Item #17 reflecting approval of Task Order #12 with Carollo Engineers, Inc. for engineering services related to Lake Ralph Hall Water Quality permitting for treatability. This includes raw water testing and permitting services (TCEQ). These services are ongoing as of the filing of the FY 2026 GFOA budget document.* • Coordinate permitting required to pilot test and begin treatment of Lake Ralph Hall water. **Results / Reference(s):** *Minutes_June-6-2024-1.pdf* ***(Link)*** *Agenda Item #17 reflecting approval of Task Order #12 with Carollo Engineers, Inc. for engineering services related to Lake Ralph Hall Water Quality permitting for treatability. This includes raw water testing and permitting services (TCEQ). These services are ongoing as of the filing of the FY 2026 GFOA budget document.*
Goal #9	Complete design and begin construction of the Lewisville Lake Raw Water Pump Station improvements. **Results / Reference(s):** *25_0306_Board-Agenda.pdf* ***(Link)*** *Agenda Item #10A requesting approval of Amendment #5 to an existing Construction Manager at Risk contract with Archer Western Construction, LLC., to establish Progressive Guaranteed Maximum Price #5 for the Taylor Regional Water Treatment Plant, Phase 3 and Lewisville Lake Intake Pump Station Improvements project.* *See CIP Funds section of this budget document (21-51TP), Page #287.*

Goal #10	Complete the Harpool WTP diurnal pond and associate change order work for the installation of the Northeast Pipeline Phase 2 connection at FM 428 and FM 1385. **Results / Reference(s):** *Minutes-September-4-2025.pdf* ***(Link)*** *Agenda Item #16 reflecting approval of a resolution authorizing acceptance of completed work, approval of final change order, final payment, and release of retainage for construction contract awarded to Archer Western Construction, LLC., for the Harpool Water Treatment Plant Diurnal Pond project.* *See CIP Funds section of this budget document (21-51HO), Page #291.*
Goal #11	Prequalify bidders, award project, and begin construction of the Harpool Northeast Phase 2 water transmission pipeline and Point of Delivery for the City of Aubrey. **Results / Reference(s):** *Minutes-of-Meeting-May-1-2025-signed.pdf* ***(Link)*** *Agenda Item #17 reflecting approval of resolution awarding a construction contract to Mountain Cascade of Texas, LLC., for the Harpool Northeast Water Pipeline, Phase 2.* *See CIP Funds section of this budget document (21-514N), Page #294.*
Goal #12	Finish construction of the Regional Treated Water System Hydraulic improvements to member and customer meter vaults. **Results / Reference(s):** *Minutes-September-4-2025.pdf* ***(Link)*** *Agenda Item #16B reflecting approval of a resolution authorizing acceptance of completed work, approval of final change order, final payment, and release of retainage for construction contract awarded to Arcadia Services, LLC., for the RTWS Hydraulic and Resilience Improvements project.*
Goal #13	Complete property acquisition for the future Northeast Pump Station and Ground Storage Tank. **Results / Reference(s):** *Activities to acquire a site for this project are currently ongoing and if land is secured, a budget amendment will be taken to the Board for approval, since the budget for this project has been reprogrammed to begin in FY 2028.* *See CIP Funds section of this budget document (21-51GT), Page #279.*

Goal #14	Finish construction of necessary pump additions and upgrades to existing facilities within the Regional Treated Water System. **Results / Reference(s):** *This project has been substantially completed; however, it has not yet been formerly closed out by the Board. This project is expected to be completed before calendar year-end 2025 but hasn't been formerly closed out as of the FY 2026 GFOA Budget submittal.* *Minutes-of-the-Meeting-August-7-2025.pdf* ***(Link)*** *Agenda Item #13 – Construction Change Order Report (Includes Change Order #9 for a $119K increase to the Construction Contract with Arcadia Services for this project).* *See CIP Funds section of this budget document (21-519Y), Page #284.*
Goal #15	Continue construction of the Southwest Pump Station and ground storage tanks. **Results / Reference(s):** *Construction continues for the above project. The notice to proceed was issued on 9/12/23 to Crescent Constructors, Inc.* *See CIP Funds section of this budget document (21-51WP), Page #282.*
Goal #16	Continue coordination 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, IH35E, FM 720, FM 2931, FM 1385, US 377, and HWY 380. Be ready to adjust District facilities as required by such proposed public improvements. **Results / Reference(s):** *See CIP Funds (RTWS) section of this budget document, Page #s 310 – 314. District staff are still working with TxDOT staff for reimbursements due to the District for completed project costs.* *Minutes-March-6-2025-Board-Meeting.pdf* ***(Link)*** *Agenda Item #11A reflecting approval of a Contract and Task Order #1 with Plummer Associates, Inc., for engineering services related to staff augmentation for TxDOT projects and development reviews.*
Goal #17	Develop a systemwide hydraulic model to evaluate the entire system, prioritize improvements, and to facilitate future planning. **Results / Reference(s):** *Minutes_August-1-2024.pdf (utrwd.com)* ***(Link)*** *Agenda Item #14B reflects Task Order #1 with Jacobs Engineering for engineering services to develop, update, and maintain the District's RTWS Hydraulic Model.* *See CIP Funds section of this budget document (21-515B), Page #302.* *25_0904_Board-Agenda.pdf* ***(Link)*** *Work Session Item B consisted of a presentation on the status of the new Hydraulic Model for the Regional Treated Water System. As of September 2025, the model has been created and is being calibrated / validated. Using this model will allow for the District's Engineering Department to prioritize CIP projects and evaluate future scenarios. The model is due to be finished in FY 2026.* *See CIP Funds section of this budget document (21-515B), Page #302.*

Initiative: Lakeview Regional Water Reclamation System and Peninsula Water Reclamation Plant	
Goal #18	Finish construction of lift station rehabilitation improvements. **Results / Reference(s):** *Dec-05-2024-Minutes.pdf* ***(Link)*** *Agenda Item #9C reflects approval to award a construction contract to Urban Infraconstruction, LLC., for the Lift Station Improvements Project. This project is currently underway and is projected to be completed in FY 2026.* *See CIP Funds section of this budget document (11-5179), Page #323.*
Goal #19	Finish construction hydraulic improvements at Lakeview WRP. **Results / Reference(s):** *Minutes-of-the-Meeting-August-7-2025.pdf* ***(Link)*** *Agenda Item #15 reflects authorizing acceptance of completed work, final payment, and release of retainage for a construction contract awarded to Stolz Mechanical Contractors, LLC. for Lakeview Regional Water Reclamation Plant Improvements project (as interim improvements associated with the expansion of the Lakeview RWRP).* *See CIP Funds section of this budget document (11-51L2), Page #321.*
Initiative: Continue utilization of results from recent studies and condition assessments.	
Goal #20	Prioritize ongoing capital improvement projects, develop preventative maintenance plans, and improve operation of the District facilities. **Results / Reference(s):** *District Management continues to utilize data and other findings from previous condition assessments to prioritize needed capital improvement projects for District facilities in an on-going effort to heighten preventive maintenance activities that will maintain the District's readiness to provide services to its Members / Customers.*
Initiative: Extension of Water Service to Members / Customers	
Goal #21	In conjunction with development activity in the area near the City of Aubrey, north of the Harpool Plant, coordinate with Mustang SUD, Aubrey, Pilot Point, City of Celina, and developers concerning planned extension of water services. • Coordinate with the City of Aubrey, finalize alignment, pursue acquisition of necessary easements, acquisition of pump station site, finish design, and start construction of the Harpool Northeast Pipeline, Phase 3. **Results / Reference(s):** AUG23 Minutes.pdf (ctfassets.net) ***(Link)*** *Agenda Item #18C reflects approval of Task Order #5 with Kimley Horn Associates, Inc. for engineering services related to final design, bidding, and construction of the Northeast Pipeline Phase 3 project to provide additional supply capacity to the northeast portion of the Regional Treated Water System. This project also includes a new meter vault and associated piping at the City of Aubrey's proposed pump station site. Currently this alignment study is on-going, with easement coordination services also continued under Task Order #5.* *See CIP Funds section of this budget document (21-515N), Page #295.*

	• Finalize a contract with the City of Aubrey for participation in the Regional Treated Water System. **Results / Reference(s):** *A draft contract was prepared and delivered to City of Aubrey staff and currently, this contract is being developed / negotiated between Aubrey and the District.*
Goal #22	Provide prompt response to any Customer requests for increase in water demand or volume. **Results / Reference(s):** *These activities are on-going via communications with District Customers, as well as regular review of customer water and / or wastewater flow data. District staff promptly respond to any request by a Customer to increase their Water Demand. All contract amendments are handled by the Director of Governmental Affairs and Communications.*
Goal #23	Evaluate future water needs of the Regional Treated Water service area and identify feasible routes for future water transmission pipelines to meet Customer's future water needs to include Ponder, Krum, and Pilot Point. **Results / Reference(s):** *These activities are on-going via communications with District Members in the District's northeast service area regarding their future water needs and strategically plans for these possible infrastructure needs by incorporating them into the District's Capital Improvement Program.* *25_0501_Board-Agenda.pdf* ***(Link)*** *A presentation was made to the District's Board of Directors at the work session portion of the May 2025 meeting by HDR, Inc. discussing population growth and the need for water services in Ponder, Krum, and Sanger, including identifying a pipeline alignment to deliver treated water in this area.* *See the CIP Funds (RTWS) section of this budget document, Page #279 (Harpool Northeast Transmission Pipeline, Phases 1 – 6 and the Southwest Transmission Pipelines, Phase 4 – 5).*
Goal #24	In coordination with the City of Justin and the Town of Northlake, continue to evaluate the long-term future water needs of both Members, including the possibility of serving entities along FM 407 west of the City of Justin, Texas. • Coordinate with Justin on the need for easement to appropriate delivery location(s). **Results / Reference(s):** District staff continue to coordinate with City of Justin and Town of Northlake staff regarding their future water needs. A project titled, RTWS Southwest Transmission Pipeline, Phase 4 has been established with an active task order to complete pipeline alignment evaluations to serve west of Justin and Northlake. *Feb-6-2025-Minutes.pdf* ***(Link)*** *Agenda Item #13 reflecting approval of Task Order #9 with HDR, Inc. to the existing contract for engineering services related to final design and construction improvements to the City of Justin Meter Vault. HDR, Inc. evaluated the hydraulic water model for the West and*

	Northwest portions of the District's service area, and the City of Justin has recently completed their Ground Storage and Pump Station Project. This task order is for the design and upsizing of the piping and meter in their vault. *See CIP Funds (RTWS) section of this budget document (21-51PG), Page #297.*
Initiative: Protect District Pipelines	
Goal #25	Continue to coordinate with USACE to protect District pipelines during the Lewisville Lake Dam Safety Rehabilitation Project. **Results / Reference(s):** *See CIP Funds section (RTWS and NPWS) of this budget document (21-51W3), Page #308 and (13-513N), Page #329.*
Initiative: Long-Term Water Supply needs of western Denton County and eastern Wise County.	
Goal #26	In coordination with the appropriate stakeholders, begin evaluating the long-term water supply needs of western Denton County and eastern Wise County. **Results / Reference(s):** *District staff continue to coordinate with the stakeholders regarding treated water service in western Denton and Wise counties. The construction of the Southwest Pump Station will enable the District to increase its pumping pressure and capacity to potentially serve new customers in the western Denton County and eastern Wise County areas.* *See the CIP section (RTWS) of this budget document (21-51WP), Page #282.*

FINANCIAL – BE EFFICIENT AND COSTS EFFECTIVE, PROVIDING A SOUND FINANCIAL STRUCTURE FOR THE DISTRICT.

Initiative: Rate Impact Strategies	
Goal #1	Continue efforts to utilize Texas Water Development Board funding for LRH to assist in minimizing the rate impact in the early years of the project construction. **Results / Reference(s):** *Fact_Sheet_2.pdf (ctfassets.net)* ***(Link)*** *The District is utilizing Board Participation and Deferred Interest funding through the Texas Water Development Board's State Water Implementation Fund for Texas (SWIFT) program that structures the repayment of debt on a lower and deferred basis longer than conventional debt issues. This allows the District's customer base to grow larger while the increase in debt service grows at a slower pace.* *Minutes-September-4-2025.pdf* ***(Link)*** *Agenda Item #13 reflecting approval of financing agreements with the TWDB for "Board Participation" funding for the Lake Ralph Hall, Taylor Plant Expansion, Phase 3, Harpool Northeast Pipeline Phases 1 – 3, and the Harpool Plant Expansion, Phase 2, Projects.*

Goal #2	Continue efforts to utilize Texas Water Development Board funding for Phase 3 of the Northeast Pipeline Project in the Regional Treated Water System. *Minutes-September-4-2025.pdf* ***(Link)*** *Agenda Item #13 reflecting approval of financing agreements with the TWDB for "Board Participation" funding for the Lake Ralph Hall, Taylor Plant Expansion, Phase 3, Harpool Northeast Pipeline Phases 1 – 3, and the Harpool Plant Expansion, Phase 2, Projects.* *See the CIP section (RTWS) of this budget document (21-515N), Page #295.*
Goal #3	Continue efforts to utilize Texas Water Development Board funding for the Harpool Regional Water Treatment Plant Expansion Project in the Regional Treated Water System. *Minutes-September-4-2025.pdf* ***(Link)*** *Agenda Item #13 reflecting approval of financing agreements with the TWDB for "Board Participation" funding for the Lake Ralph Hall, Taylor Plant Expansion, Phase 3, Harpool Northeast Pipeline Phases 1 – 3, and the Harpool Plant Expansion, Phase 2, Projects.* *See the CIP section (RTWS) of this budget document (21-512H), Page #292.*
Goal #4	Continue efforts to utilize TWDB funding for the Taylor Regional Water Treatment Plant project in the Regional Treated Water System, as well as submitting "Abridged" and "Final" applications and complete financing agreements with the Texas Water Development Board to secure additional funding for the Taylor Regional Water Treatment Plant Expansion project. *Minutes-September-4-2025.pdf* ***(Link)*** *Agenda Item #13 reflecting approval of financing agreements with the TWDB for "Board Participation" funding for the Lake Ralph Hall, Taylor Plant Expansion, Phase 3, Harpool Northeast Pipeline Phases 1 – 3, and the Harpool Plant Expansion, Phase 2, Projects.* *See the CIP section (RTWS) of this budget document (21-514R), Page #285.*

Initiative: Monitor Financial Markets	
Goal #5	Continue to monitor financial markets, implementing measures, as needed, to best protect and improve the District's long-term financial condition. **Results / Reference(s):** *District Financial Staff actively monitor financial markets to take advantage of low interest rates for conversion of outstanding debt that will yield savings to District participants.* *Minutes-of-Meeting-May-1-2025-signed.pdf* ***(Link)*** *After the dramatic rise in interest rates in 2022 through mid-FY 2024, interest rates decreased enough so that District staff were able to refund future maturities of the Series 2015 Refunding Bonds in July 2025 (FY 2026 through FY 2036) to achieve net present value savings of 3.638%.* *Feb-6-2025-Minutes.pdf* ***(Link)*** *Agenda Item #9 reflecting acceptance of the District's Quarterly Investment Report for the Quarter Ending December 31, 2024.* *Minutes-of-Meeting-May-1-2025-signed.pdf* ***(Link)*** *Agenda Item #8 reflecting acceptance of the District's Quarterly Investment Report for the Quarter Ending March 31, 2025.* Minutes-of-the-Meeting-August-7-2025.pdf ***(Link)*** *Agenda Item #11 reflecting acceptance of the District's Quarterly Investment Report for the Quarter Ending June 30, 2025.* *This investment report is reported to the District's Board of Directors each quarter.*
Initiative: Cash Flow Efficiency	
Goal #6	Continue efforts to streamline cash flow planning for the District's large Capital Improvements Program to better achieve least-cost financing for the various projects. **Results / Reference(s):** *The Business Department holds regular meetings with the Engineering Department to more closely vet the spending projections of capital improvement projects and measure the cash outflows more accurately to delay refunding outstanding variable rate debt to save money on interest and debt service costs.*
Initiative: Management Reports	
Goal #7	Complete format for Management Reports to provide additional information related to Operations, Engineering and Construction. **Results / Reference(s):** *District management is continuing to review possible changes to the current format of the Monthly Management Report. Once developed, this newly formatted report will be presented to the District's Executive Director for approval to ultimately be presented to the Board of Directors monthly meetings.*
Initiative: Financial Software	
Goal #8	Continue to work on the next phase to upgrade the Human Resources and Payroll Employee Self Service (ESS) and Time and Attendance Module within Incode's web-based software. **Results / Reference(s):** *The District has been notified that the two-factor authentication addition has been completed for the Employee Service System, and we are currently in the queue for Tyler*

	Technology to provide the updates to the System and to provide the necessary training to roll out this system.
Initiative: Expansion of the Variable Rate Program ($125 Million)	
Goal #9	Evaluate the present worth of expanding the Variable Rate Program to $125 million with Wells Fargo NA. **Results / Reference(s):** *Minutes-of-Meeting-May-1-2025-signed.pdf* ***(Link)*** *Agenda Item #15 to consider a Resolution authorizing and establishing UTRWD Regional Treated Water supply system revenue subordinate lien variable rate note program in an aggregate principal amount not to exceed $150.0M at any one time outstanding. The original plan was to increase the authorized maximum principal amount from $100.0 to $125.0 million, but based on the program's terms from Wells Fargo, it was deemed more cost effective and offered the District more financial flexibility, to increase the variable rate program to $150.0 million.*
Initiative: Development of relationships, protocols, and appropriate controls – Variable Rate Program.	
Goal #10	Continue to develop relationships, protocols, and appropriate controls for the District's Variable Rate Program with Wells Fargo NA **Results / Reference(s):** *Upon establishment of the Variable Rate Financing Program, the Business Department (Finance and Accounting) established the following protocols and controls for this program:* • *Correspondence is received by the Business Department from the Engineering and Construction Department to indicate the need for funding for an eligible capital project in the Regional Treated Water System.* • *The Controller evaluates the correspondence and calculates the necessary amount of Variable Rate Notes to issue depending on the amount of available construction cash on hand and projected cash flows.* • *The Controller makes a documented request for the recommended Variable Rate Note issuance amount to the Chief Financial Officer.* • *Based on the Controller's evaluation, current market conditions, and maturity requirements, the Chief Financial Officer issues the Variable Rate Note to provide optimal, least-cost financing for the eligible capital project to Wells Fargo Bank.* • *A representative of Wells Fargo Bank emails correspondence to finalize the actual terms of the Note to the Staff Accountant, Controller, and Chief Financial Officer.* • *This continues to be an on-going process.*
Initiative: Development of appropriate Internal controls – Financial Assets.	
Goal #11	Continue to ensure that proper internal controls have been implemented to protect the District's financial assets. **Results / Reference(s):** *The District has developed a Fraud Risk Assessment and Procedures Manual which is a living, breathing document that is updated yearly which identifies areas of fraud risk and formally documents the internal controls of the District put in place to mitigate risk. The manual serves the purpose of allowing people to see and review various controls of the District and includes procedures to help the District protect its assets and financial reporting process.*

Initiative: Business Department Personnel Hiring and Development	
Goal #12	Promote, acquire, and further develop skilled employees to meet the quickly accelerating financial planning needs of the District. **Results / Reference(s):** *Due to the increase in business transactions and the growth of the District, two new positions were requested for the Business Department in the Adopted FY 2026 budget. A new Financial Analyst position was requested to replace the Senior Financial Analyst's position that was recently reclassed to a Finance and Investment Manager (FIM). This new FIM position will now be responsible for cash management, debt issues / debt service, and investment responsibilities for the District, which have been solely handled by the Chief Financial Officer in prior years. Additionally, a new Staff Accountant I position was also requested for FY 2026. This position will assist the Accounting Division with its growing number of financial transactions and increased reporting requirements.*
Initiative: Eminent Domain Report	
Goal #13	File the Eminent Domain Report with the State of Texas Comptroller's Office. **Results / Reference(s):** *The District's Manager of Property Services last filed this report as of November 2024. The next filing date will be as of November 2025. Per the Texas Comptroller's Office, there is a three-month period (November 1st through February 1st) to file this report.* *Comptroller's Online Eminent Domain Database (COEDD) Search (texas.gov)* ***(Link)*** *The link reflects general instructions regarding filing of the State of Texas' Eminent Domain Report and a database to search for all Texas entities that have filed a report.*

PARTNERSHIPS – DEVELOP AND MAINTAIN GOOD WORKING RELATIONSHIPS WITH MEMBERS, UTILITIES, CITIES, AND GOVERNMENT AGENCIES.

Initiative: Member and Customer Entities	
Goal #1	Continue to develop and improve working relationships with Member/Customer entities for mutual benefit. • Promote better coordination, increased information sharing, and develop relationships between employees with related duties. • Arrange and host joint training opportunities when mutually beneficial. **Results / Reference(s):** *District staff routinely meets with its Members / Customers to coordinate future water and wastewater needs. These meetings are held individually or in a group setting, such as the Customer Advisory Committee (CAC). Additional annual surveys are used to gather information about current and future needs.*

Initiative: City of Denton – Renewal of existing agreements	
Goal #2	Continue coordination with the City of Denton regarding the renewal of existing agreements. • For treated water services from Denton and potential interconnections for emergency operation. **Results / Reference(s):** *The Treated Water contract between Denton and UTRWD has been expired for several years, however, the agreement has been administratively extended these years to allow for the District to continue to purchase treated water from the City of Denton, subject to any annual rates / charges increases approved by Denton's city council. District staff continue to work with City of Denton staff regarding the formal renewal of this contract.* • Continue coordination with Dallas and Park Cities Municipal Utility District regarding implementation of the Grapevine / Lewisville Lakes Raw Water Exchange. **Results / Reference(s):** *District staff have performed various studies / analyses and provided these to the Dallas Water Utilities, who oversees the raw water contract involving Grapevine Lake. We are waiting on DWU staff to concur so that we can begin implementation of this water exchange.*
Initiative: Long Range Water Supply in the Sulphur River Basin	
Goal #3	Continue partnership with other regional water providers and the Sulphur River Basin Authority (SRBA). Continue working with partners on a joint project to study and analyze the development of future water supply projects in the Sulphur River Basin, including the yields of such projects consistent with requirements of water rights permitting. Also, monitor the water rights filing by the City of Texarkana. **Results / Reference(s):** *Final report on this study was received in February 2024. Currently, District staff are continuing to monitor the City of Texarkana application and coordinating with our regional partners. Nothing to update on this work plan item.*

ENVIRONMENTAL – PROTECT AND IMPROVE WATER QUALITY, PROMOTE CONSERVATION OF NATURAL AND ECONOMIC RESOURCES, AND BE GOOD STEWARDS OF ENVIRONMENTAL ASSETS.

Initiative: Upper Trinity Conservation Trust Staff Support	
Goal #1	Provide staff support to the Upper Trinity Conservation Trust and to its Board of Trustees; provide leadership training, networking, and assistance in other activities related to the mission of the Trust. **Results / Reference(s):** *UTCT* ***(Link)*** *To promote the District's regional Watershed Protection program, District staff provide administrative support to the Upper Trinity Conservation Trust.* *See Other Funds section of this budget document – Upper Trinity Conservation Trust, Page #228 (Description) and Page #259 (Budget).*

Initiative: Expand Partners Program	
Goal #2	In coordination with the Upper Trinity Conservation Trust, continue to 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. **Results / Reference(s):** *UTCT* ***(Link)*** *Watershed Partners Program – UTCT* ***(Link)***
Initiative: Watershed Protection Program	
Goal #3	Continue to communicate the District's Watershed Protection Program to cities and utilities throughout the Lewisville Lake Watershed. **Results / Reference(s):** *Watershed Protection Program - UTRWD* ***(Link)*** *Throughout the year, District staff make presentations and provide information to interested parties on how to protect water quality in the District's water supply lakes.* *See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2024 – 2025, (Watershed Protection Program), Page #158.* *See Introduction section of this budget document – Organizational Profile, (Watershed Protection Program), Page #23.*
Initiative: USACE Conservation Trust	
Goal #4	Seek opportunities to participate in the U.S. Army Corps of Engineers conservation trust management programs established to meet wetland mitigation requirements. **Results / Reference(s):** *UTCT* ***(Link)*** *This is a continued, long-term goal of the Upper Trinity Conservation Trust and District.* *See Other Funds section of this budget document – Upper Trinity Conservation Trust Page #228 (Description) and Page #259 (Budget).*
Initiative: Denton County Greenbelt Plan	
Goal #5	Continue to coordinate with cities, utilities, and developers to promote adoption of the Plan within the respective jurisdictions. **Results / Reference(s):** *Denton County Greenbelt Plan – UTCT* ***(Link)*** *DCGP_Executive_Summary.pdf (ctfassets.net)* ***(Link)*** *In coordination with the Upper Trinity Conservation Trust, District staff work to implement various elements of the Plan.* *See Other Funds section of this budget document – Upper Trinity Conservation Trust Page #228 (Description) and Page #259 (Budget).*

Goal #6	As appropriate, assist with the implementation and activities of the newly established Coordinating Committee to help champion the Denton County Greenbelt Plan. **Results / Reference(s):** *Denton County Greenbelt Plan – UTCT* ***(Link)*** *See Other Funds section of this budget document – Upper Trinity Conservation Trust Page #228 (Description) and Page #259 (Budget).*
Initiative: Participation in the State of Texas' Clean Rivers Program	
Goal #7	Continue participation in the state's Clean Rivers Program administered by the Trinity River Authority and perform quarterly sampling to monitor water quality trends in local creeks to help focus watershed protection activities. **Results / Reference(s):** *Watershed Protection Program - UTRWD* ***(Link)*** *Quarterly payments are made to the Trinity River Authority through the District's Watershed Protection Program and quarterly sampling is completed.* *See Other Funds section of this budget document – Watershed Protection Program, Page #226 (Description) and Page #232 (Budget).*

EDUCATIONAL – PROMOTE PUBLIC EDUCATION AND PUBLIC INVOLVEMENT IN ACHIEVING THE MISSION AND GOALS OF THE DISTRICT.

Initiative: Nancy Tam Water-Wise Demonstration Garden and Rich Lubke Community Garden	
Goal #1	Continue to promote the Nancy Tam Water-Wise Demonstration Garden and the Rich Lubke Community Garden - - for educational purposes with schools, garden clubs, landscapers, member cities and water conservation - - and watershed protection. **Results / Reference(s):** *Our Conservation Garden - UTRWD* ***(Link)*** *See Introduction section of this budget document – Organizational Profile, (Rich Lubke Community Organic Garden), Page #24.* *See Other Funds section of this budget document – Water Conservation Program, Page #226 (Description) and Page #233 (Budget).*

Initiative: Water Conservation Goals	
Goal #2	To help achieve on-going water conservation goals, take steps to increase visibility, understanding and implementation of the District's overall water conservation program. **Results / Reference(s):** *Minutes-of-June-5-2025-Board-Meeting-Copy.pdf* ***(Link)*** *Agenda Item #11B authorizes the Executive Director to enter into pricing agreements with Sigler Communications Inc. and Strategar, LLC for the purchase of Graphic Design and Digital Advertising Services that includes the Water Conservation and Watershed Protection Programs of the District.* *Save Outdoors - UTRWD* ***(Link)*** *Conserving Water - UTRWD* ***(Link)*** *Water_Efficient_Lawn_and_Garden_Care_for_North_Texas-_UTRWD_Pub_2020.pdf (ctfassets.net)* ***(Link)*** *See Introduction section of this budget document – Organizational Profile, (Water Conservation Program), Page #s 24 - 25.*
Initiative: Promotion of District's Water Conservation and Watershed Protection Programs	
Goal #3	Work with local schools, teachers, and others to promote the District's water conservation and watershed programs (including EnviroScape). **Results / Reference(s):** *School_Outreach_and_Education_Resources_info_sheet.pdf (ctfassets.net)* ***(Link)*** *Teacher/Student Resources - UTRWD* ***(Link)*** *See Introduction section of this budget document – Organizational Profile, (Watershed Protection Program), Page #23.* *See Introduction section of this budget document – Organizational Profile, (Water Conservation Program), Page #s 24 – 25.*
Initiative: Water / Wastewater Operations Internships	
Goal #4	Continue to partner with local community colleges to provide internships for students enrolled in water/wastewater certification programs. **Results / Reference(s):** *The Human Resources Department worked with Operations Directors and Managers to determine the need for interns. An agreement was renewed with one junior college that offers the internship program, and the District continues to work with other junior colleges to develop future internship program agreements.* *See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2024 – 2025, (Summer Internship Program), Page #157.*

Initiative: Internships for District On-Going Activities and Programs	
Goal #5	Continue expanding the college internship program by attempting to recruit top talent at highly regarded universities in respective career fields to support on-going District activities and programs. **Results / Reference(s):** 25_0605_Board-Agenda.pdf ***(Link)*** *Work Session Item A – Presentation of Summer Interns.* *The Human Resources Department coordinated with the Engineering / Construction / Operations / Business departments to provide four interns to work with the District throughout the Summer 2025.* *The District's College Internship Program continues to expand. The District's IT Department and Purchasing Division hosted interns for the first time throughout the Summer of 2025. Two interns were provided within the Engineering Department.*
Initiative: District Apprenticeship Program – Electronic Technicians	
Goal #6	Begin development of an apprenticeship program with technical schools including North Central Texas College (NCTC) within North Texas for the District's Electronic Technician positions. Also evaluate the apprenticeship assistance program developed by the Water Environment Association of Texas. **Results / Reference(s):** *This is an ongoing project for the District.*
Initiative: Promotion of District Career Opportunities	
Goal #7	Continue participation in high school career days and participate in college job fairs on Texas college campuses, including those within the area. Continue participating in Veterans' Job Fairs, as appropriate. **Results / Reference(s):** *The District participates in the Lewisville Independent School District's Career Out Program that allowed the District to host high school juniors and seniors and share career insights to help students make informed decisions about their futures by job-shadowing for a day. District staff has developed a high school vocational program within our Operations Department. Each semester, students are chosen to work part-time at one of the District's water or water reclamation plants in the Northeast Service Area.* *See Operating Funds Detail section of this budget document – Administration Fund, Accomplishments for FY 2024 – 2025, (New Employment Outreach), Page #157.*
Initiative: Homeowner Irrigation Educational Opportunities	
Goal #8	In cooperation with Customer entities, develop a program to educate homeowners, especially those moving into a new home, on how to properly operate their irrigation system, to comply with the District's recommended twice-per-week watering schedule to avoid watering between 10 a.m. to 6 p.m. practices. **Results / Reference(s):** *Water Less, Y'all - UTRWD* ***(Link)*** *Promotion of the District's Water Management Strategy to member cities and utilities* *Request Irrigation Checkup - UTRWD* ***(Link)*** *Residents of the District's Member / Customer entities can sign up through the District's website for a free Irrigation System Check-Up program.*

Initiative: Commercial Driver's License (CDL) Training Program	
Goal #9	Expand the CDL Training Program to all District Members and Customers. **Results / Reference(s):** *The District's CDL program continues to be offered to all District Members and Customers.*

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LONG RANGE FINANCIAL PLAN

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 2026 – 2030:

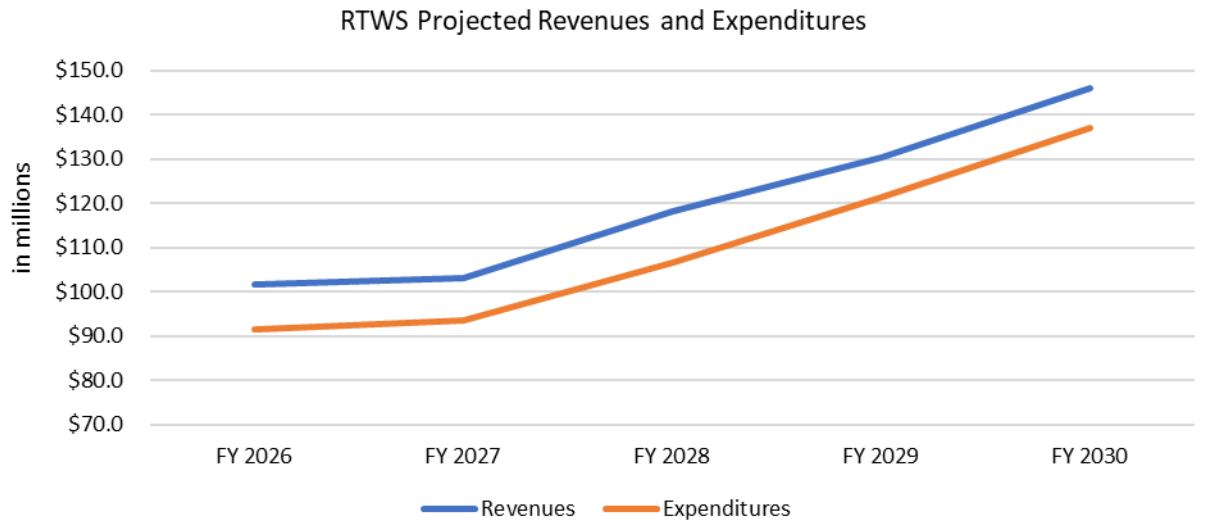
- Estimated Blended Rate Impacts
- Total Operating Revenues and Expenditures
- Capital Improvement Program Expenditures
- Projected Debt Issues
- Annual Debt Service
- Annual Cash Basis Debt Coverage Ratios (CBDCR)
- Contributions to Reserves
- Annual Contracted Subscriptions
- Annual projected Raw and Treated water flows to System participants
- Raw Water usage and rate assumptions
- Variable rate financing 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

RTWS FIVE-YEAR FINANCIAL PLAN

The financial plan determines rate impacts in line with our financial policies, while providing a path towards attaining our strategic goals. The RTWS Five-Year Plan achieves the following:

- Rates are set to recover all costs and yield adequate net revenues to meet reserve and debt requirements.
- O&M Reserve remains fully funded and contributions to other Reserves and Programs are maintained.
- Projected debt issuances maintain a Cash Basis Debt Coverage Ratio of at least 1.15.
- Considers the financial requirements of the District's Strategic Initiatives (shown in the Strategic Goals section of this document) including, but not limited to:
    - Accounting for anticipated water supply needs.
    - Providing adequate funding for various Capital projects.
    - Utilizing funding sources that help minimize rate impacts.
    - Continuing to fund Water Conservation and Watershed Protection programs.

Five Year Pro-Forma Forecast	**$ in Millions**				
	Adopted FY 2026	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Estimated Blended Rate Impact	5.75%	5.75% - 6.25%	5.75% - 6.25%	5.75% - 6.25%	5.75% - 6.25%
Demand Revenues	$ 55.50	$ 61.89	$ 68.92	$ 79.18	$ 89.92
Volume Revenues	31.22	33.93	37.86	41.73	46.09
Contract Payments, Loan Repayments, Interest & Other Revenues	3.67	1.92	2.11	2.54	2.43
Operating Revenue Subtotal	**$ 90.39**	**$ 97.74**	**$ 108.89**	**$ 123.45**	**$ 138.44**
Interfund Transfers (from Operations)	11.17	5.37	6.05	2.05	2.55
Contributions from Lake Ralph Hall Reserve	0.00	0.00	3.19	5.00	5.00
Operating Revenues	**$ 101.56**	**$ 103.11**	**$ 118.13**	**$ 130.50**	**$ 145.99**
Operating Expenses	$ 47.64	$ 49.74	$ 54.78	$ 59.39	$ 67.80
Debt Service	43.82	43.65	51.83	61.93	69.33
Total Expenses	**$ 91.46**	**$ 93.39**	**$ 106.61**	**$ 121.32**	**$ 137.13**
Net Revenues from Operations before Transfers to Reserves	**$ 10.10**	**$ 9.72**	**$ 11.52**	**$ 9.18**	**$ 8.86**
Transfers Out to Reserves from Excess Working Capital					
Non-Bond Capital Reserve	$ -	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Lake Ralph Hall Reserve	-	3.20	4.50	3.00	3.00
Lake Ralph Hall Reservoir Operating Reserve	-	2.50	2.50	1.40	1.00
Carbon Replacement Reserve	-	1.00	1.00	1.00	1.00
Total Transfers Out to Reserves from Excess Working Capital	$ -	$ 7.70	$ 9.00	$ 6.40	$ 6.00
Net Revenues from Operations After Tranfers to Reserves (Excess W/C)	**$ 10.10**	**$ 2.02**	**$ 2.52**	**$ 2.78**	**$ 2.86**
Cash Basis Debt Coverage Ratio (1.15 Minimum per District Policy)	1.24	1.22	1.23	1.17	1.16
Estimated Subscriptions (MGD)	100.00	104.55	110.07	119.42	126.82
Estimated Flows (MGD)	49.31	51.22	53.56	55.90	58.30
CIP Expenditures	$ 328.75	$ 253.22	$ 165.43	$ 180.00	$ 226.74



ASSUMPTIONS

RAW WATER SOURCE RATES & QUANTITIES

The District will utilize the following Sources in MGD:

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Dallas Water Utilities	34.03	28.52	29.46	29.87	29.38
City of Denton	-	-	-	-	-
Chapman Lake	11.50	10.50	10.50	10.50	10.50
Reuse	5.75	8.25	8.75	9.78	10.78
Lake Ralph Hall	-	6.00	7.00	8.00	10.00

Dallas Water Utilities and City of Denton each reflect a 12.5% per 1,000-gallon rate increase through 2030. Chapman Lake reflects a 4% annual rate increase for Transportation in addition to $100K per year from FY 2026 to FY 2030 for differences between Budgeted and Actual expenses incurred by the City of Irving.

Reuse flows are budgeted at 50% of Chapman Lake and Lake Ralph Hall flows from FY 2027 to FY 2028. For FY 2029 and FY 2030, reuse flows increased to 55% for Chapman Lake. These flows are returned to Lake Lewisville through District wastewater plants.

TREATED WATER RATES

The City of Denton provides treated water for Krum and Sanger. This rate includes a 296.6% rate increase in FY 2026 and a 4% increase in FY 2027 through FY 2030.

ELECTRICITY RATES

The Plants utilize different Electric providers. The Taylor Plant has a contract in place through May 2027, upon which a new contract will begin that continues through 2034, while Harpool participates in an electric cooperative. The following rate changes per kWh are anticipated:

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Taylor Plant	-	22%	66%	-	-
Harpool Plant	10.0%	10.0%	10.0%	10.0%	10.0%

CHEMICALS

Includes a 5% annual increase through FY 2030.

PERSONNEL

Includes a 5% annual increase through FY 2030. In FY 2027, an additional $101.5K is allocated for a SCADA Analyst, and another $101.5K is allocated for a Lead Water Operator. In FY 2028, $101.5K is included for a new Technical Services Specialist, along with $101.5K for a new Water Operator. In FY 2029, $101.5K is allocated for an additional Water Operator at the Harpool Plant. $350K is included in FY 2030 for 3 lab positions.

Plant Equipment, Maintenance, and Materials

FY 2026 includes a 15% increase, as well as $2.9M to complete the Harpool Plant dredging project. Subsequent years include a 4.5% annual increase, with an additional $3M dredging project at the Taylor Plant anticipated for FY 2030.

Lake Ralph Hall Operating Expenses

O&M expenses for the phased in operation of the Lake Ralph Hall Reservoir begin in FY 2027, which represents a full year of expenses at $1.55M, increasing to $1.75M in FY 2028, $1.85M in FY 2029, and $1.94M in 2030.

Reserve / Program Contributions

Watershed Protection Program - $0.02 per 1,000 gallons for FY 2026 through FY 2030
Water Conservation Program - $0.03 per 1,000 gallons for FY 2026 through FY 2030
Future Water Program - $0.02 per 1,000 gallons for FY 2026 through FY 2030
Capital Replacement Reserve - $0.12 per 1,000 gallons continues through FY 2027, increasing to $0.13 in FY 2028, $0.14 in FY 2029, and $0.15 in FY 2030
Raw Water Pond Dredging Reserve - $0.02 per 1,000 gallons for FY 2026 through 2030
Lake Ralph Hall Reserve - Deposits made from net revenues to offset future debt service
Lake Ralph Hall Reservoir Operating Reserve - $0.04 per 1,000 gallons for FY 2026, decreasing to $0.02 for FY 2027 through FY 203
Non-Bond Capital Reserve - Deposits made from net revenues to fund future CIP projects
Carbon Replacement Reserve - Deposits made from net revenues to fund future carbon filter replacements

Maintenance Fund Allocation

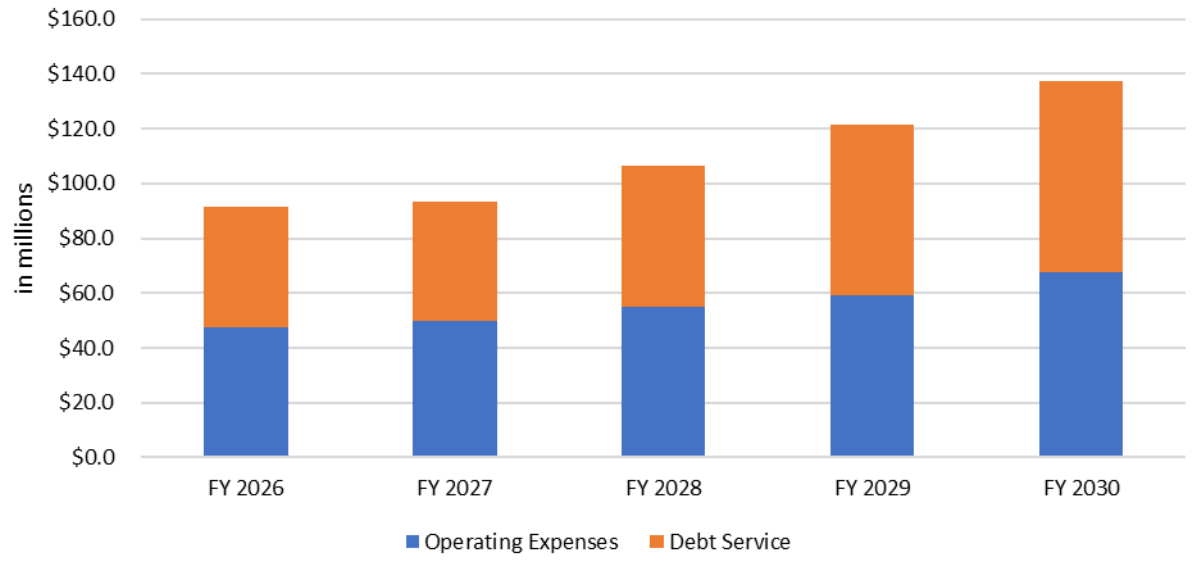
FY 2026 allocation based on 46.5% of the adopted Maintenance budget. This increases 5% annually, with funding for additional Maintenance Staff in FY 2027 through FY 2030.

Administration and Information Technology Fund Allocation

This includes a 5% Annual Increase for FY 2027 through FY 2030.

Debt Service

Debt Service is the largest driver of projected annual costs for the Regional Treated Water System as the majority of the Capital Improvement Program is funded by debt issuances. The following graph shows the proportion of Operating Expenses and Debt Service.



Debt Service **(Interest Only Payments)** includes the following Board Participation issuances to fund 80% of the Lake Ralph Hall Project (51RH):

Series	Amount	Debt Service Terms
S2015	$15.6M	Payback of total interest payment at 100% (FY 2027 & FY2028) with deferred interest payback beginning in FY 2029
S2019	$30.0M	Payback of total interest payment at 55% (FY 2027), 70% (FY 2028), 85% (FY 2029), and 100% (FY 2030)
S2020	$120.0M	Payback of total interest payment at 40% (FY 2027), 55% (FY 2028), 70% (FY 2029), and 85% (FY 2030)
S2021	$135.5M	Payback of total interest payment at 30% (FY 2027), 40% (FY 2028), 55% (FY 2029), and 70% (FY 2030)
S2022	$110.0M	Payback of total interest payment at 20% (FY 2027), 30% (FY 2028), 40% (FY 2029), and 55% (FY 2030)
S2023	$48.0M	Payback of total interest payment at 20% (FY 2027 & 2028), 30% (FY 2029), and 40% (FY 2030)
S2024	$260.6M	No Debt Service through FY 2027; then 20% of total interest payment (FY 2028 & FY 2029), and 30% (FY 2030)
S2025	$60.2M	No Debt Service through FY 2028; then 20% of total interest payment (FY 2029 & FY 2030)

This also includes the following Deferred Interest Funding **(Principal and Interest Payments)** issues for the Lake Ralph Hall Project:

Series	Amount	Debt Service Terms
S2015	$29.1M	Debt Service ranging from $1.6M - $2.0M per year over 22 years through FY 2045

Debt Service **(Interest Only Payments)** includes the following Board Participation issuances to fund 75% of the Harpool RWTP Northeast Transmission Pipeline, Ph 1 & 2 (514N):

Series	Amount	Debt Service Terms
S2021	$10.6M	Payback of total interest payment at 30% (FY 2027), 40% (FY 2028), 55% (FY 2029), and 70% (FY 2030)
S2022	$9.1M	Payback of total interest payment at 20% (FY 2027), 30% (FY 2028), 40% (FY 2029), and 55% (FY 2030)
S2023	$4.7M	Payback of total interest payment at 20% (FY 2027 & FY 2028), 30% (FY 2029), and 40% (FY 2030)
S2024	$4.7M	No Debt Service through FY 2027; then 20% of total interest payment (FY 2028 & FY 2029), and 30% (FY 2030)

Debt Service **(Interest Only Payments)** includes the following Board Participation issuances to fund 80% of the Harpool RWTP Northeast Transmission Pipeline, Ph 3 (515N):

Series	Amount	Debt Service Terms
S2023	$5.8M	Payback of total interest payment at 20% (FY 2027 & FY 2028), 30% (FY 2029), and 40% (FY 2030)
S2024	$10.2M	No Debt Service through FY 2027; then 20% of total interest payment (FY 2028 & FY 2029), and 30% (FY 2030)
S2025	$13.3M	No Debt Service through FY 2028; then 20% of total interest payment (FY 2029 & FY 2030)
S2026	$11.4M	No Debt Service through FY 2029; then 20% of total interest payment (FY 2030)

Debt Service **(Interest Only Payments)** includes the following Board Participation issuances to fund up to 80% of the Taylor RWTP Expansion, Ph 3 (514R):

Series	Amount	Debt Service Terms
S2023	$18.08M	Payback of total interest payment at 20% (FY 2027 & FY 2028), 30% (FY 2029), and 40% (FY 2030)
S2024	$22.32M	No Debt Service through FY 2027; then 20% of total interest payment (FY 2028 & FY 2029), and 30% (FY 2030)
S2025	$75.22M	No Debt Service through FY 2028; then 20% of total interest payment (FY 2029 & FY 2030)
S2026	$21.22M	No Debt Service through FY 2029; then 20% of total interest payment (FY 2030)
S2027	$5.75M	No Debt Service through FY 2030

Debt Service **(Interest Only Payments)** includes the following Board Participation issuances to fund 80% of the Harpool RWTP Phased Treatment Expansion, Ph 2 (512H):

Series	Amount	Debt Service Terms
S2024	$40.0M	No Debt Service through FY 2027; then 20% of total interest payment (FY 2028 & FY 2029), and 30% (FY 2030)
S2025	$40.0M	No Debt Service through FY 2028; then 20% of total interest payment (FY 2029 & FY 2030)
S2026	$40.0M	No Debt Service through FY 2029; then 20% of total interest payment (FY 2030)
S2027	$32.0M	No Debt Service through FY 2030
S2028	$10.0M	No Debt Service through FY 2030

Debt Service **(Interest Only Payments)** includes the following Board Participation issuances to fund 80% of the Taylor RWTP Expansion, Ph 4 (519G):

Series	Amount	Debt Service Terms
S2026	$5.7M	No Debt Service through FY 2029; then 20% of total interest payment (FY 2030)
S2027	$16.1M	No Debt Service through FY 2030
S2028	$64.1M	No Debt Service through FY 2030
S2029	$80.1M	No Debt Service through FY 2030

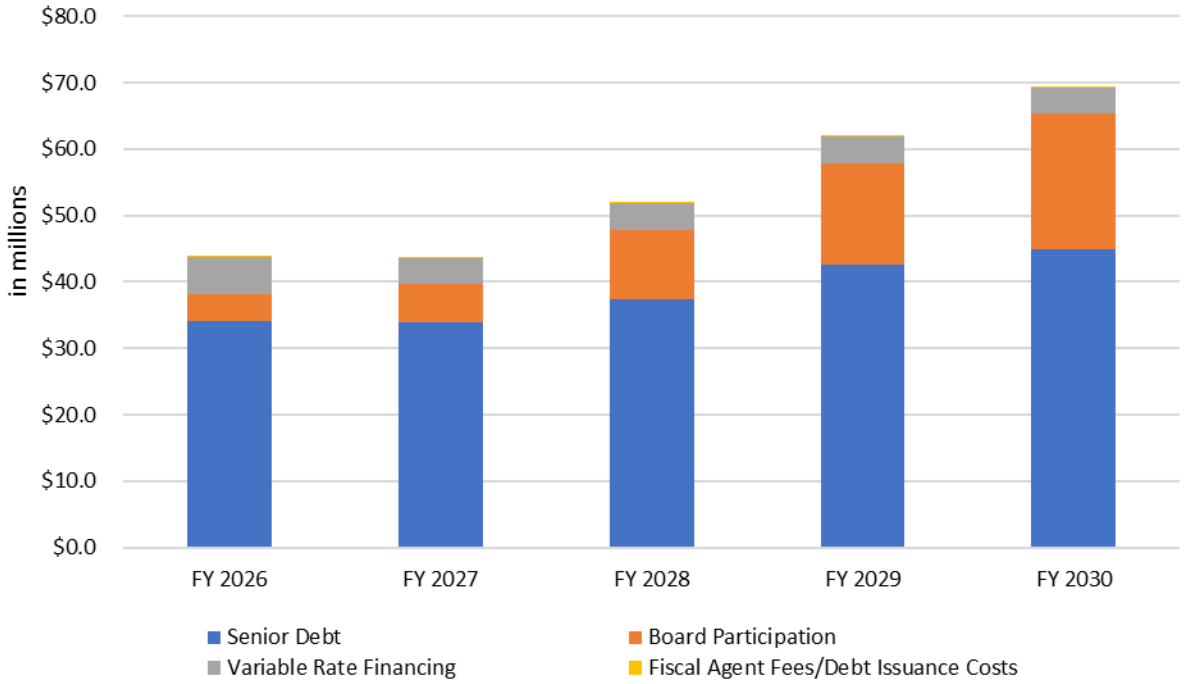
Debt Service **(Interest Only Payments)** includes the following Board Participation issuances to fund 80% of the Harpool RWTP Northeast Pipeline, Phase 4 (515K):

Series	Amount	Debt Service Terms
S2026	$3.7M	No Debt Service through FY 2029; then 20% of total interest payment (FY 2030)
S2027	$6.46M	No Debt Service through FY 2030
S2028	$9.06M	No Debt Service through FY 2030
S2029	$8.98M	No Debt Service through FY 2030

Debt Service **(Interest Only Payments)** includes the following Board Participation issuances to fund 80% of the RTWS Phase 1C Parallel Pipeline (51TX):

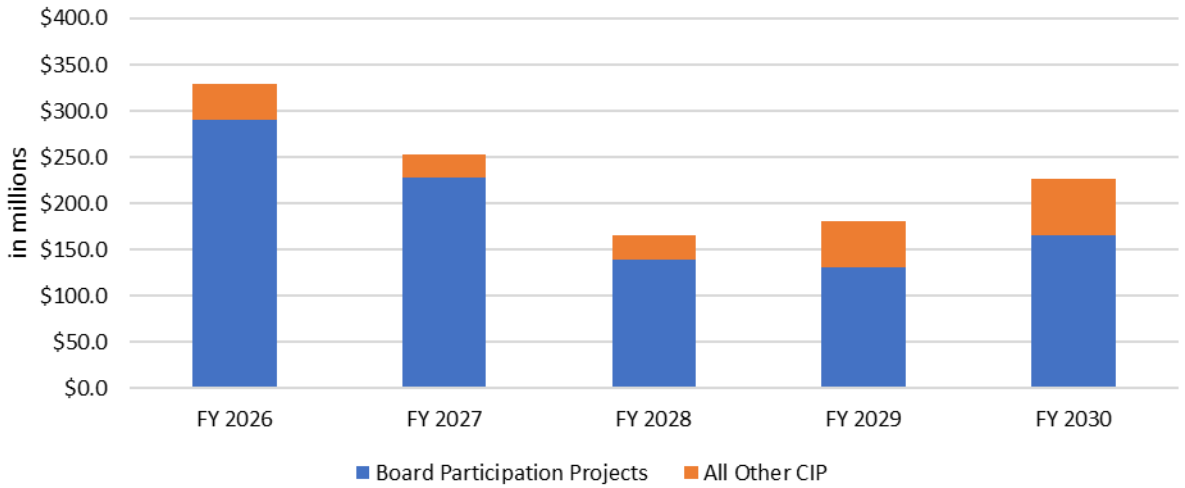
Series	Amount	Debt Service Terms
S2026	$0.9M	No Debt Service through FY 2029; then 20% of total interest payment (FY 2030)
S2027	$4.2M	No Debt Service through FY 2030
S2028	$16.2M	No Debt Service through FY 2030
S2029	$40.3M	No Debt Service through FY 2030

Other debt service includes revenue bonds (senior lien debt) issued to convert variable rate financing to long-term debt with $65M in FY 2026; $65M in FY 2027; $70M in FY 2028; $70M in FY 2029; and $90M in FY 2030. The following graph shows the anticipated debt service obligations over the five-year period:



Capital Improvement Program (CIP)

The following graph shows the anticipated CIP expenditures for FY 2026 – FY 2030. Since Board Participation funded projects represent a significant portion of CIP expenditures, they are shown separately.



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FUND SUMMARY

The Upper Trinity Regional Water District (UTRWD) provides treated and non-potable water, water reclamation, and household hazardous waste disposal services to its member and customer entities located in southern Denton and southwestern Collin counties. These services are accounted for separately in Enterprise Funds and receive support services from Internal Service Funds such as the Administration, Information Technology (IT), and Maintenance Funds. These Enterprise Funds (Operating Systems), along with Internal Service Funds, constitute UTRWD's Operating Budget.

100% of Maintenance expenditures are allocated monthly to the Administration Fund, Lakeview Regional Water Reclamation System, Non-Potable Water System, Northeast Regional Water Reclamation System, Peninsula Water Reclamation Plant, and Regional Treated Water System, based on a percentage of work orders completed by the Maintenance Department (from the prior fiscal year) for each Operating System.

100% of Information Technology Fund expenses are allocated to the Administration Fund, then 97% (increased from 95% to better match Administration staff efforts between Operations and Capital Improvement activities) of all Administration expenses are allocated monthly to all Operating Systems and active capital improvement projects.

Additionally, each Operating System contains its own reserve accounts (e.g., O&M Reserve, Capital Replacement Reserve, Plant Permitting Reserve) in which contributions to and transfers from are completed. See next page for the District's various Operating funds and their associated reserves.

The Capital Improvement Program consists of construction cash reserves of each Operating System. The Regional Treated and Non-Potable Water Systems, Lakeview and Northeast Regional Water Reclamation Systems, and Peninsula Water Reclamation Plant, each have their own construction cash reserves where transactions from construction activities are accounted.

UTRWD's Engineering staff are accounted for in the Engineering Fund. Personnel expenditures are first directly expensed to active capital projects, with the remaining (indirect) expenses allocated proportionately, based on total expenses for each active capital improvement project.

The Growth Program and Project Development Fund work independently of the Operation Systems and each System's Capital Improvement Program. The Growth Program maintains a cash account that accounts for any District purchases of land and / or easements for potential future capital improvement projects. The Project Development Fund maintains a cash account that accounts for any preliminary design and / or engineering activities for potential future capital projects.

A flowchart that demonstrates the fund structure of the District is also included in this section.

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District Funds / Systems and Related Reserves

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

	Operating Funds / Systems					
Reserves	Admin. / Information Technology Fund	Lakeview Regional Water Reclamation System	Non-Potable Water System	Northeast Regional Water Reclamation System	Peninsula Water Reclamation Plant	Regional Treated Water System
Debt Service Reserve		X	X	X	X	X
Interest and Sinking Reserve		X	X	X	X	X
Operating and Maintenance Reserve		X	X	X	X	X
Capital Replacement Reserve		X	X	X	X	X
Raw Water Pond Dredging Reserve						X
Watershed Protection Program						X
Water Conservation Program						X
Future Water Program						X
Lake Ralph Hall Reserve						X
Lake Ralph Hall Reservoir Operating 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 and Equipment Replacement Reserve		X		X	X	X
Property Insurance Deductible Reserve		X		X	X	X
Self-Insurance Reserve	X	X	X	X	X	X
Construction Cash Reserve		X	X	X	X	X

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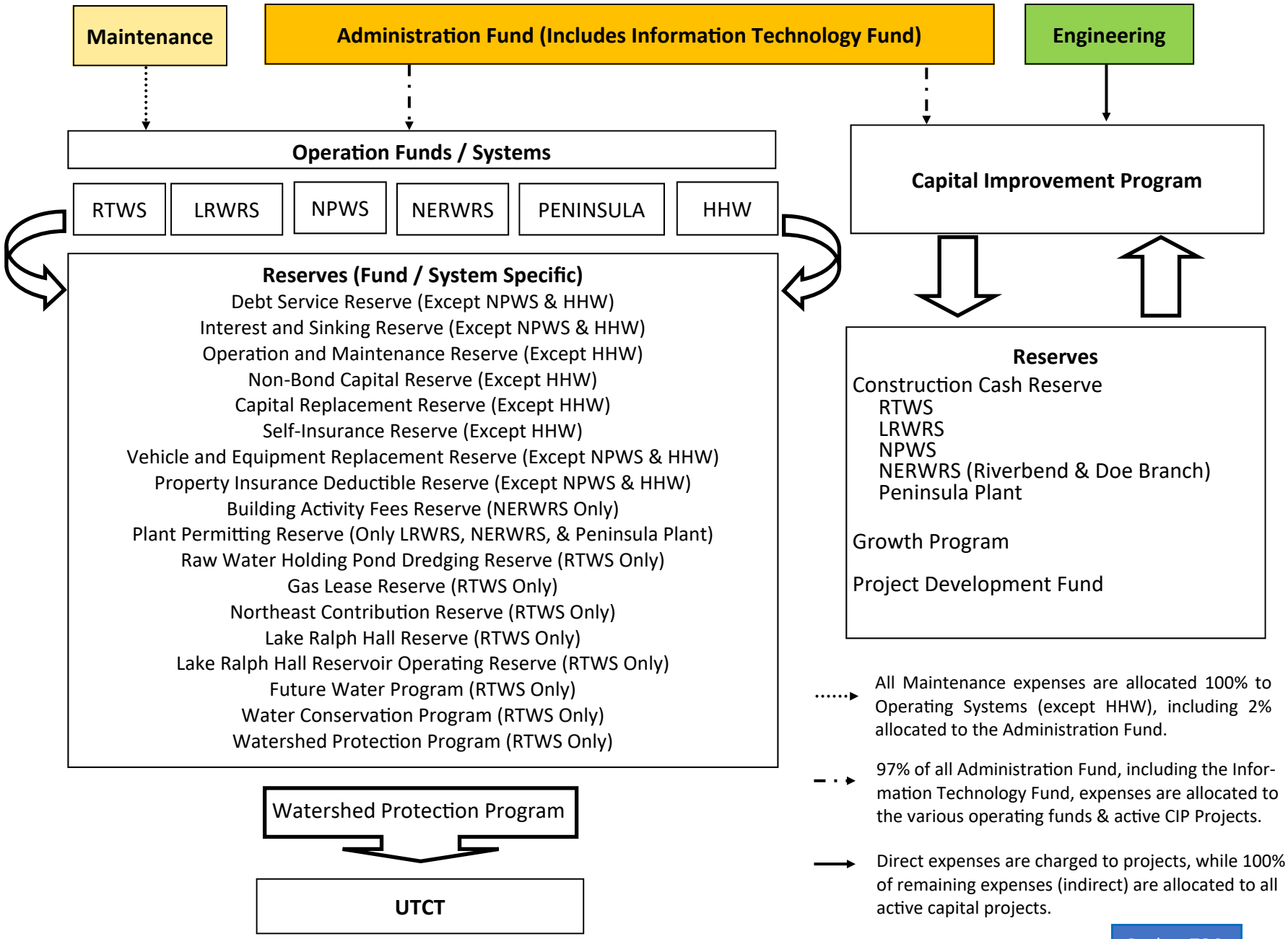
UTRWD Fund and Reserve Structure



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ALL OPERATING & CAPITAL FUNDS WITH RESERVES - COMBINED SUMMARY

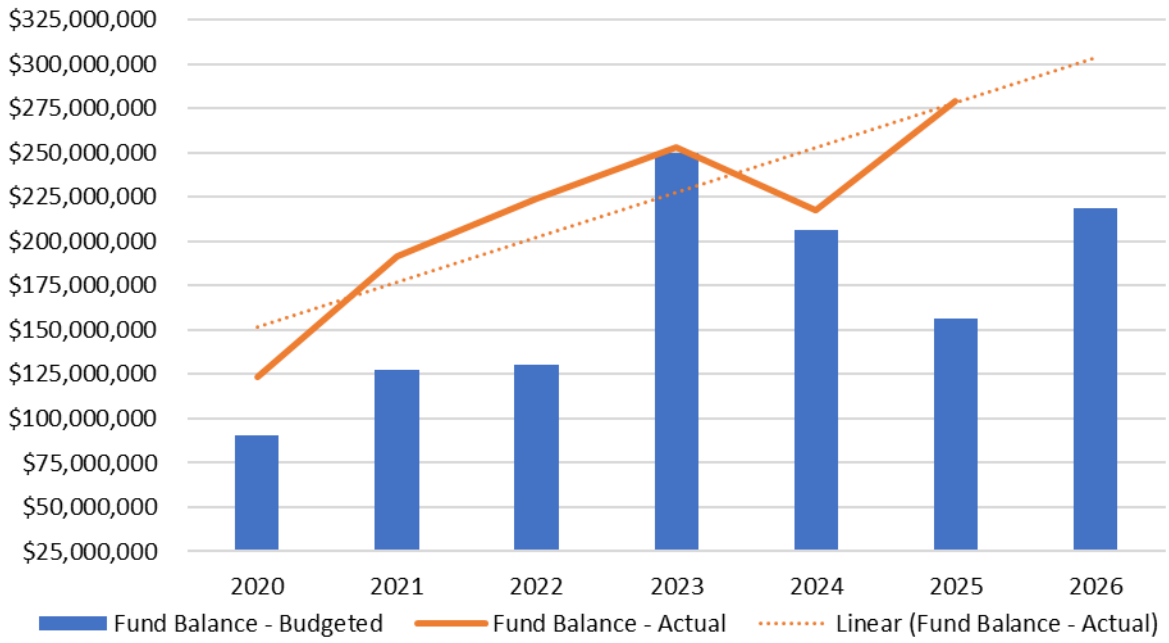
	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
Beginning Fund Balance	**$ 313,322,441**	**$ 155,727,171**	**$ 217,825,549**	**$ 279,349,179**
Less: Transfers from Working Capital / Carryforwards *	$ (158,846,083)	$ (32,635,570)	$ (6,874,400)	$ (85,089,890)
BEGINNING FUND BALANCE Revised	**$ 154,476,358**	**$ 123,091,601**	**$ 210,951,149**	**$ 194,259,289**
Revenues				
Demand Charges	$ 48,043,185	$ 53,334,875	$ 53,011,215	$ 55,622,630
Capital Charges for Joint / Individual Facilities	6,446,040	9,010,500	9,010,500	10,677,675
Fixed O&M Costs for Joint Facilities	8,407,289	8,840,150	8,840,150	9,172,910
Fees for Administration and Planning	184,801	187,745	187,745	192,890
Contract Payments	267,570	741,515	741,515	744,740
Volume Revenues	24,641,724	25,857,860	27,308,685	31,217,010
Volume - Treated Effluent	44,261	61,335	48,295	61,335
Volume - Raw Water	-	4,445	4,445	4,865
Treatment and Transportation (w/Corinth Point of Entry)	7,746,902	7,698,735	7,578,330	8,035,335
Excess Flow Surcharge	171,218	-	310,905	-
Charges for Services (HHW)	34,298	22,330	43,605	24,880
Variable Rate Financing	74,426,000	97,500,000	103,000,000	107,000,000
Revenue Bond Proceeds (w/Deposits to Debt Service Reserves)	32,367,558	52,404,945	15,441,020	48,039,380
Texas Water Development Board				
SWIFT Board Participation Funds	69,307,940	290,780,290	224,581,925	217,569,775
Reimbursements (Includes CIP Projects)	1,467,505	1,067,520	1,517,450	348,770
Contribution Sources	6,102,367	31,270,000	31,250,000	31,250,000
Endowments	-	-	31,810	-
Watershed Partners Programs	3,775	3,875	3,925	3,875
Charitable Contributions	3,400	1,500	3,030	1,500
Grants	7,500	-	50,000	-
Building Activity Fees	8,350	4,250	4,250	4,250
Rental Revenues	145,935	107,980	130,750	88,560
Other Revenues (Includes Land & Easement Proceeds)	527,683	29,975	44,670	27,510
Interest Income	16,778,132	10,657,595	17,344,175	10,093,330
Total Revenues	**$ 297,133,433**	**$ 589,587,420**	**$ 500,488,395**	**$ 530,181,220**
Transfers In *	$ 222,269,437	$ 109,022,760	$ 103,963,005	$ 171,923,005
Total Revenues and Transfers In	**$ 519,402,870**	**$ 698,610,180**	**$ 604,451,400**	**$ 702,104,225**
Expenditures				
Administration Fund	$ 309,389	$ 353,500	$ 349,685	$ 254,385
Lakeview Regional Water Reclamation System	6,010,868	6,249,330	6,237,215	6,704,325
Non-Potable Water System	104,529	117,785	95,420	117,695
Northeast Regional Water Reclamation System	11,027,546	15,663,965	15,368,805	17,206,900
Peninsula Water Reclamation Plant	1,623,383	1,901,905	1,827,405	2,140,970
Regional Treated Water System	57,718,939	74,219,175	67,895,990	85,925,440
Household Hazardous Waste Program	41,844	37,710	60,665	41,150
Interest and Sinking Reserve	34,121,263	44,919,490	41,975,000	49,284,555
Capital Improvement Program	313,737,111	488,085,920	344,959,175	475,878,980
Vehicle and Equipment Replacement Reserve	1,666,338	125,000	401,000	-
Self-Insurance Reserve	2,160,138	2,633,850	2,729,525	3,551,610
Watershed Protection Program	272,136	291,675	335,390	360,675
Water Conservation Program	303,707	407,675	365,500	509,500
Future Water Program	323,217	435,000	396,000	675,000
Upper Trinity Conservation Trust	23,550	39,425	122,065	46,040
Project Development Fund	269,939	40,000	55,000	150,000
Refund of Prior Construction Contributions (Elm Ridge WCID)	883,890	-	-	-
Total Expenditures	**$ 430,597,787**	**$ 635,521,405**	**$ 483,173,840**	**$ 642,847,225**
Transfers Out *	$ 25,455,892	$ 29,731,110	$ 52,879,530	$ 34,142,325
Total Expenditures and Transfers Out	**$ 456,053,679**	**$ 665,252,515**	**$ 536,053,370**	**$ 676,989,550**
Net Revenues / (Expenses)	**$ 63,349,191**	**$ 33,357,665**	**$ 68,398,030**	**$ 25,114,675**
Ending Fund Balance	**$ 217,825,549**	**$ 156,449,266**	**$ 279,349,179**	**$ 219,373,964**

*** 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. Also includes Shared Debt Payments in Operating Funds.**

HISTORICAL OPERATING AND CAPITAL FUNDS WITH RESERVES BALANCES

Fiscal Year	Fund Balance (Budgeted)	Fund Balance (Actual)
2020	$ 90,482,140	$ 123,518,955
2021	$ 127,342,073	$ 191,317,306
2022	$ 130,452,668	$ 224,351,598
2023	$ 249,912,406	$ 253,131,781
2024	$ 205,956,927	$ 217,825,549
2025	$ 156,449,266	$ 279,349,179*
2026	$ 219,373,964	N/A

* - Estimate



The above annual ending fund balances are the result of transactions between all District operations, capital improvement programs, and internal reserves. The differences between budgeted and actual fund balances are caused primarily from the District's capital improvement program activities. For example, the FY 2025 Estimate is well above the Adopted FY 2025 Budget. This is because of a change in timeline for several capital improvement projects anticipated for FY 2025. For more explanation of the variances between ending cash balances referenced above, refer to the Debt Summary, Operating Fund Detail, Other Funds, and CIP Funds sections of this budget document.

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OPERATING FUNDS COMBINED SUMMARY

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
Beginning Balance (Operating Cash)	**$ 28,174,446**	**$ 30,215,311**	**$ 35,232,021**	**$ 31,916,491**
Less: Transfers from Working Capital *	(9,000)	$ (10,000)	$ (12,500)	$ (12,500)
BEGINNING BALANCE (Operating Cash) Revised	**$ 28,165,446**	**$ 30,205,311**	**$ 35,219,521**	**$ 31,903,991**
Revenues				
Fixed				
Demand Charges (RTWS and NPWS)	$ 48,043,185	$ 53,334,875	$ 53,011,215	$ 55,622,630
Capital Charges for Joint / Individual Facilities with Interim Finance Charges (Water Reclamation Systems)	6,446,040	9,010,500	9,010,500	10,677,675
Fixed O&M Costs for Jt. Facilities (Water Reclamation Systems)	8,407,289	8,840,150	8,840,150	9,172,910
Fees for Administration and Planning (Administration)	168,735	171,115	171,115	176,260
Contract Payments (RTWS)	267,570	741,515	741,515	744,740
Subtotal	**$ 63,332,819**	**$ 72,098,155**	**$ 71,774,495**	**$ 76,394,215**
Variable				
Volume Revenues (RTWS)	$ 24,641,724	$ 25,857,860	$ 27,308,685	$ 31,217,010
Volume - Treated Effluent (NPWS)	44,261	61,335	48,295	61,335
Volume - Raw Water (NPWS)	-	4,445	4,445	4,865
Treatment and Transportation (Water Recl. Systems)	7,746,902	7,698,735	7,578,330	8,035,335
Excess Flow Surcharge	171,218	-	310,905	-
Charges for Services (HHW)	34,298	22,330	43,605	24,880
Subtotal	**$ 32,638,403**	**$ 33,644,705**	**$ 35,294,265**	**$ 39,343,425**
Miscellaneous				
Rental Revenues	$ 145,935	$ 107,980	$ 130,750	$ 88,560
Other Revenues	527,683	29,975	44,670	27,510
Interest Income	3,625,447	3,430,125	3,574,295	3,833,220
Subtotal	**$ 4,299,065**	**$ 3,568,080**	**$ 3,749,715**	**$ 3,949,290**
Total Revenues	**$ 100,270,287**	**$ 109,310,940**	**$ 110,818,475**	**$ 119,686,930**
Transfers In *	$ 3,324,539	$ 5,394,785	$ 6,296,750	$ 11,882,940
Total Revenues and Transfers In	**$ 103,594,826**	**$ 114,705,725**	**$ 117,115,225**	**$ 131,569,870**
Expenditures (w/o Debt Service)				
Administration Fund	$ 309,389	$ 353,500	$ 349,685	$ 254,385
Lakeview Regional Water Reclamation System (LRWRS)	$ 3,430,526	3,656,395	3,644,780	4,094,490
Non-Potable Water System (NPWS)	$ 104,529	117,785	95,420	117,695
Northeast Regional Water Reclamation System (NERWRS)	$ 6,820,868	8,320,390	8,090,195	8,706,055
Peninsula Water Reclamation Plant (PWRP)	$ 1,552,889	1,827,160	1,752,610	2,067,375
Regional Treated Water System (RTWS)	$ 27,448,757	34,838,745	32,415,730	42,104,805
Household Hazardous Waste Program (HHW)	$ 41,844	37,710	60,665	41,150
Subtotal	**$ 39,708,802**	**$ 49,151,685**	**$ 46,409,085**	**$ 57,385,955**
Debt Service (Net of Capitalized Interest)				
Lakeview Regional Water Reclamation System	$ 2,580,342	$ 2,592,935	$ 2,592,435	$ 2,609,835
Northeast Regional Water Reclamation System	$ 4,206,678	7,343,575	7,278,610	8,500,845
Peninsula Water Reclamation Plant (w/Fiscal Agent Fees)	$ 70,494	74,745	74,795	73,595
Regional Treated Water System (w/Variable Rate Financing)	$ 30,270,182	39,380,430	35,480,260	43,820,635
Subtotal	**$ 37,127,696**	**$ 49,391,685**	**$ 45,426,100**	**$ 55,004,910**
Total Expenditures and Debt Service	**$ 76,836,498**	**$ 98,543,370**	**$ 91,835,185**	**$ 112,390,865**
Transfers Out *	$ 19,691,753	$ 4,984,005	$ 28,583,070	$ 6,772,745
Total Expenditures and Transfers Out	**$ 96,528,251**	**$ 103,527,375**	**$ 120,418,255**	**$ 119,163,610**
Net Revenues / (Expenses)	**$ 7,066,575**	**$ 11,178,350**	**$ (3,303,030)**	**$ 12,406,260**
Ending Balance (Operating Cash)	**$ 35,232,021**	**$ 41,383,661**	**$ 31,916,491**	**$ 44,310,251**

*** Detail for these totals are found in the Operating Fund Detail section of this budget manual. Also includes Shared Debt Payments.**

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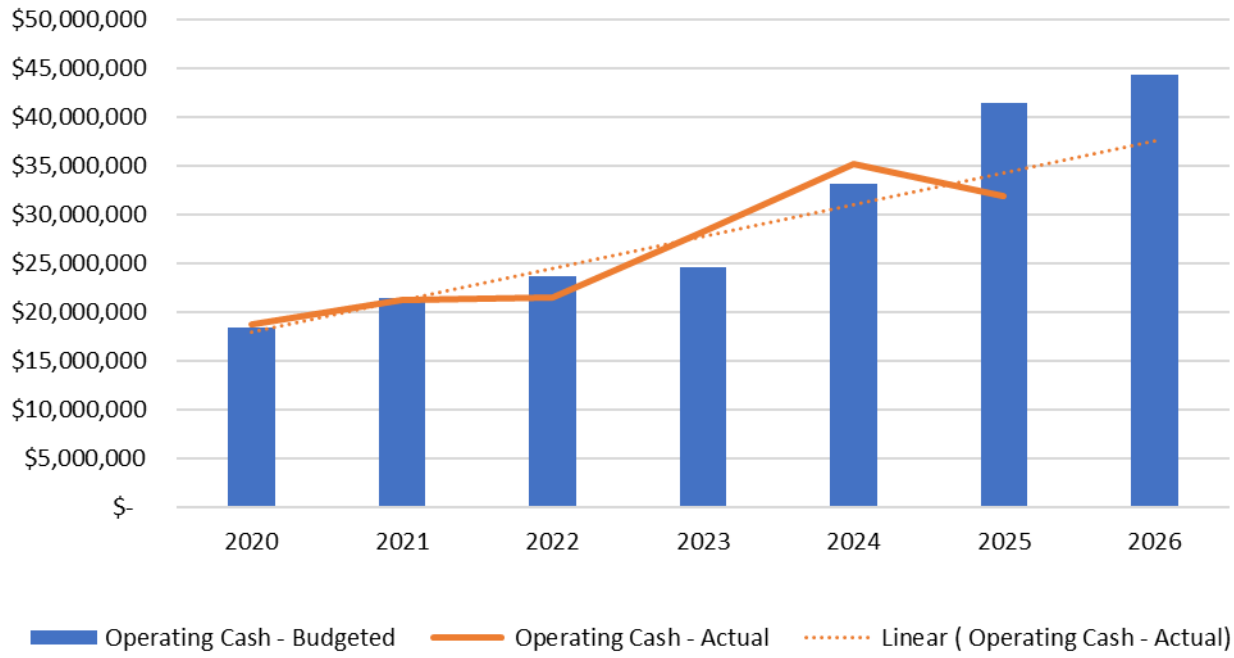
HISTORICAL OPERATING FUND ENDING CASH BALANCES

Fiscal Year	Operating Cash Balance (Budgeted)	Operating Cash Balance (Actual)
2020	$ 18,370,369	$ 18,752,701
2021	$ 21,473,132	$ 21,212,744
2022	$ 23,662,121	$ 21,559,998
2023	$ 24,651,224	$ 28,174,446
2024	$ 33,145,163	$ 35,232,021
2025	$ 41,383,661	$ 31,916,491*
2026	$ 44,310,251	N/A

* - Estimate



The District's ending operating cash balances have steadily increased since FY 2020. For the FY 2025 Estimate, working capital generated from the prior fiscal year is transferred to reserves and is in excess of any current fiscal year working capital increase. Excess working capital is determined for each Operating System to be the amount of ending cash at the end of a fiscal year that exceeds the calculated amount of 45 days of a particular Operating System's subsequent fiscal year total amended budget amount, plus up to a 5% contingency amount (based on the new total amended budget for that Operating System). At mid-year of each fiscal year, the Board of Directors is given a list of identified excess working capital amounts (by Operating System), as well as recommended amounts to be transferred to the Operating System's reserves. Fund balance results are as follows:

FY 2020 Operating Results

- The actual operating cash ending balance versus the budgeted operating cash ending balance yielded an increase of $0.38 million. This increase includes transferring $7.25 million of excess working capital (from FY 2019 results) to various District System reserves.
- FY 2020 actual operating revenues exceeded budgeted revenues by approximately $1.92 million due to higher than projected water and wastewater flows treated in the District's systems.

FY 2021 Operating Results

- The actual operating cash ending balance versus the budgeted operating cash ending balance yielded a decrease of $0.26 million after transferring $8.23 million of excess working capital (from FY 2020 results) to various District System reserves.
- FY 2021 actual operating revenues exceeded budgeted revenues by approximately $0.26 million due to higher than projected water and wastewater flows treated in the District's systems.

FY 2022 Operating Results

- The actual operating cash ending balance versus the budgeted operating cash ending balance yielded a decrease of $2.10 million. This includes transferring $10.24 million of excess working capital (from FY 2021 results) to various District System reserves.
- FY 2022 actual operating revenues exceeded budgeted revenues by approximately $4.87 million due to higher than projected water and wastewater flows treated in the District's systems.

FY 2023 Operating Results

- The actual operating cash ending balance versus the budgeted operating cash ending balance yielded an increase of $3.52 million. This includes transferring $9.11 million of excess working capital (from FY 2022 results) to various District System reserves (including reimbursements for prior CIP projects).
- FY 2023 actual operating revenues exceeded budgeted revenues by approximately $6.33 million due to higher than projected Interest Revenues, water and wastewater flows (Treatment and Volume Revenues), and unexpected subscription increases (Demand Revenues) in the Regional Treated Water System.

FY 2024 Operating Results

- The actual operating cash ending balance versus the budgeted operating cash ending balance yielded an increase of $2.09 million. This includes transferring approximately $15.12 million of excess working capital (savings from FY 2023 budgeted expenses versus actual results) to various District System reserves.
- FY 2024 actual operating revenues exceeded budgeted revenues by approximately $6.23 million due to higher than projected water and wastewater flows. Additionally, Transfers In from the Vehicle and Equipment Replacement Reserve were used to offset the purchase of previously leased vehicles due to canceling a vehicle lease program.

FY 2025 Operating Results (Estimated)

- The FY 2025 estimated operating cash ending balance is projected to decrease by $9.47 million from the FY 2025 adopted budget ending cash balance due to transferring approximately $22.69 million of excess working capital (savings from FY 2024 budgeted expenses versus actual results) to various District System reserves.
- FY 2025 estimates operating revenues are projected to exceed budgeted revenues by $2.41 million due to higher than projected water flows and excess flow surcharge revenue that was not budgeted in FY 2025.

FY 2026 Operating Results (Projected)

- The FY 2026 budgeted operating cash ending balance is projected to increase by $12.39 million from the estimated FY 2025 operating cash ending balance.
- FY 2026 rates and charges for the operating systems were established to yield a $12.39 million budget surplus due to outstanding and projected new debt service associated with the District's capital improvement program budget and for increases to fixed operating expenses. This surplus also provides for a cash basis debt coverage ratio for the four District systems that will exceed the District's minimum coverage amount of 1.15. The District's Debt Policy sets a cash basis debt coverage ratio "goal" for District systems with outstanding debt of 1.25 to 1.35 on all debt (Net Operating Revenues divided by Net Total Debt Service), with a minimum of 1.15, unless reaching this minimum ratio would result in financial hardship on the District's member / customer entities.

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DEBT SUMMARY

Upper Trinity utilizes a variety of sources to finance the Capital Improvement Program. Funding for capital projects falls primarily into long-term financing obligations consisting of both Senior and Junior lien debt. Other funding methods include use of rate revenues / cash from operations, as well as contributions from District participants and customers.

SENIOR LIEN DEBT

Senior lien financing is comprised of Revenue Bonds and certain Texas Water Development Board (TWDB) Funding. State Water Implementation Fund for Texas (SWIFT) Deferred Interest and Subsidized Interest Loans are considered Senior Lien Debt.

JUNIOR LIEN DEBT

Junior lien financing consists of TWDB Board Participation / State Participation Funding, as well as variable rate financing.

VARIABLE RATE FINANCING

The District maintains a Short-Term Financing program for the Regional Treated Water System. In October 2022, the Board authorized a $75.00 million Direct Purchase Program with PNC Bank to replace the Commercial Paper Program. This Direct Note Purchase Program was a short-term financing tool in which the bank provides immediate liquidity in the form of a loan and remains the holder of all the loan notes issued. In October 2023, the Board approved entering into a Variable Rate Program (line of credit) with Wells Fargo Bank and increasing the authorized amount to $100.00 million. In May 2025, this program was expanded to $150.00 million.

DEBT SERVICE RESERVES

DEBT SERVICE RESERVE

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 reserve is maintained at an amount equal to the average annual debt service requirements on all Senior Lien bonds, including outstanding parity bonds.

SERIES 2000-A BONDS DEBT RESERVE

To account for $575,843 received from the Argyle Water Supply Corporation (AWSC) for fiscal years 2019 and 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 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

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 monthly so that funds equal to the required debt service payments are accumulated by the time payments are due.

Bond Ratings

The District maintains good communication with bond rating agencies about its financial condition. As of September 2025, the District's Systems have the following bond ratings:

	Standard & Poor's	Moody's
Regional Treated Water System	A+	A1
Lakeview Regional Treated Water System	A+	A2
Northeast Regional Water Reclamation System	AA-	-
Peninsula Water Reclamation	AA+	-

Debt Coverage

In accordance with the District's Debt policies, FY 2026 rates and charges are established to achieve a goal coverage ratio of 1.25 to 1.35 on all debt (Cash Basis Debt Coverage Ratio), but with a minimum of 1.15. The Cash Basis Debt Coverage Ratio (CBDCR) and the Additional Bonds Test Coverage Ratio (ABTCR) are shown below for the District's systems with outstanding debt:

	CBDCR	ABTCR
Regional Treated Water System	1.23	2.50
Lakeview Regional Treated Water System	1.20	3.83
Northeast Regional Water Reclamation System	1.19	1.33
Peninsula Water Reclamation	2.46	7.16

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REGIONAL TREATED WATER SYSTEM

SENIOR LIEN DEBT

For FY 2026, the District will have the following Bonds outstanding.

Series 2013 (Refunding) – $16.55 million bond issue to refund future principal maturities of a previous bond issue from 2004 ($22.99 million - used to construct the Tom Harpool RWTP and associated treated water pipelines).

Series 2015 (Refunding) – $48.36 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 $34.33 million to refund the FY 2016 principal payment ($705,000) for the 2004 bond issue ($22.99 million – see prior note regarding Series 2013 Refunding Bonds), as well as future maturities of the Series 2005 bond issue ($43.84 million issue - used to refund future maturities of previous bond issues from 1999 ($15.61 million used to construct multiple capital projects, including the Northeast and Southwest pipelines and the expansion of the Taylor RWTP from 20 to 70 mgd, Series 2000A of $25.50 million used for continued expansion of the Taylor RWTP and northeast and southwest pipelines, and the Series 2001 bonds of $20.06 million used for the continued construction of the aforementioned projects, as well as the planning and design of the Harpool RWTP, a 20 mgd water treatment plant to provide service to the northern portion of the District's water system. A portion ($11.59M) of this issue was refunded in July 2025. Future maturities (FY 2026 - FY 2036) totaling of $4.54M will be due for 2037 - 2044.

Series 2016 (Refunding) – $33.59 million bond issue to refund future principal maturities ($9.72 million) of previously issued refunding bonds from 2006 of $25.69 million (originally used to refund the 1998 bond issue that refunded the original issues from 1993 of $2.75 million, 1994 of $3.45 million, 1995 of $4.71 million, and 1996 of $15.14 million, that were all used for the construction of the Taylor RWTP and associated pipelines), and from 2007 ($26.70 million) originally used to refinance $22.00 million of Commercial Paper issued for the initial phase of the Harpool RWTP and treated water pipelines.

Series 2017 (Commercial Paper Conversion) – $18.05 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.

Series 2018 TWDB SWIFT Subsidized Bonds – $7.59 million TWDB (SWIFT Subsidized Interest Funding) issue for initial funding of the Parallel Pipeline from the Taylor RWTP to the Stone Hill Pump Station project.

Series 2019 TWDB SWIFT Subsidized Bonds – $18.64 million TWDB (SWIFT Subsidized Interest Funding) issue to continue with the Parallel Pipeline project.

Series 2019A (Commercial Paper Conversion) – $19.71 million bond issue to convert $20.00 million of Commercial Paper (used for various capital projects, including Lake Ralph Hall) and have a 30-year term.

Series 2020 (Refunding) – $12.19 million issue to refund future maturities of the Series 2010 and Series 2010A bond issues that were issued to refund the Series 1999, Series 2000B, and Series 2001 bond issues that were originally issued to construct expansion of the Taylor RWTP (from 20 to 70 mgd), construction of a ground storage tank and pipeline extension to serve Mustang SUD, Celina, and other fresh water supply districts in the northeast service area, and construction of the northeast and southwest pipelines.

The Series 2010A bonds were issued to repurchase the Series 1993, 1994, 1995, and 1996 State Participation bonds held by the TWDB, that were originally issued to construct the initial stage of the Taylor RWTP (20 mgd), as well as raw and treated water pipelines representing the first generation of the District's water system.

Series 2020A TWDB SWIFT Subsidized Bonds – $15.84 million issue for the completion of the Parallel Pipeline project.

Series 2020B TWDB SWIFT Deferred Bonds – $15.00 million issue to provide funding for engineering and design services for the future Lake Ralph Hall.

Series 2021 (Refunding) – $40.02 million bond issue to convert $30.00 million of Commercial Paper. This also includes the refunding of $5.90 million for Series 2008 bonds issued for initial planning and permitting efforts for the Lake Ralph Hall project and $6.50 million for Series 2012 bonds used to construct a variety of capital projects including raw and treated water pipelines and renovations to the District's Administration building).

Series 2022 (Refunding) – $43.97 million bond issue to convert $21.79 million of Commercial Paper to long-term debt. This also includes the refunding of $22.18 million for Series 2012A bonds used for various capital projects including the Harpool RWTP and to repurchase (refund) outstanding bonds held by the TWDB from 1999, originally issued to expand the Taylor RWTP from 20 to 70 mgd.

Series 2023 (Direct Purchase Conversion) – $30.45 million bond issue to convert short-term debt used for various capital projects to long-term debt.

Series 2024 (Variable Rate Debt Conversion) – $66.00 million bond issue to convert $65.00 million of outstanding Variable Rate debt used for various capital projects to long-term debt.

Series 2025 (Variable Rate Debt Conversion & Refunding) – $62.20 million bond issue to convert $60.00 million of Variable Rate debt used for various capital projects to long-term debt. This also includes the partial refunding of $11.59 million for Series 2015 bonds used for various capital projects.

Series 2026 (Variable Rate Debt Conversion) – Preliminary $68.70 million bond issue to convert outstanding Variable Rate Debt of $65.00 million used for various capital projects to long-term debt. Debt service for this issue is anticipated to begin in mid-FY 2026.

Junior Lien Debt

For FY 2026, the District will have the following Bonds outstanding.

Series 2015 TWDB Board Participation Bonds – $15.57 million funding for the purchase of land and easements for the future Lake Ralph Hall. 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 though FY 2035. Principal and interest payments are scheduled for FY 2036 through FY 2050.

Series 2019 TWDB Board Participation Bonds – $30.00 million used for land purchases and mitigation activities for the Lake Ralph Hall project. Interest-only payments begin FY 2023 and increase gradually through FY 2029. Full interest-only payments last from FY 2030 through FY 2032, with payback of portions

of previously deferred interest included from FY 2033 through FY 2039. Principal and interest payments are scheduled for FY 2040 through FY 2054.

Series 2020 TWDB Board Participation Bonds – $120.00 million used for land purchases, mitigation, and construction activities for the Lake Ralph Hall project. Interest-only payments begin FY 2024 and increase gradually through FY 2030. Full interest-only payments last from FY 2031 through FY 2033, with payback of portions of previously deferred interest included from FY 2034 through FY 2040. Principal and interest payments are scheduled for FY 2041 through FY 2055.

Series 2021 TWDB Board Participation Bonds – $135.50 million used for construction activities ($120.5 million) and land acquisition activities ($15.0 million) for the Lake Ralph Hall project. Interest-only payments begin FY 2025 and increase gradually through FY 2031. Full interest-only payments last from FY 2032 through FY 2034, with payback of portions of previously deferred interest included from FY 2035 through FY 2041. Principal and interest payments are scheduled for FY 2042 through FY 2056.

Series 2021A TWDB Board Participation Bonds – $10.61 million used for easement purchases and construction activities for the Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2 project. This is the first tranche of four issues. Interest-only payments begin FY 2025 and increase gradually through FY 2031. Full interest-only payments last from FY 2032 through FY 2034, with payback of portions of previously deferred interest included from FY 2035 through FY 2041. Principal and interest payments are scheduled for FY 2042 through FY 2056.

Series 2022 TWDB Board Participation Bonds – $110.00 million used for construction activities for the Lake Ralph Hall project. Interest-only payments begin FY 2026 and increase gradually through FY 2032. Full interest-only payments last from FY 2033 through FY 2035, with payback of portions of previously deferred interest included from FY 2036 through FY 2042. Principal and interest payments are scheduled for FY 2043 through FY 2057.

Series 2022 TWDB Board Participation Bonds – $9.10 million used for construction activities for the Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2 project. This is the second tranche of four issues. Interest-only payments begin FY 2026 and increase gradually through FY 2032. Full interest-only payments last from FY 2033 through FY 2035, with payback of portions of previously deferred interest included from FY 2036 through FY 2042. Principal and interest payments are scheduled for FY 2043 through FY 2057.

Series 2023 TWDB Board Participation Bonds – $48.00 million used for construction activities for the Lake Ralph Hall project. Interest-only payments begin FY 2027 and increase gradually through FY 2033. Full interest-only payments last from FY 2034 through FY 2036, with payback of portions of previously deferred interest included from FY 2037 through FY 2043. Principal and interest payments are scheduled for FY 2044 through FY 2058.

Series 2023 TWDB Board Participation Bonds – $4.71 million used for construction activities for the Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2 project. This is the third tranche of four issues. Interest-only payments begin FY 2027 and increase gradually through FY 2033. Full interest-only payments last from FY 2034 through FY 2036, with payback of portions of previously deferred interest included from FY 2037 through FY 2043. Principal and interest payments are scheduled for FY 2044 through FY 2058.

Series 2023 TWDB Board Participation Bonds – $5.81 million used for construction activities for the Harpool RWTP Northeast Transmission Pipeline, Phase 3 project. This is the first tranche of four issues through FY 2027. Interest-only payments begin FY 2027 and increase gradually through FY 2033. Full interest-only payments last from FY 2034 through FY 2036, with payback of portions of previously deferred interest included from FY 2037 through FY 2043. Principal and interest payments are scheduled for FY 2044 through FY 2058.

Series 2023 TWDB Board Participation Bonds – $18.08 million used for construction activities for the Taylor RWTP Expansion, Phase 3 project. This is the first tranche of five issues through FY 2028. Interest-only payments begin FY 2027 and increase gradually through FY 2033. Full interest-only payments last from FY 2034 through FY 2036, with payback of portions of previously deferred interest included from FY 2037 through FY 2043. Principal and interest payments are scheduled for FY 2044 through FY 2058.

Series 2024 TWDB Board Participation Bonds – $260.62 million used for construction activities for the Lake Ralph Hall project. Interest-only payments begin FY 2028 and increase gradually through FY 2034. Full interest-only payments last from FY 2035 through FY 2037, with payback of portions of previously deferred interest included from FY 2038 through FY 2044. Principal and interest payments are scheduled for FY 2045 through FY 2059.

Series 2024 TWDB Board Participation Bonds – $4.71 million used for construction activities for the Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2 project. This is the fourth and final tranche for the project. Interest-only payments begin FY 2028 and increase gradually through FY 2034. Full interest-only payments last from FY 2035 through FY 2037, with payback of portions of previously deferred interest included from FY 2038 through FY 2044. Principal and interest payments are scheduled for FY 2045 through FY 2059.

Series 2024 TWDB Board Participation Bonds – $10.24 million used for construction activities for the Harpool RWTP Northeast Transmission Pipeline, Phase 3 project. This is the second tranche of four issues through FY 2027. Interest-only payments begin FY 2028 and increase gradually through FY 2034. Full interest-only payments last from FY 2035 through FY 2037, with payback of portions of previously deferred interest included from FY 2038 through FY 2044. Principal and interest payments are scheduled for FY 2045 through FY 2059.

Series 2024 TWDB Board Participation Bonds – $22.32 million used for construction activities for the Taylor RWTP Expansion, Phase 3 project. This is the second tranche of five issues through FY 2028. Interest-only payments begin FY 2028 and increase gradually through FY 2034. Full interest-only payments last from FY 2035 through FY 2037, with payback of portions of previously deferred interest included from FY 2038 through FY 2044. Principal and interest payments are scheduled for FY 2045 through FY 2059.

Series 2024 TWDB Board Participation Bonds – $40.00 million used for construction activities for the Harpool RWTP Expansion, Phase 2 project. This is the first tranche of five issues through FY 2029. Interest-only payments begin FY 2028 and increase gradually through FY 2034. Full interest-only payments last from FY 2035 through FY 2037, with payback of portions of previously deferred interest included from FY 2038 through FY 2044. Principal and interest payments are scheduled for FY 2045 through FY 2059.

Series 2025 TWDB Board Participation Bonds – Preliminary $60.22 million used for construction activities for the Lake Ralph Hall project. Interest-only payments begin FY 2029 and increase gradually through FY

2035. Full interest-only payments last from FY 2036 through FY 2038, with payback of portions of previously deferred interest included from FY 2039 through FY 2045. Principal and interest payments are scheduled for FY 2046 through FY 2060.

Series 2025 TWDB Board Participation Bonds – Preliminary $13.30 million used for construction activities for the Harpool RWTP Northeast Transmission Pipeline, Phase 3 project. This will be the third tranche of four issues through FY 2027. Interest-only payments begin FY 2029 and increase gradually through FY 2035. Full interest-only payments last from FY 2036 through FY 2038, with payback of portions of previously deferred interest included from FY 2039 through FY 2045. Principal and interest payments are scheduled for FY 2046 through FY 2060.

Series 2025 TWDB Board Participation Bonds – Preliminary $75.22 million used for construction activities for the Taylor RWTP Expansion, Phase 3 project. This will be the third tranche of five issues through FY 2028. Interest-only payments begin FY 2029 and increase gradually through FY 2035. Full interest-only payments last from FY 2036 through FY 2038, with payback of portions of previously deferred interest included from FY 2039 through FY 2045. Principal and interest payments are scheduled for FY 2046 through FY 2060.

Series 2025 TWDB Board Participation Bonds – Preliminary $40.00 million used for construction activities for the Harpool RWTP Expansion, Phase 2 project. This will be the second tranche of five issues through FY 2029. Interest-only payments begin FY 2029 and increase gradually through FY 2035. Full interest-only payments last from FY 2036 through FY 2038, with payback of portions of previously deferred interest included from FY 2039 through FY 2045. Principal and interest payments are scheduled for FY 2046 through FY 2060.

Variable Rate Financing

In prior years, the District utilized Commercial Paper and a Direct Purchase Program as its variable rate financing. Currently, Wells Fargo Bank provides variable rate financing. Approximately $107.22 million of variable rate financing will be utilized in FY 2026 with fees and interest expenses projected at $5.66 million.

Variable Rate Financing Balances	$ in Millions
Estimated Outstanding Balance 9-30-25	$83.23
Projected Draws	$107.00
Projected Conversion to Long-Term Debt	($65.00)
Projected Outstanding Balance 9-30-26	$125.23

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SCHEDULE OF REQUIREMENTS

Series	Description	TIC *	Maturity	Principal	Interest	Total
2013	Revenue Bonds (Refunding)	3.11%	2030	$ 1,225,000	$ 203,085	$ 1,428,085
2015	Revenue Bonds (Refunding)	3.06%	2044	-	149,730	149,730
2015	TWDB Board Participation Bonds	3.50%	2050	-	625,710	625,710
2015	TWDB SWIRFT Bonds	2.15%	2045	935,000	1,028,690	1,963,690
2016	Revenue Bonds (Refunding)	2.27%	2032	1,870,000	466,200	2,336,200
2017	Revenue Bonds (CP Conversion)	3.31%	2047	530,000	492,625	1,022,625
2018	TWDB SWIFT Subsidized Bonds	2.68%	2043	260,000	157,380	417,380
2019	TWDB SWIFT Subsidized Bonds	2.02%	2044	665,000	286,270	951,270
2019	TWDB Board Participation Bonds	3.38%	2054	-	405,290	405,290
2019A	Revenue Bonds (CP Conversion)	2.88%	2049	475,000	531,585	1,006,585
2020	Revenue Bonds (Refunding)	0.51%	2026	395,000	19,750	414,750
2020	TWDB Board Participation Bonds	2.56%	2055	-	1,011,065	1,011,065
2020A	TWDB SWIFT Subsidized Bonds	1.77%	2045	575,000	196,080	771,080
2021	Revenue Bonds (Refunding)	2.20%	2051	2,480,000	1,105,000	3,585,000
2021	TWDB Board Participation Bonds	2.79%	2056	-	64,740	64,740
2021	TWDB Board Participation Bonds	2.79%	2056	-	827,190	827,190
2022	Revenue Bonds (Refunding)	3.69%	2052	1,830,000	1,838,550	3,668,550
2022	TWDB Board Participation Bonds	4.21%	2057	-	88,560	88,560
2022	TWDB Board Participation Bonds	4.21%	2057	-	1,070,530	1,070,530
2023	Revenue Bonds (Refunding)	4.77%	2053	495,000	1,473,175	1,968,175
2024	Revenue Bonds (Refunding)	4.25%	2054	1,055,000	3,017,015	4,072,015
2025	Revenue Bonds (Refunding)	4.82%	2055	3,945,000	4,027,005	7,972,005
2026	Revenue Bonds (Refunding) **	5.25%	2056	592,380	1,706,250	2,298,630
Total				**$ 17,327,380**	**$ 20,791,475**	**$ 38,118,855**

* True Interest Cost

** Estimated debt service. Bond issue projected for FY 2026.

This schedule represents the FY 2026 debt service payments due on each outstanding Regional Treated Water System bond issue. However, the 2026 debt issue includes $68.70 million to convert $65.00 million of outstanding Variable Rate debt to long-term debt. This debt service amount ($2,298,630) is an estimate. For future debt issues during the five-year planning period (FY 2026 - FY 2030), refer to the Capital Improvement Program section as well as the Long-Range Financial Plan section of this budget document.

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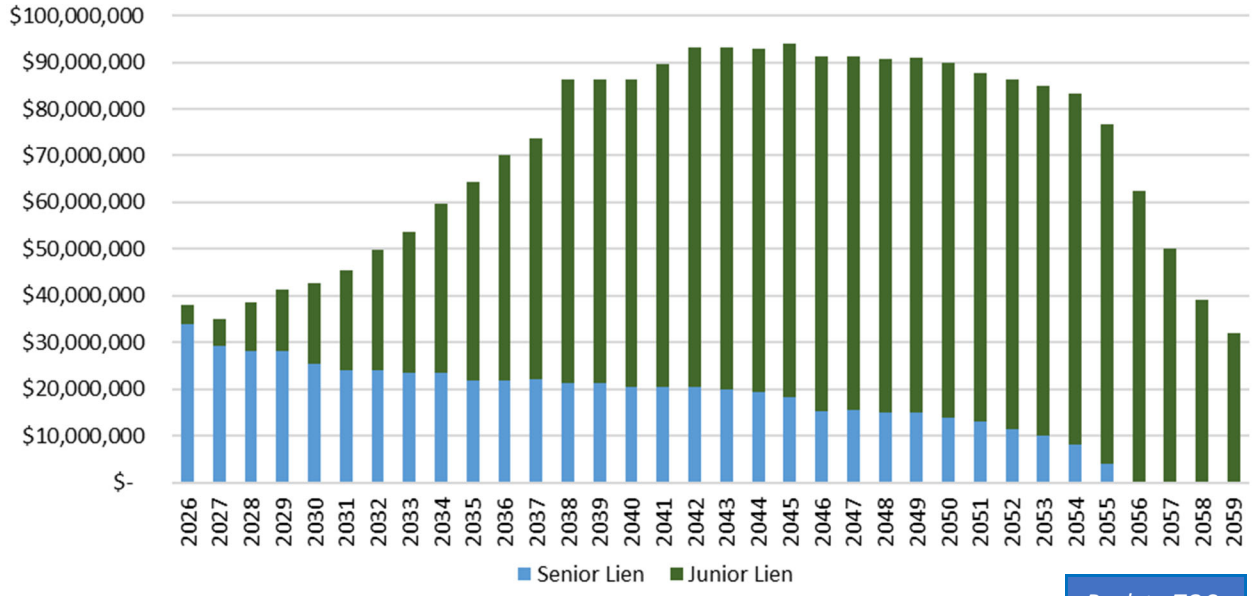
LONG-TERM DEBT INDEBTEDNESS TO MATURITY

Year	Senior Lien		Junior Lien	Total
2026	$ 34,025,770	*	$ 4,093,085	$ 38,118,855
2027	29,305,185		5,785,030	35,090,215
2028	28,169,060		10,409,280	38,578,340
2029	28,179,375		13,269,825	41,449,200
2030	25,432,645		17,314,705	42,747,350
2031	24,009,100		21,396,840	45,405,940
2032	24,007,375		25,708,750	49,716,125
2033	23,446,100		30,297,390	53,743,490
2034	23,454,855		36,219,245	59,674,100
2035	21,954,665		42,543,270	64,497,935
2036	21,966,850		48,086,115	70,052,965
2037	22,037,170		51,597,170	73,634,340
2038	21,183,020		65,215,340	86,398,360
2039	21,202,445		65,217,305	86,419,750
2040	20,419,860		65,837,110	86,256,970
2041	20,400,385		69,096,815	89,497,200
2042	20,402,555		72,755,425	93,157,980
2043	19,821,755		73,247,440	93,069,195
2044	19,394,765		73,389,025	92,783,790
2045	18,176,805		75,734,860	93,911,665
2046	15,397,735		75,821,305	91,219,040
2047	15,412,705		75,867,455	91,280,160
2048	14,916,355		75,925,325	90,841,680
2049	14,920,925		75,930,980	90,851,905
2050	13,919,365		75,956,750	89,876,115
2051	12,985,275		74,593,770	87,579,045
2052	11,502,290		74,694,395	86,196,685
2053	10,181,145		74,856,100	85,037,245
2054	8,215,595		75,024,935	83,240,530
2055	4,137,000		72,538,725	76,675,725
2056	-		62,468,325	62,468,325
2057	-		50,033,870	50,033,870
2058	-		39,130,705	39,130,705
2059	-		32,053,870	32,053,870
Total	**$ 588,578,130**		**$ 1,802,110,535**	**$ 2,390,688,665**

* Includes estimated debt service of $2,298,630 for projected FY 2026 issue of $68.70 million.



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DEBT SERVICE RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 12,123,835	$ 16,518,260	$ 16,529,713	$ 20,357,338
REVENUES				
Deposits				
Series 2023 Refunding Bonds ($30M Direct Purchase Notes)	1,272,317	-	-	-
Series 2024 Refunding Bonds ($65M Variable Rate Financing)	3,122,110	-	-	-
Series 2025 Refunding Bonds ($73M Variable Rate Financing)	-	3,600,500	-	-
Series 2025 Refunding Bonds ($60M Variable Rate Financing and $11.59M Refunding)	-	-	3,827,625	-
Series 2026 Refunding Bonds ($65M Variable Rate Financing)	-	-	-	2,400,000
Interest Income	717,521	660,000	742,790	760,000
TOTAL REVENUES	**$ 5,111,948**	**$ 4,260,500**	**$ 4,570,415**	**$ 3,160,000**
EXPENDITURES				
Transfer Out - Operations	706,070	660,000	742,790	760,000
TOTAL EXPENDITURES	**$ 706,070**	**$ 660,000**	**$ 742,790**	**$ 760,000**
ENDING CASH BALANCE 9/30	**$ 16,529,713**	**$ 20,118,760**	**$ 20,357,338**	**$ 22,757,338**

FY 2026 Ending Balance increase of $2,638,578 is largely due to the projected conversion of $65.00 million of outstanding Variable Rate Debt to long-term debt in FY 2026.

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SERIES 2000-A DEBT SERVICE RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 229,845	$ 114,845	$ 114,845	$ -
Transfer to Operations	$ (115,000)	$ (114,845)	$ (114,845)	$ -
BEGINNING CASH BALANCE Revised	**$ 114,845**	**$ -**	**$ -**	**$ -**
REVENUES				
Transfer In - Working Capital	115,000	114,845	114,845	-
TOTAL REVENUES	**$ 115,000**	**$ 114,845**	**$ 114,845**	**$ -**
EXPENDITURES				
Transfer Out - Operations	115,000	114,845	114,845	-
TOTAL EXPENDITURES	**$ 115,000**	**$ 114,845**	**$ 114,845**	**$ -**
ENDING CASH BALANCE 9/30	**$ 114,845**	**$ -**	**$ -**	**$ -**

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INTEREST AND SINKING RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 1,415,145	$ 5,300,455	$ 5,932,112	$ 7,192,127
Transfer to Operations		$ (1,621,400)		$ (3,691,820)
BEGINNING CASH BALANCE Revised		**$ 3,679,055**		**$ 3,500,307**
REVENUES				
Transfers In				
Operations	30,862,026	34,925,240	34,720,635	38,118,855
Working Capital	-	1,621,400	-	3,691,820
Interest Income	399,626	269,500	485,790	520,500
TOTAL REVENUES	**$ 31,261,652**	**$ 36,816,140**	**$ 35,206,425**	**$ 42,331,175**
EXPENDITURES				
Debt Service	26,744,685	34,925,240	32,055,510	38,118,855
Transfer Out - Operations	-	1,890,900	1,890,900	4,212,320
TOTAL EXPENDITURES	**$ 26,744,685**	**$ 36,816,140**	**$ 33,946,410**	**$ 42,331,175**
ENDING CASH BALANCE 9/30	**$ 5,932,112**	**$ 3,679,055**	**$ 7,192,127**	**$ 3,500,307**

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LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM

SENIOR LIEN DEBT

For FY 2026, the District will have the following Bonds outstanding.

Series 2012 (Refunding) – $6.66 million bond issue to refund future principal maturities of a previous bond issue from 2001 ($6.69 million - used to expand the treatment capacity of the Lakeview RWRP from 3.5 mgd to 5.0 mgd, as well as making other system improvements) and to repurchase outstanding State Participation bonds, held by the Texas Water Development Board (TWDB), from 1996 ($1.40 million - used to make improvements to the Lakeview Regional Water Reclamation Plant). This issue has a 17-year term with the last payment due in FY 2028.

Series 2012A (Refunding) – $16.25 million bond issue to refund future principal maturities of a previous bond issue from 2003 ($7.30 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 State Participation bonds, held by the TWDB, from 1998 ($8.70 million - used in conjunction with the 1996 TWDB State Participation bonds). This issue has a 16-year term with the final payment due in FY 2028.

Series 2014 (Refunding) – $3.23 million bond issue to refund future principal maturities of a previous refunding bond issue from 2005 ($5.16 million - used to refund future maturities of two previous bond issues of 1995A and 1995B of $1.56 million and $0.19 million, respectively, which were used to make additional improvements to the former Lake Cities Municipal Utilities Authority wastewater plant (conveyed to the District from LCMUA), to construct a joint pipeline and entry points for transporting flows), and additional funds of $4.00 million to complete improvements to the Lakeview RWRP and to construct the Swisher Parallel Pipeline). This issue has a 16-year term with the final payment due in FY 2030.

Series 2015 – $3.59 million bond issue for the completion of improvements at the Lakeview RWRP, as well as upgrades to System trunk mains and appurtenances. This issue has a 20-year term with the final payment due in FY 2035.

Series 2020 (Refunding) – $3.92 million bond issue to refund future principal maturities of two previous refunding bond issues from (2006 and 2011) that also refunded earlier bond issues from 1996 ($9.77 million - used to expand the treatment capacity of the LRWRP from 1.038 mgd to 3.5 mgd, as well as other system improvements) and 2011 ($4.55 million - used to complete process improvements at the Lakeview RWRP, including the installation of new clarifier equipment and filtering technology). This issue has a 10-year term with the final payment due in FY 2030.

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SCHEDULE OF REQUIREMENTS

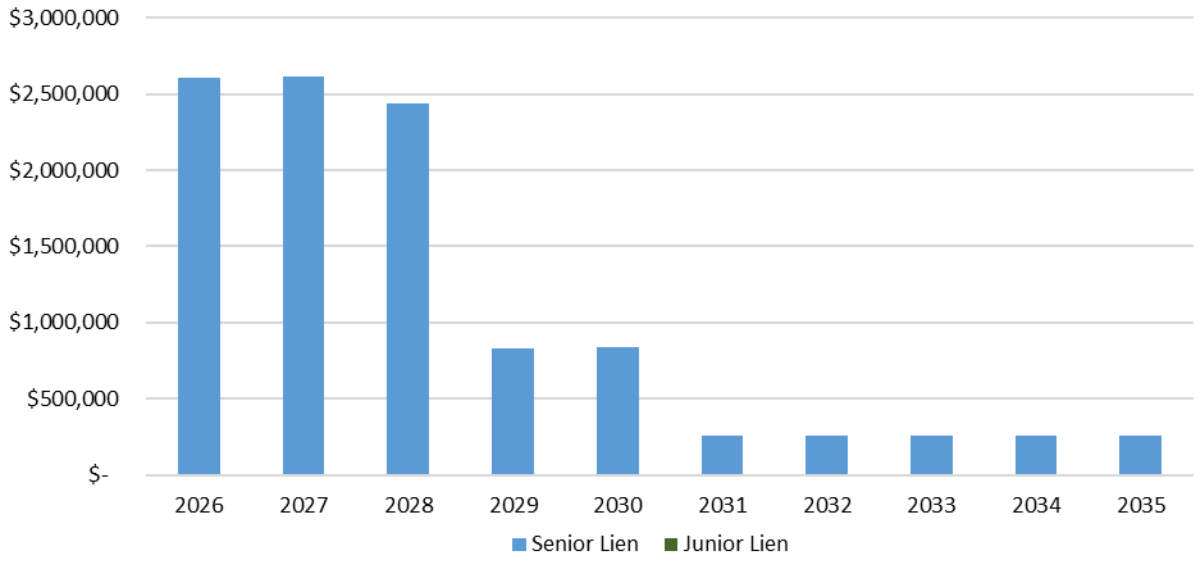
Series	Description	TIC *	Maturity	Principal	Interest	Total
2012	Revenue Bonds (Refunding)	2.91%	2028	$ 140,000	$ 15,900	$ 155,900
2012A	Revenue Bonds (Refunding)	3.11%	2028	1,310,000	136,740	1,446,740
2014	Revenue Bonds (Refunding)	3.08%	2030	210,000	36,950	246,950
2015	Revenue Bonds	3.38%	2035	175,000	73,695	248,695
2020	Revenue Bonds (Refunding)	0.90%	2035	450,000	56,100	506,100
Total				**$ 2,285,000**	**$ 319,385**	**$ 2,604,385**

* True Interest Cost

This schedule represents the FY 2026 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 2026 - FY 2030), refer to the Capital Improvement Program section of this budget document.

LONG-TERM DEBT INDEBTEDNESS TO MATURITY

Year	Senior Lien	Junior Lien	Total
2026	$ 2,604,385	$ -	$ 2,604,385
2027	2,615,980	-	2,615,980
2028	2,443,175	-	2,443,175
2029	832,445	-	832,445
2030	838,895	-	838,895
2031	253,850	-	253,850
2032	256,500	-	256,500
2033	258,800	-	258,800
2034	259,600	-	259,600
2035	260,000	-	260,000
Total	**$ 10,623,630**	**$ -**	**$ 10,623,630**



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DEBT SERVICE RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 2,194,078	$ 2,194,078	$ 2,193,673	$ 2,193,673
Transfer to Operations	$ (405)			
BEGINNING CASH BALANCE Revised	**$ 2,193,673**			
REVENUES				
Transfer In - Working Capital	405	-	-	-
Interest Income	116,225	102,790	97,190	97,850
TOTAL REVENUES	**$ 116,630**	**$ 102,790**	**$ 97,190**	**$ 97,850**
EXPENDITURES				
Transfer Out - Operations	116,630	102,790	97,190	97,850
TOTAL EXPENDITURES	**$ 116,630**	**$ 102,790**	**$ 97,190**	**$ 97,850**
ENDING CASH BALANCE 9/30	**$ 2,193,673**	**$ 2,194,078**	**$ 2,193,673**	**$ 2,193,673**

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INTEREST AND SINKING RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 82,466	$ 121,666	$ 68,552	$ 99,912
Transfer to Operations	$ (13,914)			
BEGINNING CASH BALANCE Revised	**$ 68,552**			
REVENUES				
Transfers In				
Operations	2,525,657	2,587,930	2,587,935	2,604,385
Working Capital	13,914	-	-	-
Interest Income	37,235	31,710	31,360	30,895
TOTAL REVENUES	**$ 2,576,806**	**$ 2,619,640**	**$ 2,619,295**	**$ 2,635,280**
EXPENDITURES				
Debt Service	2,576,806	2,587,930	2,587,935	2,604,385
TOTAL EXPENDITURES	**$ 2,576,806**	**$ 2,587,930**	**$ 2,587,935**	**$ 2,604,385**
ENDING CASH BALANCE 9/30	**$ 68,552**	**$ 153,376**	**$ 99,912**	**$ 130,807**

FY 2026 Ending Balance decrease of $22,569 is largely due to lower than anticipated I&S Reserve monthly contributions in FY 2024.

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NORTHEAST REGIONAL WATER RECLAMATION SYSTEM

SENIOR LIEN DEBT

For FY 2026, the District will have the following Bonds outstanding.

Series 2016 TWDB "D" Funds – $11.56 million bond issue to refund a $1.10 million loan from the Regional Treated Water System (Non-Bond Capital Reserve) originally used to fund the Process Improvements with a Side-Stream Treatment project at the Riverbend Plant. Additionally, a portion of this issue was to reimburse the Regional Treated Water System for a working capital loan of $2.50 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.

Series 2017 TWDB "D" Funds – $23.99 million bond issue used for the Riverbend Water Reclamation Plant Expansion, Phase 3. This issue has a 29-year term with Interest-only payments through FY 2022, with Principal and Interest payments for FY 2023 - FY 2045.

Series 2019 (Revenue and Refunding) – $28.39 million bond issue to refund $2.66 million of outstanding principal from the Series 2007 Riverbend Plant Revenue Bonds that were originally issued to repay System participants for their prior contributions to construct the Riverbend Plant, and to reimburse the Growth and Project Development Funds for the purchase of the Riverbend Plant site and other preliminary design expenses. Riverbend's FY 2025 debt service amount of $254,750 is for the portion of the Series 2019 bond issue used to refund the Series 2007 Revenue Bonds and has a term that matures in FY 2032. Additionally, a portion of the Series 2019 bond issue was used to refund $10.05 million of outstanding principal from the 2014 Revenue Bonds, originally issued to fund the City of Celina's portion to construct the Doe Branch Plant. This issue also included $11.08 million of new funding for the City of Celina's portion of the Doe Branch Plant Expansion, Phase 2 project, and $4.61 million to fund excess plant capacity. Doe Branch's FY 2025 debt service amount of $1,761,575 is made up of $765,475 (City of Celina's initial capacity in the construction of the Doe Branch Plant), $701,575 (Celina's additional capacity), and $294,525 (previous excess capacity now allocated to Celina and Prosper). The portion of the Series 2019 bond issue used to refund the Series 2014 bond issue has a term that matures in FY 2038, while the portion used to fund the phase 2 expansion of the Doe Branch Plant matures in FY 2048.

Series 2022 (Revenue) – $10.68 million bond issue with $2.14 million to be used for West Influent Lift Station and Dewatering Improvements at the Riverbend Plant and $8.55 million for the Doe Branch Plant Expansion, Phase 3. The first two years of payments are funded by capitalized interest.

Series 2024 (Revenue) – $27.34 million bond issue for the City of Celina's subscribed capacity in the Doe Branch Plant Expansion, Phase 3 project. The first five years of payments are interest only.

Series 2025 (Revenue) – $11.26 million bond issue allocated between Providence Village and Mustang SUD providing funding for the West Influent Lift Station and Dewatering Improvements project at the Riverbend Plant.

Series 2025 (Revenue) – Preliminary $38.94 million bond issue for the City of Celina's share of the Phase 1, Parallel Interceptor and the Doe Branch Plant Expansion, Phase 3 projects. The first five years of payments are interest only and begin in FY 2026.

Series 2026 (Revenue) – Preliminary $7.50 million bond issue allocated between Providence Village and Mustang SUD providing funding for the West Influent Lift Station and Dewatering Improvements project at the Riverbend Plant. Payments will begin in FY 2027.

Junior Lien Debt

For FY 2026, the District will have the following Bonds outstanding.

Series 2002 State Participation Funds – $2.33 million bond issue from 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.

Schedule of Requirements

Riverbend Plant

Series	Description	TIC *	Maturity	Principal	Interest	Total
2002	State Participation	5.71%	2035	$ 125,000	$ 95,000	$ 220,000
2016	TWDB "D" Funds	3.30%	2045	375,000	353,580	728,580
2017	TWDB "D" Funds	3.89%	2045	550,000	873,455	1,423,455
2019	Revenue and Refunding Bonds	3.94%	2032	190,000	76,250	266,250
2022	Revenue Bonds	3.98%	2047	55,000	104,500	159,500
2025	Revenue Bonds	4.11%	2049	245,000	499,170	744,170
Total				**$ 1,540,000**	**$ 2,001,955**	**$ 3,541,955**

* True Interest Cost

Doe Branch Plant

Series	Description	TIC *	Maturity	Principal	Interest	Total
2019	Revenue and Refunding Bonds	3.94%	2048	$ 775,000	$ 989,825	$ 1,764,825
2022	Revenue Bonds	3.98%	2047	215,000	417,250	632,250
2024	Revenue Bonds **	4.27%	2054	-	1,250,690	1,250,690
2025	Revenue Bonds ***	5.00%	2055	-	1,298,000	1,298,000
Total				**$ 990,000**	**$ 3,955,765**	**$ 4,945,765**

* True Interest Cost

** 5 year Interest only payments.

*** Estimated debt service with 5 year Interest only payments. Bond issue projected for FY 2026.

These schedules represent the FY 2026 debt service payments due on each outstanding Northeast Regional Water Reclamation System bond issue. For future debt issues during the five-year planning period (FY 2026 - FY 2030), refer to the Capital Improvement Program section of this budget document.

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LONG-TERM DEBT INDEBTEDNESS TO MATURITY

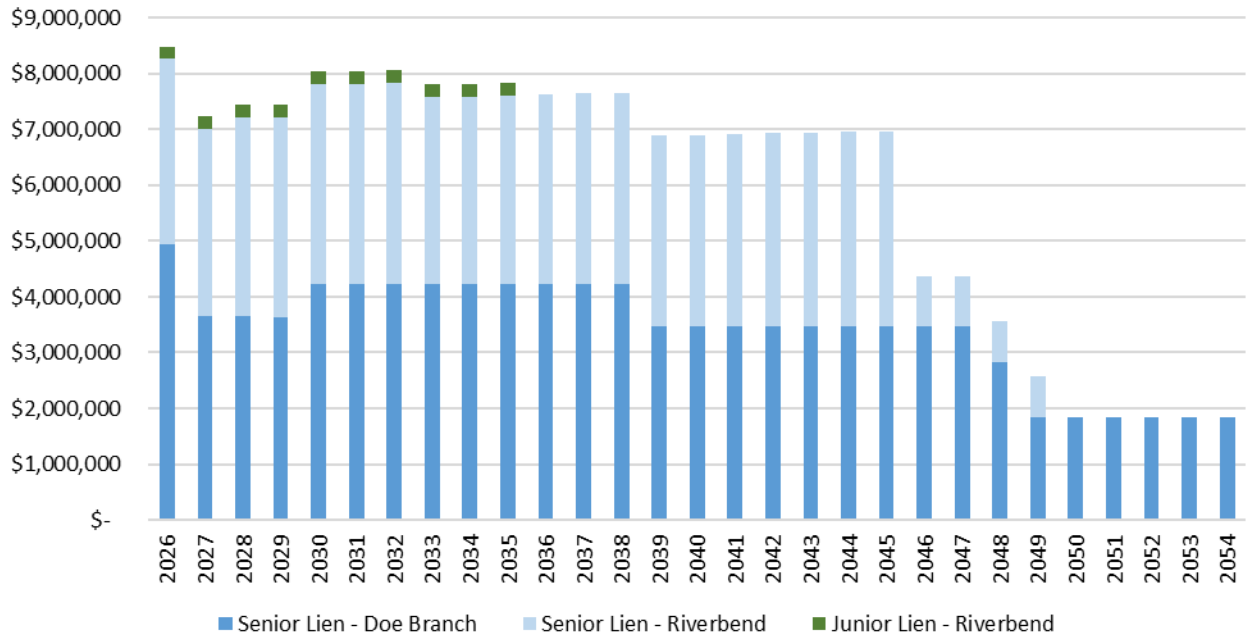
RIVERBEND PLANT

Year	Senior Lien	Junior Lien	Total
2026	$ 3,321,955	$ 220,000	$ 3,541,955
2027	3,357,335	222,900	3,580,235
2028	3,563,290	225,230	3,788,520
2029	3,574,100	221,925	3,796,025
2030	3,584,480	223,330	3,807,810
2031	3,594,695	219,160	3,813,855
2032	3,604,775	224,705	3,829,480
2033	3,349,780	224,390	3,574,170
2034	3,362,565	218,410	3,580,975
2035	3,380,690	222,140	3,602,830
2036	3,383,700	-	3,383,700
2037	3,403,575	-	3,403,575
2038	3,412,675	-	3,412,675
2039	3,423,345	-	3,423,345
2040	3,434,370	-	3,434,370
2041	3,450,560	-	3,450,560
2042	3,461,390	-	3,461,390
2043	3,476,385	-	3,476,385
2044	3,489,795	-	3,489,795
2045	3,507,680	-	3,507,680
2046	903,865	-	903,865
2047	899,840	-	899,840
2048	744,500	-	744,500
2049	745,390	-	745,390
Total	**$ 72,430,735**	**$ 2,222,190**	**$ 74,652,925**

DOE BRANCH PLANT

Year	Senior Lien		Junior Lien	Total
2026	$ 4,945,765	*	$ -	$ 4,945,765
2027	3,648,265		-	3,648,265
2028	3,651,265		-	3,651,265
2029	3,641,515		-	3,641,515
2030	4,229,515		-	4,229,515
2031	4,220,265		-	4,220,265
2032	4,237,015		-	4,237,015
2033	4,233,265		-	4,233,265
2034	4,229,765		-	4,229,765
2035	4,233,290		-	4,233,290
2036	4,236,840		-	4,236,840
2037	4,238,340		-	4,238,340
2038	4,238,840		-	4,238,840
2039	3,471,640		-	3,471,640
2040	3,463,390		-	3,463,390
2041	3,465,640		-	3,465,640
2042	3,472,640		-	3,472,640
2043	3,468,890		-	3,468,890
2044	3,465,740		-	3,465,740
2045	3,465,940		-	3,465,940
2046	3,465,690		-	3,465,690
2047	3,470,290		-	3,470,290
2048	2,829,290		-	2,829,290
2049	1,839,665		-	1,839,665
2050	1,840,315		-	1,840,315
2051	1,836,775		-	1,836,775
2052	1,835,690		-	1,835,690
2053	1,836,840		-	1,836,840
2054	1,840,015		-	1,840,015
Total	**$ 99,052,395**		**$ -**	**$ 99,052,395**

* Includes estimated debt service of $1,298,000 for projected FY 2026 issue of $38.94 million.



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DEBT SERVICE RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 4,464,497	$ 5,437,627	$ 5,440,938	$ 6,054,333
REVENUES				
Deposits				
Series 2024 Revenue Bonds (DB)	973,131	-	-	-
Series 2025 Revenue Bonds (RB)	-	586,395	613,395	-
Series 2025 Revenue Bonds (DB)	-	1,218,050	-	2,340,040
Interest Income	254,965	245,000	254,255	303,500
TOTAL REVENUES	**$ 1,228,096**	**$ 2,049,445**	**$ 867,650**	**$ 2,643,540**
EXPENDITURES				
Transfer Out - Operations	251,655	245,000	254,255	303,500
TOTAL EXPENDITURES	**$ 251,655**	**$ 245,000**	**$ 254,255**	**$ 303,500**
ENDING CASH BALANCE 9/30	**$ 5,440,938**	**$ 7,242,072**	**$ 6,054,333**	**$ 8,394,373**

FY 2026 Ending Balance increase of $1,152,301 is largely due to the required deposit for the preliminary Series 2025 Revenue Bonds to provide funding for the Doe Branch Plant Expansion, Phase 3 (518U) and Parallel Interceptor, Phase 1 (511A) projects.

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INTEREST AND SINKING RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 911,654	$ 458,124	$ 506,610	$ 919,070
Transfer to Operations	$ (405,044)			
BEGINNING CASH BALANCE Revised	**$ 506,610**			
REVENUES				
Transfers In				
Operations	4,245,088	7,331,575	7,572,775	8,605,465
Working Capital	405,044	-	-	-
Interest Income	79,646	55,000	96,445	149,275
TOTAL REVENUES	**$ 4,729,778**	**$ 7,386,575**	**$ 7,669,220**	**$ 8,754,740**
EXPENDITURES				
Debt Service *	4,729,778	7,331,575	7,256,760	8,487,720
TOTAL EXPENDITURES	**$ 4,729,778**	**$ 7,331,575**	**$ 7,256,760**	**$ 8,487,720**
ENDING CASH BALANCE 9/30	**$ 506,610**	**$ 513,124**	**$ 919,070**	**$ 1,186,090**

FY 2026 Ending Balance increase of $672,966 is largely due to the increased Transfers In from Operations and Interest Income.

* FY 2024 debt service includes $534,500 funded via Capitalized Interest (Series 2022 Revenue Bonds)

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PENINSULA WATER RECLAMATION PLANT

SENIOR LIEN DEBT

For FY 2026, the District will have the following Bonds outstanding.

Series 2016 Bonds – $1.13 million bond issue to fund the UV Disinfection Improvements at the Peninsula Water Reclamation Plant. This issue has a 20-year term with the final payment due in FY 2035.

SCHEDULE OF REQUIREMENTS

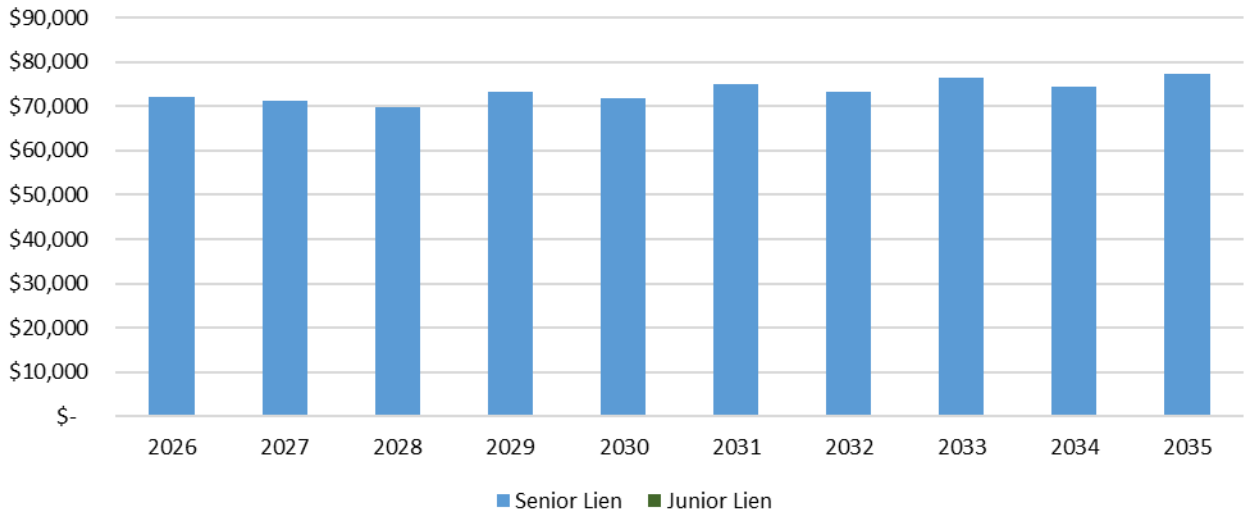
Series	Description	TIC *	Maturity	Principal	Interest	Total
2016	Revenue Bonds	2.60%	2035	$ 55,000	$ 17,245	$ 72,245
Total				**$ 55,000**	**$ 17,245**	**$ 72,245**

* True Interest Cost

This schedule represents the FY 2026 debt service on the outstanding Peninsula Water Reclamation Plant bond issue. For future debt issues during the five-year planning period (FY 2026 - FY 2030), refer to the Capital Improvement Program section of this budget document.

LONG-TERM DEBT INDEBTEDNESS TO MATURITY

Year	Senior Lien	Junior Lien	Total
2026	$ 72,245	$ -	$ 72,245
2027	71,145	-	71,145
2028	69,700	-	69,700
2029	73,255	-	73,255
2030	71,680	-	71,680
2031	75,105	-	75,105
2032	73,400	-	73,400
2033	76,450	-	76,450
2034	74,350	-	74,350
2035	77,250	-	77,250
Total	**$ 734,580**	**$ -**	**$ 734,580**



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DEBT SERVICE RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 75,917	$ 75,917	$ 75,903	$ 75,903
Transfer to Operations	$ (14)			
BEGINNING CASH BALANCE Revised	**$ 75,903**			
REVENUES				
Transfer In - Working Capital	14	-	-	-
Interest Income	4,022	3,965	3,365	3,420
TOTAL REVENUES	**$ 4,036**	**$ 3,965**	**$ 3,365**	**$ 3,420**
EXPENDITURES				
Transfer Out - Operations	4,036	3,965	3,365	3,420
TOTAL EXPENDITURES	**$ 4,036**	**$ 3,965**	**$ 3,365**	**$ 3,420**
ENDING CASH BALANCE 9/30	**$ 75,903**	**$ 75,917**	**$ 75,903**	**$ 75,903**

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INTEREST AND SINKING RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 3,338	$ 4,388	$ 3,175	$ 4,105
Transfer to Operations	$ (163)			
BEGINNING CASH BALANCE Revised	**$ 3,175**			
REVENUES				
Transfers In				
Operations	68,812	74,745	74,795	73,595
Working Capital	163	-	-	-
Interest Income	1,019	810	930	920
TOTAL REVENUES	**$ 69,994**	**$ 75,555**	**$ 75,725**	**$ 74,515**
EXPENDITURES				
Debt Service (w/Fiscal Agent Fees)	69,994	74,745	74,795	73,595 *
TOTAL EXPENDITURES	**$ 69,994**	**$ 74,745**	**$ 74,795**	**$ 73,595**
ENDING CASH BALANCE 9/30	**$ 3,175**	**$ 5,198**	**$ 4,105**	**$ 5,025**

* Includes Fiscal Agent Fees of $1,350

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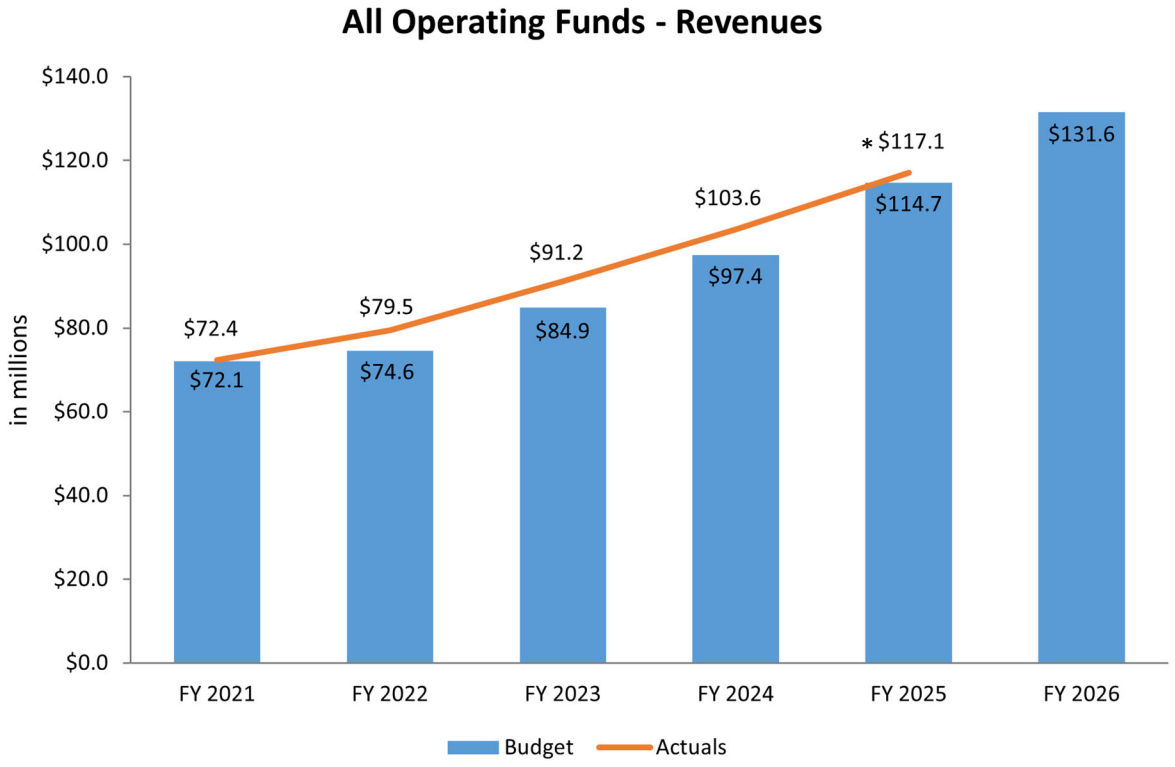
REVENUE SUMMARY

The District derives most of its annual revenues from water operations (Regional Treated Water System). Additionally, it operates two regional water reclamation operating systems: the Lakeview System and Northeast System (Riverbend and Doe Branch Plants). The Peninsula Plant operates solely to serve one entity (Mustang Special Utility District) and is not classified as a "system". Revenues are also generated from the Administration Fund, 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. Graphical information for FY 2024 (Actuals), FY 2025 (Adopted and Estimates) and FY 2026 (Adopted) can be found in the Fund Summary section of this budget document, under the "Operating Funds Combined Summary" page. For detailed amounts rolled up into revenue subtotals, refer to the Operating Fund Detail section of this budget document and refer to the individual operating fund budget.



* Represents FY 2025 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 water reclamation) are weather and population growth dependent.

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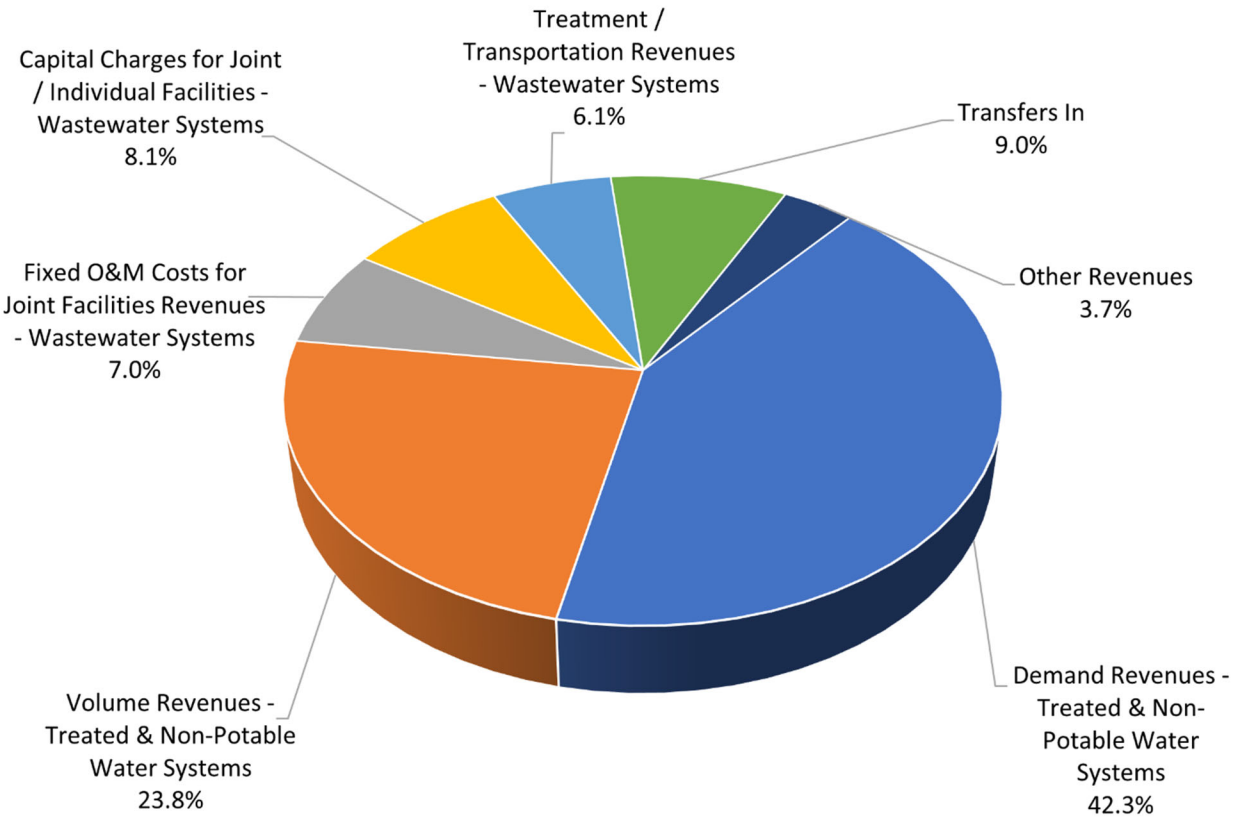
Operating Revenues by Category

The District's Water and Water Reclamation Systems generate most of the District's 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.



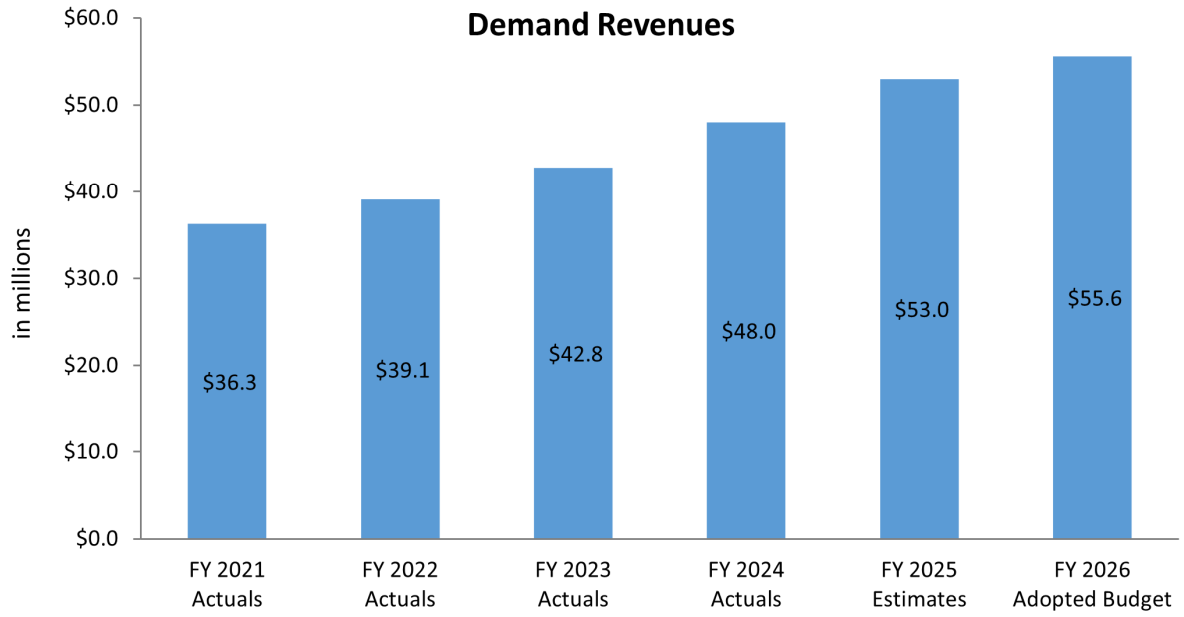
Demand Revenues – Treated and Non-Potable Water Systems

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 System (Subscriptions). Contracted capacity 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.

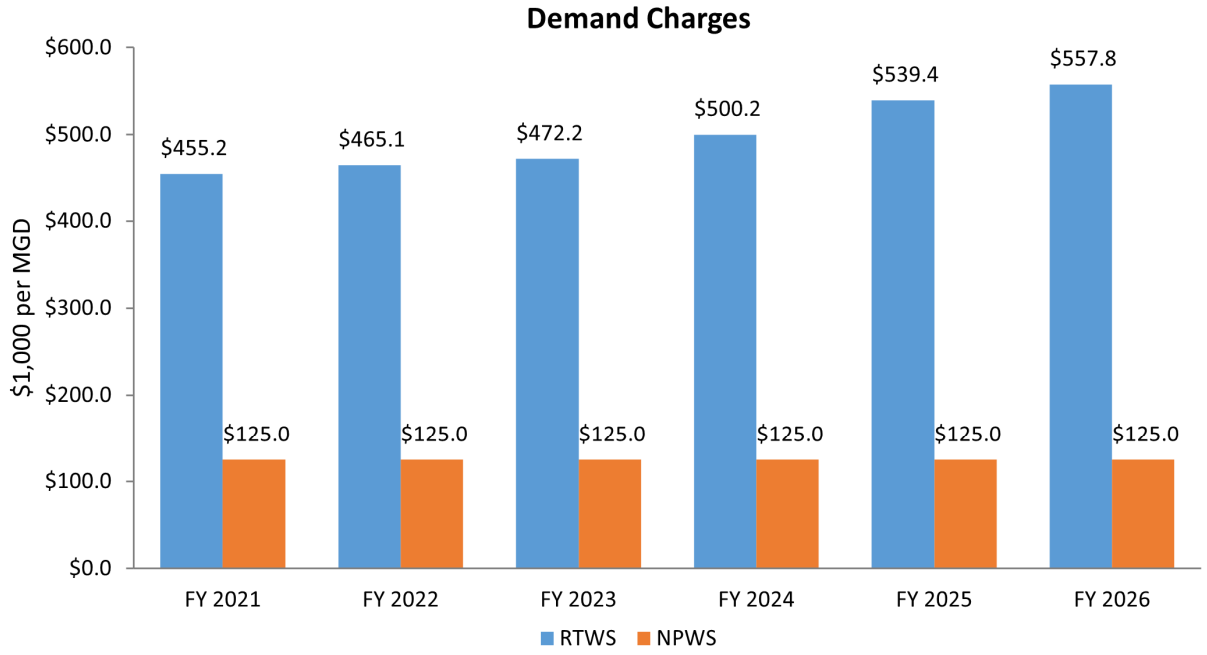
Projected Regional Treated Water System (RTWS) Demand Revenue for FY 2026 is $55,497,630. This amount represents a 4.3% increase from Adopted FY 2025 and was necessary to fund an active capital improvement program and the ongoing conversion of variable rate debt to long term debt with new debt issues. FY 2026 subscriptions are expected to increase by 0.9% (0.86 MGD increase from FY 2025). The RTWS Demand Charge increased by 3.4% from FY 2025 to FY 2026 (from $539,435 / MGD to $557,765 /

MGD, respectively). Meanwhile, Non-Potable Water System (NPWS) Demand Revenue for FY 2026 is $125,000; unchanged from Adopted FY 2025.

The following graph reflects annual growth in Demand Revenues experienced by the Regional Treated Water and Non-Potable Water Systems since FY 2021.



The following graph reflects annual change in Demand Charge for the Regional Treated Water and Non-Potable Water Systems since FY 2021. Rates are shown on a per MGD basis.



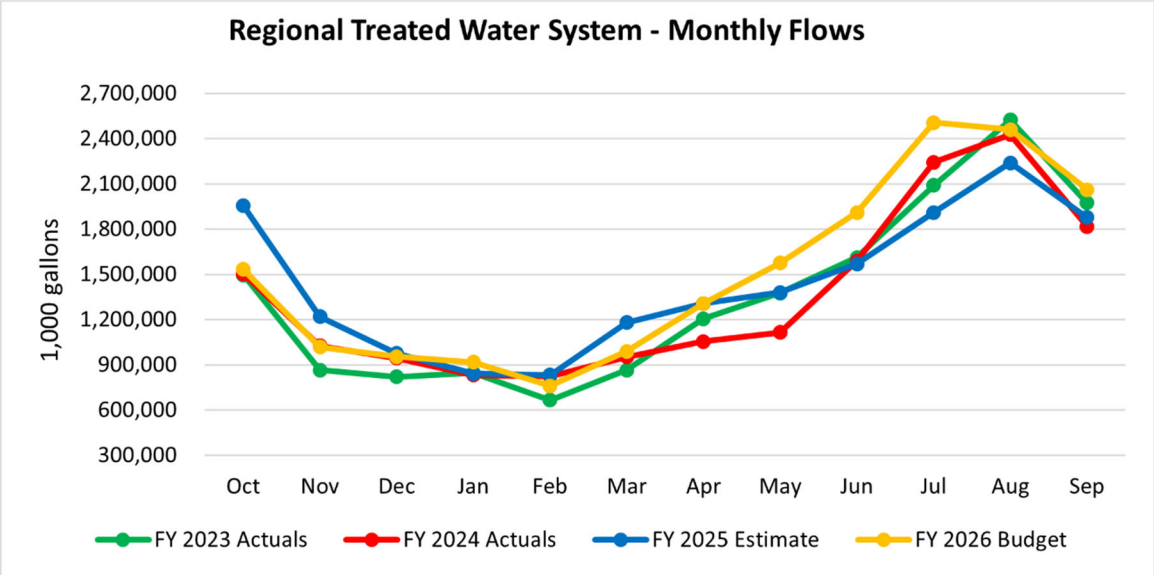
Demand Revenues have increased an average of 8.9% from FY 2021 and reflect a combination of moderate growth in our participants' required capacity for treated and non-potable water services, as well as increases to the annual Demand Charge to adequately recover increases in fixed operating expenses and 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 as various "large dollar" capital projects are projected for this period. While the Demand Charge for the NPWS has remained flat since FY 2021, the RTWS's Demand Charge reflects an annual average increase of 4.2% over the same period. Refer to the Long-Range Financial Plan section of this budget document for additional information.

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 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, the City of Lewisville divided by 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 Lewisville.

Projected Volume Revenue for RTWS is $31,217,010 for FY 2026 and represents a 20.7% increase from the Adopted FY 2025 amount due to projecting a 9.9% increase in RTWS participant flows from FY 2025. The RTWS Volume Rate, set at $1.72 / 1,000 gallons for FY 2026, was increased by $0.16 / 1,000 gallon from FY 2025 due to projected raw water cost increases.

The following graph reflects actual monthly flows from treated water sales for FY 2023 through July 2025, with projections for August and September 2025 and FY 2026.



Projected Treated Effluent Volume Revenue for NPWS is $61,335 for FY 2026, no change from Adopted FY 2025. The Treated Effluent Volume Rate reflects no change, remaining at $0.53 / 1,000 gallons.

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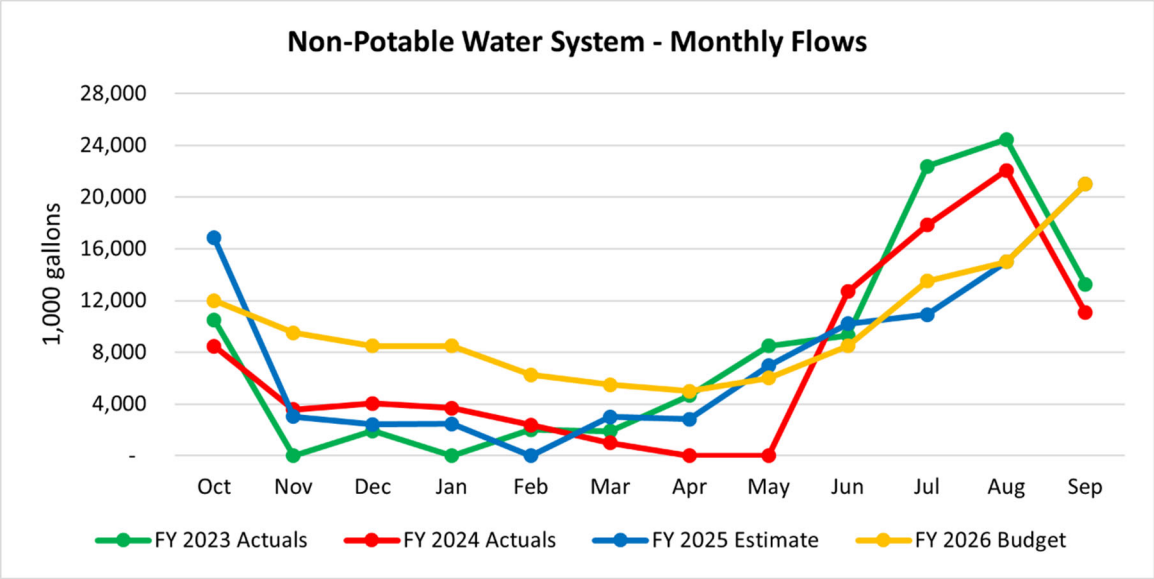
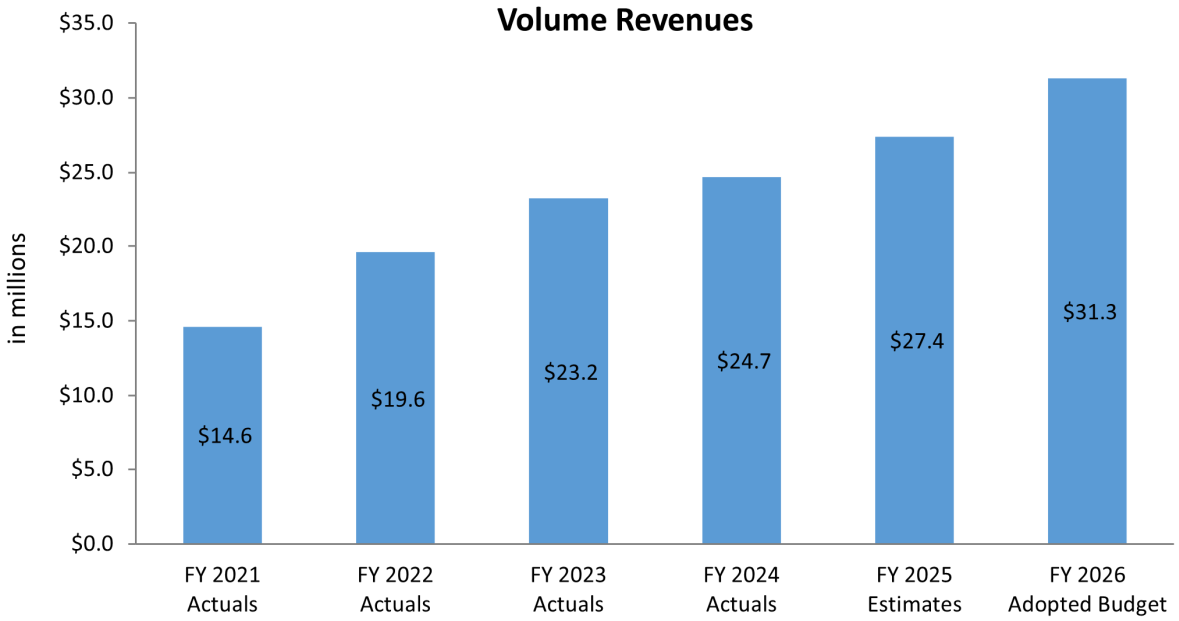
Projected Raw Water Volume Revenue for NPWS is $4,865 for FY 2026, a 9.4% increase from Adopted FY 2025. The District's Raw Water Volume Rate was increased from $1.27 / 1,000 gallons to $1.39 / 1,000 gallons for Adopted FY 2026, an increase of $0.12 / 1,000 gallons or 9.4%. Projected raw water flows remain unchanged for FY 2026.

The following graph reflects actual monthly flows from treated effluent water sales for FY 2023 through July 2025, with projections for August and September 2025 and FY 2026.



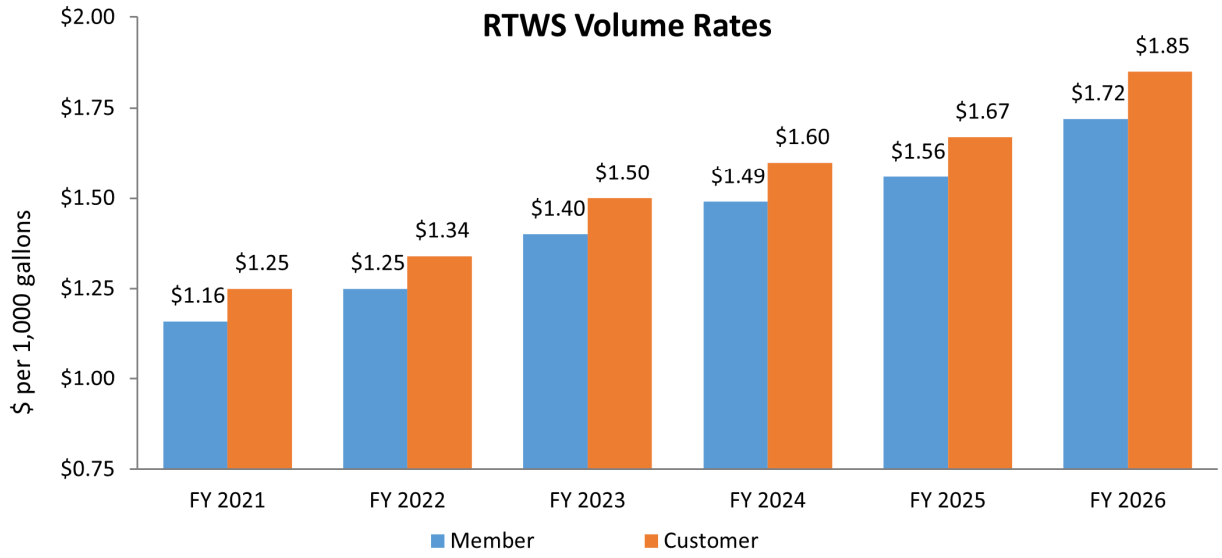
The following graph reflects annual growth in Volume Revenues experienced by the Regional Treated Water and Non-Potable Water Systems since FY 2021.



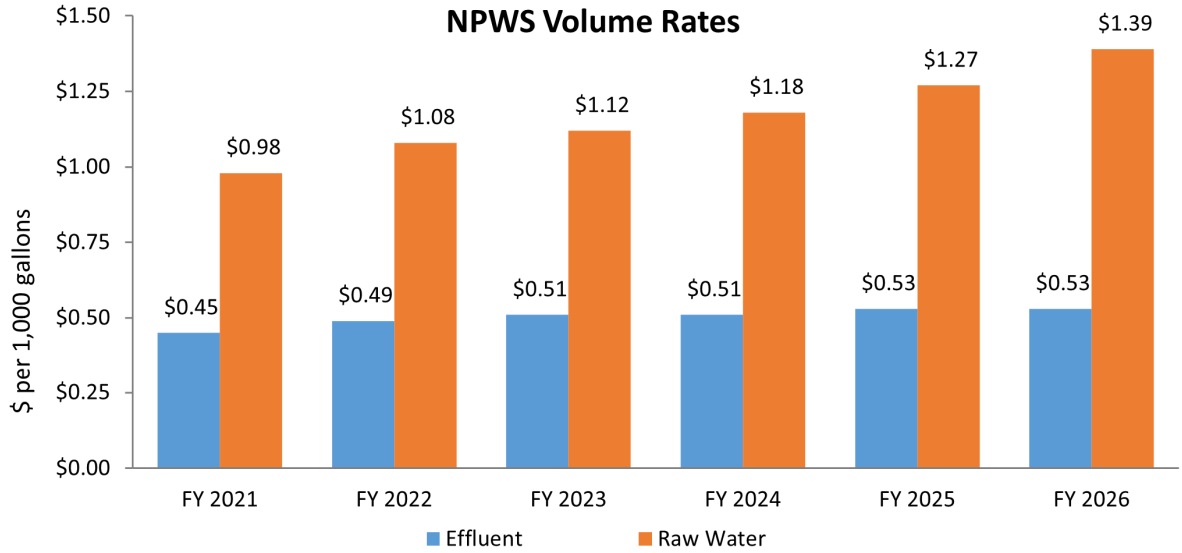
This category includes Treated Effluent and Raw Water Volume Revenues from the Non-Potable Water System (NPWS), as well as Volume Revenues (Treated Water Sales) from the Regional Treated Water System (RTWS). Since the NPWS Volume Revenues are immaterial to the overall annual variances shown

in the above graph, this analysis will explain differences experienced by the Regional Treated Water System. RTWS Volume Revenues have increased an average of 16.9% from FY 2021 due to strong growth in the RTWS, as well as increasing the Volume Rate from $1.16 / 1,000 gallons in FY 2021 to $1.72 / 1,000 gallons for FY 2026; an annual average of 8.2%.

The following graph reflects annual Volume rates for the Regional Treated Water System since FY 2021.



The following graph reflects annual Volume rates for the Non-Potable Water System since FY 2021.



The RTWS Customer Rate reflects a 7.0% surcharge over the Member Rate, with the additional revenue used to fund the Administration Fund for overall planning and administrative activities provided on behalf of all RTWS Customer participants. For FY 2026, the Customer Volume Rate is $1.85 / 1,000 gallons.

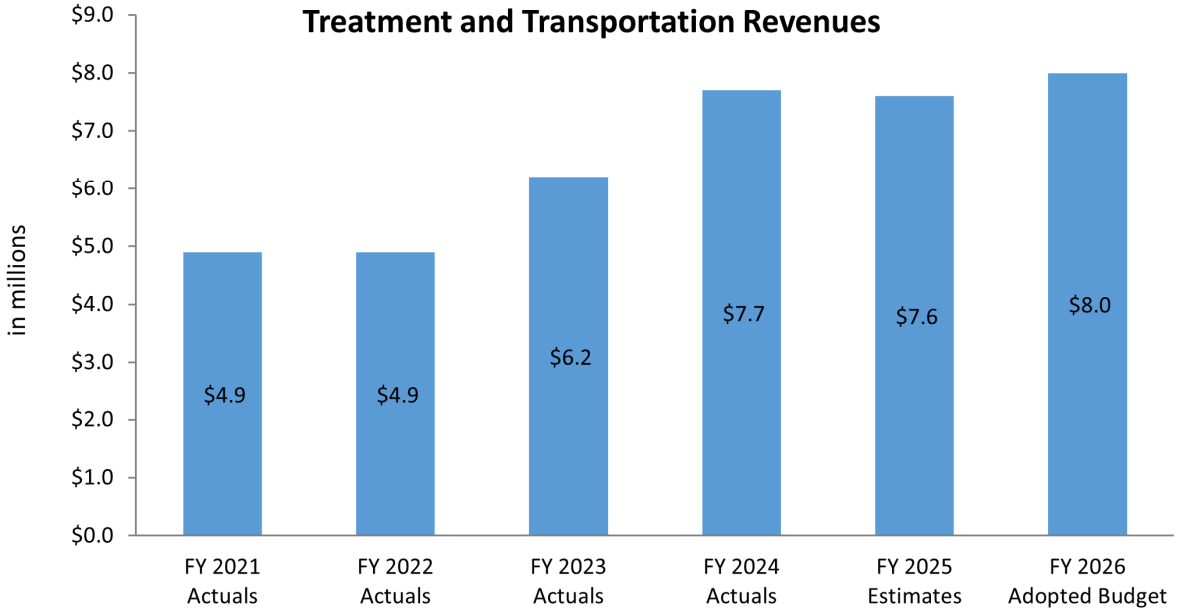
Future (Post FY 2026) Volume Revenues are expected to increase annually, both from the estimated increases to flows (3.9% to 4.6% per year) and increases to the RTWS volume rate (estimated between 4.7% to 6.7% per year). These increases are necessary to secure raw water sources, cover anticipated

chemical and electricity expenses, and continue contributions to RTWS' reserves. Refer to the Long-Range Financial Plan section for future rate increase projections.

TREATMENT AND TRANSPORTATION REVENUES – WATER RECLAMATION 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 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).

The following graph reflects annual growth in Treatment and Transportation Revenues experienced by the Lakeview and Northeast Regional Water Reclamation Systems and the Peninsula Water Reclamation Plant since FY 2021.



Treatment and Transportation Revenues remained relatively flat through FY 2022 but rose in FY 2023 and FY 2024 with a slight decrease (1.3%) in FY 2025 and are projected to increase by 5.3% in FY 2026. Participant wastewater flows are projected to significantly increase over the next 3-5 years, especially in the Northeast Regional Water Reclamation System (Riverbend and Doe Branch Plants) and Peninsula Water Reclamation Plant service areas due to continued development and population growth.

The following graph represents the adopted rates for each Water Reclamation System from FY 2021 to FY 2026.

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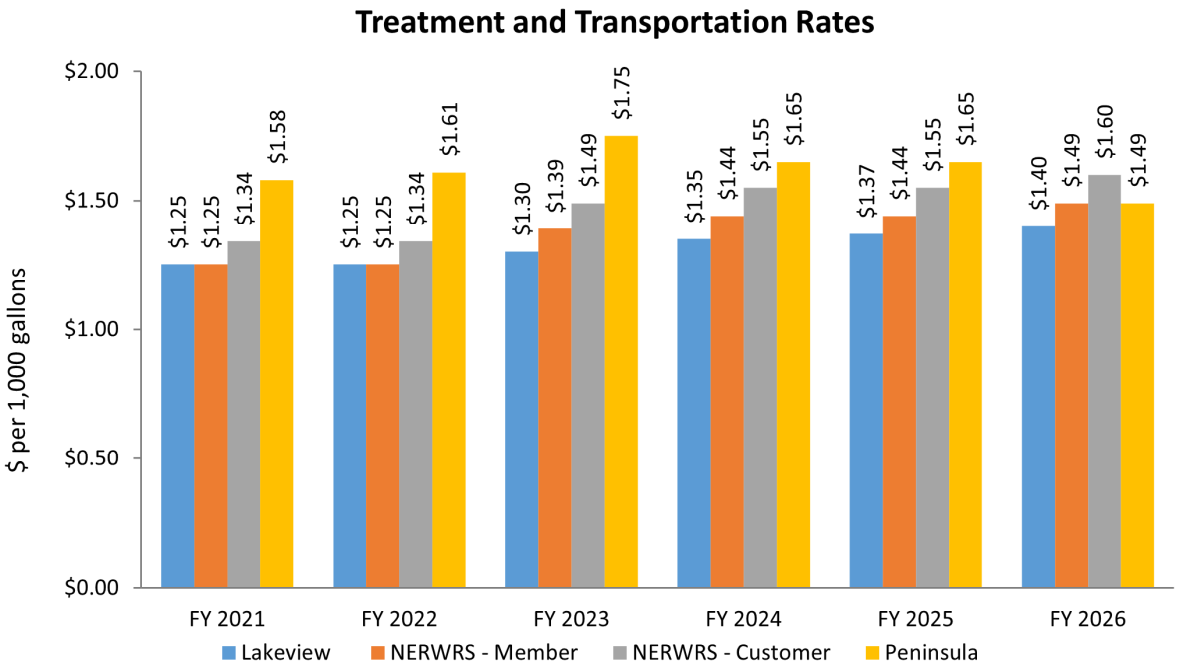
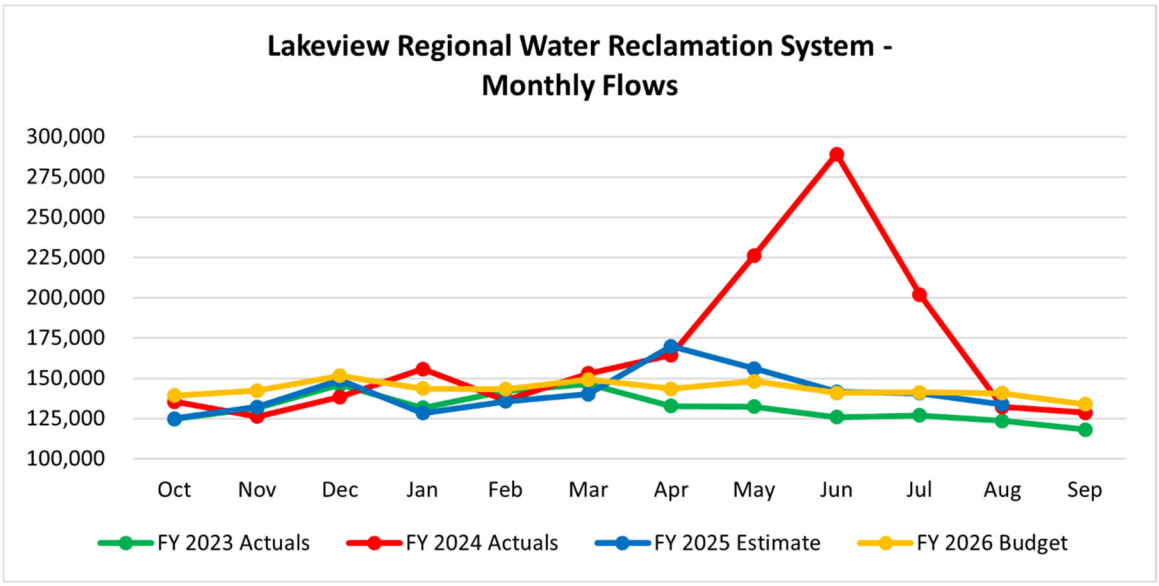


Projected Treatment and Transportation Revenue (including the Corinth Entry Point near I35) for the Lakeview Regional Water Reclamation System (LRWRS) is $2,378,380 for FY 2026 and reflects a 2.0% increase from the Adopted FY 2025 amount driven by a 2.2% rate increase. The Treatment Rate of $1.40 / 1,000 gallons represents a $0.03 / 1,000 gallons increase from Adopted FY 2025.

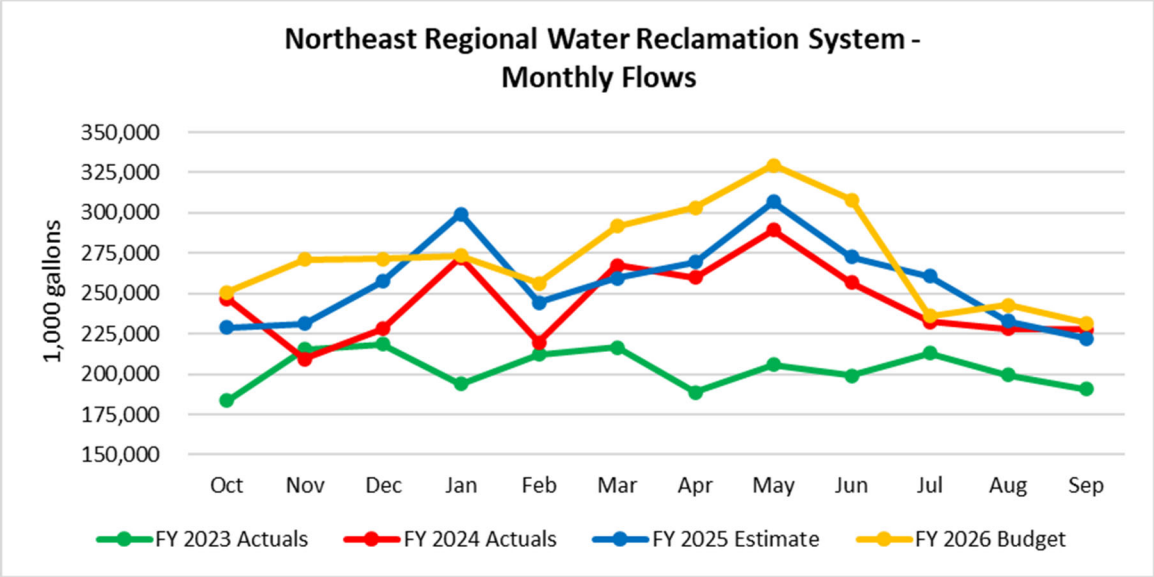
The following graph reflects actual monthly flows from wastewater sales for FY 2023 through July 2025, with projections for August and September 2025 and FY 2026. The large spike in flows in FY 2024 is attributable to significant rainfall events that caused excess inflow and infiltration from a member city into the Lakeview system.



Projected Treatment Revenue for the Northeast Regional Water Reclamation System (NERWRS) is $4,895,565 for FY 2026 and reflects a 6.8% increase from the Adopted FY 2025 amount due to a 4.3%

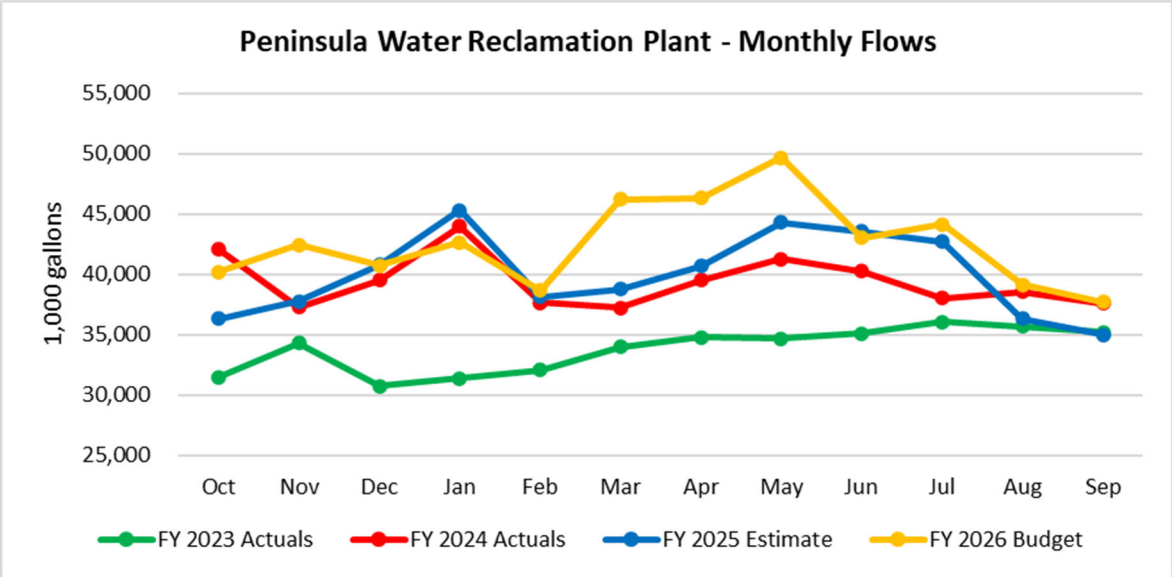
increase in projected wastewater flows as well as a 3.5% rate increase. The Treatment Rate for Adopted FY 2026 is set at $1.49 / 1,000 gallons, representing a $0.05 / 1,000 gallons increase from Adopted FY 2025.

The following graph reflects actual monthly flows from wastewater sales for FY 2023 through July 2025, with projections for August and September 2025 and FY 2026.



Projected Treatment Revenue for the Peninsula Water Reclamation Plant is $761,390 for FY 2026 and reflects a (2.8%) decrease from the Adopted FY 2025 amount due to a (9.7%) decrease in the treatment rate. The FY 2026 Treatment Rate of $1.49 / 1,000 gallons represents a $0.16 / 1,000 gallons decrease from Adopted FY 2025.

The following graph reflects actual monthly flows from wastewater sales for FY 2023 through July 2025, with projections for August and September 2025 and FY 2026.



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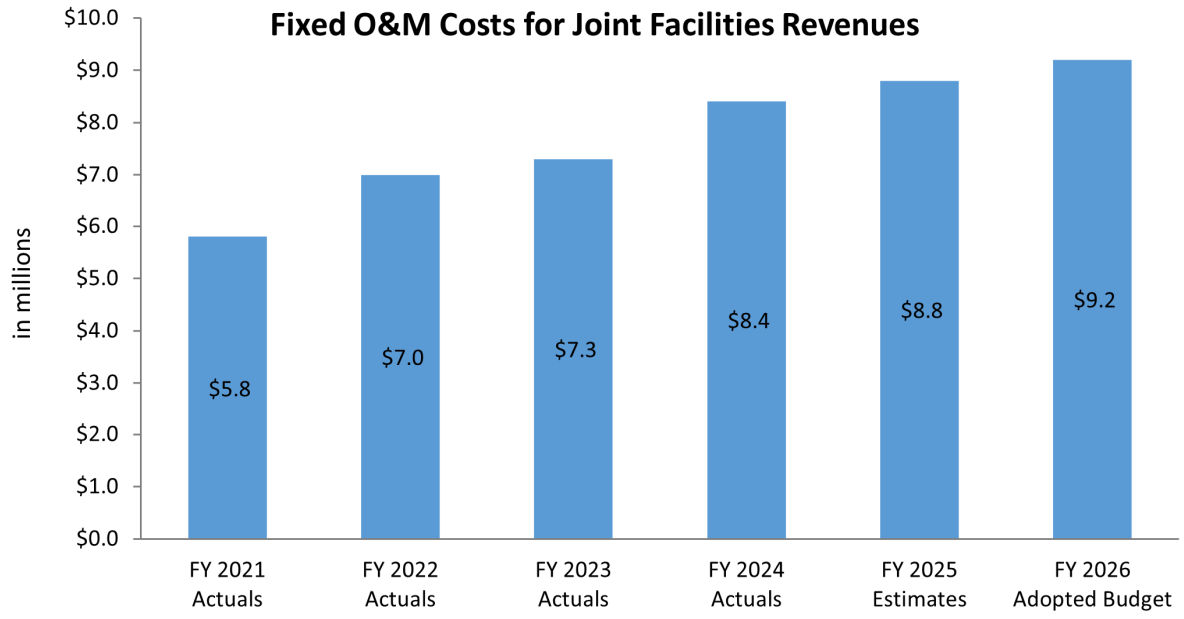
FIXED O&M COSTS FOR JOINT FACILITIES REVENUES – WATER RECLAMATION SYSTEMS

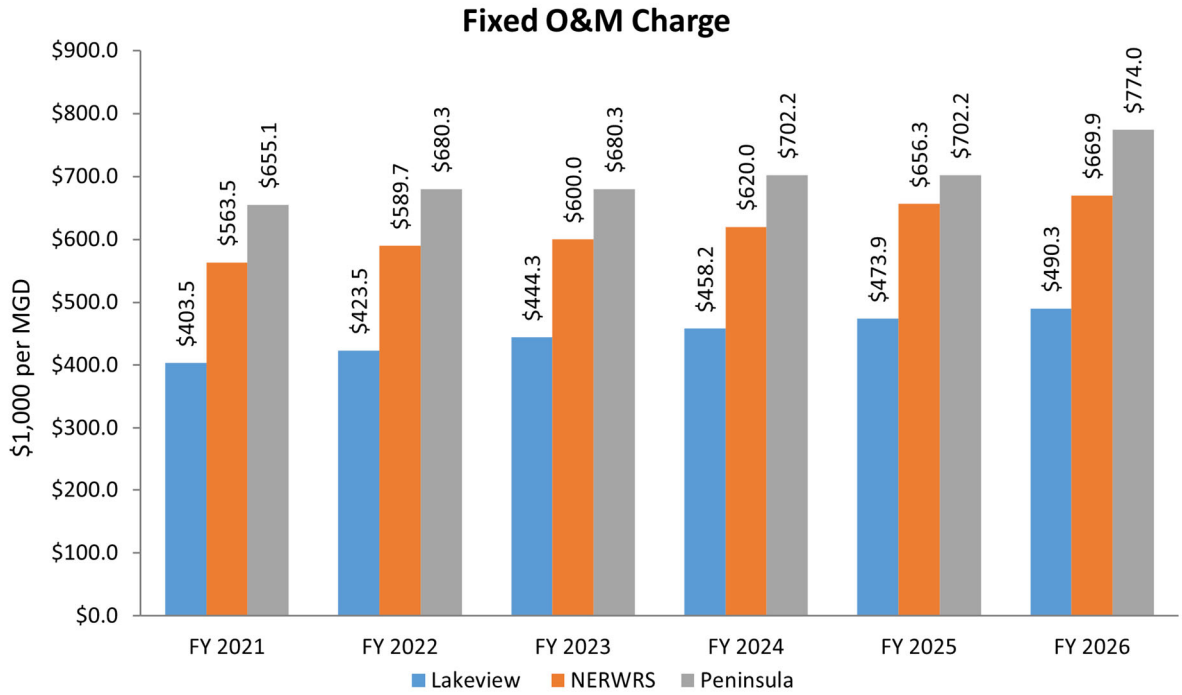
This type of revenue represents the amount of fixed revenues needed to recover annual fixed operation expenses, such as payroll, overhead expense, maintenance expense, office expenses, and equipment purchases, for the District's water reclamation systems (Lakeview and Northeast Systems and the Peninsula 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.

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 2021.



Fixed O&M Costs for Joint Facilities Revenues have increased an average of 9.9% from FY 2021 mainly due to tremendous growth in the Northeast service area. A large increase in revenue was realized in FY 2022 as the expanded capacity of the Doe Branch plant became available. Another large increase followed in FY 2024 as the expanded capacity of the Peninsula plant became available at the beginning of that year.

The following graph represents the Fixed O&M charge shown on a per MGD basis for each Water Reclamation system.



- Projected Fixed O&M Costs for Joint Facilities revenues for the Lakeview Regional Water Reclamation System for FY 2026 is $2,612,710, a 3.5% increase from FY 2025.
- Projected Fixed O&M Costs for Joint Facilities revenues for the Northeast Regional Water Reclamation System for FY 2026 is $5,012,200, a 2.1% increase from FY 2025.
- Projected Fixed O&M Costs for Joint Facilities revenues for the Peninsula Water Reclamation Plant for FY 2026 is $1,548,000, a 10.2% increase from FY 2025.

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

This type of revenue generally represents recovery of annual debt service payments for debt issues used to construct common-to-all (Joint) infrastructure, and for participant (Individual) infrastructure. Joint debt is issued for projects that benefit all participants. 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 2026 Capital Charge for Joint and Individual Facilities Revenues for the Lakeview Regional Water Reclamation System (LRWRS) is $2,308,930 and reflects a 3.2% increase from the Adopted FY 2025 amount. Interest revenue is used to offset all debt service before allocating it among the plant participants. These revenues consist of debt service for joint facilities allocated between the Lakeview System's participants based on subscribed capacity.

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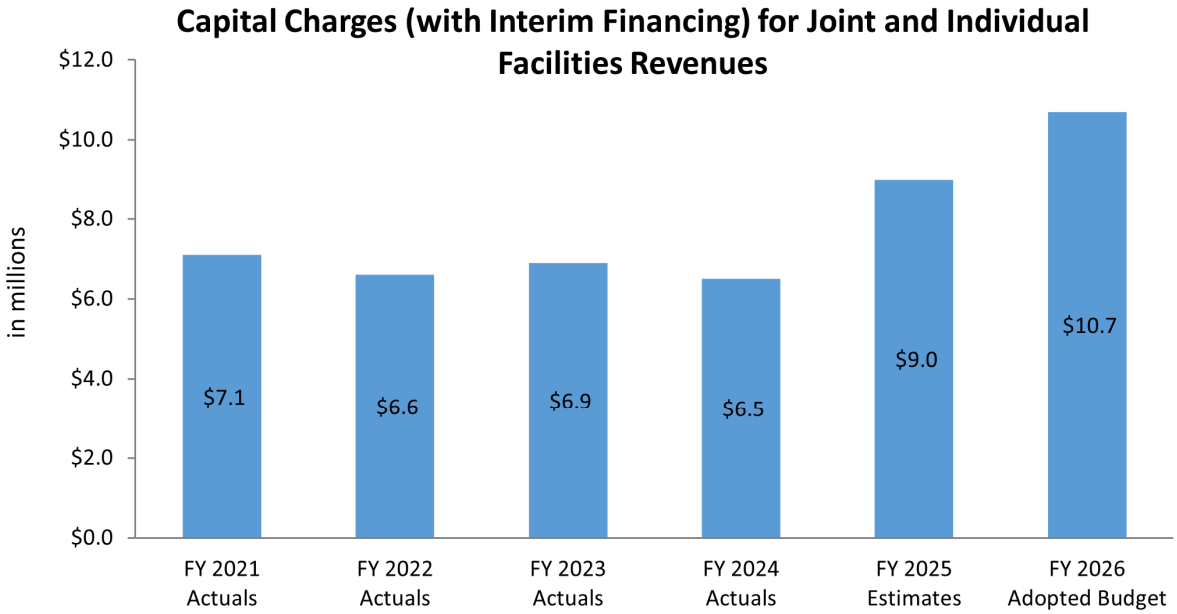
- Total FY 2026 Capital Charges for Joint Facilities is $1,506,345 and reflects the total amount of debt service payments from debt issues to construct all common-to-all portions of the Lakeview Regional Water Reclamation System.
- Capital Charges for Individual Facilities total $802,585 for FY 2026 and reflect 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 Facilities Revenues for the Northeast Regional Water Reclamation System (NERWRS) is $8,295,150 for FY 2026 and reflects a 23.8% increase from the Adopted FY 2025 amount primarily due to new debt service payments related to the Series 2022 and projected 2025 bonds for the Riverbend and Doe Branch plants.

- Total FY 2026 Capital Charges for Joint Facilities (Riverbend Plant participants) is $800,170 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 (Series 2002 State Participation Bonds and a small portion of the Series 2019 Revenue and Refunding Bonds issued to refund the Series 2007 Revenue Bonds), as well as the subscribed capacity of the additional 2.0 MGD from the expansion of the Riverbend Plant's treatment capacity (Series 2016 and 2017 TWDB "D" Funds). FY 2019 and FY 2020 debt service for the Series 2019 bond issue was funded via capitalized interest.
- There are no Capital Charges for Joint Facilities for Doe Branch Plant participants for FY 2026.
- Capital Charges for Individual Facilities (Riverbend Plant participants) total $2,549,215 for FY 2026 and reflects the portion of debt service from debt issues (Series 2019 Revenue and Refunding Bonds issued to refund the Series 2007 Revenue Bonds and Series 2016 and 2017 TWDB "D" Fund Bonds) used to construct individual facilities from the original Riverbend Plant construction project, associated pipelines, and from the phase 3 expansion project of the Riverbend Plant. This also includes debt service for the Series 2022 (debt service funded via capitalized interest in FY 2022 and 2023) and Series 2025 Revenue Bonds for the West Influent Lift Station project.
- FY 2026 Capital Charges for Individual Facilities (Doe Branch) total $4,945,765 and includes $765,475 (portion of Series 2019 Revenue and Refunding Bonds issued to refund the Series 2014 Revenue Bonds to construct the City of Celina's initial capacity in the Doe Branch Construction project), $704,825 (portion of the Series 2019 Bonds issued on Celina's behalf to fund their additional capacity in the phase 2 expansion of the Doe Branch Plant) and $294,525 for the additional capacity in the phase 2 expansion that was assigned equally between Prosper and Celina beginning in FY 2024. Additionally, $3,180,940 is included for Celina's portion of the Doe Branch phase 3 expansion (Series 2022, 2024, and projected 2025 Revenue Bonds).
- There is no Interim financing charges budgeted for FY 2026.

Projected Capital Charge for Joint and Individual Facilities Revenues for the Peninsula Water Reclamation Plant is $73,595 for FY 2026 and reflects a (1.5%) decrease from the Adopted FY 2025 amount due to an decrease in the annual debt service payment for the Series 2016 Revenue Bonds that were issued 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 2021.



Capital Charges (with Interim Financing) for Joint and Individual Facilities Revenues have increased an average of 9.8% from FY 2021 from the use of bond funding for the construction and expansion 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. FY 2021 through FY 2022 debt service includes interest only payments for two bond issues, with principal and interest payments beginning FY 2023. Principal and interest payments began in FY 2021 and continue through FY 2048, for the Series 2019 Revenue Bonds. Capitalized interest was used to offset debt service payments through FY 2024 for the FY 2022 bond issue to fund the Riverbend West Influent Pump Station improvements and the 1st Tranche of bonds for the Doe Branch Plant Expansion, Phase 3 Project. Interest only payments will be utilized for 5 years each for the Series 2024 and projected Series 2025 Doe Branch bond issues to fund Celina's portion of the Doe Branch Plant Expansion, Phase 3 and the Parallel Interceptor, Phase 1 Project. As annual debt service requirements increase, these revenues will be increased 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 specific charge or rate.

TRANSFERS IN

This type of revenue represents the transfer of funds between reserves 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 equipment is to be replaced, the expense or revenue requirement is offset by a Transfer In from the Vehicle and Equipment Replacement Reserve. 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 a

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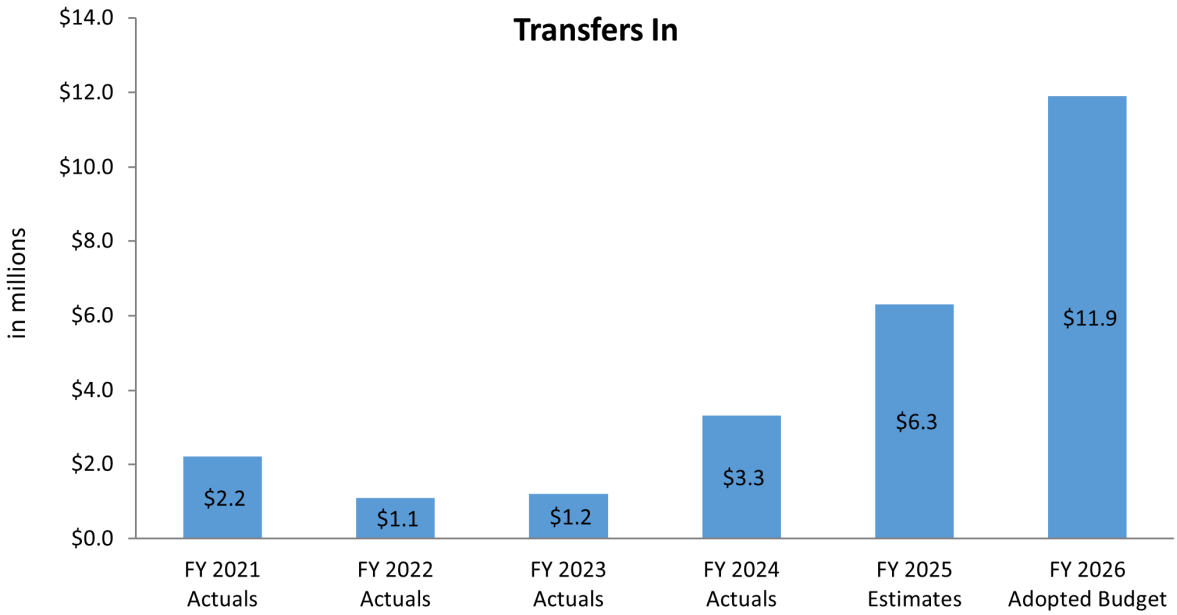
Transfer In for the RTWS but are shown as "Shared Debt Service Payments". Therefore, over the years, the totals and types of Transfers In have differed greatly. Detail regarding individual FY 2026 Transfers In is listed for each of the District's Systems in the Operating Fund Detail section of this budget document. The following graph reflects annual growth of District Transfers In since FY 2021.



Transfers In can fluctuate greatly from year-to-year based on operating needs. The FY 2026 amount of $11.9 million includes a $3.9 million transfer from accumulated interest revenues from the Board Participation Construction Cash Reserve, a $4.2 million transfer from the I&S Reserve accumulated from programmed debt service that was saved by delaying of a refunding of outstanding variable rate debt, and a $2.9 million transfer from the Raw Water Holding Pond Dredging Reserve to fund the completion of a dredging project at the Harpool Regional Water Treatment Plant. Information on the smaller Transfers In can be found in the Operating Fund Detail section of this budget document.

Other Revenues

This type of revenue includes Fees for Administration and Planning from the Administration Fund, Charges for Services from the Household Hazardous Waste Fund (HHW), Contract Payments from the Regional Treated Water System (RTWS), Rental Income, Other Revenues (including a Dallas Water Utilities Raw Water Credit in the RTWS), Excess Flow Surcharges, and Interest Income from all District funds. These items are discussed in the Operating Fund Detail section of this budget document.

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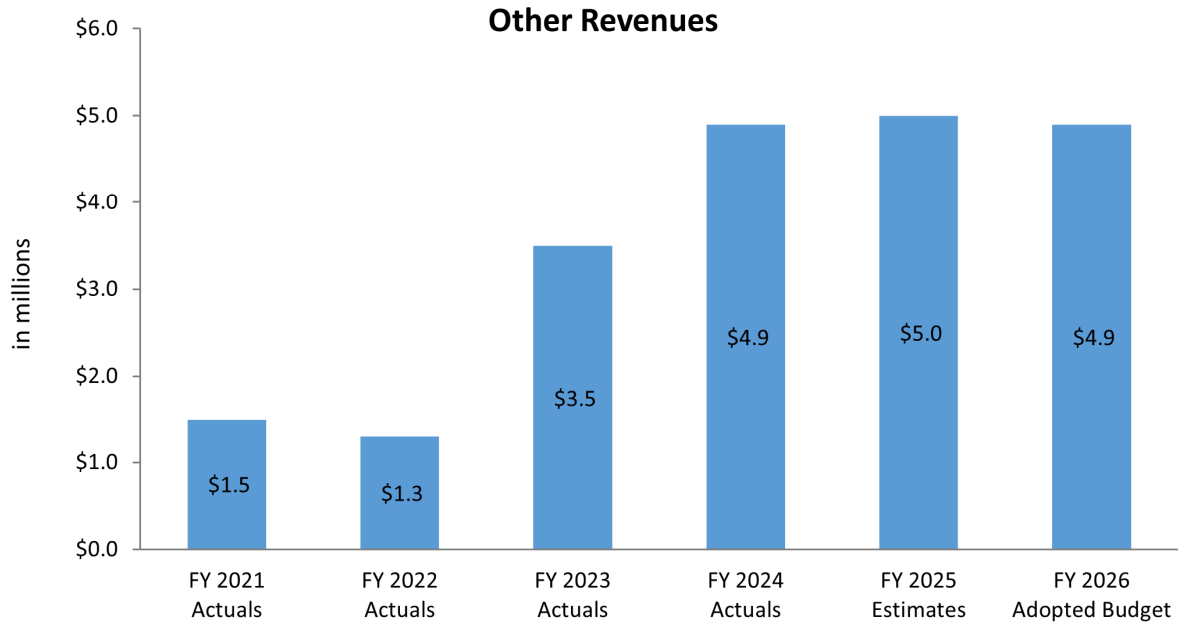
The following graph reflects annual growth of District Other Revenues since FY 2021.



Other Revenues have varied since FY 2021 and are anticipated to decrease slightly for FY 2026. From FY 2021 to FY 2022, these revenues declined as market interest rates dropped considerably, reducing Interest Income. However, in FY 2023 and FY 2024 revenues rose as market interest rates trend upward. Also, the 3-year Dallas Water Utilities Raw Water credit ended in FY 2021. Additionally, these amounts include periodic reimbursements from District participants for various specific capital expenditures or projects funded for the benefit of those participants. Beginning in FY 2024, an Excess Flow Surcharge was introduced for the Northeast Regional Water Reclamation System. This surcharge is added for wastewater flow beyond the member or customer's contracted capacity. Nothing is budgeted for Adopted FY 2026, but these revenues are reflected in the FY 2025 estimates.

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OPERATING FUND DETAIL

The Upper Trinity Regional Water District's services are accounted for in six Enterprise Funds and three Internal Service Funds. The six Enterprise Funds are comprised of the following:

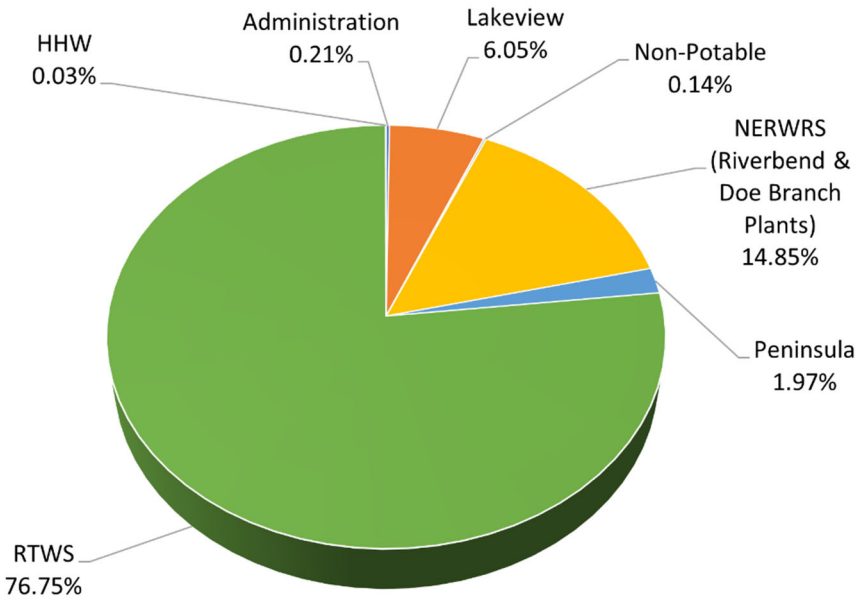
- Regional Treated Water System (Fund 21)
- Lakeview Regional Water Reclamation System (Fund 11)
- Northeast Regional Water Reclamation System (Fund 14)
- Peninsula Water Reclamation Plant (Fund 16)
- Non-Potable Water System (Fund 13)
- Household Hazardous Waste (Fund 43)

The District's three Internal Service Funds are comprised of the following:

- Administration (Fund 01 – Department 5001 and 5008)
- Information Technology (Fund 01 – Department 50IT)
- Maintenance (Fund 15)

FY 2026 BUDGETED EXPENDITURES BY OPERATING FUND

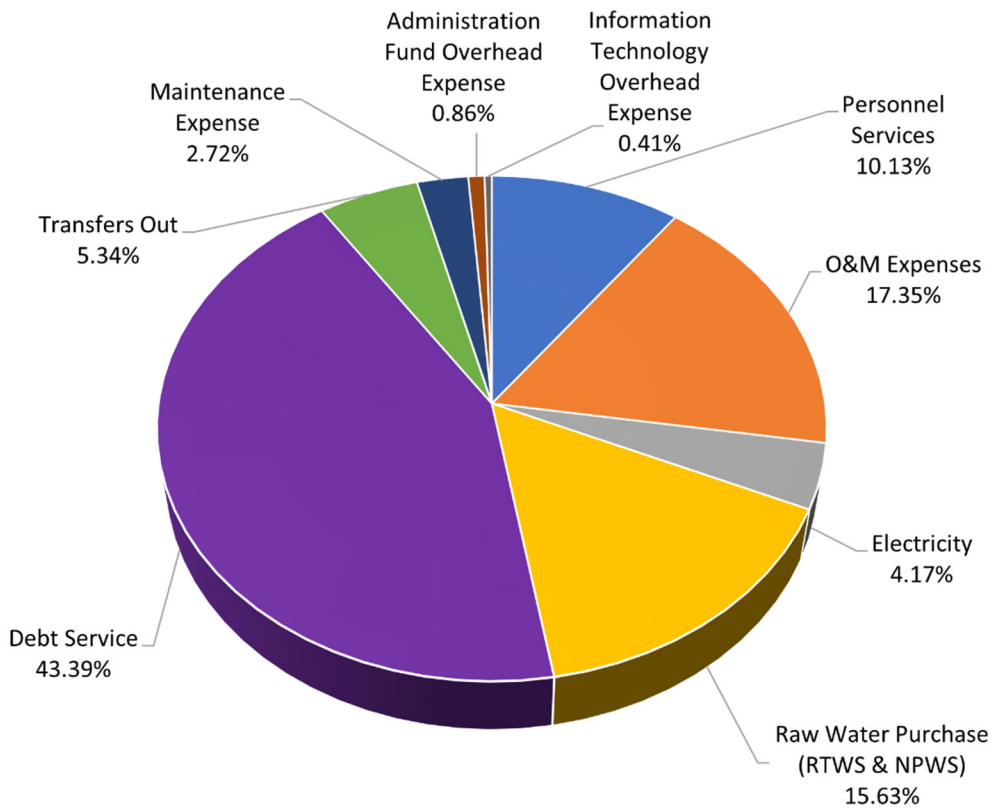
Fund	Budget
Administration Fund	$ 254,385
Lakeview Regional Water Reclamation System	7,214,395
Non-Potable Water System	172,420
Northeast Regional Water Reclamation System	17,696,030
Peninsula Water Reclamation Plant	2,321,280
Regional Treated Water System	91,463,950
Household Hazardous Waste	41,150
TOTAL EXPENDITURES	**$ 119,163,610**



FY 2026 Budgeted Expenditures by Category – All Operating Funds

Fund	Budget
Personnel Services	$ 12,847,525
O&M Expenses	21,999,750
Electricity	5,291,975
Raw Water Purchase (RTWS & NPWS)	19,819,425
Debt Service	55,004,910
Transfers Out	6,772,745
Maintenance Expense	3,447,930
Administration Fund Overhead Expense	1,095,055
Information Technology Overhead Expense	485,975
Gross Expenditures before Allocations	**$126,765,290**
Allocated to Operations & CIP Projects	(7,601,680)
TOTAL OPERATING EXPENDITURES	**$ 119,163,610**

(Percentages shown below are based on Gross Expenditures)



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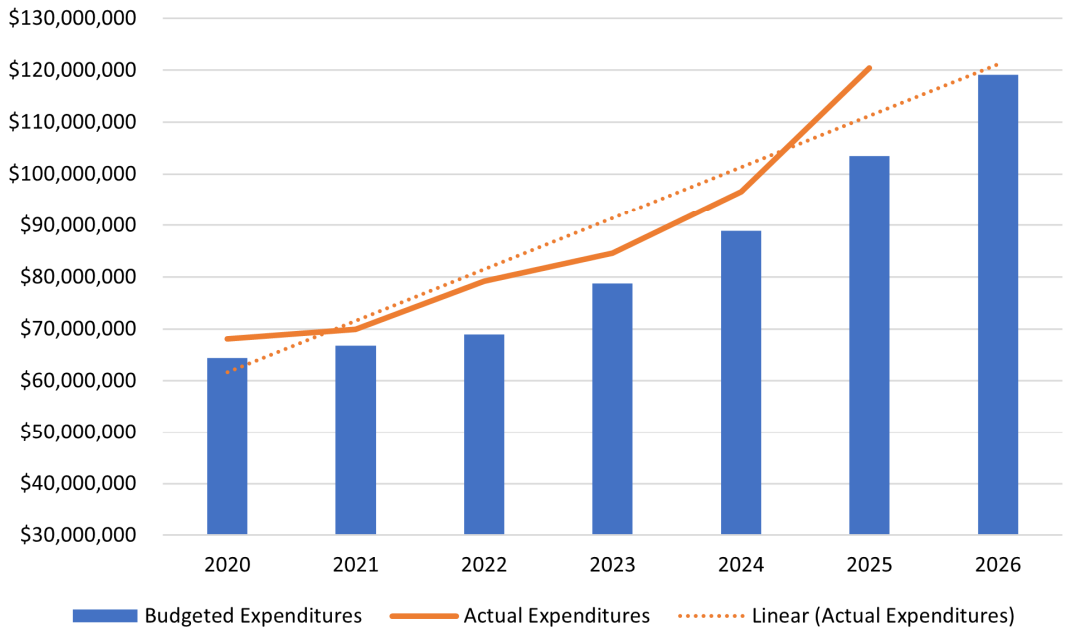
HISTORICAL OPERATING BUDGET VS. ACTUAL OPERATING EXPENDITURES

Fiscal Year	Budgeted Expenditures	Actual Expenditures*
2020	$ 64,406,455	$ 68,050,558
2021	$ 66,753,975	$ 69,914,689
2022	$ 68,916,430	$ 79,171,069
2023	$ 78,718,385	$ 84,573,334
2024	$ 88,938,825	$ 96,528,251
2025	$ 103,527,375	$ 120,418,255**
2026	$ 119,163,610	N/A

* - FYs 2020, 2021, 2022, 2023, 2024 and 2025 (Estimate) expenditure amounts include transfers of excess working capital of $7.2M, $8.2M, $10.2M, $9.3M, $15.1M and $22.7M respectively, to various reserves such as the O&M, Non-Bond Capital, Capital Replacement, and Lake Ralph Hall reserves, to be drawn upon in lieu of future debt issues and / or offsets to rate requirements.

** - Estimate



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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, Information Technology Management, Human Resource Management, Purchasing / Risk Management and Contract Management functions. This also includes 100% of allocated expenses from the Information Technology Fund (see the next section for more information).

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. Support staff provide administrative assistance to the Board of Directors, the Executive Director, and Executive Staff.

Accounting and Finance, headed by the Chief Financial Officer, 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 short-term, variable rate debt, revenue and expenditure forecasting, financial reporting, and coordination with external financial audits.

The Chief Administrative Officer supports the Human Resources, Information Technology Management and Purchasing / Risk Management Divisions and is responsible for recruitment and retention, training and development, policy development and compliance, benefits administration, pay plan implementation, employee insurance management, digital and physical systems safeguards, ensuring reliable and secure systems are in place, central procurement, and safety and risk management. The role of Human Resources 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. Information Technology Management supports the District by delivering secure, reliable and innovative technology solutions. Risk Management conducts assessments to define and analyze possible risks by developing risk management controls and systems.

The Governmental Affairs and Communications Director 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 and water conservation programs. This includes 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.

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 with 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.

ACCOUNTING AND FINANCE

- Maintain effective long-term financial and operational plans.
- Manage cash and investments to optimize investment returns while ensuring the 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 Short-Term, Variable Rate 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 the annual external audit to ensure a clean opinion and a positive Governance Letter.
- Manage revenue bond issues and Texas Water Development Board financings for systems' capital improvements.
- Process and monitor employee payroll to ensure timeliness and accuracy.

HUMAN RESOURCES 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 and provide incentives to retain key talent and maintain a stable work environment.
- Review personnel policies and practices and make recommendations for revisions.
- Manage the District's overall benefit offerings including managing the partially self-funded health care plan and working with an outside fiduciary to ensure that investment offerings within the Mission Square retirement program are best in class.
- Consistently assess training standards and analyze effectiveness of current training and development programs.
- Promote the general well-being of the workforce 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.
- Develop strategies to manage and mitigate risks by creating a culture of safety and risk awareness and developing risk management controls and contingency plans.

PERFORMANCE MEASUREMENTS

Work Element	Measure	Goal Type	FY 2024 Actuals	FY 2025 Estimates	FY 2026 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	Leadership Partnerships	100%	100%	100%
Payroll Processing	Process all bi-weekly and special payrolls within required timelines with a minimum accuracy rate of 99%	Organizational Financial	100%	100%	100%
Employment Rate	Maintain an annual average employment rate of 95% or greater (% of filled positions)	Organizational Financial	97.1%	95.7%	98.5%
Employee Benefits Administration	Process and maintain all employee benefits within policy requirements	Organizational Financial	100%	100%	100%
Staffing Requirements for LRH Project	Number of new positions added, or current positions transferred to the Lake Ralph Hall Project	LRH (Specific Work Plan Item #5)	0	2	1
Addressing staffing levels to support Operations & Maintenance of District Facilities	Number of new positions added to Operations and Maintenance staff	Organizational (Specific Work Plan Item #1) Educational (Specific Work Plan Items #4, 5, 6, & 7)	5	6	3
Budgeted net operating revenues compared to actual net operating revenues	% change between budgeted net operating revenues and actual net operating	Financial	163.5% incr	73.4% incr	100%
Annual budget award submission	Annual budget receives GFOA Distinguished Budget Award	Organizational Financial Partnerships	Y	Y	Y

PERFORMANCE MEASUREMENTS

Work Element	Measure	Goal Type	FY 2024 Actuals	FY 2025 Estimates	FY 2026 Target
Issue Annual Comprehensive Financial Report	Completion of Annual Comprehensive Financial Report and submitted to GFOA for review	Organizational Financial Partnerships	Y	Y	Y
Variable Rate Financing Refunded	Number / Dollar Amount of Outstanding Variable Rate Debt refundings completed by the Finance Division	Financial	2 $30.0M $65.0M	1 $60.0M	1 $65.0M
TxDOT Project Financing	Number of TxDOT Capital Projects funded with Non-Bond Capital Reserves (No Rate Effect)	Leadership Financial Partnerships Functional (Specific Work Plan Item #16)	8 of 8	7 of 7	5 of 5
College Internships	Number of students participating in the District Intern Program created by the Human Resources Division	Educational (Specific Work Plan Item #5)	6	4	4
Website updated	Board Agenda and updated Board of Director information posted monthly	Organizational Partnerships Educational	100%	100%	100%
Pay all undisputed invoices within 30 days	# of invoices paid within 30 days	Financial Partnerships	100%	100%	100%
Purchase Orders Processing	Process all purchase orders within 3 business days of receipts of a correct and approved purchase requisition	Leadership Financial Partnerships	100%	100%	100%
TWDB Financing Agreements Completed for LRH Project	Number / Dollar Amounts of Financing agreements completed by Finance Division for the Lake Ralph Hall Reservoir	Financial (Specific Work Plan Item #1) Partnerships	1 $48.0M	1 $260.6M	1 $60.2M
Expanding the District's Variable Rate Program from $75M to $100M **(from 2024 Annual Work Plan – Financial)**	Completion of negotiations with new Direct Purchase Program vendor, **Wells Fargo**, to increase the District's variable rate debt program from $75M to $100 M	Financial Partnerships	Completed	N/A	N/A

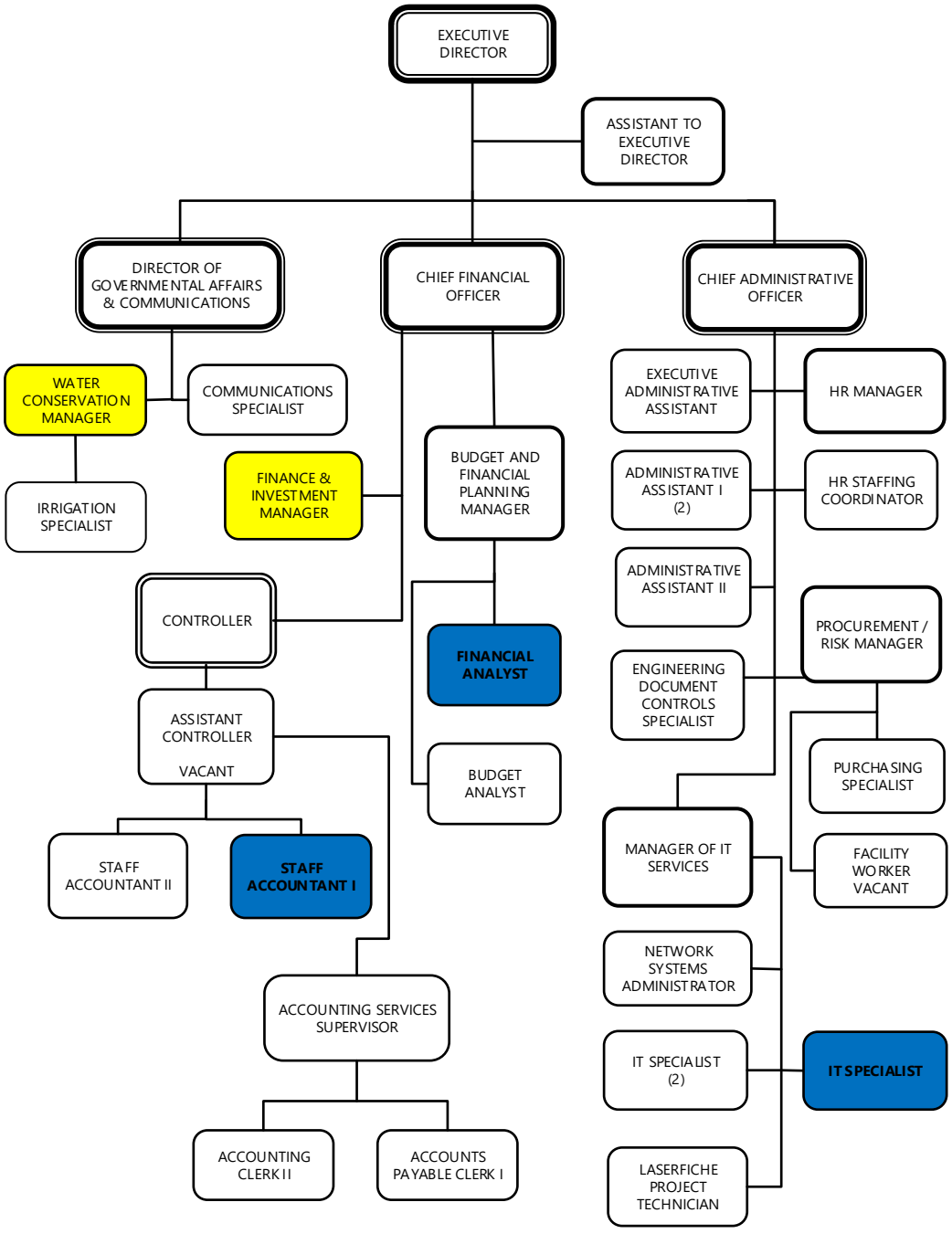
PERFORMANCE MEASUREMENTS

Work Element	Measure	Goal Type	FY 2024 Actuals	FY 2025 Estimates	FY 2026 Target
Expanding the District's Variable Rate Program from $100M to $125M **(from 2025 Annual Work Plan – Financial)**	Completion of negotiations with current Direct Purchase Program vendor, **Wells Fargo**, to increase the District's variable rate debt program from $100M to $150M (More cost effective to the District to increase to $150M, instead of $125M)	Financial (Specific Work Plan Item #9)	N/A	Completed	N/A
District's Direct Purchase Program **(from Annual Work Plan – Financial)**	Develop relationships, protocols and appropriate controls for the Direct Purchase Program with **PNC and Wells Fargo** Banks	Financial (Specific Work Plan Item #10)	Completed (PNC)	Completed (Wells Fargo)	N/A
Bidding & Contracting	Bid and obtain contracts for commodities and services as requested within required timelines and in accordance with policy requirements	Organizational Financial Educational	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	Organizational Financial Educational	100%	100%	100%

PERSONNEL SUMMARY

Positions	FY 2024 Actuals	FY 2025 Budget	FY 2025 Revised	FY 2026 Budget
Executive Director	.50	.50	.50	.50
Assistant to the Executive Director	1	1	1	1
Chief Administrative Officer	1	1	1	1
Chief Financial Officer	1	1	1	1
Director of Government Affairs and Communications	0	.75	.75	.75
Manager of Government Affairs and Communications	.50	0	0	0
Controller	1	1	1	1
Assistant Controller	1	1	1	1
Budget and Financial Planning Manager	1	1	1	1
Human Resources Manager	1	1	1	1
Procurement / Risk Manager	1	1	1	1
Facility Worker	0	0	1	1
Accounting Services Supervisor	1	1	1	1
Water Conservation Manager	0	0	0	.40
Water Education Coordinator	.20	.20	.20	0
HR Staffing Coordinator	1	1	1	1
Finance and Investment Manager	0	0	0	1
Senior Financial Analyst	1	1	1	0
Financial Analyst	0	0	0	1
Staff Accountant II	1	1	1	1
Staff Accountant I	0	0	0	1
Purchasing Specialist	1	1	1	1
Communications Specialist	.20	.40	.40	.40
Budget Analyst	1	1	1	1
Senior Executive Secretary	1	0	0	0
Executive Administrative Assistant	0	1	1	1
Secretary	3	0	0	0
Administrative Assistant II	0	2	2	1
Administrative Assistant I	0	1	1	2
Accounting Clerk II	1	1	1	1
Accounts Payable Clerk I	1	1	1	1
Engineering Staff (includes Eng. Doc. Control Specialist)	1.83	1.83	1.83	0.33
Total FTEs	**23.23**	**23.68**	**24.68**	**25.38**

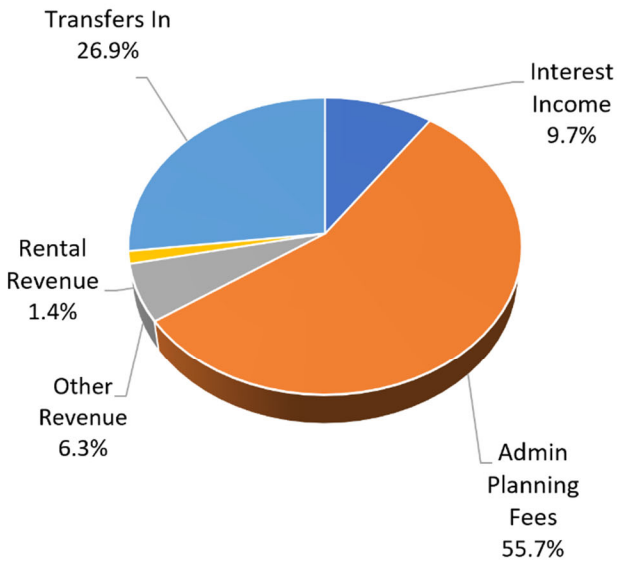
ORGANIZATIONAL CHART



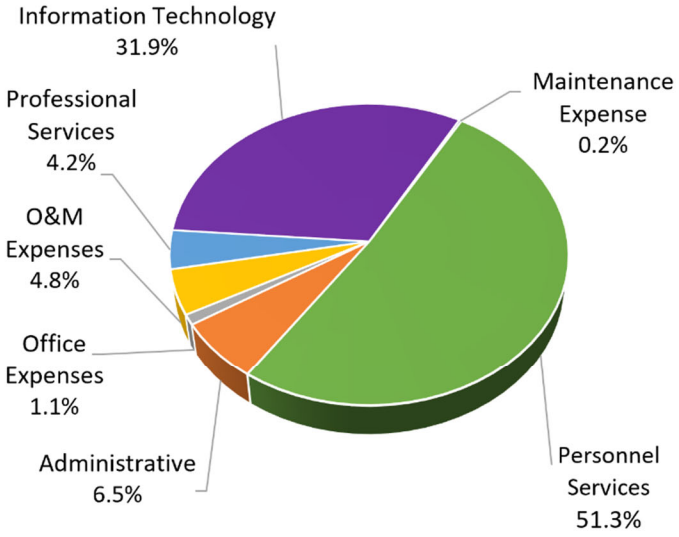
BUDGET SUMMARY

	FY 2024 Actuals	FY 2025 Adopted	FY 2025 Estimates	FY 2026 Adopted
Beginning Balance (Operating Cash)	**$ 222,827**	**$ 274,352**	**$ 303,659**	**$ 145,339**
Operating Revenue				
Interest Income	$ 34,938	$ 34,200	$ 30,480	$ 30,720
Admin Planning Fees	168,735	171,115	171,115	176,260
Other Revenue	33,340	22,000	22,000	20,000
Rental Revenue	5,408	5,390	5,405	4,320
Transfers In	160,000	160,000	160,000	85,000
Total Operating Revenue	**$ 402,421**	**$ 392,705**	**$ 389,000**	**$ 316,300**
Operating Expense				
Personnel Services	$ 3,146,174	$ 3,427,960	$ 3,379,550	$ 4,027,235
Administrative	395,093	460,365	476,125	513,430
Office Expenses	73,534	71,000	68,985	86,100
Professional Services	263,355	279,165	290,125	326,920
O&M Expenses	330,409	285,540	322,630	380,110
Information Technology	1,521,925	2,222,430	2,137,140	2,505,030
Operating Expense Subtotal	**$ 5,730,490**	**$ 6,746,460**	**$ 6,674,555**	**$ 7,838,825**
Allocation to Operations & CIP	(5,432,745)	(6,409,135)	(6,340,510)	(7,601,680)
Net Operating Expense	**$ 297,745**	**$ 337,325**	**$ 334,045**	**$ 237,145**
Shared Debt Payment	$ 12,200	$ 12,200	$ 12,200	$ -
Maintenance Expense	11,644	16,175	15,640	17,240
Transfers Out	-	-	185,435	-
Total Operating Expense	**$ 321,589**	**$ 365,700**	**$ 547,320**	**$ 254,385**
Ending Balance (Operating Cash)	**$ 303,659**	**$ 301,357**	**$ 145,339**	**$ 207,254**

Operating Revenues



Operating Expenditures



SUMMARY OF MAJOR CHANGES

FEE STRUCTURE

	FY 2025 Budget	Adopted FY 2026 Budget
Minimum fee	$500	$500
Population up to 5,000	$0.435 per capita	$0.435 per capita
Population 5,001 to 25,000	$0.244 per capita	$0.244 per capita
Population over 25,000	$0.096 per capita	$0.096 per capita

REVENUES

- Interest income is representative of current market conditions.
- Adopted fees for FY 2026 are based on 2025 population estimates from several sources, including the North Central Texas Council of Governments and Member / Customer / Texas Water Development Board surveys.
- Other Revenues includes estimated non-direct service revenues such as credit card rebates and auction proceeds from retired assets.
- Rental Revenue reflects rental income estimated for the 802 N. Kealy Avenue building and is reallocated to operating funds to offset total allocated debt for this facility. The decrease is due to a current tenant not renewing their lease at the end of calendar year 2025.
- A Transfer In from the Regional Treated Water System ($60,000) and the Northeast Regional Water Reclamation System ($25,000) is the Customer entity surcharge (additional 7.0% added to the Member Treatment and Volume Rates) that assists in funding administration services. This transfer is decreased for FY 2026 due to the Mustang Special Utility District (Member Entity) acquiring Denton County Fresh Water Supply Districts #8A and 11A (Customer Entities), therefore, reducing the amount of surcharge revenues in the Regional Treated Water and Northeast Regional Water Reclamation Systems.

EXPENSES

PERSONNEL SERVICES

- The adopted budget for Administration provides funding for 25.38 full-time equivalent positions and includes a projected 20.0% cost increase from year-to-date FY 2025 expenditures for the District's health insurance benefit. In addition, three new positions (one added at Mid-Year 2025) are also included:
  - A Financial Analyst position to replace the current Senior Financial Analyst position that was reclassed to a Finance and Investment Manager.
  - A Staff Accountant I position to assist with increased financial transactions and reporting responsibilities of the Business Department.
  - A Facility Worker responsible for all janitorial services around the District's headquarters campus. An outside janitorial company's contract was canceled due to the addition of this position at Mid-Year 2025.

ADMINISTRATIVE

- Advertising expense increases due to price increases from the local newspaper for required advertisements for vendor bids, job listings, etc.
- Conference, Travel, and Training expenses increase due to District staff's participation in professional organization conferences, as well as management's focus on ensuring the proper training is provided for its workforce.
- Supplies expense increases due to providing funding for the annual Employee Health Fair, which was not funded in FY 2025.

PROFESSIONAL SERVICES

- Legal expenses decrease due to the legal services needed for legislative activities lessens in those years that the Texas Legislature is not in session.
- Equipment Service expenses increase due to moving budgeted funds for certain inspections (Generator, Fire Alarms / Equipment, and Backflow Preventors) from Other Outside Services to this expense category.
- Other Outside Services expenses include aquarium maintenance, employee drug testing, pest control, and background checks for job applicants, etc. This expense category increases due to utilizing a consultant for the District's electricity plans (which was not in the Adopted FY 2025 budget) and a consultant for state and federal legislative activities related to all District services provided to its members / customers.

OPERATING

- Equipment and Furniture equal or greater than $5,000 includes:
  - Purchase of a Truck for a new Construction Inspector position that was approved by the Board of Directors at Mid-Year 2025 – $55,000.
  - Purchase of a UTV for use by construction inspectors to locate easements and for inspections of capital projects – $35,000.
- Maintenance Expense is for the 802 N. Kealy Avenue rental property. The portion of the adopted Maintenance budget allocated to this property is 1.50% (no change from FY 2025) based on work orders.

INFORMATION TECHNOLOGY

- The Information Technology (IT) expense includes all IT costs for the District. Further details are available in the Information Technology Fund section of this budget document.

ALLOCATION TO OPERATIONS & CIP

- The Administration Fund is funded by the Administration and Planning fees (3.0%) with the remaining costs (97.0%) allocated to the District's operating systems and capital projects of the District. This allocation amount of 97.0% was increased from 95.0% in FY 2025 to better match the efforts of the Administration staff with the District's operating systems and capital projects.

SHARED DEBT PAYMENT

- The Shared Debt Payment decreases due to the mid-year 2025 reimbursement of the remaining principal balance for the Administration Fund's allocated portion of Regional Treated Water System bond proceeds used to purchase and renovate the 900 N. Kealy administration building.

MAINTENANCE EXPENSE

- The account reflects the allocated portion (0.50%) of the adopted Maintenance budget to the 900 and 802 N. Kealy administrative offices.

ACCOMPLISHMENTS FOR FY 2024-2025

- ✓ Issue Comprehensive Annual Financial Report 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 twenty-fourth consecutive Certificate of Achievement award for Excellence in Financial Reporting.*
- ✓ Submitted Operating and Capital Budgets which conform 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 sixteenth 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 $2,962,152 of medical claims and approximately $1,043,103 of Medical Stop-Loss Claims*
    - *Teladoc services are available with an annual utilization of 39.4% up from 25.1% in the prior fiscal year with an estimated District savings of $14,464.*
    - *Successfully negotiated the employee health insurance contract with the current provider and a new provider for Stop Loss coverage.*
    - *Continued supporting 100% employee funded voluntary insurance options.*
    - *Approximately 32% of employees contributing to Mission Square 457 (b) Plan are also contributing to the ROTH option.*
    - *Appointed an employee Investment Committee to work with the District's outside fiduciary to ensure that the Mission Square Retirement Program Portfolio offers the best-in-class investment options at the best cost.*
- ✓ Recruit capable candidates for vacant positions.
    - *Worked with Directors, Managers, Superintendents, and Supervisors to successfully advertise, interview, and fill 29 vacant full-time positions.*
- ✓ Continued the District's Summer Intern Program to support Engineering, Administration and Operations.
    - *The District had four interns participating in the District's summer intern program from May through August 2025.*
    - *Partnership with Denton ISD / High School Internship Program throughout Operations with seven high school students interning.*
- ✓ Began new employment outreach by participating in local job fairs, high school career days and college career fairs.
    - *Participated in two Recruit Military career fairs within the Dallas/Fort Worth area.*
    - *Participated in Lewisville Independent School District's High School Career Day (2-27-25) with seven students participating.*

✓ Continued to monitor and manage the Variable Rate Financing Program.

- *As of September 30, 2025, $55.231M (Net) out of an authorized $150.0M credit line has been utilized to fund various capital projects identified in the Regional Treated Water Systems.*

✓ Prepared and processed bid documents.

- *Completed 12 competitive sealed bids.*
- *Completed 41 contract renewals.*
- *Processed / Issued 334 Purchase Orders for a total of $5.87 million.*
- *Processed / Issued 14 new contracts.*

✓ Continue to expand the Watershed Protection Program.

- *Conducted quarterly water quality sampling at five different locations within the Lewisville Lake watershed to monitor stream flow, dissolved oxygen, pH factor, and other parameters.*
- *Completed water quality sampling at the designated stream locations within the Lewisville Lake watershed quarterly during FY 24-25 and reported the results to the appropriate regulatory agencies.*
- *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. The Trust received two donated conservation easements totaling approximately 173 acres.*
- *The UTCT Board of Directors met at least three times during FY 24-25 to consider financial and policy matters and to discuss on-going conservation projects.*
- *Staff continue to maintain more than 200 watershed signs (GIS identified and included in District databases) 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.*
- *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'. Staff used the stream erosion trailer and newly developed watershed board for hands-on demonstrations.*
- *UTRWD provided education and outreach related to water conservation and watershed protection throughout FY 24-25 through its summer media campaign, monthly Water Talks, outdoor festivals, civic group presentations, monthly conservation coordinator calls, media releases, social media posts, and other methods.*
- *The Upper Trinity Conservation Trust and Denton County, continue to implement the Greenbelt Master Plan for Denton County to protect greenbelt areas and riparian assets and to create a common vision for voluntary participation in preserving these irreplaceable assets.*
- *Held a 'Healthy Lawns, Healthy Waters' educational event with Texas A&M AgriLife on April 14th to promote better lawn care and irrigation practices to conserve water and prevent watershed pollution.*

Back to TOC

INFORMATION TECHNOLOGY

The core purpose of Information Technology is to meet the District's technological needs while ensuring reliable support for essential operations. The Information Technology Division is responsible for maintaining and expanding primary and secondary network communications, managing infrastructure, and implementing comprehensive security measures. Key functions include operating an effective help desk, overseeing IT assets, and coordinating strategic planning. The Information Technology Division also manages vendor contracts and compliance with license agreements, enables secure and flexible remote access, and supports audiovisual systems. In addition, the department oversees physical and digital security through intrusion detection, access control, and video surveillance management.

The Information Technology Division is designated under the umbrella of Administration, with the IT Manager reporting to the Chief Administrative Officer. The IT budget, however, is shown separately.

MISSION

Information Technology Services supports the District by delivering secure, reliable, and innovative technology solutions that enable efficient operations and adapt to evolving needs. We achieve this through fiscally responsible management of infrastructure, applications, and data, while providing responsive support, safeguarding digital and physical systems, and ensuring effective communication across the District.

GOALS AND OBJECTIVES

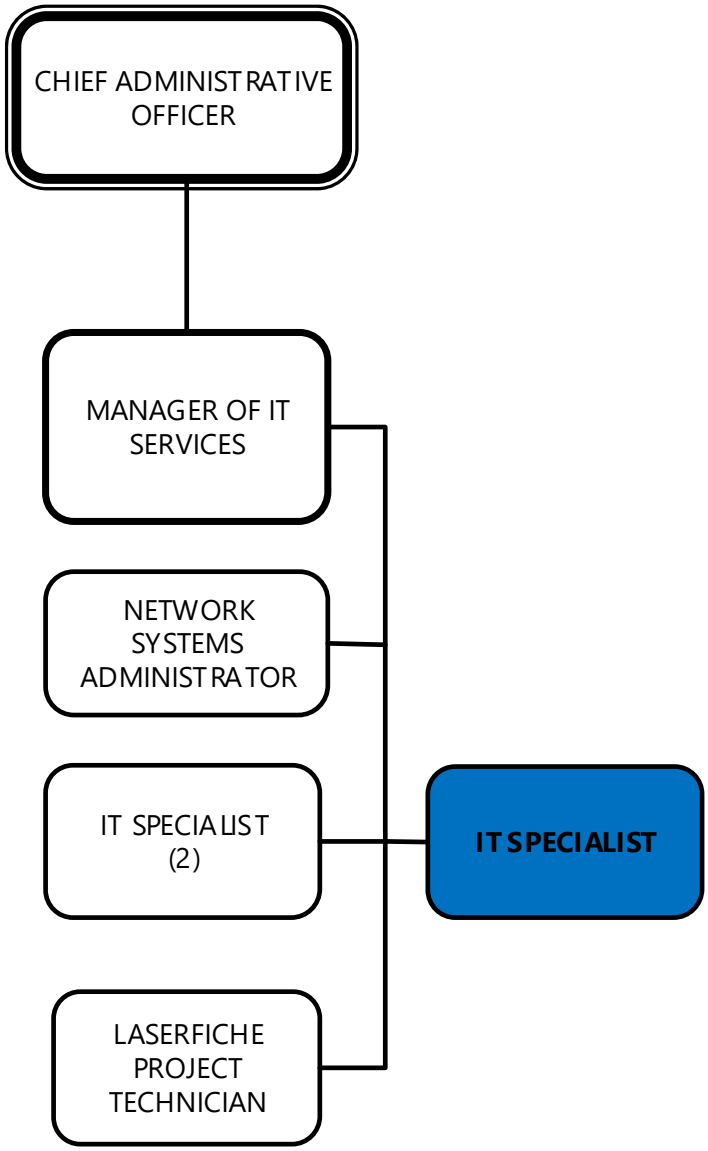
- Optimize IT Infrastructure
  - Assess and optimize the organization's IT infrastructure including planning, procurement, installation, deployment, staff training and maintenance for all technology products of the District.
- Efficiency Enhancement
  - Improve the efficiency of processes and operations through the implementation of technology solutions, leading to increased productivity while maintaining appropriate safeguards for cyber security threats.
- Upgrade Legacy Systems
  - Gradually modernize or replace outdated systems to improve performance, compatibility, and security while maintaining business continuity.
- Achieve High Availability
  - Implement redundancy and failover mechanisms to ensure that critical systems are available and operational with minimal downtime.
- Security and Privacy
  - Ensure the confidentiality, integrity, and availability of data and systems by implementing robust security measures and adhering to industry best practices for data protection and privacy.
- Collaboration and Communication
  - Enable seamless communication and collaboration among teams and departments by implementing tools and systems that facilitate information sharing and teamwork.
- Manage District Data
  - Manage the District's Laserfiche Project to ensure documents are electronically catalogued.

PERFORMANCE MEASUREMENTS

Work Element	Measure	Goal Type	FY 2024 Actuals	FY 2025 Estimates	FY 2026 Target
Servers, desktop and laptop computers, and mobile devices maintained	% of total number of hardware components maintained	Functional	100%	100%	100%
Network reliability	Calculation of network operational days as a percentage of total available network days	Functional	100%	100%	100%
Monitor life cycles of all District devices and software to ensure continued support and plan for end-of-life replacement	% of total number of devices and software life cycles monitored	Functional	100%	100%	100%
Backup of all District data, using a hybrid system, including an on-premises device, and transfer of backup data to remote virtual servers	Calculation of data backed up as a percentage of total District data store	Functional	100%	100%	100%
Firewall, intrusion detection/prevention, and endpoint protection systems maintained	% of systems monitored and maintained in compliance with security standards	Functional (Specific Work Plan Item #1)	100%	100%	100%
Cybersecurity awareness training for employees	% of employees completing cybersecurity training	Functional (Specific Work Plan Item #1)	100%	100%	100%
Incident response readiness (tested through tabletop or simulated exercises)	Number of Exercises completed annually	Functional	0	0	1
Development of intranet	Completion of Intranet site for Human Resources	Organizational (Specific Work Plan Item #14	On-going	On-going	Complete

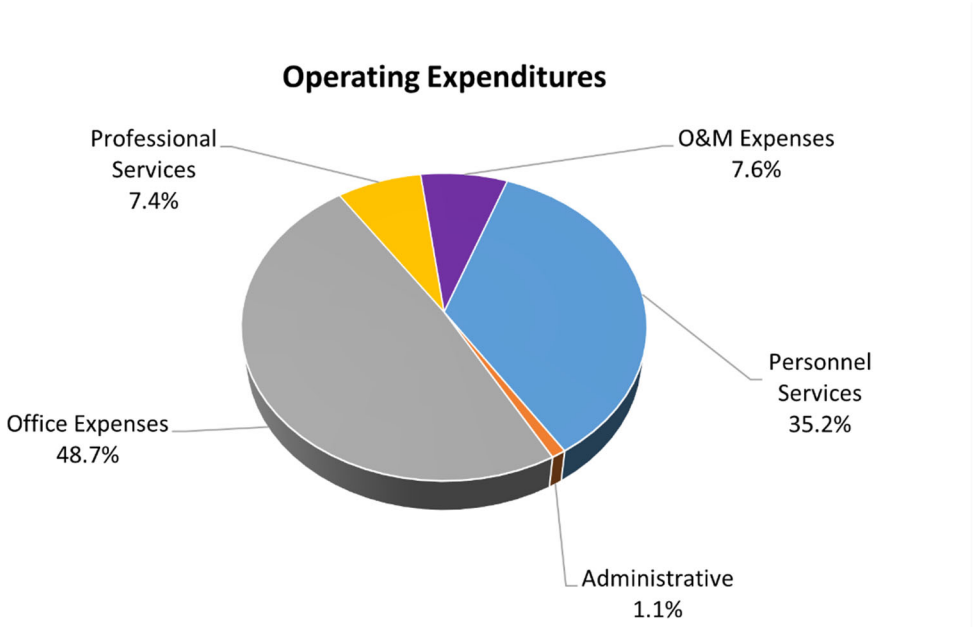
PERSONNEL SUMMARY / ORGANIZATIONAL CHART

Positions	FY 2024 Actuals	FY 2025 Budget	FY 2025 Revised	FY 2026 Budget
Manager of IT Services	1	1	1	1
Network Systems Administrator	1	1	1	1
IT Specialist	2	2	2	3
Laserfiche Project Technician	1	1	1	1
Total FTEs	**5**	**5**	**5**	**6**



BUDGET SUMMARY

	FY 2024 Actuals	FY 2025 Adopted	FY 2025 Estimates	FY 2026 Adopted
Beginning Balance (Operating Cash)	$ -	$ -	$ -	$ -
Operating Expense				
Personnel Services	$ 628,373	$ 668,045	$ 662,215	$ 882,375
Administrative	14,565	23,485	21,810	26,520
Office Expenses	739,256	1,119,325	1,078,330	1,219,860
Professional Services	111,701	257,675	198,920	185,900
O&M Expenses	28,030	153,900	175,865	190,375
Total Operating Expense	**$ 1,521,925**	**$ 2,222,430**	**$ 2,137,140**	**$ 2,505,030**
Allocation to Administration	**(1,521,925)**	**(2,222,430)**	**(2,137,140)**	**(2,505,030)**
Ending Balance (Operating Cash)	$ -	$ -	$ -	$ -



SUMMARY OF MAJOR CHANGES

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for 6.00 full-time equivalent positions which includes a new I/T Specialist position (100% funded). In addition, a projected 20.0% cost increase from year-to-date FY 2025 expenditures for the District's health insurance benefit is included.

ADMINISTRATIVE

- Equipment and Furniture less than $5,000 (non-capitalized assets) includes administrative items such as desks, office chairs, and filing cabinets.

PROFESSIONAL SERVICES

- Other Outside Service expense includes Security Compliance / Penetration testing services and decreases due to FY 2025 requested funding to install additional security cameras around District facilities being included under a current capital improvement project under the Regional Treated Water System (Operations Remote Communications Improvement Project) in FY 2026.

O&M EXPENSES

- The Plant Supplies account increases due to including the purchase of new uniforms for the Information Technology staff under this expense category.
- Equipment and Furniture greater than or equal to $5,000 includes:
  - Life-cycle replacement of six District Copiers – $54,000
  - Purchase of a new Laserfiche Server – $15,000
  - Purchase of a new Tableau Server – $10,000
  - Purchase of a new server for Windows Server-Update Systems (WSUS) – $10,000
  - Purchase of a new Video Server – $25,000
  - Purchase of new SCADA Terminal Servers – $40,000

ALLOCATION TO ADMINISTRATION

- Total operating expenses for the Information Technology budget are allocated to the Administration Fund and subsequently distributed to District operating systems and capital projects.

ACCOMPLISHMENTS FOR FY 2024-2025

- ✓ Active participant in facilitating the District's Risk and Resiliency Evaluation.
  - *Worked with Weston Solutions and Defensor Solutions LLC to complete the cyber risk assessments and technology portions of the EPA Risk assessment.*
  - *Developed an Incident Response Plan draft and provided this resource to Defensor Solutions LLC as an informational document for completion of the (IRP) portion of the Emergency Response plan update completed by Weston Solutions*.
- ✓ Continued development of Intranet site.
  - *Development of an Intranet SharePoint data Governance Plan to manage data retention and cyber security for the intranet system.*
  - *Continued collaboration with stakeholders gathering functional requirement needs. This includes defining content types, document management needs, search functionality, and workflows.*
  - *Solution design in progress.*
- ✓ Continued efforts to enhance data services through network improvements.
  - *Began stage 1 to implement microwave network systems spanning four installations of microwave communications towers for redundant network communication for the Lake Ralph Hall conveyance system.*
  - *Legacy Equipment Upgrades: Ongoing replacement of outdated network devices throughout the District.*
  - *New Network Resources: Implemented additional network resources to support District growth*.
- ✓ Access control for 802 N. Kealy Ave. Annex building expansion.
  - *Completed installation of access control and intrusion alarming for the Annex event center.*
  - *Worked with third-party security vendor to design and implement access control and intrusion detection for new entry doors to the event center and entry doors for the newly renovated kitchen space at 802 N. Kealy Ave. Annex building.*
- ✓ Expansion of DATA storage for the District.
  - *With the growing DATA of the District, the Information Technology Department expanded data storage on the District's redundant virtual server platform.*
  - *Increased DATA storage for the operations SCADA system by increasing virtual platform storage for the historian DATA server*.
- ✓ Continued Remote Communications Project Implementation.
  - *Phase 2 Progress: Continued the installation of permanent cellular communication solutions at various metering vaults as part of the Phase 2 upgrade.*
  - *Collaborated with an integration team to install updated PLC components at remote sites*.
- ✓ Technology Upgrades for the Districts VOIP telephone system.
  - *Replaced legacy telecom equipment to support a newer generation Voice over IP telephone system.*
  - *Efforts included complete replacements of handsets and core network infrastructure to support the new system.*

Back to TOC

WATER RECLAMATION SYSTEMS

The District is dedicated to protecting public health and safeguarding raw water supplies by delivering high-quality wastewater treatment and proactively planning for future needs. The Northeast Regional Water Reclamation System (NERWRS)—comprising the Riverbend Plant, the Doe Branch Plant, and the separate Peninsula Water Reclamation Plant (PWRP)—serves the northeastern portion of Denton County, generally north of Lewisville Lake and east of Highway 377. The Lakeview Regional Water Reclamation System (LRWRS) serves communities located west of Lewisville Lake.

MISSION

To provide superior wastewater treatment 365 days a year, consistently meeting or exceeding all state and federal regulations. The District is committed to hiring and training qualified personnel to operate and maintain our treatment facilities. Through excellence in service and innovation, the Operations Department will be a recognized leader in the wastewater utility industry.

GOALS AND OBJECTIVES

- Ensure regulatory compliance in Effluent discharge.
  - Maximize system redundancy by ensuring treatment plant and collection system equipment, including emergency power generators, are adequately sized, properly operated, and routinely maintained—ensuring uninterrupted wastewater transport and treatment.
  - Maintain zero permit violations.
  - Achieve the Platinum Award from the National Association of Clean Water Agencies (NACWA).
  - Monitor plant influent and effluent daily.
  - Apply industry-recognized process control methods to make necessary operational adjustments to consistently produce high-quality effluent.
  - Dewater biosolids and ensure timely transport and proper disposal.
  - Maintain a well-trained, certified, and highly qualified operations staff.
- Maintain operational efficiency of Water Reclamation facilities.
  - Maintain all water reclamation facilities to the highest standards of operational efficiency.
  - Ensure zero operational downtime for critical infrastructure and equipment.
  - Complete all equipment repairs promptly and efficiently.
  - Operate and maintain equipment in accordance with manufacturer guidelines and operations & maintenance (O&M) manuals.
  - Perform scheduled maintenance as recommended by equipment manufacturers.
  - Continuously monitor equipment performance and address any maintenance needs without delay.
  - Remain informed about emerging technologies and best practices that could enhance operational and maintenance efforts, as well as benefit the communities served.
- Operate facilities with a “Good Neighbor Policy”.
  - Foster positive relationships with host communities through responsible facility management.
  - Minimize and proactively address community complaints to the best of our ability.
  - Routinely operate and monitor odor control systems to ensure effectiveness.
  - Conduct regular maintenance of buildings and perimeter fencing.
  - Maintain landscaped areas in excellent condition year-round.
  - Perform daily inspections of facility grounds and promptly address any issues.
  - Provide educational tours of water reclamation facilities for local schools and organizations to promote awareness and transparency.

- Ensure safety and security of systems and resources.
  - Protect the integrity and reliability of District infrastructure and data systems.
  - Physical Security
    - Secure all areas of treatment and remote facilities using surveillance cameras and appropriate monitoring systems.
  - Data & Network Security
    - Continuously develop and implement new data management protocols for secure, efficient sharing and storage.
    - Effectively manage the Supervisory Control and Data Acquisition (SCADA) system to reduce downtime and enhance performance.
    - Improve communications, networking, and SCADA infrastructure to support real-time monitoring and modernize operations.
    - Ensure all hardware and software meet current industry standards, upgrading as needed.

- Enhance Cybersecurity Measures
  - Protect IoT devices and network infrastructure with advanced security protocols.
  - Implement AI-driven threat detection to identify and respond to cyber threats in real time.
  - Establish a Demilitarized Zone (DMZ):
    - Isolate critical internal systems from external-facing services.
    - Use the DMZ to host public services while safeguarding internal data and infrastructure.
  - Develop Digital Twins:
    - Create digital models of treatment plants and distribution systems for simulation, scenario planning, and predictive analysis.
    - Use these models to improve decision-making, optimize system operations, and prepare for future demands.

- Invest in Workforce Development
  - Retool Operations staff for future technologies
  - Provide training in:
    - AI and machine learning
    - Data analytics
    - Cybersecurity
    - Advanced water treatment systems
  - Promote a culture of continuous learning and innovation.
  - Encourage cross-functional teams to bridge the gap between operational experience and technology implementation.
  - Attract and retain top talent
    - Offer competitive professional development and growth opportunities.
    - Attract skilled professionals in high-demand fields such as AI, data science, and cybersecurity.
    - Create clear career pathways that integrate traditional water management roles with emerging tech competencies.

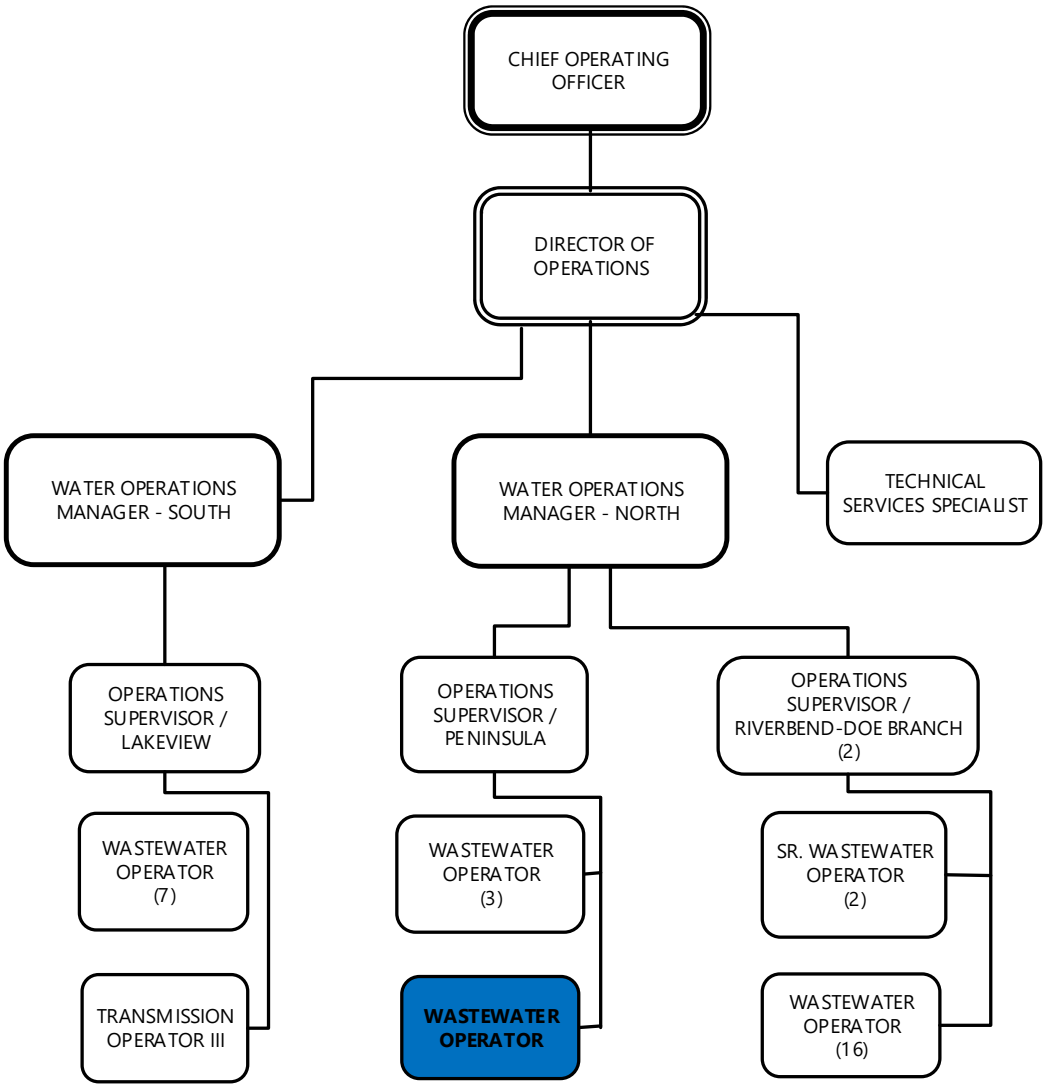
PERFORMANCE MEASUREMENTS

Work Element	Measure	Goal Type	FY 2024 Actuals	FY 2025 Estimates	FY 2026 Target
Effluent Quality	Achieve 100% regulatory compliance / NACWA Award - All District Water Reclamation Plants	Organizational Functional Partnerships Environmental	100% / Platinum	100% / Platinum	100% / Platinum
Process Control Testing	Ratio (%) of tests completed / total tests required - All District Water Reclamation Plants	Organizational Functional Partnerships Environmental	200%	200%	200%
Biosolids Processing	Number of tons of biosolids processed and hauled to disposal - Lakeview - Riverbend - Doe Branch - Peninsula	Functional Financial Environmental	 1,148 859 1,817.22 426.19	 1351 1,100 2,000 500	 1,400 955 2,000 500
Equipment Shutdowns	Percent of time critical equipment is available - All District Water Reclamation Plants	Organizational Functional Partnerships Environmental	100%	100%	>99%
Complaints From Neighbors / Addressed	Number of odor complaints per year / percent addressed - All District Water Reclamation Plants	Organizational Functional Partnerships Environmental	0 / 100%	1 / 100%	0 / 100%
Lift Station Assessments	Percentage of budgeted funds expended by District staff to complete a condition assessment of all District water reclamation lift stations / Percentage of budgeted funds spent to complete design / improvements	Functional (Specific Work Plan Item #18)	15%	21%	100%
TCEQ Discharge Permit Violations	Finalize the discharge permits for certain Water Reclamation Plants: - Lakeview - Riverbend - Doe Branch - Peninsula	Functional Financial Partnerships Environmental	 0 0 0 0	 0 0 0 0	 0 0 0 0

PERSONNEL SUMMARY

Positions	FY 2024 Actuals	FY 2025 Budget	FY 2025 Revised	FY 2026 Budget
Chief Operating Officer	0	.50	.50	.50
Director of Operations and Water Resources	.50	0	0	0
Director of Operations	0	.55	.55	.55
Deputy Director of Operations	.55	0	0	0
Water Operations Manager North Division	.50	.50	.50	.50
Electrical Engineer	.15	.15	.15	.15
Operations Supervisor Lakeview	0	1	1	1
LRWRS/Peninsula Operations Superintendent	1	0	0	0
Operations Supervisor - Riverbend / Doe Branch	2	2	2	2
Regulatory & Environmental Compliance Coordinator	.08	.08	.08	.08
Technical Services Specialist	.55	.55	.55	.55
Senior Wastewater Operator - Peninsula	1	1	1	0
Operations Supervisor - Peninsula	0	0	0	1
Senior Wastewater Operator	3	3	3	2
Wastewater Operator III	11	8	8	9
Transmission Operator III	.50	.50	.50	.50
Wastewater Operator II	8	12	12	5
Wastewater Operator I	3	5	5	13
Process Controls Analyst	0	.50	.50	.50
Total FTEs	**31.83**	**35.33**	**35.33**	**36.33**

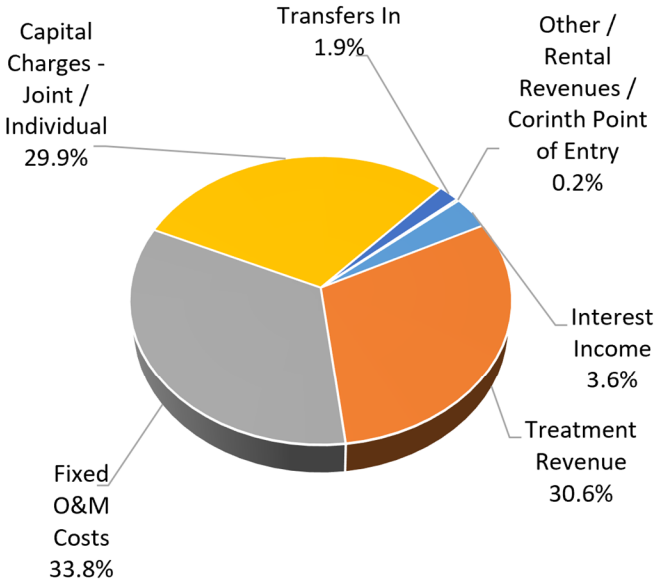
ORGANIZATIONAL CHART



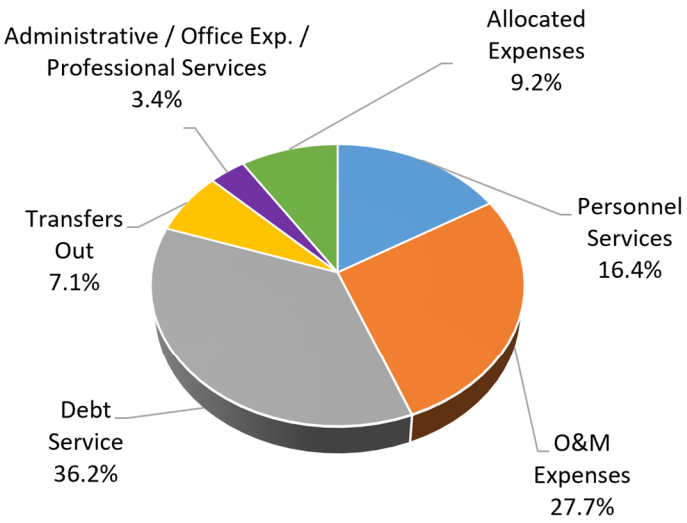
BUDGET SUMMARY – LRWRS

	FY 2024 Actuals	FY 2025 Adopted	FY 2025 Estimates	FY 2026 Adopted
Beginning Balance (Operating Cash)	**$ 2,119,563**	**$ 2,130,548**	**$ 2,483,247**	**$ 1,773,597**
Operating Revenue				
Interest Income	$ 327,070	$ 339,500	$ 278,930	$ 278,745
Treatment Revenue	2,650,296	2,321,365	2,268,870	2,367,060
Fixed O&M Costs	2,441,549	2,525,315	2,525,315	2,612,710
Capital Charges - Joint / Individual	2,179,825	2,236,685	2,236,685	2,308,930
Transfers In	305,331	20,510	65,800	150,000
Corinth Point of Entry	12,968	11,320	12,140	11,320
Other Revenue	33,889	3,350	2,890	2,885
Rental Revenue	4,917	4,900	4,915	3,930
Total Operating Revenue	**$ 7,955,845**	**$ 7,462,945**	**$ 7,395,545**	**$ 7,735,580**
Operating Expense				
Personnel Services	$ 931,126	$ 980,520	$ 1,119,575	$ 1,180,345
Administrative	155,814	157,470	144,875	159,615
Office Expenses	3,072	3,150	3,620	3,425
Professional Services	65,585	71,075	85,580	77,780
O&M Expenses	1,849,634	1,816,630	1,675,250	1,997,770
Debt Service	2,580,342	2,592,935	2,592,435	2,609,835
Shared Debt Payments	33,400	33,400	33,400	-
Transfers Out	1,547,893	501,770	1,834,580	510,070
DCFWSD #7 - Corinth Point of Entry	11,671	10,190	10,925	10,190
Allocated Expenses:				
Administration Fund	39,187	66,845	71,765	78,265
Information Technology Fund	13,462	32,875	32,805	35,430
Maintenance Fund	360,975	517,640	500,385	551,670
Total Operating Expense	**$ 7,592,161**	**$ 6,784,500**	**$ 8,105,195**	**$ 7,214,395**
Ending Balance (Operating Cash)	**$ 2,483,247**	**$ 2,808,993**	**$ 1,773,597**	**$ 2,294,782**

LRWRS Operating Revenues



LRWRS Operating Expenditures



SUMMARY OF MAJOR CHANGES - LRWRS

SUBSCRIBED CAPACITIES

Entity	FY 2025 Budget	FY 2026 Budget
Bartonville	0.0378 mgd	0.0378 mgd
Corinth	1.6080 mgd	1.6080 mgd
DCFWSD #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 2025 Budget	FY 2025 Estimates	FY 2026 Budget
Bartonville	0.0040 mgd	0.0077 mgd	0.0040 mgd
Corinth	1.4100 mgd	1.4707 mgd	1.4100 mgd
DCFWSD #7	0.8400 mgd	0.8549 mgd	0.8400 mgd
Double Oak	0.0025 mgd	0.0077 mgd	0.0025 mgd
Highland Village	1.3500 mgd	1.2110 mgd	1.3500 mgd
Lake Cities MUA	1.1000 mgd	1.0433 mgd	1.1000 mgd
Total	**4.7065 mgd**	**4.5953 mgd**	**4.7065 mgd**

RATE STRUCTURE

	FY 2025 Budget	FY 2026 Budget
Treatment Rate	$1.37 / 1,000 gallons	$1.40 / 1,000 gallons
Fixed O&M Charge*	$473,900 / mgd	$490,300 / mgd

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

CAPITAL CHARGES FOR JOINT / INDIVIDUAL FACILITIES

Entity	Individual	Joint	Total
Bartonville	$5,300	$10,685	$15,985
Corinth	$81,050	$454,550	$535,600
DCFWSD #7	$462,075	$238,580	$700,655
Double Oak	$9,645	$2,260	$11,905
Highland Village	$204,970	$466,425	$671,395
Lake Cities MUA	$39,545	$333,845	$373,390
Total	**$802,585**	**$1,506,345**	**$2,308,930**

REVENUES

- Interest Income is representative of current market conditions.
- Treatment and Transportation Revenue reflects the projected flows at the adopted treatment rate and recovers variable costs of the System.
- Fixed O&M Charges for Joint Facilities 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 2026 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.
- Transfers In consists of:
  - $150,000 – From the Non-Bond Capital Reserve to partially offset the cost ($200,000) of installing a metal storage facility at the Lakeview Plant.
- Corinth point-of-entry near I-35E transportation charge is collected and credited to DCFWSD #7 (Lantana) for rental of pipeline capacity.
- Other Revenue includes non-direct service revenues such as the annual payment from Lake Dallas animal shelter, procurement card rebates, and auction proceeds from retired assets.
- Rental Revenue includes the pro rata share of rental income from the 802 N. Kealy Avenue building and decreases due to a tenant not renewing their lease at the end of calendar year 2025.

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for 9.28 full-time equivalent positions and includes a projected 20.0% cost increase from year-to-date FY 2025 expenditures for the District's health insurance benefit.

PROFESSIONAL SERVICES

- Other Outside Services expense includes financial advisor fees for investment services, continuing disclosure services, pest control, shedding services, employee drug testing services, etc., and increases due to including electricity plan consultant fees for FY 2026 that were not budgeted for in FY 2025.

O&M Expenses

- Plant Supplies expense includes medical / first aid supplies, uniforms provided to staff, and janitorial / cleaning supplies and includes a projected price increase for these services.
- Plant and Equipment Maintenance expense includes all general repairs and upkeep for all pumps, blowers, lift station equipment, motors, etc. The increase is based on FY 2025 year-to-date spending and the age of the Lakeview facilities.
- Equipment and Furniture greater than or equal to $5,000 (partially funded via a transfer in from the Non-Bond Capital Reserve) includes the purchase and installation of a metal storage building.

Debt Service

- Debt Service expense increases due to the principal payments for the 2012, 2012A, and 2020 Refunding Bonds increasing from FY 2025 and includes a projected price increase for fiscal agent fees.

Shared Debt Payments

- The Shared Debt Payment decreases due to the mid-year 2025 reimbursement of the remaining principal balance for the Lakeview Regional Water Reclamation System's allocated portion of Regional Treated Water System bond proceeds used to purchase and renovate the 900 N. Kealy administration building.

Transfers Out

- Transfers Out consist of:
  - A contribution of $200,000 to the Non-Bond Capital Reserve is recommended to allow for equity cash funding of $150,000 to install a new metal storage facility at the Lakeview Plant and $50,000 for any contingency capital projects for FY 2026.
  - A contribution of $171,785 to the Capital Replacement Reserve is provided for in the treatment rate at $0.10 / 1,000 gallons (same as FY 2025) based on projected flows.
  - A contribution of $128,285 to the Vehicle and Equipment Replacement Reserve is calculated according to the quantity and age of District owned vehicles and equipment assigned to this System. The increase in this contribution is due to purchasing all previously leased vehicles and needing sufficient funds available for their future replacement.
  - A contribution of $10,000 to the Plant Permitting Reserve is to accumulate funds for the next renewal of the Texas Pollutant Discharge Elimination Permit renewal for the Lakeview Plant beginning in FY 2028.
  - FY 2024 (Actuals) and FY 2025 (Estimates) totals combine contributions to system reserves that are included in rates and charges, along with transfers to reserves from excess working capital identified from the prior fiscal year's operations.

DCFWSD #7- Corinth Point of Entry

- Corinth Point of Entry 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 treatment revenue.

Allocated Expenses

- Allocation of Administration Fund expenses to LRWRS operations.
- Allocation of Information Technology Fund expenses to LRWRS operations.
- This allocation reflects 16.0% of the adopted Maintenance Fund budget.

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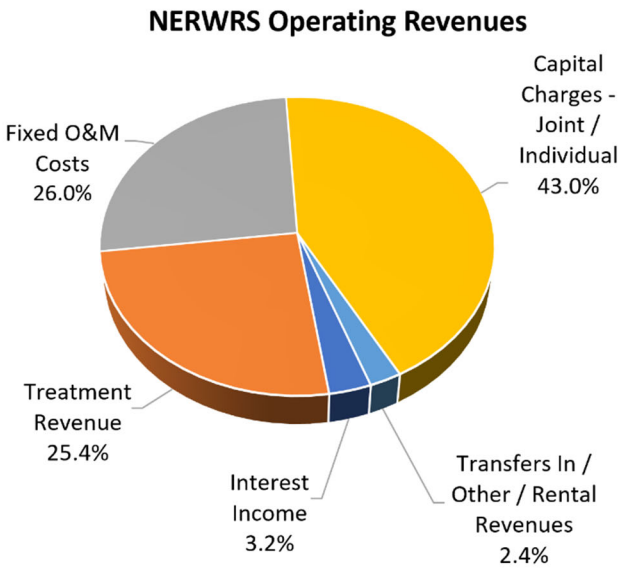
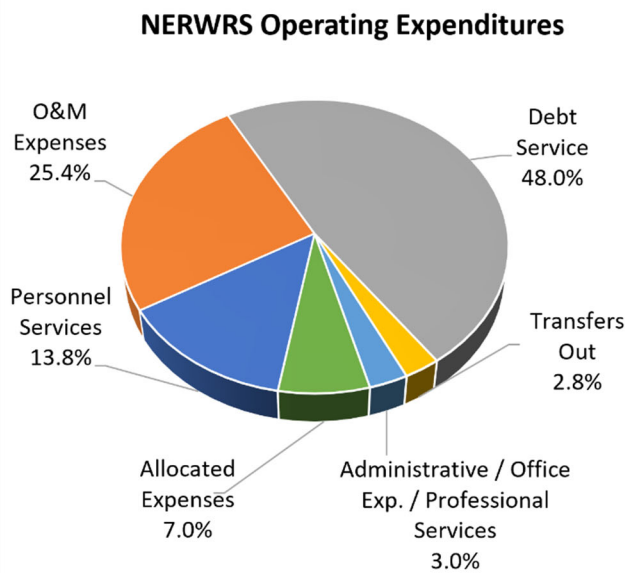
BUDGET SUMMARY – NERWRS

	FY 2024 Actuals	FY 2025 Adopted	FY 2025 Estimates	FY 2026 Adopted
Beginning Balance (Operating Cash)	**$ 3,337,001**	**$ 3,630,991**	**$ 4,442,890**	**$ 3,858,820**
Operating Revenue				
Interest Income	$ 509,983	$ 492,000	$ 509,710	$ 614,775
Treatment Revenue	4,302,997	4,583,125	4,514,395	4,895,565
Fixed O&M Costs	4,561,340	4,910,435	4,910,435	5,012,200
Capital Charges - Joint / Individual	4,195,280	6,699,070	6,699,070	8,295,150
Excess Flows Surcharge	171,218	-	310,905	-
Transfers In	244,993	670,325	753,835	462,570
Other Revenue	62,141	1,000	1,000	1,000
Rental Revenue	3,933	3,920	3,935	3,140
Total Operating Revenue	**$ 14,051,885**	**$ 17,359,875**	**$ 17,703,285**	**$ 19,284,400**
Operating Expense				
Personnel Services	$ 2,004,457	$ 2,353,940	$ 2,206,530	$ 2,443,610
Administrative	327,728	359,625	313,470	374,590
Office Expenses	4,240	5,200	10,625	5,665
Professional Services	83,362	171,145	156,380	149,775
O&M Expenses	3,633,912	4,265,940	4,266,885	4,493,415
Debt Service	4,206,678	7,343,575	7,278,610	8,500,845
Shared Debt Payments	8,900	8,900	8,900	-
Transfers Out	1,909,550	616,510	2,909,650	489,130
Allocated Expenses:				
Administration Fund	76,194	140,865	145,395	151,255
Information Technology Fund	27,247	69,280	68,320	70,610
Maintenance Fund	663,728	954,395	922,590	1,017,135
Total Operating Expense	**$ 12,945,996**	**$ 16,289,375**	**$ 18,287,355**	**$ 17,696,030**
Ending Balance (Operating Cash)	**$ 4,442,890**	**$ 4,701,491**	**$ 3,858,820**	**$ 5,447,190**





SUMMARY OF MAJOR CHANGES - NERWRS

SUBSCRIBED CAPACITIES

Entity	FY 2025 Budget	FY 2026 Budget
DCFWSD #8A	0.45375 mgd	0.00000 mgd *
Providence Village	0.55000 mgd	0.55000 mgd
Elm Ridge WCID	0.38600 mgd	0.38600 mgd
DCFWSD #11A	0.71575 mgd	0.00000 mgd *
Mustang SUD	2.74150 mgd	3.91100 mgd
Celina	1.51000 mgd	1.51000 mgd
Prosper	1.12500 mgd	1.12500 mgd
Total	**7.48200 mgd**	**7.48200 mgd**

PROJECTED FLOWS

Entity	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
DCFWSD #8A	0.3300 mgd	0.3711 mgd	0.0000 mgd *
Providence Village	0.4000 mgd	0.4002 mgd	0.4000 mgd
Elm Ridge WCID	0.3000 mgd	0.2430 mgd	0.3000 mgd
DCFWSD #11A	0.8000 mgd	0.7581 mgd	0.0000 mgd *
Mustang SUD	2.2500 mgd	2.1715 mgd	3.5500 mgd
Celina	2.5000 mgd	2.7222 mgd	2.7000 mgd **
Prosper	2.0000 mgd	1.7874 mgd	2.0000 mgd **
Total	**8.5800 mgd**	**8.4535 mgd**	**8.9500 mgd**

* Assumes DCFWSD #8A and #11A are acquired by Mustang Special Utility District for FY 2026.

** Subject to an Excess Flows Surcharge (Total Monthly Flows in Excess of Monthly Subscribed Capacity amount). All Surcharge Revenues to be transferred to the O&M Reserve.

Rate Structure

	FY 2025 Budget	Adopted FY 2026 Budget
Treatment Rate – Member	$1.44 / 1,000 gallons	$1.49 / 1,000 gallons
Treatment Rate - Customer	$1.55 / 1,000 gallons	$1.60 / 1,000 gallons
Excess Flows Surcharge	$0.56 / 1,000 gallons	$0.59 / 1,000 gallons
Fixed O&M Charge ***	$656,300 / mgd	$669,900 / mgd

*** Fixed O&M does not include Capital Charges. Capital Charges for Joint and Individual Facilities shown below.

Capital Charges

Entity	Individual	Joint	Total
DCFWSD #8A *	$ ---	$ ---	$ ---
Providence Village	$749,405	$126,390	$875,795
Elm Ridge WCID	$7,760	$4,825	$12,585
DCFWSD #11A *	$ ---	$ ---	$ ---
Mustang SUD	$1,792,050	$668,955	$2,461,005
Celina	$4,798,505	$ ---	$4,798,505
Prosper	$147,260	$ ---	$147,260
Total	**$7,494,980**	**$800,170**	**$8,295,150**

* Assumes DCFWSD #8A and #11A are acquired by Mustang Special Utility District for FY 2026.

Revenues

- Interest Income is representative of current market conditions.
- Treatment Revenue reflects the projected flows at the adopted treatment rates (Member and Customer) and recovers System variable costs.
- Fixed O&M Costs for Joint Facilities are assessed to recover certain 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 the construction of joint facilities (common-to-all) and separately, individual facilities, specific to a particular Member / Customer.
- Excess Flows Surcharge Revenue reflects revenues to be generated from projected flow estimates that exceed the current subscribed capacities of the City of Celina (1.510 mgd) and the Town of Prosper (1.125 mgd) in the System at the surcharge rate of $0.59 / 1,000 gallons. The revenue amounts are not shown due to projected flows being estimated. This surcharge is to recover costs from additional wear and tear on plant infrastructure and will be transferred to the System's O&M Reserve.
- Transfers In consist of:
  - $117,750 – From Construction Cash (Doe Branch Plant) consists of surplus contribution funds from Mustang Special Utility District (MSUD) previously provided for the completed Doe Branch Plant Expansion, Phase 2 project to be applied toward their share (75%) of the FY 2026 debt service

payment of $119,625, (75% x $159,500) for the Series 2022 Revenue Bonds issued for the West Influent Lift Station and Dewatering Improvements project (Riverbend Plant), consisting of principal and interest. The remaining payment of $1,875 is included in MSUD's Capital Charges for Joint and Individual Facilities.

- $270,000 – From the Non-Bond Capital Reserve to fund the purchase of capital assets in lieu of rate revenue. These items consist of:
  - Purchase of a spare Shaftless Screw Conveyor (Riverbend Plant) – $110,000
  - Completion of an upgrade to the Aluminum Feed Skid with associated new piping and meters (Riverbend Plant) – $47,000
  - Purchase of a spare Influent Pump (Doe Branch Plant) – $98,000
  - Purchase of a new Effluent Auto Sampler (Doe Branch Plant) – $15,000
  - $74,820 – From the Interest and Sinking Reserve from excess FY 2025 debt service payments made by Providence Village and MSUD through the Capital Charges for Joint and Individual Facilities for the Series 2025 Revenue Bonds that were based on estimated debt service rather than actual debt service, since these bonds were issued after the FY 2025 Operating Budget was adopted. This transfer decreases the FY 2026 Capital Charges for Joint and Individual Facilities payments from Providence Village and MSUD.

- Other Revenue includes estimated non-direct service revenues such as auction proceeds from retired assets.
- Rental Revenue includes the pro rata share of rental income from the 802 N. Kealy Avenue building and decreases due to a tenant not renewing their lease at the end of calendar year 2025.

Expenses

Personnel Services

- The adopted budget includes funding for 21.05 full-time equivalent positions. In addition, a projected 20.0% cost increase from year-to-date FY 2025 expenditures for the District's health insurance benefit is included.

Administrative

- Equipment Rental expense includes rental fees for administrative type equipment (office furniture, copiers, etc.) and decreases due to moving budgeted funds for field type equipment rentals such as lifts, cranes, and cherry pickers for various maintenance activities from this expense category to the Tools, Machinery, and Equipment < $5,000.

Professional Services

- Engineering expenses include funding various engineering studies and projects that arise during the fiscal year and decrease due to the completion of the District's Emergency Response Plan and a Construction Standards Study, related to the District's capital improvement program, in FY 2025.

O&M Expenses

- Plant and Equipment Maintenance expense includes the purchase of needed equipment spare parts / components, and general repairs and upkeep for all pumps, blowers, lift station equipment, motors, etc. Specifically, additional funding of $50,000 has been provided to rebuild Water Pump #1 at the Doe Branch Plant, along with $42,500 for the purchase of Aerzen Blower spare parts and components to have on-hand because of extended lead times to receive these orders.
- Tools, Machinery, and Equipment less than $5,000 reflect an increase primarily due to the rental of a liquid oxygen tank ($60,000 / year) to increase the Doe Branch Plant's treatment capacity.
- Equipment and Furniture greater than or equal to $5,000 (funded via a transfer in from the Non-Bond Capital Reserve) includes:

Riverbend Plant

- Purchase of a spare Shaftless Screw Conveyor – $110,000
- Upgrade of the Aluminum Feed Skid (with new piping / meters) – $47,000

Doe Branch Plant

- Purchase of a spare Influent Water Pump – $98,000
- Purchase of a new Effluent Water Auto Sampler – $15,000

Debt Service

- Debt Service Expense includes the following:
  - $13,125 for Fiscal Agent Fees and review services by the Texas Attorney General's office related to the issuance of revenue bonds.
  - A principal and interest payment of $220,000 for the Series 2002 State Participation loan from the Texas Water Development Board to fund a portion of the original Riverbend Plant construction.
  - A principal and interest payment of $2,152,035 for the 2016 and 2017 Revenue Bonds ($728,580 and $1,423,455, respectively) based on the repayment schedule. These bonds were issued for the Riverbend Plant Expansion, Phase 3 project.
  - A principal and interest payment of $2,031,075 for the Series 2019 Revenue and Refunding Bonds issued to fund Celina's additional capacity portion of the Doe Branch Plant Expansion, Phase 2 project, along with the excess capacity portion provided by the expansion project, to refund the 2014 Doe Branch Plant Revenue Bonds used to construct the original Doe Branch Plant (Celina's initial capacity portion), and to refund the Series 2007 Riverbend Plant Revenue Bonds issued to reimburse the Plant participants for their initial contributions to construct the Riverbend Plant.
  - A principal and interest payment of $791,750 for the Series 2022 Revenue Bonds issued for initial funding to begin the Riverbend West Influent Lift Station Improvements project ($159,500) attributable to Mustang Special Utility District (75.0% allocated) and Providence Village (25.0% allocated) and for the Doe Branch Plant Expansion, Phase 3 and Parallel Interceptor project ($632,250) attributed solely to the City of Celina for their share of this project.
  - An interest only payment totaling $1,250,690 for the Series 2024 Revenue Bonds (2nd Tranche) issued for continued funding of the Doe Branch Plant Expansion, Phase 3 and Parallel Interceptor project, attributed solely to the City of Celina for their share of this project.
  - A principal and interest payment of $744,170 for the 2025 Revenue Bonds issued for continued funding of the Riverbend West Lift Station Improvements project, attributable to Mustang Special Utility District (69.0% allocated) and Providence Village (31.0% allocated). This percentage allocation between Mustang SUD and Providence Village is due to Mustang SUD contributing surplus funding (approximately $2.5 million) from the Doe Branch Plant Expansion, Phase 2 project toward their share of costs for the Riverbend West Lift Station project.
  - An estimated interest-only payment of $1,298,000 for the tentative 2025 Revenue Bond issue to provide continued funding for the Doe Branch Plant Expansion, Phase 3 and Parallel Interceptor project, attributed solely to the City of Celina for their share of this project.

Shared Debt Payments

- The Shared Debt Payment decreases due to the mid-year 2025 reimbursement of the remaining principal balance for the Northeast Regional Water Reclamation System's allocated portion of Regional Treated Water System bond proceeds used to purchase and renovate the 900 N. Kealy administration building.

TRANSFERS OUT

- Transfers Out consist of:
  - A contribution A contribution of $65,335 to the Non-Bond Capital Reserve is provided for in the treatment rate at $0.02 / 1,000 gallons (same as FY 2025) based on projected flows and is recommended to allow for equity cash funding of future capital projects.
  - A contribution of $163,335 to the Capital Replacement Reserve is provided for in the treatment rate at $0.05 / 1,000 gallons (same as FY 2025) based on projected flows.
  - A contribution of $219,945 to the Vehicle and Equipment Replacement Reserve is calculated according to the quantity and age of District owned vehicles and equipment assigned to this System.
  - A contribution of $15,000 to the Plant Permitting Reserve is to accumulate funds for the next renewal of the Texas Pollutant Elimination System Permit for the Riverbend Plant (FY 2027) and the Doe Branch Plant (FY 2026).
  - A contribution of $25,000 to the Administration Fund represents a portion of Customer Volume Revenues from the 7.0% surcharge included in the Customer volume rate to fund administration services. The available funding amount to transfer to the Administration Fund decreases due to the planned acquisition of DCFWSDs #8A and #11A (Customers) by the Mustang Special Utility District (Member) in FY 2026. Therefore, the available customer surcharge revenue is approximately $35,000 lower than it would have been if Mustang SUD did not acquire #8A and #11A.
  - A contribution of $515 to the Regional Treated Water System (RTWS) represents payment for potable water usage at the Riverbend Regional Water Reclamation Plant that is ultimately credited to Mustang Special Utility District (previously to the Denton County Fresh Water Supply District #8A) by reducing total treated water flows by the amount of potable water usage at the Riverbend Plant (NERWRS).
  - FY 2024 (Actuals) and FY 2025 (Estimates) totals combine contributions to system reserves that are included in rates and charges, along with transfers to reserves from excess working capital identified from the prior fiscal year's operations.

ALLOCATED EXPENSES

- Allocation of Administration Fund expenses to NERWRS operations.
- Allocation of Information Technology Fund expenses to NERWRS operations.
- This allocation reflects 29.5% of the adopted Maintenance Fund budget.

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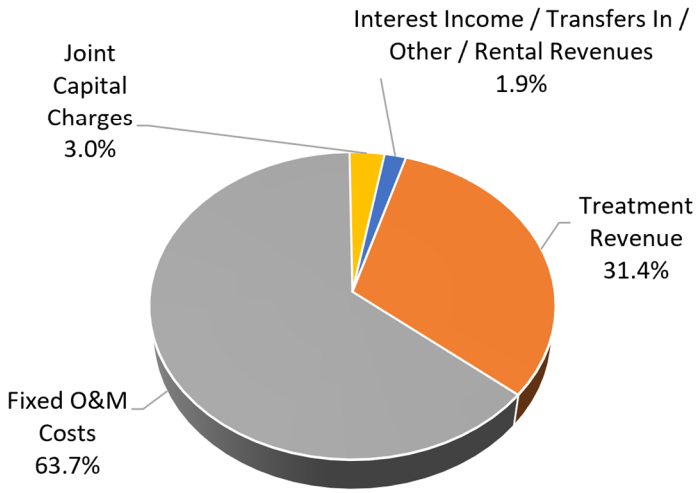
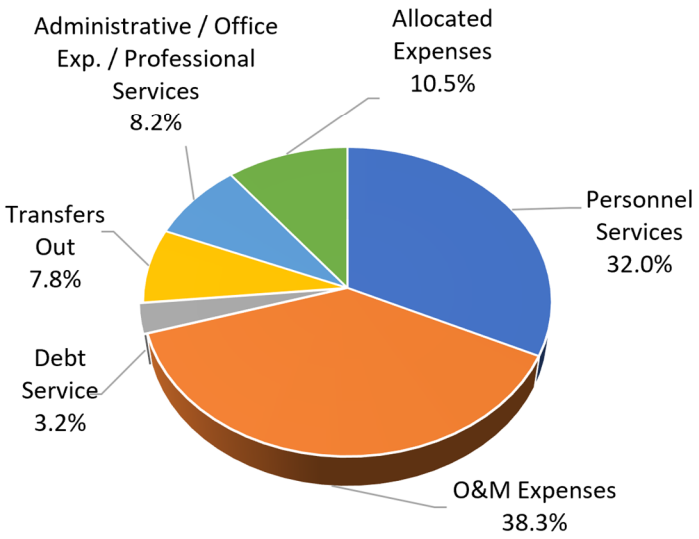
BUDGET SUMMARY - PWRP

	FY 2024 Actuals	FY 2025 Adopted	FY 2025 Estimates	FY 2026 Adopted
Beginning Balance (Operating Cash)	**$ 528,939**	**$ 738,564**	**$ 938,305**	**$ 539,615**
Operating Revenue				
Interest Income	$ 51,300	$ 47,575	$ 44,750	$ 44,540
Treatment Revenue	780,641	782,925	782,925	761,390
Fixed O&M Costs	1,404,400	1,404,400	1,404,400	1,548,000
Capital Charges - Joint / Individual	70,935	74,745	74,745	73,595
Transfers In	117,653	7,050	22,620	-
Other Revenue	22,011	100	110	100
Rental Revenue	983	980	985	785
Total Operating Revenue	**$ 2,447,923**	**$ 2,317,775**	**$ 2,330,535**	**$ 2,428,410**
Operating Expense				
Personnel Services	$ 425,866	$ 609,135	$ 567,420	$ 743,725
Administrative	57,281	71,995	146,885	157,220
Office Expenses	1,057	1,000	2,040	1,900
Professional Services	35,982	33,965	38,155	32,055
O&M Expenses	833,357	885,515	778,185	888,485
Debt Service	70,494	74,745	74,795	73,595
Shared Debt Payments	3,400	3,400	3,400	-
Transfers Out	411,774	159,125	898,420	180,310
Allocated Expenses:				
Administration Fund	18,186	31,915	32,620	37,060
Information Technology Fund	6,495	15,695	15,295	17,295
Maintenance Fund	174,665	177,940	172,010	189,635
Total Operating Expense	**$ 2,038,557**	**$ 2,064,430**	**$ 2,729,225**	**$ 2,321,280**
Ending Balance (Operating Cash)	**$ 938,305**	**$ 991,909**	**$ 539,615**	**$ 646,745**

PWRP Operating Revenues



PWRP Operating Expenditures



SUMMARY OF MAJOR CHANGES - PWRP

SUBSCRIBED CAPACITIES

Entity	FY 2025 Budget	FY 2026 Budget
Mustang SUD	2.00 mgd	2.00 mgd
Total	**2.00 mgd**	**2.00 mgd**

PROJECTED FLOWS

Entity	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
Mustang SUD	1.3000 mgd	1.3146 mgd	1.4000 mgd
Total	**1.3000 mgd**	**1.3146 mgd**	**1.4000 mgd**

RATE STRUCTURE

	FY 2025 Budget	Adopted FY 2026 Budget
Volume Charge - Treatment	$1.65 / 1,000 gallons	$1.49 / 1,000 gallons
Fixed O&M Charges	$702,200 / mgd	$774,000 / mgd

CAPITAL CHARGES

Entity	FY 2025 Budget	FY 2026 Budget
Mustang SUD	$74,745	$73,595
Total	**$74,745**	**$73,595**

REVENUE

- Interest Income is representative of current market conditions.
- Treatment Revenue reflects the projected flows at the adopted treatment rate and recovers variable costs of the Plant.
- Fixed O&M Charges for Joint Facilities are assessed to recover fixed costs of the Plant, not including debt service costs.
- Capital Charges for Joint Facilities are assessed to recover the required annual debt service payment for the Series 2016 Revenue Bonds that were issued to rehab the Plant's Ultraviolet (UV) Disinfection System.
- There are no Transfers In for FY 2026.
- Other Revenue includes estimated non-direct service revenues such as auction proceeds from retired assets.
- Rental Revenue consists of a pro-rata share of rental income from the 802 N. Kealy Avenue building and decreases due to a tenant not renewing their lease at the end of calendar year 2025.

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for 6.00 full-time equivalent positions, which also includes a new Wastewater Operator I position. In addition, there is a projected 20.0% cost increase from year-to-date FY 2025 expenditures for the District's health insurance benefit included.

ADMINISTRATIVE

- Insurance – Property, General Liability (GL), and Vehicle expense increases due to the value of property added to the Peninsula Plant after its recent expansion from 0.94 to 2.0 mgd in FY 2024 and reflects a 10.0% cost increase from the FY 2025 actual expense.
- Conference, Training, and Travel expense includes registration and travel expenses for various professional organization conferences, and expense for annual continuing education training for wastewater operators.
- Meetings expense includes refreshments and supplies for staff safety meetings.
- Equipment and Furniture less than $5,000 (non-capitalized assets) includes administrative items such as desks, office chairs, and filing cabinets that cost less than $5,000. The decrease is due to furnishing the new offices added with the recent Plant expansion project during FY 2025.
- Supplies expense includes funding for office supplies, printing, and postage. This budget is increased due to having a larger staff assigned at the Peninsula Plant than in prior years.

PROFESSIONAL SERVICES

- Equipment Service expense includes all preventative maintenance agreements for equipment used in operations and increases due to adding preventive maintenance (PM) agreement contracts for new equipment installed during the recently completed Plant expansion project.
- Other Outside Services expense decreases due to moving all inspection and preventive maintenance services from this expense category to the Equipment Service expense category.

O&M EXPENSES

- Plant Supplies expense includes employee uniforms, medical / first aid, and personal safety supplies. The increase is due to having a larger staff, including a new position for FY 2026, than in prior years.
- Utilities (Water) expense decreases due to prior year amounts that included charges for higher-than-normal usage from the expansion of the Peninsula Plant's treatment capacity from 0.94 to 2.0 mgd, that also involved increased testing of the new sludge processing equipment through FY 2024. The FY 2026 budget amount is to reflect a more normal usage pattern for the Plant.
- Permits, Licenses, and Fees expense increases due to the higher required fee from the Texas Commission on Environmental Quality for a larger capacity treatment plant since the Peninsula Plant has undergone an expansion from 0.94 to 2.0 mgd. The 2026 budget amount is more in-line with the actual FY 2025 permit expense.
- Sludge Hauling expense decreases due to setting a budget that is more in-line with prior and current year expenditures.
- Tools, Machinery, and Equipment less than $5,000 reflects an increase due to replacing old hand tools, cordless drills, saws, and batteries, with new equipment. Also, enhanced ladder fall-protection and other safety equipment to be installed at key areas around the Peninsula Plant in FY 2026.
- Equipment and Furniture greater than or equal to $5,000 expense includes:
  - Installation of a new metal building (30'x40') to be used for storage – $80,000
  - Replacement of Return Activated Sludge (RAS) Pump #2 – $8,100
  - Purchase of a bucket attachment for a Telehandler – $5,395
  - Purchase of a larger (upgrade) diesel fuel tank for generator – $12,825

- Purchase of a spare KSB Recirculation Pump due to long lead times – $21,000

Debt Service

- Debt Service expense includes a principal and interest payment from the Series 2016 Revenue Bonds that were issued to rehab the Ultraviolet (UV) Disinfection System at the Peninsula Plant.

Shared Debt Payments

- Shared Debt payment decreases due to the mid-year 2025 reimbursement of the remaining principal balance for the Peninsula Water Reclamation Plant's allocated portion of Regional Treated Water System bond proceeds used to purchase and renovate the 900 N. Kealy administration building.

Transfers Out

- Transfers Out consist of:
  - A contribution of $51,100 to the Non-Bond Capital Reserve is provided for in the treatment rate at $0.10 / 1,000 gallons (same as FY 2025) based on projected flows and is recommended to allow for equity cash funding of future capital projects.
  - A contribution of $51,100 to the Capital Replacement Reserve is provided for in the treatment rate at $0.10 / 1,000 gallons (same as FY 2025) based on projected flows.
  - A contribution of $66,110 to the Vehicle and Equipment Replacement Reserve is calculated according to the quantity and age of District owned vehicles and equipment assigned to this System.
  - A contribution of $12,000 to the Plant Permitting Reserve is to accumulate funds for the next renewal of the Texas Pollutant Elimination System Permit for the Peninsula Plant beginning in FY 2026.
  - FY 2024 (Actuals) and FY 2025 (Estimates) totals combine contributions to system reserves that are included in rates and charges, along with transfers to reserves from excess working capital identified from the prior fiscal year's operations.

Allocated Expenses

- Allocation of Administration Fund expenses to Peninsula Plant operations.
- Allocation of Information Technology Fund expenses to operations.
- This allocation reflects 5.5% of the adopted Maintenance Fund budget.

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ACCOMPLISHMENTS FOR FY 2024-2025

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

- Lakeview Regional Water Reclamation System
  - *Maintained perfect regulatory compliance for 26 consecutive years and NACWA Platinum Status.*
  - *Maintained 100% survival of all Biomonitoring test species for over 25 years.*
  - *Completed design for Plant expansion to 7.5mgd. Construction of phased expansion on clarifiers and sand filters has been completed.*
  - *Lakeview Lift Station Rehabilitation Improvements Project is currently underway with completion expected in FY26. Bypass pumping is being utilized at each site during construction to ensure no downtime for the critical infrastructure.*
  - *Passed our TCEQ Comprehensive Compliance Investigation in maintaining full compliance with all regulatory requirements.*
- Northeast Regional Water Reclamation System – Riverbend Plant
  - *Maintained perfect regulatory compliance for 18 consecutive years and NACWA Platinum status.*
  - *Maintained 100% survival of all Biomonitoring test species for over 23 years.*
  - *Treated flows from the Doe Branch basin to assist Doe Branch WRF peak flow management during rain events.*
  - *Construction has begun for a new lift station and collection system improvements to accommodate growth in the western part of the Riverbend service area.*
  - *Celebrated our Operations Supervisor, Joe Thompson, for induction to the Texas Water Utilities Association Double "AA" License Club. This significant accomplishment reflects our organization's dedication to professional development and upholding the highest industry standards.*
  - *Our maintenance team successfully inspected the stainless-steel plates, bushings, and journals for the aerator mixer's lower guide brackets. These items were installed by our maintenance team to enhance stability for the vertical shaft and gearbox alignment. This improvement has not only increased system reliability but also reduced maintenance costs and downtime, ensuring smooth operation of the aeration system. This inspection verified 15 months' service with minimal wear, a significant improvement from past performance.*
  - *We are also pleased to report that our maintenance department successfully completed the replacement of our west clarifier drain valve. This required a 25-foot excavation, and all work was completed safely in a timely manner allowing us to always maintain pristine water quality.*
  - *Riverbend has consistently delivered outstanding treatment results while taking on 1.0mgd of flow from Doe Branch. Our operators have expertly optimized the process control by gathering and analyzing real-time data throughout the treatment process. This proactive approach allows for precise adjustments, fostering a healthy and well-balanced biomass allowing the plant to maintain water quality at or over design capabilities.*
- Northeast Regional Water Reclamation System - Doe Branch Plant
  - *Maintained perfect regulatory compliance for 9 consecutive years and NACWA Platinum status.*
  - *During heavy rain, our plant handled flows of over 5 times the current design capacity. Thanks to the hard work of our operations team, we were able to keep all discharges*

within regulatory limits. This shows that even in tough conditions, we remained committed to protecting the environment and serving our community.

- *The plant currently receives much higher influent $CBOD_5$ than it is designed for. Despite this incredible daily challenge our operations team ensures that Doe Branch effluent quality still meet and surpass all federal regulations.*
- *Despite the continued rapid population growth in the area, Doe Branch has consistently met all regulatory requirements. The plant continues to perform well with an annual average flow exceeding the current design capacity by over 50%. This success is the direct result of our staff's expertise, innovation, and dedication. They continue to find creative solutions and process improvements that allow us to meet rising demand while delivering reliable service and maintaining our commitment to environmental responsibility.*
- *To overcome equipment limitations (no peak flow storage and only one dewatering centrifuge), plant staff creatively operated two sludge holding tanks as sequencing batch reactors to assist in solids reduction. This approach reduced nitrogen and phosphorus concentrations in the dewatering recycle streams, maximized aeration basin capacity, and decreased chemical usage allowing the plant to "do more with less" and far exceed the plants design criteria for solids handling.*
- *Last year plant performance was optimized through the proactive and innovative work of our staff. Anticipating challenges from higher flow rates, the team carefully managed the Food-to-Microorganism (F/M) ratio to prevent issues such as insufficient Return Activated Sludge (RAS) flow. By reconfiguring equipment, repurposing two WAS pumps as RAS pumps, using a spare RAS pump as a WAS pump, and utilizing a third clarifier as a RAS draining bucket, they ensured enough RAS was returned to maintain proper F/M ratios and successfully handle peak flows of 10 MGD. This ingenuity prevented elevated phosphorus levels and kept treatment processes efficient and reliable for the community. Building on this success, our staff is now installing RAS bypass piping into the plant drains, a project that will enable the team to maintain proper F/M ratios and effectively handle flows up to 12 MGD.*
- *Due to receiving higher loading and influent flows than designed, the blower system controls were upgraded and reprogramed, and now allow for 3000 scfm more air flow to the basins. This was vital for nitrification and phosphorous removal due to the increased flow and loading. Additionally, a liquid oxygen system is being installed to further increase this removal.*
- *Plant staff have also managed peak flows that far exceed the plant's original design capacity due to inflow and infiltration (I&I), all while keeping the facility in permit compliance and equipment in good working order. After major rain events, the team often spends several days cleaning the centrifuge, which clogs with incoming mud, showing their dedication and resilience in maintaining reliable operations under demanding conditions.*
- *Construction for the Phase 3 plant expansion has begun. This project includes plant expansion from 4.0mgd – 12.0mgd and adding a parallel interceptor to part of the Doe Branch collection system. Expected construction completion in early 2028.*
- *Continually adapted to increased flows and challenges due to influent quality episodes and construction activities, while maintaining perfect regulatory compliance and NACWA Platinum Status. Continue to assist customers with collection system issues.*
- *Celebrated our Senior Operator, Dustin Clark, for induction to the Texas Water Utilities Association Double "AA" License Club. This significant accomplishment reflects our organization's dedication to professional development and upholding the highest industry standards.*

  - *Completed 10,000-hour preventive maintenance on the Doe Branch centrifuge. This was a true UTRWD team effort, with Operations, Maintenance, and Instrumentation working together to install a rental centrifuge and perform complex in-house modifications that generated significant cost savings. This project highlights the depth of talent across our organization and demonstrates that our team consistently operates well above industry standards.*
- Peninsula Water Reclamation Plant
  - *Received the NACWA 22nd Year Platinum Award, underscoring over two decades of outstanding performance in wastewater management.*
  - *Achieved zero sanitary sewer overflows, maintaining our commitment to operational excellence and environmental protection.*
  - *Continued reduced alum consumption by promoting biological phosphorus removal, through meticulous monitoring and adjustment of treatment parameters, enhancing process efficiency and sustainability. This saves money on chemical costs and promotes a healthier receiving stream by reducing chemicals used in our treatment process.*
  - *Rehabilitation of clarifier #2 has started, demolition work has been completed, and concrete restoration/preservation has begun.*
  - *Continued to enhance landscaping along the West plant fence area by planting bushes and trees, creating a natural barrier to block sight lines and reduce operational noise for our neighborhood residents.*
  - *Installed 1,000 feet of irrigation line, sprayers, valves and controller by operations staff to support the newly planted trees with non-potable plant water. This will save valuable drinking water resources and approximately $50,000 in installation costs.*
  - *Began using liquid sodium hypochlorite for filter maintenance. This has removed operator exposure to injury from lifting and carrying 100lb. granular buckets, inhalation hazards from powered bleach dust and fumes, along with burns from chemical reactions via skin or eye contact. This has also removed the storage of hazardous chemicals on site, eliminating the possibility for environmental impacts and exposure to workers/residents.*
  - *Celebrated our Operations Supervisor Jason Lucero achieving Texas Water Utilities Association Operator of The Year 2024 (60,000+ population) and being inducted into the TWUA "AA" club at the 2025 TWUA Annual School.*
- *As noted above, all District water reclamation plants received the NACWA Platinum Award, in recognition of five or more years of consecutive perfect compliance with their discharge permits. All plants met discharge permit limits despite continued growth.*
- *We continue to expand our data analysis program, using insights to drive smarter decisions and optimize treatment processes. These improvements not only enhance efficiency and long-term performance but also help control costs and ensure reliable service for our ratepayers.*
- *Completed voluntary Demand Response Testing at all plants and other facilities, running the plants using emergency generation during load shedding events on multiple occasions in FY 2025.*
- *Continued the Operations to Maintenance cross-training program for new staff members that has proven to be very beneficial to the Northeast Operations and Maintenance groups.*
- *We have continued management and leadership training opportunities for mid-level managers and employees across the organization. As part of this effort, NE Operations developed a Commitment and Duty document, which sets forth the standard of excellence we expect and uphold. This initiative included input from every level of staff—from our newest team members to our most tenured employees and engaged all departments. The document unifies our workforce around a single purpose: protecting our environment, safeguarding*

public health, and delivering drinking water that consistently meets and exceeds state regulatory standards.

- *Design for US Highway 380 widening project is continuing. One major pipeline from Doe Branch to Riverbend has been relocated in FY 2024. This project also is impacting water system along the Highway 380 corridor.*
- *Last year, we started a high school internship program to introduce students to the water and wastewater field and spark interest in future careers. To date, seven students have participated, five who completed the program last year and two who just started this fall. Each intern gains hands-on experience and exposure to different roles within our operations. By working directly with local schools, we've been able to show students what this career path looks like and give them opportunities to learn and grow. A key part of this effort is that our Operations Supervisor, Joe Thompson, became certified to teach Basic Water and Basic Wastewater operator training classes. This allows us to provide training directly for students and staff. Three of our high school interns are now preparing to test for their provisional Wastewater Operator D license, an important first step that gives them a pathway into the industry if they choose to pursue it.*

✓ Maintain all water reclamation facilities to the highest standard of operational efficiency.

- *Continued using the mechanical clarifier cleaning systems at the Lakeview, Peninsula and Doe Branch plants with good results, reducing labor hours, and increasing staff safety.*
- *Within the Wastewater Division, staff hold 30 licenses, with 40.0% at the A level, 26.7% at the B level, and 33.3% at the C level.*
- *Continued vendor service to clean out the Riverbend wet well and influent pipeline, the Doe Branch lift station, and select Lakeview system lift stations.*
- *Continued to maintain and build on-hand spare parts inventory of key operational equipment at all facilities to ensure redundancy of critical equipment.*
- *Continued to utilize and optimize maintenance management software program to help increase O&M efficiency and CIP planning efficiency.*
- *GIS program for all District pipelines has been implemented. GPS data points continue to be collected on new pipelines, and during maintenance on existing pipelines and facilities to improve GIS system accuracy.*
- *Continued use of an online safety program that was established in FY 2024 for all NE operations water and wastewater staff with the goal to eliminate workplace accidents injuries and expanded this program district wide in FY 2025. This online program is an enhancement to the safety program, reinforcing an organizational commitment to doing things the safe way, which is not always the easy way.*
- *The NERWRS system is a past winner of the Water Environment Federation George W. Burke Jr. Safety Award for excellence in our ongoing safety program and record.*
- *The District has provided workshops for customers on new or upcoming regulatory requirements and provided guidance and support with regulatory reporting and operational issues.*
- *Established an employee-led Safety Committee that has secured improved harnesses, implemented stronger fall protection protocols and safety devices, and transitioned to more ergonomic hard hats that provide better overall protection all while actively incorporating employee suggestions to address safety concerns. This commitment to workplace safety was recognized with the prestigious statewide Bob Batchelor Safety Program Award.*
- *Initiated a laboratory feasibility study (see RTWS CIP Budget) to determine the needs for a centrally located District Lab facility.*

✓ Maintain facilities with a good neighbor policy.

- *Operations have continued the ongoing landscape and maintenance of the property along the Riverbend entry road that borders neighboring Paloma Creek making for a very aesthetically appealing area to visitors and residents.*
- *Continue to ensure that all property owned by the District is well maintained, especially around the Doe Branch, Riverbend, and Peninsula facilities to promote good neighbor relations.*
- *Continue to feed iron salts at Lakeview System pumping stations and hydrogen peroxide at the plant for effective odor control both in the pipeline system and at the Lakeview Plant.*
- *Quickly addressed an odor complaint in the Lakeview collections system that was due to a leak in an air relief valve. Completed repairs and installed a new odor control canister, in addition to communicating with the homeowner on the status of the repairs.*
- *Continued use of the odor control system at the Riverbend Plant headworks has eliminated odor complaints over the past year. In addition to this, operations also began directing return sludge into the east plant drain, providing odor abatement in the influent pump station wet-well, bagging grit before disposal and sealing the grit structure to better contain odors.*
- *Made landscaping improvements to the Peninsula WRF to enhance aesthetics and soften plant facilities near neighboring homes.*
- *Made noise reduction improvements to reduce noise issues that impacted facility neighbors.*

✓ Maintain security / safety of systems and resources.

- *Completed a large easement reclamation project in various parts of the water and ww systems to enhance access to pipeline easements for inspection and maintenance. Continued the ongoing pipeline and easement maintenance program to ensure that all District pipelines are always fully accessible and maintain relationships with private property owners.*
- *Providing full system redundancy of our network and plant specific SCADA systems.*
- *Operations data and records such as meter readings and laboratory test results have been fully migrated over to a SQL server with redundancy. This improves data integrity and security to preserve both historical and current records, while still maintaining a high degree of usability.*
- *The operations team will continue exploring solutions for a primary operational data visualization and analyzation tool in FY 2025. With implementation and upgrading to this system being planned for FY 2026.*
- *Data Management User-Interface (UI) project is underway to aid in the ease and accuracy of the data capturing process.*
- *Completed updates to Federally mandated District Emergency Response Plan for all Upper Trinity facilities in FY 2025.*

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NON-POTABLE WATER SYSTEM

The District is committed to providing non-potable water—such as raw water and treated wastewater effluent—for appropriate irrigation, commercial, and industrial applications. These alternative water sources help conserve potable water while supporting sustainable water use in the community.

MISSION

To supply high-quality treated effluent and raw water that meets or exceeds all applicable federal, state, and local standards for approved non-potable uses.

GOALS AND OBJECTIVES

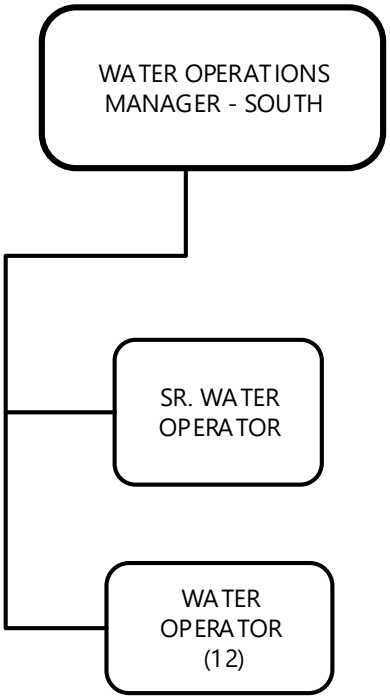
- Effluent Water Supply
  - Provide treated effluent water upon request for approved use.
  - Ensure all effluent discharged from District water reclamation facilities complies with regulatory treatment requirements.
  - Deliver up to 2.0 million gallons per day (mgd) of treated effluent from the City of Lewisville to the Castle Hill Community Golf Course for irrigation.
  - Maintain the pump station and transmission pipeline to ensure continuous, reliable delivery of effluent.
  - Coordinate closely with the City of Lewisville to ensure effluent availability as needed.
- Effluent Monitoring & Compliance
  - Maintain a robust effluent monitoring program to ensure compliance with all applicable federal, state, and local regulations.
  - Monitor for potential environmental issues and assess the need for remedial actions where appropriate.
- Metering & Calibration
  - Maintain accurate flow metering records to track usage and ensure accountability.
  - Work with the City of Lewisville to perform annual meter calibrations for accuracy and regulatory compliance.

PERFORMANCE MEASUREMENTS

Work Element	Measure	Goal Type	FY 2024 Actuals	FY 2025 Estimates	FY 2026 Target
Availability of effluent for irrigation	Percentage of time requested effluent is successfully delivered.	Organizational Functional Partnerships	100%	100%	100%
Effluent monitoring program	Compliance with all applicable federal, state, and local effluent regulations.	Organizational Functional Partnerships Environmental	100%	100%	100%
Meter Accuracy	Annual meter calibration checks passed to ensure measurement accuracy.	Organizational Functional Financial Partnerships	100%	100%	100%

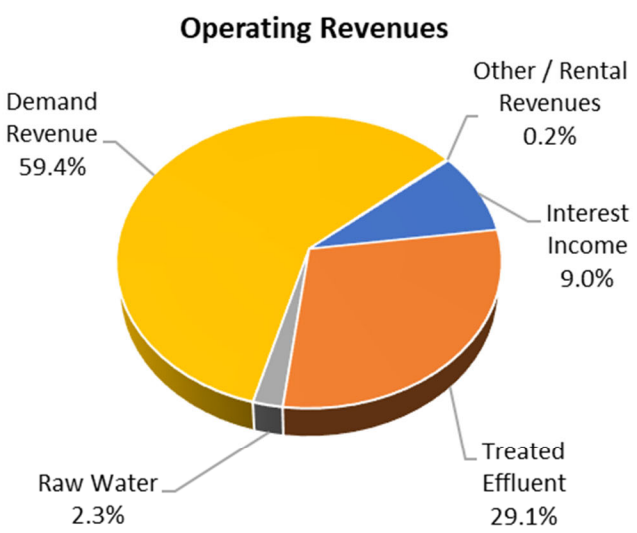
PERSONNEL SUMMARY / ORGANIZATIONAL CHART

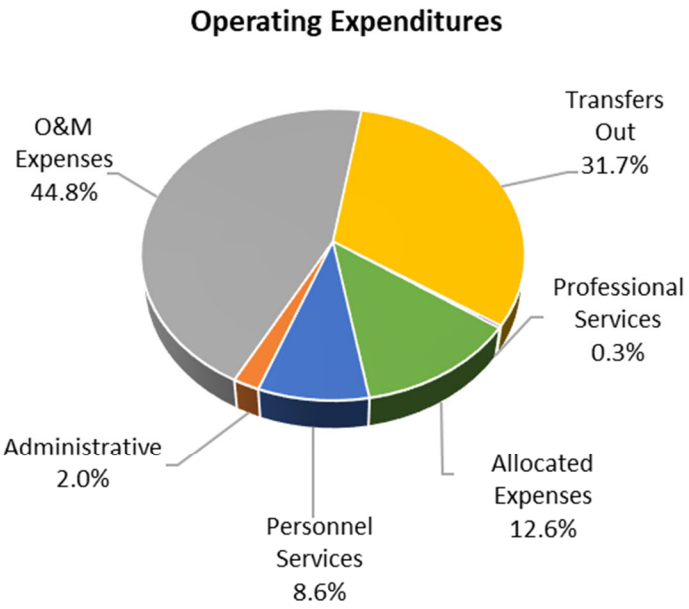
Positions	FY 2024 Actuals	FY 2025 Budget	FY 2025 Revised	FY 2026 Budget
Water Operations Manager / South Division	.01	.01	.01	0
Senior Water Operator	.01	.01	.01	.01
Water Operator III	.07	.10	.10	.08
Water Operator II	.04	.01	.01	.01
Water Operator I	.01	.01	.01	.03
Total FTEs	**.14**	**.14**	**.14**	**.13**



BUDGET SUMMARY

	FY 2024 Actuals	FY 2025 Adopted	FY 2025 Estimates	FY 2026 Adopted
Beginning Balance (Operating Cash)	**$ 83,084**	**$ 45,974**	**$ 58,451**	**$ 69,806**
Operating Revenue				
Interest Income	$ 20,811	$ 21,100	$ 18,580	$ 18,900
Treated Effluent Volume Revenue	44,261	61,335	48,295	61,335
Raw Water Volume Revenue	-	4,445	4,445	4,865
Demand Revenue	125,000	125,000	125,000	125,000
Other Revenue	507	25	25	25
Rental Revenue	492	490	490	395
Total Operating Revenue	**$ 191,071**	**$ 212,395**	**$ 196,835**	**$ 210,520**
Operating Expense				
Personnel Services	$ 13,425	$ 16,795	$ 12,180	$ 14,805
Administrative	3,540	3,785	3,200	3,520
Professional Services	26	535	205	485
O&M Expenses	74,053	76,370	60,190	77,160
Shared Debt Payments	1,100	1,100	1,100	-
Transfers Out	110,075	54,725	88,960	54,725
Allocated Expenses:				
Administration Fund	1,415	2,765	2,815	3,165
Information Technology Fund	426	1,360	1,195	1,320
Maintenance Fund	11,644	16,175	15,635	17,240
Total Operating Expense	**$ 215,704**	**$ 173,610**	**$ 185,480**	**$ 172,420**
Ending Balance (Operating Cash)	**$ 58,451**	**$ 84,759**	**$ 69,806**	**$ 107,906**





SUMMARY OF MAJOR CHANGES

PROJECTED FLOWS

Type	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
Treated Effluent	0.3171 mgd	0.2497 mgd	0.3171 mgd
Raw Water	0.0096 mgd	0.0096 mgd	0.0096 mgd

RATE STRUCTURE

	FY 2025 Budget	Adopted FY 2026 Budget
Treated Effluent Rate	$0.53 / 1,000 gallons	$0.53 / 1,000 gallons
Raw Water Rate	$1.27 / 1,000 gallons	$1.39 / 1,000 gallons
Demand Charge	$125,000	$125,000

REVENUES

- Interest Income is representative of current market conditions.
- Total Treated Effluent Volume Revenues reflects the projected flows at the adopted Treated Effluent rate.
- Total Raw Water volume revenue reflects the projected flows at the adopted Raw Water rate.
- Demand revenue reflects an annual charge of $125,000.
- Other Revenue includes estimated non-direct service revenues such as auction proceeds from retired assets.
- Rental Revenue consists of a pro-rata share of rental income from the 802 N. Kealy Avenue building and decreases due to a tenant not renewing their lease at the end of calendar year 2025.

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for personnel who spend time operating and maintaining the non-potable facilities and equates to 0.13 of a full-time equivalent position. In addition, a projected 20.0% cost increase from year-to-date FY 2025 expenditures for the District's health insurance benefit is included.

O&M EXPENSES

- Treated Effluent Water cost reflects a 0.6% rate decrease from FY 2025 by Dallas Water Utilities.
- Raw Water cost reflects a 9.3% rate increase from FY 2025 by Dallas Water Utilities.

SHARED DEBT PAYMENTS

- The Shared Debt Payment decreases due to the mid-year 2025 reimbursement of the remaining principal balance for the Non-Potable Water System's allocated portion of Regional Treated Water System bond proceeds used to purchase and renovate the 900 N. Kealy administration building.

TRANSFERS OUT

- Transfers Out consist of:
  - A contribution of $25,000 to the Non-Bond Capital Reserve is recommended to allow for equity cash funding of future capital projects.

- A contribution of $29,475 to the Capital Replacement Reserve is included to set aside funds to be used for the future replacement of the non-potable pipeline.
- An annual transfer of $250 to the Regional Treated Water System (RTWS) reflects the Non-Potable Water System's portion of a debt service payment for bonds issued to construct the Raw Water Intake structure.
- FY 2024 (Actuals) and FY 2025 (Estimates) totals combine contributions to system reserves that are included in rates and charges, along with transfers to reserves from excess working capital identified from the prior fiscal year's operations.

Allocated Expenses

- Allocation of Administration Fund expenses to NPWS operations.
- Allocation of Information Technology Fund expenses to NPWS operations.
- This allocation represents 0.50% of the adopted Maintenance Fund budget.

ACCOMPLISHMENTS FOR FY 2024-2025

- ✓ In accordance with our agreement with the City of Lewisville, the District supplies non-potable water—specifically treated wastewater effluent—for irrigation of the Castle Hill Golf Course and for maintaining the recreational pond at the facility. The treated effluent is sourced from the City of Lewisville Wastewater Treatment Plant and pumped directly to the golf course located in Carrollton for approved non-potable uses.
- ✓ In addition to effluent supply, raw water from Lewisville Lake is provided to Lake Avalon upon request for pond maintenance or other non-potable applications.
    - *A total of 91,122,642 gallons of treated effluent was projected to be delivered to the Castle Hills community irrigation during the reporting period. However, the actual total at year end FY 25 yielded 101,801,000 gallons.*

Back to TOC

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 function safely, properly, and efficiently throughout their life and to act quickly to avoid emergency situations and making sure our customer entities have the best possible service available with limited interruptions.

GOALS AND OBJECTIVES

- Maintain all District assets in a high-quality manner to achieve maximum useful life expectancy.
    - Maintain facilities, equipment, and other machinery, in the manner adopted by the district yielding the most cost-effective results.
- Provide quick and accurate responses and effective repairs or solutions to the needs of all 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.
- Be always safety conscious, read and understand the District's health and 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.

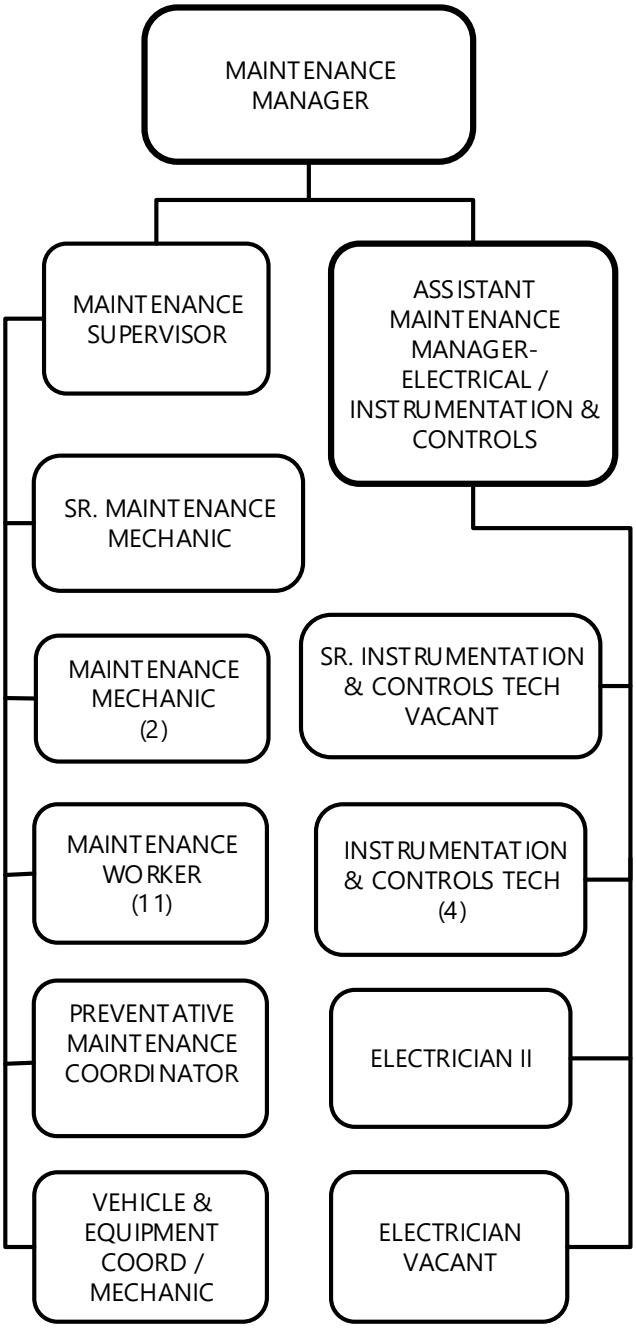
PERFORMANCE MEASUREMENTS

Work Element	Measure	Goal Type	FY 2024 Actuals	FY 2025 Estimates	FY 2026 Target
Reduce response time on Preventative (PM), Scheduled (SM) & Landscape (LM) Maintenance Work Orders	Complete PMs within 5 working days	Organizational Functional Financial Partnerships	96%	94%	100%
Reduce response time on Corrective Maintenance (CM) Work Orders	Complete CMs within 5 working days	Organizational Functional Financial Partnerships	92%	88%	100%
Emergency Response	Response and repair time less than 24 hours	Organizational Functional Financial Partnerships	95%	98%	100%
Special Projects	Total # of special projects each FY completed on time	Organizational Functional Financial	80%	90%	100%
Funding	Total # of special projects each FY completed within budget	Organizational Functional Financial	95%	90%	100%
Safety	12 safety training hours / employee / year	Organizational (Specific Work Plan Item #6)	100%	100%	100%
Staffing	% of time at full staff	Organizational (Specific Work Plan Item #1)	70%	75%	100
Annual review of required Maintenance staffing based on projected growth	Number of new positions added to the Maintenance Department	Organizational (Specific Work Plan Item #1)	1	2	0
Prioritizing Maintenance activities **(from Annual Work Plans – Functional)**	Use of Condition Assessment to prioritize Maintenance activities for District facilities	Organizational (Specific Work Plan Items #1, #2, & #3) Functional (Specific Work Plan Item #20)	On-Going	On-Going	On-Going

PERSONNEL SUMMARY

Positions	FY 2024 Actuals	FY 2025 Budget	FY 2025 Revised	FY 2026 Budget
Maintenance Manager	1	1	1	1
Maintenance Supervisor	0	1	1	1
Northeast Maintenance Supervisor	1	0	0	0
Electronics Supervisor	1	1	1	0
Senior Electrician	1	1	1	0
Assistant Maintenance Manager-Electrical / Instrumentation & Controls	0	0	0	1
Senior Maintenance Mechanic	1	1	1	1
Senior Instrumentation & Controls Tech	0	1	1	1
Senior Electronic Technician	1	0	0	0
Electrician II	0	1	1	1
Electrician	0	0	0	1
Maintenance Mechanic	3	2	2	2
Instrumentation & Controls Tech	0	4	4	4
Electronic Technician II	2	0	0	0
Electronic Technician I	2	0	0	0
Maintenance Worker II	4	4	4	4
Maintenance Worker I	4	6	6	7
Preventative Maintenance Coordinator	1	2	2	1
Preventative Maintenance Coordinator (NE)	1	0	0	0
Vehicle & Equipment Coordinator / Mechanic	1	1	1	1
GIS Analyst	.90	.90	.90	.90
Total FTEs	**24.90**	**26.90**	**26.90**	**26.90**

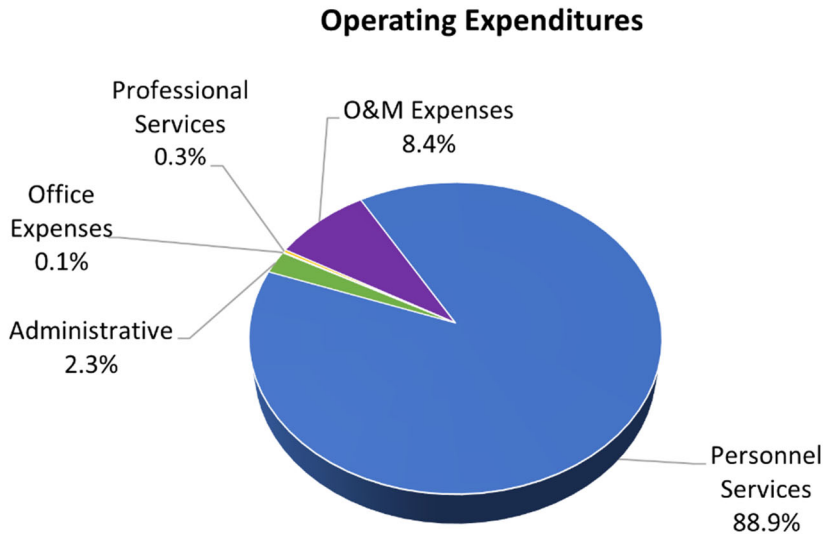
ORGANIZATIONAL CHART



BUDGET SUMMARY

	FY 2024 Actuals	FY 2025 Adopted	FY 2025 Estimates	FY 2026 Adopted
Beginning Balance (Operating Cash)	$ -	$ -	$ -	$ -
Operating Expense				
Personnel Services	$ 2,058,001	$ 2,803,800	$ 2,402,585	$ 3,064,925
Administrative	59,985	72,035	73,765	80,460
Office Expenses	597	3,100	2,800	3,100
Professional Services	3,094	8,760	21,435	9,985
O&M Expenses	207,193	347,545	626,830	289,460
Total Operating Expense	**$ 2,328,870**	**$ 3,235,240**	**$ 3,127,415**	**$ 3,447,930**
Allocation to Operating	**(2,328,870)**	**(3,235,240)**	**(3,127,415)**	**(3,447,930)**
Ending Balance (Operating Cash)	$ -	$ -	$ -	$ -

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



SUMMARY OF MAJOR CHANGES

EXPENSES

PERSONNEL SERVICES

- The adopted budget includes funding for 26.90 full-time equivalent positions. In addition, there is a projected 20.0% cost increase from year-to-date FY 2025 expenditures for the District's health insurance benefit included.

ADMINISTRATIVE

- Insurance – Property, General Liability (GL), and Vehicle expense increases due to reflecting a projected 10.0% cost increase from the FY 2025 actual expense.
- Employee Recognition expense includes staff lunches or awards to outstanding staff members.
- Meetings expense includes supplies used for safety meetings.

PROFESSIONAL SERVICES

- Equipment Service expense includes funding for annual fire and backflow preventor inspections, generator load bank testing, etc.

O&M EXPENSES

- Equipment and Furniture greater than or equal to $5,000 includes:
  - Purchase of a new Mini Articulating Electric Boom Lift for mechanical and electrical work – $60,000
  - Purchase of a 68" Angle Broom Sweeper attachment for a Bobcat to clean roads and around the diurnal pond – $6,300
  - Purchase of a Hydraulic Thumb Kit 85G – $8,000
  - Purchase of two Gas Detectors for confined spare air monitoring – $12,000

MAINTENANCE ALLOCATION TO PROJECTS

- Total operating expenses for the Maintenance budget are allocated to the following projects: Regional Treated Water System (46.5%), Lakeview Regional Water Reclamation System (16.0%), Northeast Regional Water Reclamation System (29.5%), Peninsula Water Reclamation Plant (5.5%), Non-Potable Water System (0.5%), and Admin (2.0%). This allocation is based on the Maintenance Department's work order distribution around the District.

	RTWS	LRWRS	NERWRS	PWRP	NPWS	ADMIN	TOTAL
Allocation %	46.5%	16.0%	29.5%	5.5%	0.5%	2.0%	100.0%
FY 26	$1,603,290	$551,670	$1,017,135	$189,635	$17,240	$68,960	$3,447,930

ACCOMPLISHMENTS FOR FY 2024-2025

- ✓ Provide quick and accurate responses for effective repairs or solutions to the needs of all District facilities.
  - *System Wide*
    - *Ensure everything is tested and in compliance annually with each facility so that all documentation is in place for TCEQ inspections.*
  - *Thomas E. Taylor Regional Treated Water System*
    - *Repairs and replacement of actuators in filter building.*
    - *Repaired/Restored power to East meter vault, due to duct bank shifting.*
    - *Removed soft start & installed new VFD for #2 booster pump at Inline BPS.*
    - *Wired upload bank to generator at Taylor Plant, due to contractor did not have anyone qualified to wire it up.*
  - *Lakeview Water Reclamation System*
    - *Continuing the LS Condition Assessment*
    - *Numerous Lift Station pump repairs.*
    - *Replacement of drain valve on south clarifier.*
    - *Installed of lights over headworks.*
    - *Hickory creek Lift Station pump # 2 breaker replacement*
  - *Harpool Regional Water System*
    - *Replaced all blow off valves on blowers.*
    - *Rebuild of emergency pump #4.*
    - *Installed new Hypo Day tank.*
    - *Diurnal Pond cleaning project.*
    - *Installation of fall arrest systems throughout the plant.*
    - *Installation of heat trace on piping throughout plant.*
    - *Replaced all streetlight and front gate monument lights with LED light fixtures.*
  - *Northeast Regional Water Reclamation System*
    - *Continuing the LS condition assessment*
    - *Plumbed in temporary rental centrifuge at Doe Branch Plant.*
    - *Removing and installation of centrifuge at Doe Branch Plant.*
    - *Rebuild of plant water pump and motor #2 at Doe Branch Plant.*
    - *Replacement of east clarifier drain valve at Riverbend Plant.*
    - *Replacement of washing compacter and screen on bar screen at Doe Branch Plant.*
    - *Installation of heat trace at Peninsula Plant.*
    - *Wired in rental centrifuge at Doe Branch Plant.*
    - *Repairs to lift station sidewalk due to erosion at Riverbend Plant.*
    - *Repaired aeration blowers #2 and #3, shutdown due to cooling fan failure at Riverbend Plant.*
    - *Replaced Basin 1 main SCFM Flow meter.*
    - *Lift Station 63 - replaced Benshaw chassis soft starts in #2 & #3.*
- ✓ Maintain all apparatuses and exceed the life expectancy of all equipment and facilities.
- ✓ Maintain all District assets with the expectations of exceeding their life expectancy.

Back to TOC

REGIONAL TREATED WATER SYSTEM

The District is committed to protecting public health and delivering high-quality drinking water to our members and customer entities. The Regional Treated Water System provides a safe and reliable water supply to 29 communities across Denton County, including some of the fastest-growing cities in the nation. These rapidly expanding areas depend on the District's state-of-the-art water treatment facilities to meet increasing demand while maintaining exceptional water quality.

Our system is supported by two regional treatment plants, both dedicated to delivering safe, dependable water to the communities we serve.

- The Thomas E. Taylor Regional Water Treatment Plant, located in Lewisville, is currently undergoing expansion to increase its treatment capacity to 85.0 million gallons per day (MGD). The plant utilizes advanced ozone oxidation and dual-media filtration—featuring activated carbon and sand—to ensure consistently clean, safe water. Due to continued growth in the Taylor Plant's service area, expansion of its treatment capacity is set to begin in FY 2026 from 85.0 MGD to 120.0 MGD.

- In northeast Denton County, the Tom Harpool Regional Water Treatment Plant currently operates at a capacity of 30.0 MGD and features a cutting-edge submersible vacuum ultrafiltration membrane system. Expansion plans include increasing capacity to 40.0 MGD by FY 2027 and ultimately to 60.0 MGD by FY 2029. These upgrades will include a new advanced pressure membrane facility and state-of-the-art oxidation technologies, aligning with the District's forward-looking strategy to maintain exceptional water quality and meet long-term demand.

MISSION

We are dedicated to providing our customers with a reliable and adequate supply of the highest-quality water. We strive to keep costs low, minimize service interruptions, and promote the responsible use and management of water as a vital natural resource—through ongoing conservation efforts and public education initiatives.

GOALS AND OBJECTIVES

Strategic Objectives for Water System Excellence

- Provide all District Customers with Dependable, High-Quality Water.
  - Compliance & Standards
    - Ensure District rules, guidelines, and practices meet or exceed all federal and state water quality standards.
  - System Redundancy
    - Maximize reliability by ensuring treated water can be delivered from either of the District's two water treatment plants.
  - Advanced Technologies
    - Implement Internet of Things (IoT) devices for real-time monitoring of water quality and system performance.
    - Explore the use of Artificial Intelligence (AI) and Machine Learning (ML) to optimize treatment processes and predict maintenance needs.
- Minimize the Impact of Treatment Costs
  - Identify operational savings that maintain the quality and level of service.

  - Monitor key system components such as:
    - Granulated Activated Carbon (GAC) media
    - Sodium Hypochlorite generation cells
    - Membrane filtration systems
  - Follow and refine replacement schedules using historical data and predictive analytics.

- Optimize Operations with Machine Learning
  - Apply Machine Learning (ML) to:
    - Fine-tune chemical dosing, reducing usage without compromising quality.
    - Implement predictive maintenance to forecast equipment lifespan and schedule proactive replacements.
    - Analyze system data for trends that inform future planning and cost efficiency.

- Maintain the Security and Safety of Systems and Resources
  - Physical Security
    - Secure all areas of treatment and remote facilities using surveillance cameras and appropriate monitoring systems.
  - Data & Network Security
    - Continuously develop and implement new data management protocols for secure, efficient sharing and storage.
    - Effectively manage the Supervisory Control and Data Acquisition (SCADA) system to reduce downtime and enhance performance.
    - Improve communications, networking, and SCADA infrastructure to support real-time monitoring and modernize operations.
    - Ensure all hardware and software meet current industry standards, upgrading as needed.

- Enhance Cybersecurity Measures
  - Protect Internet of Things (IoT) devices and network infrastructure with advanced security protocols.
  - Implement AI-driven threat detection to identify and respond to cyber threats in real time.
  - Establish a Demilitarized Zone (DMZ):
    - Isolate critical internal systems from external-facing services.
    - Use the Demilitarized Zone (DMZ) to host public services while safeguarding internal data and infrastructure.
  - Develop Digital Twins:
    - Create digital models of treatment plants and distribution systems for simulation, scenario planning, and predictive analysis.
    - Use these models to improve decision-making, optimize system operations, and prepare for future demands.

- Invest in Workforce Development
  - Retool Operations Staff for Future Technologies
    - Provide training in:
      - Artificial Intelligence (AI) and Machine Learning (ML)
      - Data analytics
      - Cybersecurity
      - Advanced water treatment systems
    - Promote a culture of continuous learning and innovation.
    - Encourage cross-functional teams to bridge the gap between operational experience and technology implementation.

- Attract and Retain Top Talent
  - Offer competitive professional development and growth opportunities.
  - Attract skilled professionals in high-demand fields such as Artificial Intelligence (AI), data science, and cybersecurity.
  - Create clear career pathways that integrate traditional water management roles with emerging tech competencies.

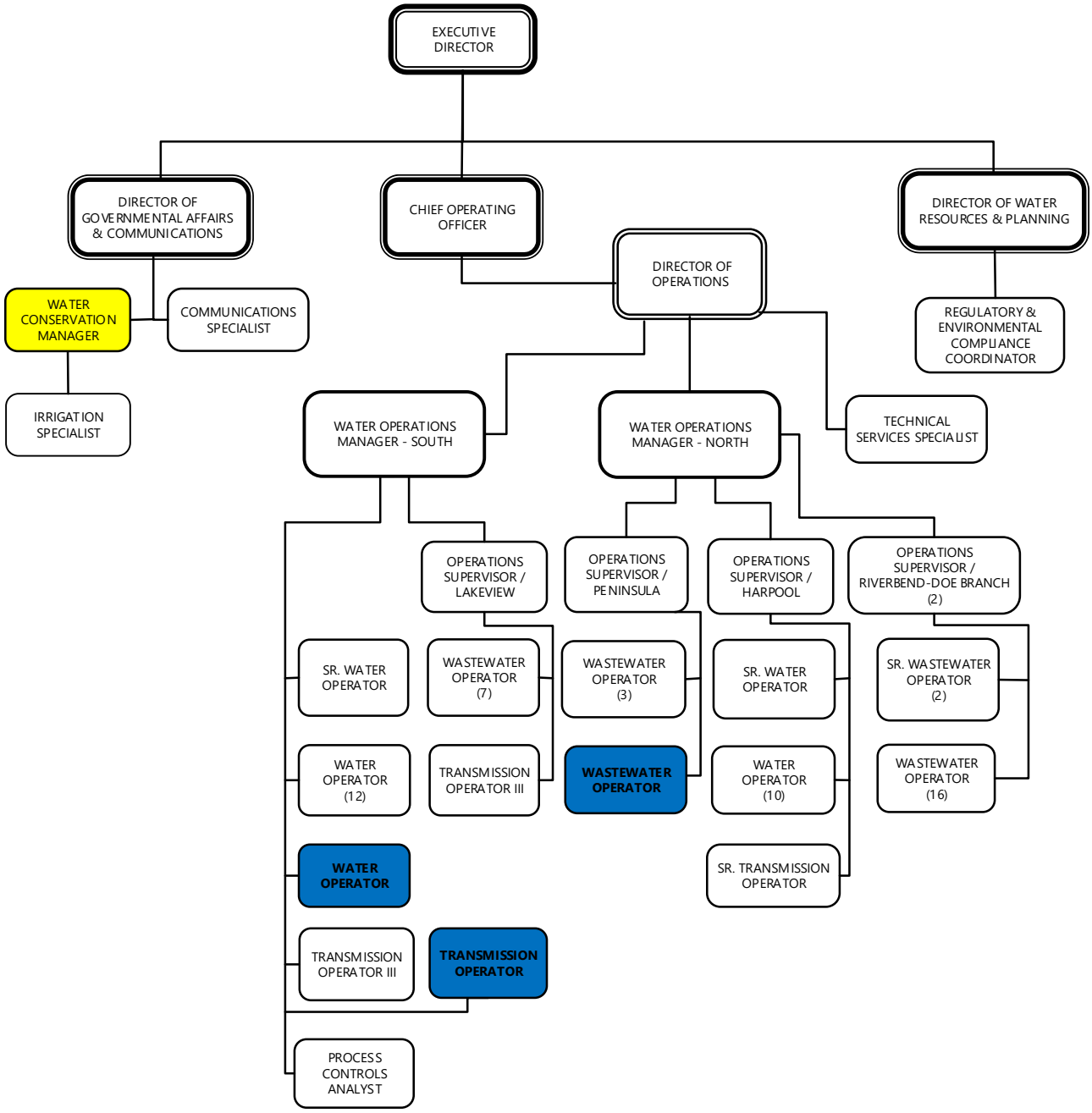
PERFORMANCE MEASUREMENTS

Work Element	Measure	Goal Type	FY 2024 Actuals	FY 2025 Estimates	FY 2026 Target
Meet or exceed all applicable state and federal rules and regulations	Percentage of time the treatment system in compliance % Time System Compliance = [1-(non-compliant samples or readings/total samples or readings] x 100	Organizational Functional Partnerships Environmental	100%	100%	100%
Duration of unplanned service disruptions or plant shutdowns caused by non-construction-related activities	Percentage of time the treatment system was on-line % Time on-line = [1-(#days offline / 365)] x 100	Organizational Functional Partnerships	>99%	>99%	>99%
Meter Accuracy	Yearly meter calibration checks inaccuracy % Meter accuracy = [1-(inaccurate meters / total meters)] x 100	Organizational Functional Financial Partnerships	>97%	>97%	>97%
Billed flow accuracy	Billing adjustments as a result of meter inaccuracy. Accuracy = [1-(# total flow adjusts / # total flows billed)] x 100	Organizational Functional Financial Partnerships Environmental	100%	100%	100%
Minimize taste or odor complaint episodes	Establish baseline trends; then target reductions	Organizational Functional Partnerships Environmental	3 Harpool 0 Taylor	0 Harpool 0 Taylor	0 Harpool 0 Taylor
Minimize unaccounted water loss	Unaccounted for water, annual average UFW = billed + accounted flows / raw water flow	Organizational Functional Financial Partnerships	<5%	<5%	<5%
Dual Certified Operators	Number of Operators with both Water and Wastewater certification	Organizational Functional	50%	55%	>60%
Maintain Qualified / Trained Staff	Percentage of positions filled [1 – vacancies / filled) x 100]	Organizational Functional	>95%	>95%	>95%
Harpool RWTP Recovery Pond Dredging Project	% completion of the Harpool Regional Water Treatment Plant raw water holding pond dredging project by Operations staff	Organizational Functional Financial Environmental	N/A	5%	100%

PERSONNEL SUMMARY

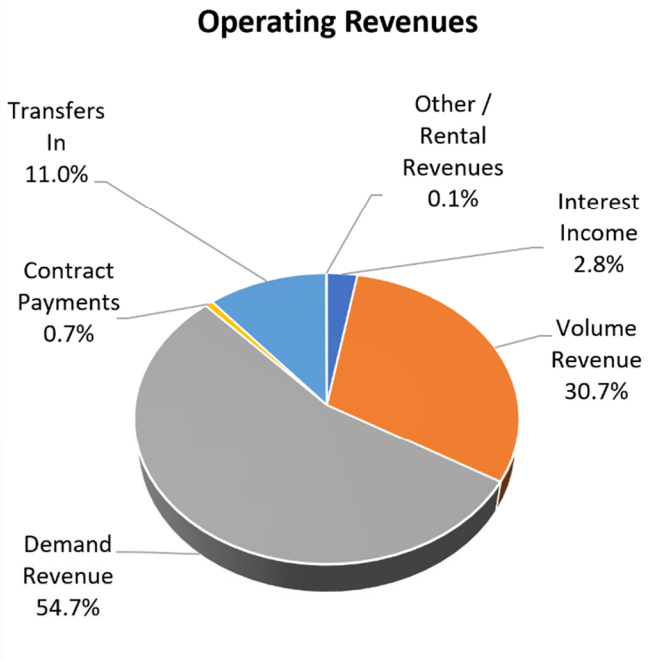
Positions	FY 2024 Actuals	FY 2025 Budget	FY 2025 Revised	FY 2026 Budget
Executive Director	.25	.25	.25	.25
Chief Operating Officer	0	.50	.50	.50
Director of Operations and Water Resources	.50	0	0	0
Director of Operations	0	.45	.45	.45
Deputy Director of Operations	.45	0	0	0
Assistant Director of Operations	0	0	0	0
Director of Water Resources & Planning	0	.10	.10	.10
Assistant Director of Operations - Water Resources	.10	0	0	0
Director of Governmental Affairs & Communications	0	.15	.15	.15
Manager of Governmental Affairs & Communications	.25	0	0	0
Water Operations Manager – South Division	.99	.99	.99	1
Operations Manager – North Division	.50	.50	.50	.50
Electrical Engineer	.35	.35	.35	.35
Operations Supervisor	1	1	1	1
Regulatory and Environmental Compliance Coordinator	.05	.05	.05	.05
Water Education Coordinator	.80	.80	.80	0
Water Conservation Manager	0	0	0	.60
Communications Specialist	.80	.60	.60	.60
Technical Services Specialist	.45	.45	.45	.45
Senior Water Operator	1.99	1.99	1.99	1.99
Senior Transmission Operator	1	1	1	1
Water Operator III	11.92	13.90	13.90	12.92
Transmission Operator III	1	1	1	1.5
Water Operator II	5.97	3.99	3.99	3.99
Transmission Operator II	.50	.50	.50	0
Transmission Operator	0	0	0	1
Water Operator I	3.99	3.99	3.99	5.97
Process Controls Analyst	0	.50	.50	.50
Irrigation Specialist (Water Conservation)	0	1	1	1
Total FTEs	**32.86**	**34.06**	**34.06**	**35.87**

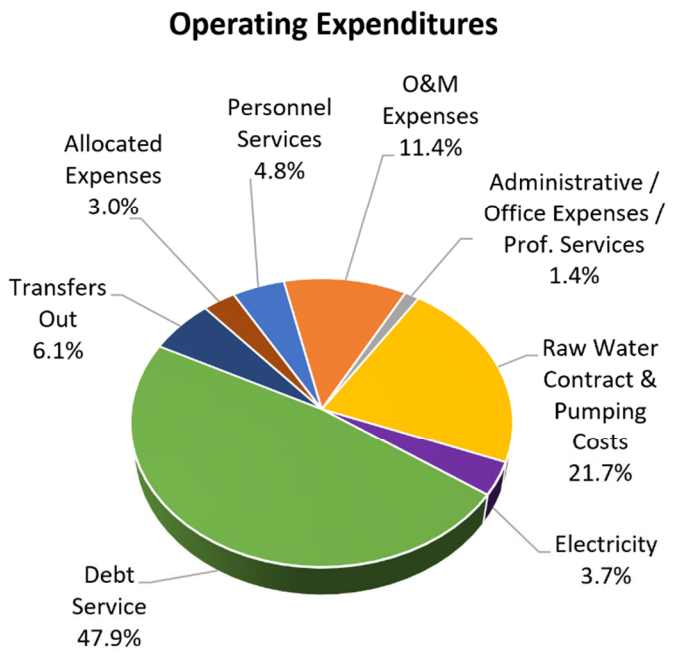
ORGANIZATIONAL CHART



BUDGET SUMMARY

	FY 2024 Actuals	FY 2025 Adopted	FY 2025 Estimates	FY 2026 Adopted
Beginning Balance (Operating Cash)	**$ 21,750,429**	**$ 23,267,489**	**$ 26,874,015**	**$ 25,410,170**
Operating Revenue				
Interest Income	$ 2,674,948	$ 2,489,500	$ 2,687,095	$ 2,840,500
Volume Revenue	24,641,724	25,857,860	27,308,685	31,217,010
Demand Revenue	47,918,185	53,209,875	52,886,215	55,497,630
Contract Payments	267,570	741,515	741,515	744,740
Transfers In	2,428,562	4,467,900	5,222,995	11,172,870
Shared Debt Payments	59,000	59,000	59,000	-
Other Revenue	375,795	3,500	18,645	3,500
Rental Revenue	130,202	92,300	115,020	75,990
Total Operating Revenue	**$ 78,495,986**	**$ 86,921,450**	**$ 89,039,170**	**$101,552,240**
Operating Expense				
Personnel Services	3,801,440	3,942,075	3,860,250	4,424,195
Administrative	699,280	731,730	720,485	790,415
Office Expenses	8,316	11,300	10,840	11,300
Professional Services	280,150	399,865	436,140	435,450
O&M Expenses	7,279,749	7,658,280	7,853,705	10,410,535
Lakes Chapman / Ralph Hall Contract Pymts	2,456,436	2,435,190	2,386,920	2,493,305
Raw Water / Lake Chapman Pumping Cost	8,459,823	13,881,475	11,612,165	17,321,440
Electricity	2,940,138	3,355,220	3,136,075	3,429,245
Debt Service	30,270,182	39,380,430	35,480,260	43,820,635
Transfers Out	15,653,461	3,592,875	22,607,025	5,538,510
Allocated Expenses:				
Administration Fund	342,156	616,175	656,465	824,310
Information Technology Fund	109,988	303,050	288,440	361,320
Maintenance Fund	1,071,281	1,504,385	1,454,245	1,603,290
Total Operating Expense	**$ 73,372,400**	**$ 77,812,050**	**$ 90,503,015**	**$ 91,463,950**
Ending Balance (Operating Cash)	**$ 26,874,015**	**$ 32,376,889**	**$ 25,410,170**	**$ 35,498,460**





SUMMARY OF MAJOR CHANGES

SUBSCRIBED CAPACITIES

Entity	FY 2025 Budget	FY 2026 Budget
Argyle WSC	2.00 mgd	2.00 mgd
Aubrey	0.10 mgd	0.10 mgd
Celina	10.0 mgd	10.58 mgd
Corinth	7.50 mgd	7.50 mgd
Cross Timbers WSC	2.50 mgd	2.50 mgd
DCFWSD #7	4.30 mgd	4.30 mgd
DCFWSD #8A	1.87 mgd	0.00 mgd *
DCFWSD #11A	3.30 mgd	0.00 mgd *
Elm Ridge WCID	1.12 mgd	1.02 mgd
Flower Mound	30.00 mgd	30.00 mgd
Highland Village	3.00 mgd	3.00 mgd
Justin	2.05 mgd	2.05 mgd
Krum	0.40 mgd	0.40 mgd
Lake Cities MUA	4.00 mgd	4.00 mgd
Lewisville (Castle Hills)	4.00 mgd	4.00 mgd
Mustang SUD	11.50 mgd	17.25 mgd *
Northlake	8.50 mgd	8.20 mgd
Providence Village	2.40 mgd	2.50 mgd
Sanger	0.60 mgd	0.60 mgd
Total	**99.14 mgd**	**100.00 mgd**

* Assumes DCFWSD #8A and #11A are acquired by Mustang Special Utility District for FY 2026.

PROJECTED FLOWS

Entity	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
Argyle WSC	1.4500 mgd	1.4110 mgd	1.6500 mgd
Aubrey	0.0000 mgd	0.0000 mgd	0.0000 mgd
Celina	5.5000 mgd	6.3083 mgd	6.5000 mgd
Corinth	3.3000 mgd	3.2489 mgd	3.4500 mgd
Cross Timbers WSC	0.7000 mgd	0.7330 mgd	0.7650 mgd
DCFWSD #7	2.1000 mgd	2.0334 mgd	2.1500 mgd
DCFWSD #8A	0.3000 mgd	0.3443 mgd	0.0000 mgd *
DCFWSD #11A	1.4000 mgd	1.4688 mgd	0.0000 mgd *
Elm Ridge WCID	0.5700 mgd	0.5728 mgd	0.5700 mgd
Flower Mound	11.0000 mgd	11.7850 mgd	12.0000 mgd
Highland Village	2.3000 mgd	2.3057 mgd	2.3000 mgd
Justin	1.0000 mgd	1.0823 mgd	1.1000 mgd
Krum	0.1100 mgd	0.1328 mgd	0.1200 mgd
Lake Cities MUA	1.9000 mgd	1.8731 mgd	2.0000 mgd
Lewisville (Castle Hills)	1.7000 mgd	2.0357 mgd	1.7000 mgd
Mustang SUD	8.0000 mgd	8.0199 mgd	11.0000 mgd *
Northlake	2.5000 mgd	2.9484 mgd	2.9000 mgd
Providence Village	0.7500 mgd	0.7242 mgd	0.7500 mgd
Sanger	0.3000 mgd	0.3422 mgd	0.3500 mgd
Total	**44.8800 mgd**	**47.3698 mgd**	**49.3050 mgd**

* Assumes DCFWSD #8A and #11A are acquired by Mustang Special Utility District for FY 2026.

RATE STRUCTURE

	FY 2025 Budget	Adopted FY 2026 Budget
Volume Rate – Members	$1.56 / 1,000 gallons	$1.72 / 1,000 gallons
Volume Rate – Customers	$1.67 / 1,000 gallons	$1.85 / 1,000 gallons
Flat Rate/Temporary Service	$5.84 / 1,000 gallons	$6.18 / 1,000 gallons
Demand Rate	$539,435 / mgd	$557,765 / mgd

REVENUES

- Interest Income is representative of current market conditions.
- Total Volume Revenue reflects the projected flows at the adopted volume rates.
- The Demand Revenue reflects the current and anticipated increases in subscriptions at the adopted demand charge.

- Contract Payments consist of principal and interest (P&I) from:
  - $395,970 – Consists of two semi-annual payments from Mustang Special Utility District for a joint capital project (Temple Dane Pump Station) and reflects an ownership percentage (based on Mustang's flows versus the District's flows to other System participants through the pump station) of 70.0% for Mustang and 30.0% for the District. FY 2026 represents the final payment period of this reimbursement.
  - $348,770 – Consists of twelve-monthly payments from Providence Village for the cost of constructing and financing a second point of delivery and meter vault.
- Transfers In consist of:
  - $4,212,320 – From the Interest and Sinking Reserve includes $1,547,195 (remaining from the total $3,438,095 identified in FY 2024 from FY 2023 operations deposited to the Interest and Sinking Reserve, whereby $1,890,900 of this amount was utilized in FY 2025 to offset debt service to lower the Demand Charge) and $2,665,125 (budgeted debt service from the Adopted FY 2025 budget) saved due to delaying a variable rate debt refunding until late FY 2025, to be utilized to offset FY 2026 debt service.
  - $120,000 – From the Non-Bond Capital Reserve to fund the installation of a new metal storage building at the Harpool Regional Water Treatment Plant, rather than utilizing rate revenue.
  - $3,939,785 – From the Board Participation Construction Cash Reserve consists of accrued interest earned on previous issues (Series 2015, 2019, 2020, 2021, and 2022) of Board Participation loan proceeds received from the Texas Water Development Board to fund the Lake Ralph Hall project. This transfer in will fully fund the FY 2026 debt service (Interest Only) for these issues reflected as $625,710 (Series 2015), $405,290 (Series 2019), $1,011,065 (Series 2020), $891,930 (Series 2021), and $1,005,790 (Series 2022). Total Board Participation debt service due for FY 2026 is $4,093,085 which includes debt service for Board Participation loan funds issued for the Northeast Treated Water Pipeline Phases 1 and 2 projects (Series 2021 and 2022).
  - $2,900,000 – From the Raw Water Holding Pond Dredging Reserve to offset expenses from the Harpool Regional Water Treatment Plant's raw water holding pond dredging project that will remove silt and other solids that have built up from the last dredging project (completed in FY 2023) to provide additional raw water storage capacity.
  - $250 – From the Non-Potable Water System for its allocated share of the FY 2026 debt service on bonds issued to fund the Raw Water Intake structure.
  - $515 – From the Northeast Regional Water Reclamation System for potable water usage at the Riverbend Plant that is credited back to Mustang Special Utility District.
- Other Revenue includes estimated non-direct service revenues such as auction proceeds from retired assets.
- Rental Revenue includes the pro rata share of 802 N. Kealy Avenue building and decreases due to a tenant not renewing their lease at the end of calendar year 2025.
- The Shared Debt Payments decrease due to the mid-year 2025 reimbursement of the outstanding principal balance of Regional Treated Water System bond proceeds utilized to purchase and renovate the 900 N. Kealy Avenue Administration Building.

Expenses

Personnel Services

- The adopted budget for Administration provides funding for 35.87 full-time equivalent positions and includes a projected 20.0% cost increase from year-to-date FY 2025 expenditures for the District's health insurance benefit. In addition, two new positions are also included:
  - A Transmission Operator position to assist with the continued growth in the District's southern service area.

- A Water Operator position to help with the growing facilities at the Taylor Regional Water Treatment Plant.

ADMINISTRATIVE

- Conference, Training, and Travel expense includes registration and travel to various professional organization conferences, and expenses for annual continuing education training for water operators and increases due to pricing adjustments for conferences / travel and for including funding for the two new positions being added for FY 2026.

PROFESSIONAL SERVICES

- Engineering expense includes funding to utilize consulting services to complete various operational studies / analyses to improve the District's water treatment process or to correct deficiencies found during inspections and increases due to adding funding for the upkeep and maintenance of the newly created hydraulic water model to improve pumping efficiencies around the System.
- Equipment Service expense includes all inspection services and preventative maintenance agreement expenses for equipment used in operations and decreases due to establishing a budget that is more in-line with prior year and current year expenditures. Additionally, preventive maintenance services involving load bank testing (Generators) is being completed "in-house" at the Harpool Regional Treated Water Plant, thereby saving approximately $16,000 by not contracting with an outside vendor to complete these services.
- Other Outside Services expense includes financial advisor fees for investment services, annual debt regulatory and disclosure services, pest control, shredding services, legislative consultant services, and increases due to including approximately $36,000 for an electricity usage and cost consultant.

O&M EXPENSES

- Plant and Equipment Maintenance expense includes costs to complete general maintenance and repairs on various pumps, motors, electrical and HVAC equipment, etc., at the Taylor and Harpool Plants. The increase in maintenance expense is due to operating the Plant facilities at or near maximum treatment capacity, along with the age and condition of Plant equipment.
- Plant and Equipment Maintenance (Harpool Plant Pond Dredging) includes costs to remove accumulated silt and solids from the raw water holding pond at the Harpool Plant to increase storage capacity of raw water. Additionally, this expense is being offset by a transfer in from the Raw Water Holding Pond Dredging Reserve rather than rate revenue.
- Pipeline Maintenance expense also includes increased funding to complete identified needs for Smart-ball testing and pipeline repairs to water pipelines in FY 2026.
- Permits, Licenses, and Fees expense decreases due to funding the final payment in FY 2025 to Fannin County that satisfied a 10-year agreement to issue payment for various permits related to the construction of Lake Ralph Hall, in lieu of property taxes.
- Raw Water Purchases / Pumping Cost reflects a 9.30% increase in the price of raw water from Dallas Water Utilities and a 0.00% change in the pumping rate ($0.13 / 1,000 gallons) for Lake Chapman raw water to be delivered to the Harpool Regional Treated Water Plant. However, there is an additional $100,000 to cover the price difference between the projected Lake Chapman variable cost incurred by the City of Irving (Electricity expenses) and actual costs, once the fiscal year has closed. Additionally, there is an increase in the quantity (4.56 mgd) of more expensive raw water from Dallas programmed into the volume rate calculation for FY 2026. Assumptions for raw water sources include a total of MGD from the following sources:

  Dallas water – 34.03 mgd
  Chapman Lake – 11.50 mgd
  Reuse – 5.75 mgd

- Treated water purchased for Cities of Krum and Sanger – reflects a projected 10.0% cost increase to the System via a change in the rate base made by the City of Denton to include their Demand Charge with the Volume Rate for a total cost of $4.96 per 1,000 gallons purchased. Additionally, a separate Facility Charge of $1,145.05 per month per entity served (Krum and Sanger) is included, reflecting a 296.6% increase from the FY 2025 Facility Charge amount of $288.72 per entity.
- Tools, Machinery, and Equipment less than $5,000 expense includes hand tools, safety equipment, and rental of equipment used in the field. An increase is shown due to the need to rent additional equipment for special projects planned for FY 2026.
- Furniture and Equipment greater than or equal to $5,000 includes:

  Taylor Plant
  - Purchase of a Heavy-Haul Trailer for equipment transport – $25,000
  - Purchase of a General Duty Trailer to haul Polaris (UTV) – $8,000
  - Replacement of Overflow Tank Gates – $10,000
  - Replacement of Filter Valve Actuators (Four large and Four small) – $48,000
  - Replacement of Chemical Pump – $9,000

  Harpool Plant
  - Upgrade to larger Chemical Feed Pumps (Three Sodium Hypochlorite and Two Aluminum Chlorohydrate) – $135,000
  - Installation of a Metal Storage Building – $120,000
  - Purchase of a spare Aerzen Blower – $80,000

DEBT SERVICE

- An increase of $93,860 (partial interest only) for the Series 2015 Board Participation (BP) Loan from the Texas Water Development Board (TWDB) to fund the Lake Ralph Hall project.
- An increase of $101,320 (partial interest only) for the Series 2019 BP Loan from TWDB to fund the Lake Ralph Hall project.
- An increase of $337,020 (partial interest only) for the Series 2020 BP Loan from TWDB to fund the Lake Ralph Hall project.
- A first-year payment of $88,560 (partial interest only) for the Series 2022 BP Loan from TWDB to fund the Harpool Plant Northeast Transmission Pipeline, Phases 1 and 2 project.
- A first-year payment of $1,070,530 (partial interest only) for the Series 2022 BP Loan from TWDB to fund the Lake Ralph Hall project.
- A decrease of $2,308,750 due to making the final payment towards the portion of Series 2020A refunding bonds that refunded the 2010 and 2010A bonds in FY 2025.
- An increase of $1,475,355 for the Series 2025 Refunding Bonds to convert approximately $60.0 million of outstanding Variable Rate Debt to long-term debt (along with refunding the 2015 Refunding Bonds). Additionally, the Adopted FY 2025 budget included a $2,665,125 debt service payment to issue refunding bonds to convert $73.0 million of Variable Rate Debt to long-term debt, but due to recalculating cash outflows required for the capital improvement program, this $73.0 million refunding was delayed to late FY 2025, with no debt service due.
- A new (projected) debt service payment of $2,298,630 (half year principal and interest) for a tentative mid-year FY 2026 debt issue to convert approximately $65.0 million of outstanding Variable Rate Debt to long-term debt.
- An increase of $1,311,330 in interest expense due to greater usage of variable rate debt to fund various capital improvement projects with a projected interest rate of 4.45% (unchanged from FY 2025).

TRANSFERS OUT

- Transfers Out consist of:
  - A contribution of $590,000 to the O&M Reserve is required so that the balance of this reserve is equal to 25.0% of total FY 2026 O&M expenses (less debt service).
  - A contribution of $2,159,560 to the Capital Replacement Reserve is provided for in the volume rate at $0.12 / 1,000 gallons (same as FY 2025), to accumulate funds for the future replacement of the System's infrastructure (i.e., pipelines, plants, lift stations, pump stations).
  - A contribution of $389,430 to the Vehicle and Equipment Replacement Reserve is calculated according to the quantity and age of District owned vehicles and equipment assigned to the System.
  - A contribution of $359,925 to the Raw Water Holding Pond Dredging Reserve is provided for in the volume rate at $0.01 / 1,000 gallons (same as FY 2024), to accumulate funds for future raw water holding pond dredging activities at the Taylor and Harpool Regional Treated Water Plants.
  - A contribution of $539,890 to the Water Conservation Program is provided for in the volume rate at $0.03 / 1,000 gallons (a $0.01 per 1,000-gallon increase from FY 2025), to accumulate funds to promote water conservation initiatives which include sprinkler inspections for Member and Customer participants by an Irrigation Specialist that was added in FY 2025.
  - A contribution of $359,925 to the Watershed Protection Program is provided for in the volume rate at $0.02 / 1,000 gallons (same as FY 2025), to accumulate funds for designated District operating expenses incurred for the promotion of educational, research, and community activities related to the protection of the District's watershed.
  - A contribution of $359,925 to the Future Water Program is provided for in the volume rate at $0.02 / 1,000 gallons (same as FY 2025), to accumulate funds for studies and planning activities for the development of future water sources for the District.
  - A contribution of $719,855 to the Lake Ralph Hall Reservoir Operating Reserve is provided for in the volume rate at $0.04 / 1,000 gallons (first year of funding from rates) to accumulate funds for the purchase of various types of equipment, facilities, and supplies for the future Lake Ralph Hall and the support facilities around the reservoir, so that these expenses are not included in the future rates and charges of the Regional Treated Water System.
  - A contribution of $60,000 to the Administration Fund represents a portion of Customer Volume Revenues from the 7.0% surcharge included in the Customer volume rate to fund administration services. This contribution is being decreased by $40,000 due to the acquisition of DCFWSD #8A and #11A (Customer entities) by the Mustang Special Utility District (Member entity) for FY 2026.
  - FY 2024 (Actuals) and FY 2025 (Estimates) totals combine contributions to system reserves that are included in rates and charges, along with transfers to reserves from excess working capital identified from the prior fiscal year's operations.

ALLOCATED EXPENSES

- Allocation of Administration Fund expenses to the Regional Treated Water System operations.
- Allocation of Information Technology Fund expenses to the Regional Treated Water System operations.
- This allocation reflects 46.5% of the adopted Maintenance Fund budget.

ACCOMPLISHMENTS FOR FY 2024-2025

✓ Ensure the consistent delivery of safe, reliable, and great-tasting drinking water.

- *Scott Moore, Jarrod Stevens, Joe Thompson, Mark Long, Dustin Clark, Brian Kelm, Brad Rebhan, Ben Hodges, Jody Zabolio, and Tim Brazil were inducted into the Texas Water Utilities Association "Double A Club". This designation recognizes staff who have achieved the highest levels of licensure in both Wastewater and Water, competency, and demonstrates field expertise. Since 1923, fewer than 600 professionals in Texas have been inducted, underscoring the rarity of this distinction. Their achievement reflects not only personal mastery of complex water and wastewater treatment processes, but also the District's culture of technical excellence, regulatory compliance, and operational reliability.*
- *Across Operations and Maintenance, 65 licensed staff members hold a total of 78 licenses. Of this group, 18.9% hold Double A licenses, 21.9% hold dual licenses, and 59.4% hold a single license. Overall, 48.7% are licensed at the A level, 23.1% at the B level, and 28.2% at the C level. This depth of licensure is extraordinary - - few organizations in the industry can match it, particularly the high percentage of A-level and Double A credentials.*
- *Within the Water Division, staff hold 39 licenses, with 56.4% at the A level, 23.1% at the B level, and 25.6% at the C level.*
- *The National Robert O. Vernon Membrane Plant Operator of the Year Award was presented to Jarrod Stevens (Senior Operator), but in truth, this recognition belongs to the entire Harpool WTP team. Winning this national award two years in a row speaks volumes not just about having one of the top membrane facilities in the country, but about the staff who make it possible.*
- *The District continued its focus on building a strong culture that unites staff to work more efficiently as a team by tapping into the collective intelligence of all employees, we can operate lean while sustaining high standards of quality and productivity. This cultural commitment positions the District to meet future challenges with resilience and innovation, while strengthening our reputation as an employer of choice that attracts and retains the best talent in the industry. In turn, this ensures we uphold public trust by protecting public health and the environment.*
- *The Operations group began a High School Internship program in FY 2025 to bring exposure to our industry and to help with future employment recruitment. This ongoing program began in our NE operations group and will be expanded to the Taylor and Lakeview systems in the future.*
- *Operations staff are preparing for future opportunities by exploring emerging digital tools, including artificial intelligence and machine learning. These systems are being considered as decision-support tools to help staff make faster, more informed choices. Such innovations support our evolution toward the future, to enhance efficiency, optimize system performance, reduce reliance on additional staffing, and deliver significant long-term cost savings, all while strengthening resilience, ensuring reliability, and keeping the District ahead of evolving regulatory standards. All evaluations are being conducted with strict attention to cybersecurity, data protection, to ensure any adoption is safe, secure, and fully aligned with District protocols. Together, these efforts position the District as a leader in forward-thinking utility operations.*
- *The District's Operations staff utilize advanced technologies and comprehensive monitoring programs to ensure the safety and quality of finished water. Routine daily, monthly, and semi-annual testing confirms that the water consistently meets or exceeds the stringent drinking water standards established by the U.S. Environmental Protection Agency (EPA) and the Texas Commission on Environmental Quality (TCEQ).*
- *Both the Taylor and Harpool Water Treatment Plants operate under a combined TCEQ-approved surface water monitoring plan. The TCEQ Surface Water Monitoring Plan ensures that all required testing is performed in accordance with regulatory standards and provides transparency regarding the methods used to meet or exceed all state and federal water quality requirements. Updates*

were made to the monitoring plan in 2025 to comply with TCEQ regulations. All the Districts regulatory required water quality testing results are publicly available through the TCEQ Drinking Water Watch website, reinforcing the District's commitment to accountability and public trust.

- *Continually confirm that laboratory testing, both in-house and contracted, follow EPA or TCEQ required testing and calibration guidelines and methods.*
- *Operations began a study in FY 2025 to determine feasibility of an internal lab to serve the 6 district treatment facilities, Lake Ralph Hall, and external members/customers.*
- *Maintained compliance and performance during challenging events such as construction shutdowns, plant improvements, and high demand on the water system.*
- *Construction of the Leon Hurse Dam for Lake Ralph Hall continued during FY 2025, with expected completion by 2026. Construction of the associated raw water pump station, raw water pipeline, and balancing reservoirs is well underway with estimated completion in FY 2026.*
- *The District continues to coordinate and provide data to assist the Region C Water Planning Group in its preparation of future Region C Water Plans, while monitoring 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 these sources.*
- *Continued exploring other sources of raw water including developed and undeveloped raw water sources.*
- *Continued partnership with Texas Parks and Wildlife Department that includes the Harpool Emergency Storage Lake in the statewide zebra mussel testing and monitoring program.*
- *Continued updating federally mandated District Emergency Response Plan for all Upper Trinity facilities with completion expected in FY 2026.*
- *Taylor Plant High Service Pump Station and Stonehill Pump Station Pumping Improvements and RTWS Hydraulic and Resiliency projects have been completed, while the construction of the Southwest Pump Station and storage facility is underway.*
- *Design of the Taylor Plant Expansion project to increase plant capacity from 70.0mgd to 85.0mgd is complete, with construction of Phase 3A and 3B of the expansion is underway.*
- *The Taylor Plant Operations Team completed the TCEQ required pilot testing of the plate settlers to be used for uprating the sedimentation basins for plant expansion. This included completion of 30-day testing sequences for two different overflow rates and producing an artificial turbidity spike to meet testing protocol requirements.*
- *A new operator position was added for FY 2026 to begin in preparation for meeting an increased workload when the expansion of the Taylor Plant and addition of another major pump station has been constructed.*
- *NE Night shift added staffing in FY 2025 to allow for night shift operations and oversite of the Peninsula WRF.*
- *Utilizing our Specific Energy Program at Stonehill provided real time feedback on pump performance utilizing digital twin technology, allowing staff to meet the operational goal of running these pumps at their preferred operating range of 95% or greater during their run time.*
- *The Taylor Plant Operations team took part in the educational campaign "Give a Drip" that was designed by our Water Resources and Communications Departments. The plant manager also was filmed for a video presentation of a tour of Taylor Plant to help with educations outreach initiatives.*
- *The Harpool Phase II Expansion is underway, with construction of the new 6-MG clear well currently in progress. The full expansion will double plant capacity from 30 MGD to 60 MGD and include a new pump station to serve the North Pressure Plane.*
- *Construction has begun on the parallel pipeline to Celina, which will increase delivery capacity, strengthen system reliability, and provide critical support for meeting future growth demands.*

- *In March 2025, the Harpool Operations and Maintenance Team completed the annual full-scale condition audit of all membrane filtration units. This proactive and strategically coordinated effort has kept unscheduled membrane maintenance and downtime near zero. By identifying early signs of wear, optimizing cleaning intervals, and validating system performance, the team is extending asset life, minimizing risk of service disruptions, and avoiding significant unplanned repair costs. This disciplined approach safeguards long-term capital investment while ensuring continuous, reliable water delivery.*
- *The Harpool Operations Team has continued an ongoing water quality monitoring program for manganese. In addition, the team conducts enhanced laboratory analyses, including jar testing, to optimize coagulant feed rates. This approach not only minimizes manganese impacts but also lowers overall operating costs while ensuring improved finished water quality and aesthetics for customers.*
- *Construction of the Harpool Diurnal Pond was completed and has already provided significant benefits during periods of high peak demand. By stabilizing flows and improving source water quality, the pond is extending the life of the membranes and enhancing overall treatment performance. These improvements reduce chemical demand, lower long-term maintenance costs, and help avoid premature membrane replacement delivering both operational and financial value to the District and its customers while ensuring consistent, high-quality water for customers even during peak demand conditions.*
- *Completed repairs to the Harpool Emergency Raw Water Storage Lake for damage caused by erosion in FY 2025.*
- *The District recently formed a dedicated Safety Committee with representatives from every department. This team has been instrumental in proactively identifying and addressing safety concerns, implementing solutions, and strengthening our overall safety culture. Their efforts were recognized this year when UTRWD received the prestigious Bob Batchelor Safety Award from the Texas Water Utilities Association.*

✓ Minimize the impact of water treatment costs to offset water rate increases.

- *The District has continued a data analysis program to ensure efficient and effective use of our raw water resources. Our goal is to utilize the most cost-effective source water while carefully planning, ensuring we remain within our annual water allocation limits.*
- *Reuse program modifications and updates were implemented during FY 2025 increasing available reuse thus reducing raw water costs.*
- *Reuse permit amendment application for Chapman Lake to add additional WRF's to the permit was approved by TCEQ in March 2025. This increased the available daily reuse thus lowering our purchase of raw water from other sources. Lake Ralph Hall reuse permit has been submitted to TCEQ in FY 2025 for review and approval.*
- *Taylor Plant GAC filter media level measurements and other filter testing to determine backwash efficiency and underdrain integrity are performed several times per year. Results of this testing indicate that removal of degraded media and replacement (topping off) of GAC media to return all filters to full level was critical to ensure compliance with our acceptation approval from TCEQ for high-rate filtration, and to ensure our filters could maintain their rated flows to allow the plant to meet peak flow demands. GAC skimming and addition on all 10 existing filters was completed in Spring 2025.*
- *Completed numerous repairs and modifications to Stonehill High Service Pumps to provide more efficient pumping of finished water to customers.*
- *Numerous other projects are underway to provide redundancy and more efficient delivery of water to customers, including a large scale RTWS transmission system leak detection program to establish a pipeline testing schedule over the course of the next several years.*

- *Maintained 100% billing meter accuracy for the 8th consecutive year.*
- *The very successful Operations/Maintenance cross-training program for new staff members continued in 2025 with plans to expand this program in 2026.*
- *The District's Transmission and Collection System's preventive maintenance program has had another successful year. This program is allowing our staff to quickly identify and address problems before they become emergencies. In most of our system, all pipeline appurtenances are easily identified and all easements easily navigable. The goal for FY 2026 is to get the remaining small portion of the water system to be 100% accessible and easy to navigate.*
- *Continued to maintain and expand spare parts inventory of key operational equipment at all facilities.*
- *Continued with hydraulic modeling and long-range flow projections, the District continues to develop transmission system improvements and treatment plant needs to facilitate CIP planning.*
- *The Harpool team has been diligently optimizing coagulant dosages through comprehensive jar testing and data analysis. Our goal is to consistently deliver the highest quality water at the most cost-effective rate.*
- *Harpool has continued exploring ways to optimize the membrane cleaning process, which lowers chemical costs, extends the membrane's lifespan, and reduces the time the filter is out of service for cleaning.*
- *We continue to invest in our employees by providing high level training opportunities and encouraging them to join national organizations to further their education. As a result, their enhanced expertise leads to smarter solutions and innovative ideas that generate cost savings for the district and customers.*

✓ Maintain security/safety of systems and resources.

- *Numerous cameras are installed throughout the District to improve site security. Plans for FY 2026 are to initiate a security upgrade project that includes housing data on local servers at each treatment or other critical facility. This will allow us to capture video footage of the entire facility that will help with operational performance and site security.*
- *Upgrades to the SCADA system platform that unifies the design and function of SCADA for all District plants are ongoing.*
- *Additional security / SCADA has been installed allowing for increased monitoring of all District treatment plants.*
- *Last year, operations data and records—including meter readings and laboratory test results—were fully migrated to a SQL Server with redundancy. This upgrade enhances data integrity and security for both historical and current records while maintaining a high degree of usability. By centralizing and securing data, the District has reduced manual recordkeeping, lowered long-term storage and retrieval costs, and improved staff efficiency—delivering ongoing operational reliability and cost savings. In addition, this migration establishes a stronger foundation for advanced analytics and reporting, enabling predictive maintenance, demand forecasting, and more data-driven decision-making moving forward.*
- *The operations team began exploring solutions for a primary operational data visualization and analyzation tool in FY 2025. Implementation and upgrading of this system are planned for FY 2026.*
- *Data Management User-Interface is underway to aid in the ease and accuracy of data capture.*
- *Harpool operations group continues to optimize its historical data to be migrated to SQL server. This process has allowed for the creation of multiple weekly and monthly data reports for raw water flows, electrical usage, customer flows and Lake Jim Chapman raw water storage to help optimize every component of treatment operations and the executive leadership team with water system management decision making.*

- *Completed required 5-year EPA mandated updates of the Districts Emergency Response Plan in FY 2025 to include all system and facility improvements and upgrades.*

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HOUSEHOLD HAZARDOUS WASTE

The District is committed to providing safe and efficient collection, transportation, and disposal of household hazardous materials from our members and customers.

MISSION

Our mission is to safely collect and properly dispose of hazardous household waste (chemicals, paint, cleaning agents, batteries, etc.) from residents within Upper Trinity's service area, and to educate citizens about the potential threat these materials pose to our water sources.

GOALS AND OBJECTIVES

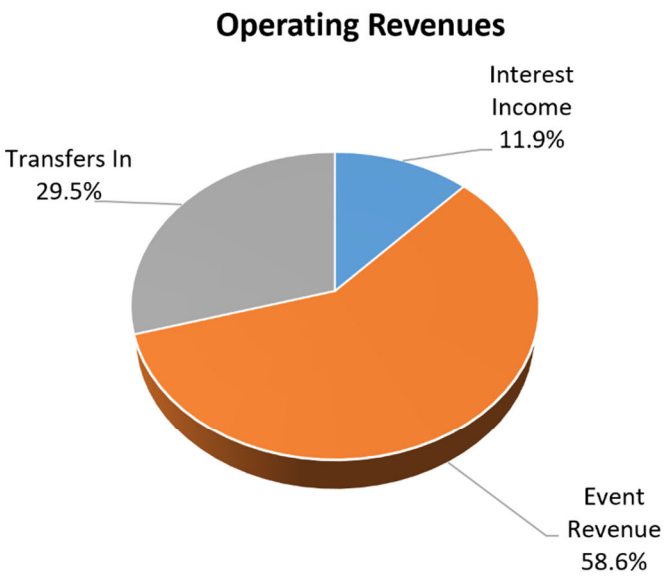
- Promote Customer participation in the District's Household Hazardous Waste Collection Program (HHW Program).
  - Promote area wide collection events instead of individual events, when possible, to improve efficiency and reduce costs.
  - Provide current HHW information on the District's website, including additional information on paint disposal.
  - Update the District's Board of Directors annually about the HHW program.
  - Host at least 2 mobile collection events next year.
- 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.

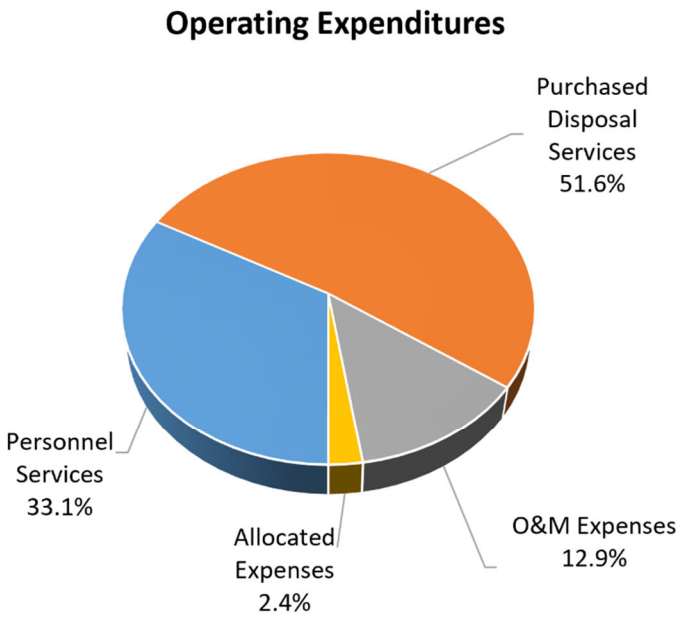
PERFORMANCE MEASUREMENTS

Work Element	Measure	FY 2024 Actuals	FY 2025 Estimates	FY 2026 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.	95%	100%	100%

BUDGET SUMMARY

	FY 2024 Actuals	FY 2025 Adopted	FY 2025 Estimates	FY 2026 Adopted
Beginning Balance (Operating Cash)	**$ 132,603**	**$ 127,393**	**$ 131,454**	**$ 119,144**
Transfer to Operations	$ (9,000)	$ (10,000)	$ (12,500)	$ (12,500)
Beginning Balance (Operating Cash) Revised	**$ 123,603**	**$ 117,393**	**$ 118,954**	**$ 106,644**
Operating Revenue				
Event Revenue	$ 34,298	$ 22,330	$ 43,605	$ 24,880
Interest Income	6,397	6,250	4,750	5,040
Transfers In - Working Capital	9,000	10,000	12,500	12,500
Total Operating Revenue	**$ 49,695**	**$ 38,580**	**$ 60,855**	**$ 42,420**
Operating Expense				
Personnel Services	$ 9,759	$ 11,725	$ 17,470	$ 13,610
Purchased Disposal Service	23,750	16,150	31,635	21,250
O&M Expenses	3,335	4,835	6,560	5,290
Allocated Expenses:				
Administration Fund	5,000	5,000	5,000	1,000
Total Operating Expense	**$ 41,844**	**$ 37,710**	**$ 60,665**	**$ 41,150**
Ending Balance (Operating Cash)	**$ 131,454**	**$ 118,263**	**$ 119,144**	**$ 107,914**





SUMMARY OF MAJOR CHANGES

HOUSEHOLDS

Entity	FY 2025 Budget	FY 2026 Budget
Cross Roads	40 households	40 households
Denton County	125 households	125 households
District Vouchers	5 households	5 households
Total	**170 households**	**170 households**

RATE STRUCTURE

	FY 2025 Budget	Adopted FY 2026 Budget
Collection Events & Disposal	$132 / household	$147 / household
Ft. Worth Voucher	$110 / household	$125 / household
Event Voucher	$132 / household	$147 / household

*minimum 25 households per event

REVENUES

- A Transfer In ($12,500) is being made from working capital of the Household Hazardous Waste program in lieu of a larger increase to the Collection Events and Event Vouchers rates.
- Two participating members indicate they plan to hold events during the fiscal year.
- Interest income is representative of current market conditions.

EXPENSES

OPERATING EXPENSES

- The adopted budget includes funding for staffing the HHW events.
- The Environmental Disposal Fee from the City of Fort Worth reflects a 31.58% increase ($30) from the FY 2025 fee of $95 to yield a $125 cost per voucher fee for FY 2026.

ALLOCATED EXPENSES

- Allocation of Administration Fund expenses to operations is set at $1,000 per year.

ACCOMPLISHMENTS FOR FY 2024-2025

- ✓ Continue voucher program.
  - *Processed 5 Fort Worth voucher participants.*
- ✓ Hold at least 2 mobile events each fiscal year.
  - *Hosted 5 mobile events, with 262 households participating. A total of 22,365 lbs. of household hazardous waste was collected at these mobile events.*
- ✓ 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.*

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OTHER FUNDS / RESERVES

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 reserves for various District needs.

Each operating fund (system) includes its own group of Reserves in which transfers in and out are made to offset certain non-routine expenditures (O&M Reserve) or to accumulate funds for the replacement of certain assets.

OPERATIONS AND MAINTENANCE RESERVE

To account for contributions from a system based on a portion of the total variable charge per 1,000 gallons of water delivered or wastewater treated. The District's requirement is to fund this reserve to yield 25.0% 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 reserve until the reserve has reached the 25.0% 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

To account for contributions from a system based on a portion of the total 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 that will accumulate over time to fund a portion of the future replacement of District infrastructure (i.e., pipelines, plants, lift stations, pump stations).

RAW WATER HOLDING POND DREDGING RESERVE

This reserve is 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 reserve will be used to periodically remove silt at the District's raw water holding ponds to increase their storage capacity.

WATERSHED PROTECTION PROGRAM

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 reserve 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

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 reserve are used to promote water conservation initiatives.

FUTURE WATER PROGRAM

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 reserve are used for future water initiatives.

Lake Ralph Hall Reserve
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.

Lake Ralph Hall Reservoir Operating Reserve
To account for deposits for the purchase of various assets to be used in the operation of Lake Ralph Hall, rather than using debt instruments to purchase these assets once the Lake has been placed into operation and open to the public.

Northeast Contribution Reserve
To account for deposits made by District participants (Fresh Water Supply Districts #8A and #11A, Elm Ridge WCID, 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
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 is found only in the RTWS.

Non-Bond Capital Reserve
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
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 Fee Reserve
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 and #11A, Elm Ridge WCID, and Providence. Funds received from Mustang Special Utility District were transferred to the Peninsula Construction Cash Reserve in FY 2020 to be used as a contribution source for the expansion of the Peninsula Water Reclamation Plant. This fee is no longer collected from Mustang SUD per contract amendment. These funds are used at the discretion of the District for various needs.

Vehicle and Equipment Replacement Reserve
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. At the District's discretion, this reserve may be used for the purchase of new vehicles and equipment.

Property Insurance Deductible Reserve
To accumulate funds to meet insurance deductible requirements in the event of a claim. This was established in April 2025 due to increasing the deductible amount for all property related claims to reduce insurance premium expenses.

Self-Insurance Reserve

To account for funds set aside for partially self-funded health insurance liabilities. The District pays medical claims throughout the year up to an established stop-loss amount which is set as a maximum per contract with the District's carrier. At year end, dollars remaining in the fund are shown in the individual system funds which together account for all cash on-hand in the District's bank account.

Upper Trinity Conservation Trust Fund (The Trust)

Initially funded in FY 2011 with seed money transferred from the Project Development Fund and the Watershed Protection Program. 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., landowners, 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. The Trust is a component unit of the District and is accounted for as a discretely presented component unit in the District's Annual Comprehensive Financial Report.

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OPERATING AND MAINTENANCE RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 8,718,231	$ 9,423,341	$ 9,415,123	$ 9,881,573
REVENUES				
Transfer In - Operations	278,000	-	100,000	590,000
Interest Income	418,892	409,915	366,450	385,000
TOTAL REVENUES	**$ 696,892**	**$ 409,915**	**$ 466,450**	**$ 975,000**
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**
ENDING CASH BALANCE 9/30	**$ 9,415,123**	**$ 9,833,256**	**$ 9,881,573**	**$ 10,856,573**

FY 2026 Ending Balance increase of $1,023,317 is due to transferring excess working capital of $100,000 (from FY 2024 operations) to this reserve in FY 2025 and the FY 2026 contribution of $590,000.

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CAPITAL REPLACEMENT RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 10,711,568	$ 12,588,948	$ 12,671,142	$ 14,785,662
REVENUES				
Transfers In				
Operations	1,959,574	1,965,745	2,074,885	2,159,560
Northeast Regional Water Reclamation System				
Doe Branch Construction Cash Reserve	-	-	39,635	-
TOTAL REVENUES	**$ 1,959,574**	**$ 1,965,745**	**$ 2,114,520**	**$ 2,159,560**
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**
ENDING CASH BALANCE 9/30	**$ 12,671,142**	**$ 14,554,693**	**$ 14,785,662**	**$ 16,945,222**

FY 2026 Ending Balance increase of $2,390,529 is a result of reflecting FY 2026 transactions for this reserve. Additionally, FY 2025 flows were higher than originally projected, therefore increasing the FY 2025 contribution amount by $109,140.

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RAW WATER HOLDING POND DREDGING RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 2,821,208	$ 3,112,918	$ 3,120,833	$ 3,317,158
Transfer to Operations				$ (2,518,750)
BEGINNING CASH BALANCE Revised				**$ 798,408**
REVENUES				
Transfers In				
Operations	163,298	163,810	172,905	359,925
Working Capital	-	-	-	2,518,750
Interest Income	136,327	111,410	123,420	21,325
TOTAL REVENUES	**$ 299,625**	**$ 275,220**	**$ 296,325**	**$ 2,900,000**
EXPENDITURES				
Transfer Out - Operations	-	-	100,000	2,900,000
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ 100,000**	**$ 2,900,000**
ENDING CASH BALANCE 9/30	**$ 3,120,833**	**$ 3,388,138**	**$ 3,317,158**	**$ 798,408**

FY 2026 Ending Balance decrease of $2,589,730 is due to the projected use of $3,000,000 for the Harpool pond dredging project.

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WATERSHED PROTECTION PROGRAM

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 349,322	$ 325,717	$ 386,282	$ 371,707
Transfer to Operations			$ (14,575)	$ (25,750)
BEGINNING CASH BALANCE Revised			**$ 371,707**	**$ 345,957**
REVENUES				
Transfers In				
Operations	326,596	327,625	345,815	359,925
Upper Trinity Conservation Trust	7,500	-	-	-
Working Capital	-	-	14,575	25,750
TOTAL REVENUES	**$ 334,096**	**$ 327,625**	**$ 360,390**	**$ 385,675**
EXPENDITURES				
Personnel Services	87,173	90,000	116,400	115,000
Administrative	8,665	8,675	8,030	8,675
Program Expenses (Public Information)				
Public Information	3,049	5,000	1,000	8,000
Media Campaigns	128,406	125,000	165,000	165,000
Watershed Signs	-	2,000	-	2,000
Program Expenses (Public Outreach)				
Public Information				
Texas Parks and Wildlife				
Zebra Mussels	5,000	5,000	5,000	5,000
Festivals	603	2,000	500	2,000
Sponsorships	-	7,500	-	7,500
Furniture & Equipment	15,000	-	-	-
Professional Services				
USGS Monitoring Program	19,560	19,500	20,160	19,500
Greenbelt Plan Implementation	-	15,000	-	15,000
Water Quality Monitoring	-	5,000	5,000	5,000
Other Outside Services	132	-	6,300	-
Overhead Allocation	4,548	7,000	8,000	8,000
Transfer Out - Upper Trinity				
Conservation Trust	25,000	25,000	25,000	25,000
TOTAL EXPENDITURES	**$ 297,136**	**$ 316,675**	**$ 360,390**	**$ 385,675**
ENDING CASH BALANCE 9/30	**$ 386,282**	**$ 336,667**	**$ 371,707**	**$ 345,957**

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WATER CONSERVATION PROGRAM

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget	
BEGINNING CASH BALANCE 10/01	$ 211,704	$ 176,599	$ 234,593	$ 699,733	
Transfer to Operations		$ (80,050)			
BEGINNING CASH BALANCE Revised		**$ 96,549**			
REVENUES					
Transfers In					
Operations	326,596	327,625	830,640	539,890	
Working Capital	-	80,050	-	-	
TOTAL REVENUES	**$ 326,596**	**$ 407,675**	**$ 830,640**	**$ 539,890**	
EXPENDITURES					
Personnel Services	81,962	180,000	120,000	150,000	
Administrative	8,471	5,675	12,000	7,500	
Program Expenses	208,626	213,000	225,000	343,000	*
Overhead Allocation	4,648	9,000	8,500	9,000	
TOTAL EXPENDITURES	**$ 303,707**	**$ 407,675**	**$ 365,500**	**$ 509,500**	
ENDING CASH BALANCE 9/30	**$ 234,593**	**$ 96,549**	**$ 699,733**	**$ 730,123**	

FY 2026 Ending Balance increase of $633,574 is due primarily to the transfer of excess FY 2024 working capital of $484,825 in FY 2025 and an increase of $0.01 / 1,000 gallons (from $0.02 to $0.03) in the contribution rate for FY 2026.

*** - FY 2026 Program Expenses**

Water My Yard	
Annual Renewal of AgriLife	$ 5,500
Weather Station Maintenance	5,000
Media Campaigns	275,000
Public Information	35,000
Public Outreach	
Sponsorships	3,000
Festivals	3,000
School Outreach Program	7,500
Regional Symposium	3,000
GreenPros Program	1,000
Industrial, Commercial, & Institutional Audit Program	5,000
Total	$ 343,000

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FUTURE WATER PROGRAM

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 608,113	$ 583,058	$ 611,492	$ 911,307
Transfer to Operations		$ (287,375)		$ (315,075)
BEGINNING CASH BALANCE Revised		**$ 295,683**		**$ 596,232**
REVENUES				
Transfers In				
Operations	326,596	327,625	995,815	359,925
Working Capital	-	287,375	-	315,075
TOTAL REVENUES	**$ 326,596**	**$ 615,000**	**$ 995,815**	**$ 675,000**
EXPENDITURES				
Personnel Services	42,959	45,000	66,000	85,000
Administrative	15,001	25,000	15,000	25,000
Professional Services	259,373	350,000	300,000	550,000
Overhead Expenses	5,884	15,000	15,000	15,000
Transfer Out - Construction Cash Reserve	-	180,000	300,000	-
TOTAL EXPENDITURES	**$ 323,217**	**$ 615,000**	**$ 696,000**	**$ 675,000**
ENDING CASH BALANCE 9/30	**$ 611,492**	**$ 295,683**	**$ 911,307**	**$ 596,232**

FY 2026 Ending Balance increase of $300,549 is due to is due to transferring excess working capital of $650,000 (from FY 2024 operations) to this reserve in FY 2025, offset by the transfer out to RTWS Construction Cash used to fund the Greater Texoma Utility Authority Regional Water Study.

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LAKE RALPH HALL RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 24,011,847	$ 27,386,812	$ 27,284,594	$ 35,867,374
REVENUES				
Transfer In - Operations	2,000,000	-	7,500,000	-
Interest Income	1,272,747	1,117,385	1,082,780	1,107,225
TOTAL REVENUES	**$ 3,272,747**	**$ 1,117,385**	**$ 8,582,780**	**$ 1,107,225**
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**
ENDING CASH BALANCE 9/30	**$ 27,284,594**	**$ 28,504,197**	**$ 35,867,374**	**$ 36,974,599**

FY 2026 Ending Balance increase of $8,470,402 is due primarily to the transfer of excess FY 2024 working capital of $7,500,000 in FY 2025 and interest earnings projected for FY 2026.

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LAKE RALPH HALL RESERVOIR OPERATING RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ -	$ 3,069,030	$ 3,069,694	$ 6,265,989
REVENUES				
Transfer In - Operations	3,000,000	-	3,000,000	719,855
Interest Income	69,694	130,435	196,295	212,500
TOTAL REVENUES	**$ 3,069,694**	**$ 130,435**	**$ 3,196,295**	**$ 932,355**
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**
ENDING CASH BALANCE 9/30	**$ 3,069,694**	**$ 3,199,465**	**$ 6,265,989**	**$ 7,198,344**

FY 2026 Ending Balance increase of $3,998,879 is due primarily to the transfer of excess FY 2024 working capital of $3,000,000 in FY 2025 and interest earnings and contributions projected for FY 2026.

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NORTHEAST CONTRIBUTION RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 573,893	$ 573,893	$ 573,893	$ 610,008
REVENUES				
Transfer In - Northeast Regional Water Reclamation System Doe Branch Construction Cash Reserve	$ -	$ -	$ 36,115	$ -
TOTAL REVENUES	**$ -**	**$ -**	**$ 36,115**	**$ -**
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**
ENDING CASH BALANCE 9/30	**$ 573,893**	**$ 573,893**	**$ 610,008**	**$ 610,008**

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GAS LEASE RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 689,134	$ 721,829	$ 721,750	$ 790,895
REVENUES				
Transfer In - Northeast Regional Water Reclamation System Doe Branch Construction Cash Reserve	-	-	40,435	-
Interest Income	32,616	30,680	28,710	32,850
TOTAL REVENUES	**$ 32,616**	**$ 30,680**	**$ 69,145**	**$ 32,850**
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**
ENDING CASH BALANCE 9/30	**$ 721,750**	**$ 752,509**	**$ 790,895**	**$ 823,745**

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NON-BOND CAPITAL RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 15,908,017	$ 17,780,172	$ 17,890,418	$ 13,018,958
Transfer to Operations		$ (9,193,220)	$ (4,871,460)	$ (7,779,820)
BEGINNING CASH BALANCE Revised		**$ 8,586,952**	**$ 13,018,958**	**$ 5,239,138**
REVENUES				
Deposit - TxDOT Reimbursement for Projects	90,314	-	1,168,680	-
Transfers In				
Regional Treated Water System				
Operations	3,500,000	-	3,900,355	-
Working Capital	-	9,193,220	4,871,460	7,779,820
Northeast Regional Water Reclamation System				
Doe Branch Construction Cash Reserve	-	-	2,230	-
Interest Income	887,403	282,435	725,320	428,550
TOTAL REVENUES	**$ 4,477,717**	**$ 9,475,655**	**$ 10,668,045**	**$ 8,208,370**
EXPENDITURES				
Transfers Out				
Regional Treated Water System				
Operations	-	-	-	120,000
Construction Cash Reserve	2,495,316	9,475,655	10,668,045 *	7,688,370
Peninsula Water Reclamation Plant				
Construction Cash Reserve (Loan)	-	-	-	400,000
TOTAL EXPENDITURES	**$ 2,495,316**	**$ 9,475,655**	**$ 10,668,045**	**$ 8,208,370**
ENDING CASH BALANCE 9/30	**$ 17,890,418**	**$ 8,586,952**	**$ 13,018,958**	**$ 5,239,138**

FY 2026 Ending Balance decrease of $3,347,814 is largely due to funding CIP projects for FY 2026, offset by TxDOT reimbursements and the transfer of excess working capital of $3,500,000 in FY 2025. FY 2026 funding for RTWS capital projects are as follows: $663,000 - Operations Remote Communications Improvement Project (519C), $242,005 - RTWS System Hydraulic Modeling (515B), $300,000 - Solids Management Planning Study (515P), $200,000 - 802 Kealy Annex Parking Lot Improvements (515J), $800,000 - Temple Dane Pump Station Improvements (512T), $150,000 - Laboratory Facility Feasibility Study (51VQ), $10,000 - Roadway Improvements Coordination Adjustments (513W), $5,000 - Lewisville Lake / USACE Dam Coordination (51W3), $150,000 - Restore / Relocate Sanger Water Pipeline (516A), $66,445 - U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project (51T7), $2,000,000 - TxDOT / IH-35 Project (51TN), $1,500,000 - TxDOT / IH-35W and FM 407 Project (51TA), $299,165 - Relocation / TxDOT FM 2931 Project (51TB), $1,169,385 - Relocation / TxDOT FM 1385 Project (51TG), and $133,370 (of $150,000 shown in CIP Budget) - Contingency Improvements (51WI).

* Amount also contains expenditures: $32,195 - SCADA System Improvements - Wonderware (519Q), $50,000 - Relocation / TxDOT US Hwy 380 Project (Denton County) (51T8), $1,607,930 - 802 Kealy Phase 2 Improvements (51W4), and $425,120 - RTWS Alignment Study (515C). These projects are expected to be completed in FY 2025 and are not shown on the accompanying 5-Year list of capital improvements projects.

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OPERATING AND MAINTENANCE RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 1,035,177	$ 1,135,177	$ 1,135,308	$ 1,230,208
REVENUES				
Transfer In - Operations	50,000	-	50,000	-
Interest Income	50,131	36,895	44,900	45,650
TOTAL REVENUES	**$ 100,131**	**$ 36,895**	**$ 94,900**	**$ 45,650**
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**
ENDING CASH BALANCE 9/30	**$ 1,135,308**	**$ 1,172,072**	**$ 1,230,208**	**$ 1,275,858**

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CAPITAL REPLACEMENT RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 1,256,907	$ 1,455,042	$ 1,455,650	$ 1,623,380
REVENUES				
Transfer In - Operations	198,743	171,785	167,730	171,785
TOTAL REVENUES	**$ 198,743**	**$ 171,785**	**$ 167,730**	**$ 171,785**
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**
ENDING CASH BALANCE 9/30	**$ 1,455,650**	**$ 1,626,827**	**$ 1,623,380**	**$ 1,795,165**

FY 2026 Ending Balance increase of $168,338 is mainly due to FY 2026 contributions of $171,785.

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NON-BOND CAPITAL RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 8,277,065	$ 7,798,335	$ 9,423,965	$ 7,655,070
Transfer to Operations		$ (6,617,935)	$ (1,768,895)	$ (2,622,240)
BEGINNING CASH BALANCE Revised		**$ 1,180,400**	**$ 7,655,070**	**$ 5,032,830**
REVENUES				
Transfers In				
Operations	1,256,385	200,000	1,167,205	200,000
Working Capital	-	6,617,935	1,768,895	2,622,240
Interest Income	469,891	202,760	395,980	232,715
TOTAL REVENUES	**$ 1,726,276**	**$ 7,020,695**	**$ 3,332,080**	**$ 3,054,955**
EXPENDITURES				
Transfers Out				
Operations	-	-	-	150,000
Construction Cash Reserve	391,385	7,020,695	3,332,080	2,904,955
Project Development Fund	187,991	-	-	-
TOTAL EXPENDITURES	**$ 579,376**	**$ 7,020,695**	**$ 3,332,080**	**$ 3,054,955**
ENDING CASH BALANCE 9/30	**$ 9,423,965**	**$ 1,180,400**	**$ 7,655,070**	**$ 5,032,830**

FY 2026 Ending Balance increase of $3,852,430 is largely due to a shift in the timeline for the Plant Expansion, Phase 3 project, offset by funding the following LRWRS capital projects: $500,000 - Plant Expansion, Phase 3 (51L2), $54,955 - System Interceptor and Odor Control Improvements (513B), $2,300,000 - Lift Station Improvements (5179), and $50,000 - Contingency Improvements (51LM).

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PLANT PERMITTING RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 22,000	$ 26,000	$ 28,000	$ 36,000
REVENUES				
Transfer In - Operations	6,000	8,000	8,000	10,000
TOTAL REVENUES	**$ 6,000**	**$ 8,000**	**$ 8,000**	**$ 10,000**
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**
ENDING CASH BALANCE 9/30	**$ 28,000**	**$ 34,000**	**$ 36,000**	**$ 46,000**

FY 2026 Ending Balance increase of $12,000 is due to the accumulation of funds for the next renewal of the Texas Pollutant Discharge Elimination System permit anticipated to begin in FY 2028.

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OPERATING AND MAINTENANCE RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 30,267	$ 31,712	$ 31,699	$ 32,919
REVENUES				
Interest Income	1,432	1,200	1,220	1,200
TOTAL REVENUES	**$ 1,432**	**$ 1,200**	**$ 1,220**	**$ 1,200**
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**
ENDING CASH BALANCE 9/30	**$ 31,699**	**$ 32,912**	**$ 32,919**	**$ 34,119**

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CAPITAL REPLACEMENT RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 381,060	$ 410,535	$ 410,535	$ 440,010
REVENUES				
Transfer In - 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	**$ 410,535**	**$ 440,010**	**$ 440,010**	**$ 469,485**

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NON-BOND CAPITAL RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 489,799	$ 576,244	$ 575,699	$ 621,369
REVENUES				
Transfer In - Operations	80,350	25,000	41,535	25,000
Interest Income	5,550	5,000	4,135	4,430
TOTAL REVENUES	**$ 85,900**	**$ 30,000**	**$ 45,670**	**$ 29,430**
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**
ENDING CASH BALANCE 9/30	**$ 575,699**	**$ 606,244**	**$ 621,369**	**$ 650,799**

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OPERATING AND MAINTENANCE RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 1,760,388	$ 2,072,978	$ 2,094,099	$ 2,637,539
REVENUES				
Transfer In - Operations	248,718	115,000	460,905	-
Interest Income	84,993	71,110	82,535	82,500
TOTAL REVENUES	**$ 333,711**	**$ 186,110**	**$ 543,440**	**$ 82,500**
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**
ENDING CASH BALANCE 9/30	**$ 2,094,099**	**$ 2,259,088**	**$ 2,637,539**	**$ 2,720,039**

FY 2026 Ending Cash increase of $460,951 is mainly due to the Excess Flow Surcharge of $310,905 in FY 2025.

Back to TOC

CAPITAL REPLACEMENT RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 309,834	$ 451,714	$ 456,723	$ 611,003
REVENUES				
Transfer In - Operations	146,889	156,585	154,280	163,335
TOTAL REVENUES	**$ 146,889**	**$ 156,585**	**$ 154,280**	**$ 163,335**
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**
ENDING CASH BALANCE 9/30	**$ 456,723**	**$ 608,299**	**$ 611,003**	**$ 774,338**

FY 2026 Ending Cash increase of $166,039 is due to FY 2026 contribution based on $0.05 / 1,000 gallons of annual treatment flows.

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NON-BOND CAPITAL RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 1,310,058	$ 3,899,033	$ 4,056,934	$ 5,396,924
Transfer to Operations				$ (760,830)
BEGINNING CASH BALANCE Revised				**$ 4,636,094**
REVENUES				
Deposits				
TxDOT Reimbursement - US Hwy 380 Projects (51B8 and 51R8)	1,332,191	-	-	-
Transfers In				
Operations	1,379,818	62,635	1,524,295	65,335
Working Capital	-	-	-	760,830
Doe Branch Plant Construction Cash Reserve	-	826,830	-	826,830
Interest Income	150,640	120,600	199,920	137,005
TOTAL REVENUES	**$ 2,862,649**	**$ 1,010,065**	**$ 1,724,215**	**$ 1,790,000**
EXPENDITURES				
Transfers Out				
Operations	-	-	-	270,000
Riverbend Plant Construction Cash Reserve	-	-	-	760,000
Doe Branch Plant Construction Cash Reserve	115,773	150,000	384,225 *	760,000
TOTAL EXPENDITURES	**$ 115,773**	**$ 150,000**	**$ 384,225**	**$ 1,790,000**
ENDING CASH BALANCE 9/30	**$ 4,056,934**	**$ 4,759,098**	**$ 5,396,924**	**$ 4,636,094**

* Amount contains expenditures: $384,225 - Relocation / TxDOT US Hwy 380 Project (51B8). This project is to be completed by the end of FY 2025 and is not shown on the 5-Year list of capital improvement projects in the CIP Funds section of the budget document for the Northeast Regional Water Reclamation System.

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PLANT PERMITTING RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 76,202	$ 78,177	$ 78,174	$ 97,174
Transfer to Operations				$ (25,000)
BEGINNING CASH BALANCE Revised				**$ 72,174**
REVENUES				
Transfers In				
Operations	19,000	19,000	19,000	15,000
Working Capital	-	-	-	25,000
TOTAL REVENUES	**$ 19,000**	**$ 19,000**	**$ 19,000**	**$ 40,000**
EXPENDITURES				
Transfer Out - Doe Branch Plant				
Construction Cash Reserve	17,028	-	-	40,000
TOTAL EXPENDITURES	**$ 17,028**	**$ -**	**$ -**	**$ 40,000**
ENDING CASH BALANCE 9/30	**$ 78,174**	**$ 97,177**	**$ 97,174**	**$ 72,174**

FY 2026 Ending Balance decrease of $25,003 is due to the transfer out to the Doe Branch Plant Construction Cash Reserve for the renewal of the Texas Pollutant Discharge Elimination System (TPDES) for the Doe Branch Plant beginning in FY 2026.

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BUILDING ACTIVITY FEE RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 328,605	$ 332,755	$ 336,955	$ 341,205
REVENUES				
Deposit - Building Activity Fees	8,350	4,250	4,250	4,250
TOTAL REVENUES	**$ 8,350**	**$ 4,250**	**$ 4,250**	**$ 4,250**
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**
ENDING CASH BALANCE 9/30	**$ 336,955**	**$ 337,005**	**$ 341,205**	**$ 345,455**

Back to TOC

OPERATING AND MAINTENANCE RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 359,350	$ 483,525	$ 483,531	$ 537,936
REVENUES				
Transfer In - Operations	105,000	-	35,000	-
Interest Income	19,181	18,495	19,405	19,200
TOTAL REVENUES	**$ 124,181**	**$ 18,495**	**$ 54,405**	**$ 19,200**
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**
ENDING CASH BALANCE 9/30	**$ 483,531**	**$ 502,020**	**$ 537,936**	**$ 557,136**

FY 2026 Ending Balance increase of $55,116 is due to the transfer of excess FY 2024 working capital of $35,000 in FY 2025 and interest earnings projected for FY 2026.

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CAPITAL REPLACEMENT RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 140,320	$ 163,460	$ 163,976	$ 211,956
REVENUES				
Transfer In - Operations	23,656	47,450	47,980	51,100
TOTAL REVENUES	**$ 23,656**	**$ 47,450**	**$ 47,980**	**$ 51,100**
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**
ENDING CASH BALANCE 9/30	**$ 163,976**	**$ 210,910**	**$ 211,956**	**$ 263,056**

FY 2026 Ending Balance increase of $52,146 is largely due to the FY 2026 contribution amount of $51,100.

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NON-BOND CAPITAL RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 976,654	$ 1,227,024	$ 1,287,478	$ 1,961,393
Transfer to Operations		$ (940,885)		$ (1,790,665)
BEGINNING CASH BALANCE Revised		**$ 286,139**		**$ 170,728**
REVENUES				
Transfers In				
Operations	252,123	47,450	605,050	51,100
Working Capital	-	940,885	-	1,790,665
Interest Income	58,701	11,665	68,865	18,235
TOTAL REVENUES	**$ 310,824**	**$ 1,000,000**	**$ 673,915**	**$ 1,860,000**
EXPENDITURES				
Transfer Out - Construction Cash Reserve	-	1,000,000	-	1,860,000
TOTAL EXPENDITURES	**$ -**	**$ 1,000,000**	**$ -**	**$ 1,860,000**
ENDING CASH BALANCE 9/30	**$ 1,287,478**	**$ 286,139**	**$ 1,961,393**	**$ 170,728**

FY 2026 Ending Balance decrease of $115,411 is primarily due to funding the Clarifier Rehabilitation project (51N4).

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PLANT PERMITTING RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 28,575	$ 40,575	$ 40,575	$ 52,575
Transfer to Operations				$ (28,000)
BEGINNING CASH BALANCE Revised				**$ 24,575**
REVENUES				
Transfers In				
Operations	12,000	12,000	12,000	12,000
Working Capital	-	-	-	28,000
TOTAL REVENUES	**$ 12,000**	**$ 12,000**	**$ 12,000**	**$ 40,000**
EXPENDITURES				
Transfer Out - Construction Cash Reserve	-	-	-	40,000
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ 40,000**
ENDING CASH BALANCE 9/30	**$ 40,575**	**$ 52,575**	**$ 52,575**	**$ 24,575**

FY 2026 Ending Balance decrease of $28,000 is due to the renewal of the Texas Pollutant Discharge Elimination System (TPDES) permit beginning in FY 2026.

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VEHICLE AND EQUIPMENT REPLACEMENT RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 3,367,479	$ 1,705,139	$ 2,014,846	$ 3,306,116
Transfer to Operations	$ (1,352,633)			
BEGINNING CASH BALANCE Revised	**$ 2,014,846**			
REVENUES				
Transfers In				
RTWS Operations	203,085	380,445	865,270	389,430
Lakeview Operations	36,765	121,985	221,985	128,285
NERWRS Operations	54,860	202,790	452,790	219,945
Peninsula Operations	18,995	52,225	152,225	66,110
Working Capital	1,352,633	-	-	-
	$ 1,666,338	**$ 757,445**	**$ 1,692,270**	**$ 803,770**
EXPENDITURES				
Lease Vehicles	1,666,338	-	-	-
Maintenance Crane Truck (New)	-	-	276,000	-
PCA Truck (New)	-	50,000	50,000	-
Electrician Truck (New)	-	75,000	75,000	-
TOTAL EXPENDITURES	**$ 1,666,338**	**$ 125,000**	**$ 401,000**	**$ -**
ENDING CASH BALANCE 9/30	**$ 2,014,846**	**$ 2,337,584**	**$ 3,306,116**	**$ 4,109,886**

FY 2026 Ending Balance increase of $1,772,302 is primarily due to the transfer of excess FY 2024 working capital in FY 2025 and contributions projected for FY 2026.

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PROPERTY INSURANCE DEDUCTIBLE RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ -	$ -	$ -	$ 100,000
REVENUES				
Transfers In				
Administration Operations	-	-	4,020	-
RTWS Operations	-	-	56,215	-
Lakeview Operations	-	-	11,160	-
NPWS Operations	-	-	255	-
NERWRS Operations	-	-	22,295	-
Peninsula Operations	-	-	6,055	-
	$ -	**$ -**	**$ 100,000**	**$ -**
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**
ENDING CASH BALANCE 9/30	**$ -**	**$ -**	**$ 100,000**	**$ 100,000**

This Reserve was established in FY 2025 to accumulate funds to meet insurance deductible requirements in the event of a claim. It was funded by the transfer of excess FY 2024 working capital in FY 2025.

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SELF-INSURANCE RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 3,926,339	$ 4,188,224	$ 4,694,236	$ 4,654,226
Transfer to Operations			$ (40,010)	
BEGINNING CASH BALANCE Revised			**$ 4,654,226**	
REVENUES				
Transfers In				
Administration Fund	545,908	574,500	638,355	894,405
NPWS Operations	4,955	6,125	4,960	6,435
RTWS Operations	1,399,737	1,081,435	982,600	1,289,160
Lakeview Operations	359,251	268,370	306,185	376,930
NERWRS Operations	570,302	590,850	604,930	772,530
Peninsula Operations	47,882	112,570	152,485	212,150
Working Capital	-	-	40,010	-
TOTAL REVENUES	**$ 2,928,035**	**$ 2,633,850**	**$ 2,729,525**	**$ 3,551,610**
EXPENDITURES				
Administration Fund	538,925	574,500	643,355	894,405
NPWS Operations	4,335	6,125	5,360	6,435
RTWS Operations	816,918	1,081,435	1,002,600	1,289,160
Lakeview Operations	230,172	268,370	311,185	376,930
NERWRS Operations	477,613	590,850	612,930	772,530
Peninsula Operations	92,175	112,570	154,095	212,150
TOTAL EXPENDITURES	**$ 2,160,138**	**$ 2,633,850**	**$ 2,729,525**	**$ 3,551,610**
ENDING CASH BALANCE 9/30	**$ 4,694,236**	**$ 4,188,224**	**$ 4,654,226**	**$ 4,654,226**

FY 2026 Ending Balance increase of $466,002 is due to lower than anticipated claims payout in FY 2024.

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UPPER TRINITY CONSERVATION TRUST

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 108,007	$ 102,647	$ 117,806	$ 110,441
Transfer to Operations		$ (10,000)	$ (10,000)	$ (14,585)
BEGINNING CASH BALANCE Revised		**$ 92,647**	**$ 107,806**	**$ 95,856**
REVENUES				
Charitable Contributions	3,400	1,500	3,030	1,500
Grants	7,500	-	50,000	-
Endowments	-	-	31,810	-
Watershed Partners Program	3,775	3,875	3,925	3,875
Transfers In				
Regional Treated Water System				
Watershed Protection Program	25,000	25,000	25,000	25,000
Working Capital	-	10,000	10,000	14,585
Interest Income	1,174	1,200	935	1,080
TOTAL REVENUES	**$ 40,849**	**$ 41,575**	**$ 124,700**	**$ 46,040**
EXPENDITURES				
Personnel Services	17,038	20,000	23,055	22,915
Administrative	2,849	5,425	5,005	8,625
Grant Program	-	10,000	10,000	10,000
Professional Services	3,663	4,000	20,670	4,000
Contribution to Stewardship Reserve	-	-	62,835	-
Contribution to Legal Defense Reserve	-	500	500	500
Transfer Out - Regional Treated Water System				
Watershed Protection Program	7,500	-	-	-
TOTAL EXPENDITURES	**$ 31,050**	**$ 39,925**	**$ 122,065**	**$ 46,040**
ENDING CASH BALANCE 9/30	**$ 117,806**	**$ 94,297**	**$ 110,441**	**$ 95,856**

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CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) is a planning and budgeting tool that provides information about the Upper Trinity Regional Water District's infrastructure needs. It identifies requirements for sustaining, restoring, modernizing, and expanding the facilities that support water supply, treatment / delivery, and wastewater collection / treatment. It also prioritizes and schedules projects for funding and execution through a multi-year plan. Additionally, the District's Board of Directors conduct weighted votes for expenditure of funds throughout the fiscal year for capital improvement projects.

District staff utilize several sources for the development of the annual CIP budget. These include, but are not limited to:

- Annual Member / Customer surveys.
- North Central Texas Council of Governments (NCTCOG) data.
- Texas Water Development Board State Plan (Region C Water Planning Group).
- Engineering studies for improving / upgrading District operations.
- Population / Demographics / Housing starts data.
- Monthly meetings between District Engineering, Operations, and Business staff for planning, development, and on-going maintenance of the annual CIP budget.

The FY 2026 CIP supports the following systems / plants:

- Regional Treated Water System
- Non-Potable Water System
- Lakeview Regional Water Reclamation System
- Northeast Regional Water Reclamation System (Riverbend and Doe Branch Plants)
- Peninsula Water Reclamation Plant

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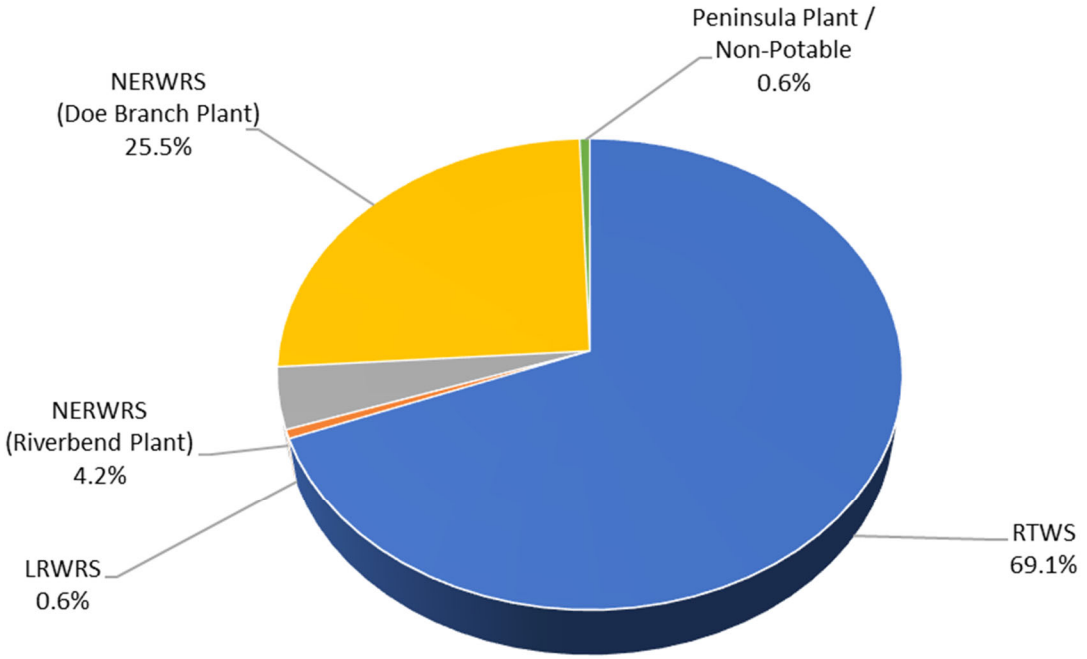
BUDGETED EXPENDITURES

The District's FY 2026 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 2026 is $475,878,980. This budget amount is $12,206,940 (2.5%) lower than the prior year capital budget of $488,085,920, due to the anticipated completion of various segments of the Lake Ralph Hall project, offset by ramping up construction on the Harpool, Taylor, and Doe Branch Plant expansion projects.

The graph below shows the FY 2026 Budgeted Capital expenditures by system.



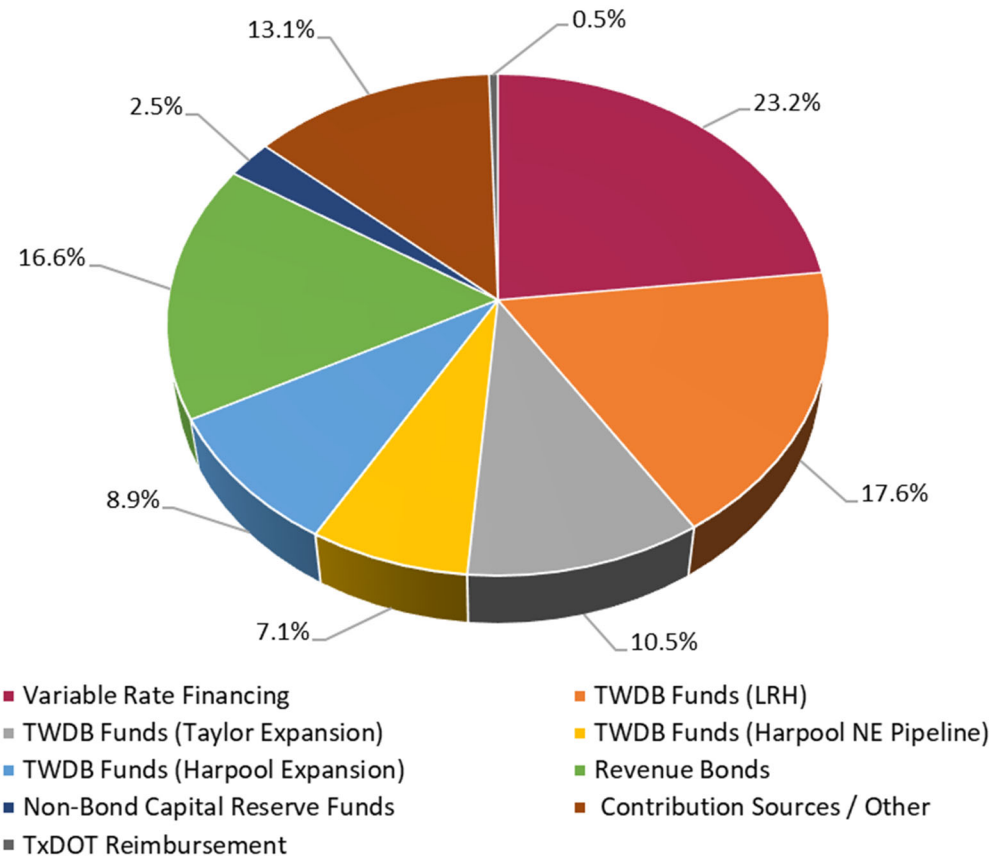
FUNDING

Funding for capital projects falls primarily into four general categories:

- Revenue Bonds (considered Senior Lien Debt)
- Texas Water Development Board (TWDB) Funding consists of:
  - State Water Implementation Fund for Texas (SWIFT) Deferred Interest and Subsidized Interest Loans (considered Senior Lien Debt)
  - Board Participation / State Participation Funding (considered Junior Lien Debt),
- Variable Rate Financing (considered Junior Lien Debt), and
- Internally generated capital funds (Non-Bond Capital Reserves).

Other funding methods include use of rate revenues / cash from operations, as well as contributions from District participants and customers.

When the District's operating systems were initially established, participating entities agreed to contracts that would assure the District a stable and dependable source of revenue to cover each entity's proportionate share for the cost of administration and planning, along with the costs of operating, maintaining, and financing each project. In addition, the District has entered into contractual agreements with certain Fresh Water Supply Districts (FWSDs) and others, to provide initial funding of infrastructure costs for portions of the District's Northeast Regional Water Reclamation System and the Peninsula Plant. 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.



Construction Cash Reserves

Construction Cash Reserves are utilized 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 in FY 2026 is from the use of TWDB Board Participation funds (RTWS Only). Treated Water and Water Reclamation System Revenue Bonds are specifically issued for improvements and are repaid from the operating revenue generated by water and water reclamation sales. Other sources of construction funding are variable rate financing, revenue bonds, reserves, and contributions from developers and District participants. Interest earned on these funds is retained in this reserve and is subject to Internal Revenue Service arbitrage rules, except for reserves and contributions from developers and participants.

Allocation of Debt Service and Effect on District Operating Budget

A project detail sheet is included for each capital project with funding for FY 2026. This detail sheet includes a project description, the annual project expenditures (by category) and its annual funding sources. In addition, for those capital projects placed into service between FY 2026 and FY 2030 that will affect 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 Variable Rate Financing, 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 variable rate financing was used to fund 10 projects, each of those projects would be assigned a portion of the total annual expense related to the use of variable rate financing (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 each system's operating budget, is also included.

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ENGINEERING

The District is committed to providing engineering services for the provision and transportation of safe, adequate, efficient, and reliable raw and finished water, collection of wastewater flows, 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 for 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 years (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.
    - 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 awarded.

PERFORMANCE MEASUREMENTS

Work Element	Measure	Goal Type	FY 2024 Actuals	FY 2025 Estimates	FY 2026 Target
Projects completed within Construction and Engineering estimates	Percent variation in cost estimates	Organizational Financial	-10%	+/- 10%	+/- 10%
Change orders processed on completed construction projects	Percent variation on completed construction project amounts	Organizational Financial	1%	+/- 10%	+/- 10%
Construction contract awards approved by the Board	Number of contracts awarded	Organizational Financial Partnerships	16	6	6
Construction contracts accepted by Board as complete	Number of contracts accepted	Organizational Financial Partnerships	7	4	4
Right of way parcels acquired	Number of parcels acquired	Organizational Financial Partnerships	LRH=8 Other=24	LRH=5 Other=35	LRH=5 Other=5
Right of way parcels acquired according to budget and construction timelines	Percent of properties acquired on time and within budget	Organizational Financial Partnerships	100.0%	100.0%	> 90.0%

PERSONNEL SUMMARY

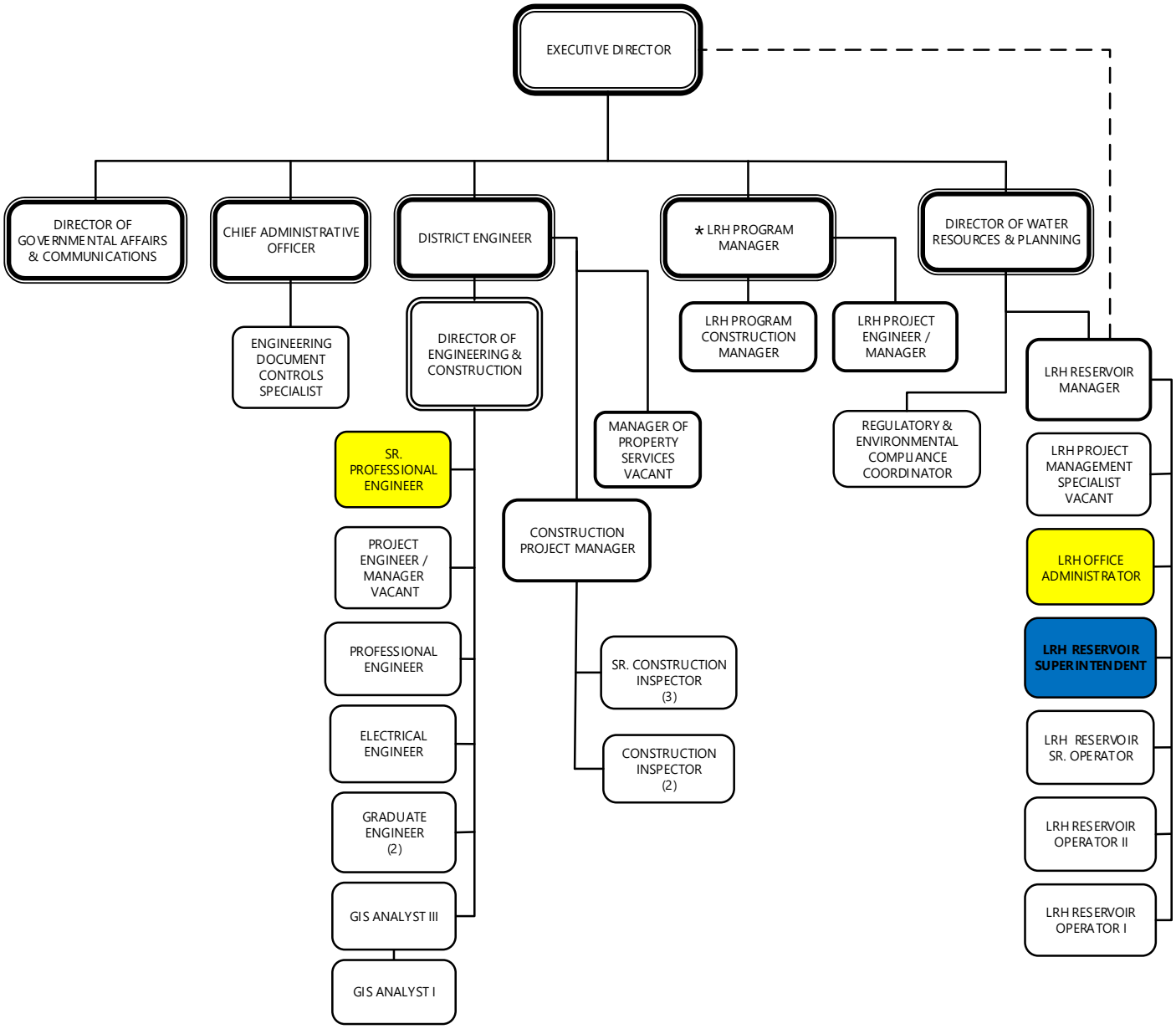
ENGINEERING POSITIONS

Positions	FY 2024 Actuals	FY 2025 Budget	FY 2025 Revised	FY 2026 Budget
Executive Director	.25	.15	.15	.15
District Engineer	0	.90	.90	1
Director of Engineering & Construction	.90	.90	.90	1
Director of Special Projects & System Optimization	.90	0	0	0
Deputy Director of Engineering & Construction	.90	0	0	0
Director of Gov. Affairs / Communication	0	.10	.10	.10
Manager of Gov. Affairs / Communication	.25	0	0	0
Senior Professional Engineer	0	0	0	1
Project Engineer / Manager	0	2.70	2.70	1
Electrical Engineer	.40	.40	.40	.40
Project Engineer	1.80	0	0	0
Professional Engineer	0	0	0	1
Graduate Engineer	1.80	1.80	1.80	2
GIS Analyst	.90	.90	.90	1.10
Manager of Property Services	.90	.90	.90	.90
Construction Project Manager	.90	.90	.90	1
Senior Construction Inspector	.90	.90	.90	3
Construction Inspector	2.70	2.70	3.70	2
Engineering Documents Control Specialist	.90	.90	.90	1
Total FTEs	**14.40**	**14.15**	**15.15**	**16.65**

LAKE RALPH HALL POSITIONS

Positions	FY 2024 Actuals	FY 2025 Budget	FY 2025 Revised	FY 2026 Budget
Executive Director	0	.10	.10	.10
Director of Water Resources & Planning	0	.80	.80	.80
Assistant Director of Operations - Water Resources	.80	0	0	0
LRH Program Manager	.80	.80	.80	.80
LRH Reservoir Manager	0	0	1	1
LRH Program Construction Manager	1	1	1	1
LRH Project Engineer / Manager	1	1	1	1
LRH Transmission Operator	0	1	1	0
LRH Construction Inspector	1	0	0	0
LRH Reservoir Superintendent	0	0	0	1
LRH Reservoir Senior Operator	0	0	0	1
LRH Reservoir Operator	0	0	1	2
Senior Maintenance Mechanic	1	1	1	0
LRH Project Management Specialist	.50	.50	.50	1
Regulatory & Environmental Compliance Coordinator	.85	.85	.85	.85
LRH Office Administrator	0	0	0	1
LRH Accounting Specialist	1	1	1	0
Total FTEs	**7.95**	**8.05**	**10.05**	**11.55**

ORGANIZATIONAL CHART



**** PART-TIME POSITIONS***

BUDGET SUMMARY

	FY 2024 Actuals	FY 2025 Adopted	FY 2025 Estimates	FY 2026 Adopted
Beginning Balance	$ -	$ -	$ -	$ -
Operating Expense				
Personnel Services	$ 3,361,107	$ 3,297,000	$ 3,550,010	$ 4,808,585
Total Operating Expense	**$ 3,361,107**	**$ 3,297,000**	**$ 3,550,010**	**$ 4,808,585**
Transfer to Capital Projects	(1,444,988)	(2,052,130)	(1,530,780)	(2,813,090)
Transfer to Lake Ralph Hall Project	(1,916,119)	(1,244,870)	(2,019,230)	(1,995,495)
Ending Balance	$ -	$ -	$ -	$ -

PERSONNEL SERVICES

The Engineering Division's staff-time (Non-Lake Ralph Hall) is allocated to all capital projects, while Administrative and O&M Expenses is included in the Administration Fund budget. Subsequently, 97.0% 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 Division's expenses would become a revenue requirement and, thus, funded via Rates and Charges from Operating Systems.

The increase in Personnel Services is driven by an adjustment in the allocation of certain personnel to the Engineering fund as well as additional positions for the Lake Ralph Hall project in preparation for its completion. At Mid-Year FY 2025, 3 positions were added: a Construction Inspector, LRH Reservoir Manager and a LRH Reservoir Operator II. The FY 2026 Adopted Budget includes funding for 1 new position, a LRH Reservoir Superintendent. Lake Ralph Hall (LRH) staff-time is fully assigned to this capital project which entered the Construction phase in FY 2022.

TRANSFER TO CAPITAL PROJECTS

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.

TRANSFER TO LAKE RALPH HALL PROJECT

As the Lake Ralph Hall project progressed, dedicated staff became necessary to meet the demands of the project. These associated costs represent the Transfer to Lake Ralph Hall. Staffing has increased in anticipation of the Lake becoming operational in early FY 2027.

ACCOMPLISHMENTS FOR FY 2024-2025

✓ 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 rehabilitations and expansions to existing facilities, as well as providing for new facilities when necessary to meet the needs of the District's customers / participants. This program is updated frequently throughout the year with adjustments presented to the District's Board of Directors (for approval) in April (mid-year) and in September (for budget adoption).*

✓ 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 are provided to the Board on 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 are identified.*

✓ Strive to make substantial progress and / or complete capital improvement projects.

- *Regional Treated Water System*
  - *Lake Ralph Hall is well into year four of construction with progress visible on many fronts. The Leon Hurse Dam is 77% complete, transitioning to Phase 3 began in October 2025. The Roadway Relocations and Bridges are complete and have been accepted by TxDOT. Likewise utility relocations are complete. Construction has progressed on the Raw Water Pump Station (92% complete) and the Raw Water Pipeline (88% complete). The Mitigation Contractor is almost complete with construction and will transition into the monitoring phase early next year. The reservoir clearing is complete on the east side of the lake and clearing on the west side is 58% complete. The new Fossil Park is almost complete and expected to open to the public at the beginning of 2016. The Boat Ramps and Grading will begin construction before the end of 2025. The Visitor Center and Lake Administration Building is under design with construction expected to begin in early 2026.*
  - *Completed a study to coordinate future RTWS pipeline extensions, determining the preferred pipeline alignment and other necessary improvements.*
  - *Participated in a joint study with Greater Texoma Utility Authority, along with North Municipal Water District to evaluate the current and future water demands of the cities, towns, and utilities being served by those regional agencies to determine the feasibility of implementing a new treated water system to serve these areas.*

  - *Planned and coordinated with the Texas Department of Transportation's US Hwy 380 project for the relocation of water pipelines due to roadway improvements.*
  - *Completed the second phase remodel of 802 Annex building, including a new clear-story section of the roof, a new training center, installing a storefront door system, and adding new exterior siding material for north side of building.*

- *Lakeview Regional Water Reclamation System*
  - *Significant progress was made on Plant Expansion Phase 3, including key improvements such as alleviating hydraulic bottle necks by upsizing the secondary clarifier effluent piping and rehabilitation of the existing effluent filters.*

- *Northeast Regional Water Reclamation System - Riverbend Plant*
  - *Approved 3 amendments to the Construction Manager at Risk contract (shared with Doe Branch) which included long lead electrical equipment and directional drilling for the West Influent Lift Station project.*

- *Northeast Regional Water Reclamation System - Doe Branch Plant*
  - *Approved 3 amendments to the Construction Manager at Risk contract (shared with Riverbend) which included long lead electrical equipment, early site work, aeration basins, facilities, and clarifier equipment for the Doe Branch Expansion, Phase 3 project.*
  - *Coordinated with the Texas Department of Transportation's US Hwy 380 project for the relocation of wastewater pipelines and related facilities due to roadway improvements.*

- *Peninsula Water Reclamation Plant*
  - *A contract was awarded, and construction began to rehabilitate a clarifier at the Peninsula plant.*

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REGIONAL TREATED WATER SYSTEM

The Regional Treated Water System comprises most of the Capital Improvement Program's budgeted expenditures for FY 2026. As shown in the five-year capital improvement program, the FY 2026 adopted capital budget for the Regional Treated Water System is $328,748,795; a decrease of $60,320,565 from the previous year adopted capital budget of $389,069,360. This decrease is primarily due to the anticipated completion of certain components of the overall Lake Ralph Hall project.

FY 2026 funding consists of the following:

Funding Sources	FY 2026 Budget
Variable Rate Financing	$110,412,205
TWDB Funds (Lake Ralph Hall)	$83,873,260
TWDB Funds (Taylor Plant Expansion)	$50,000,000
TWDB Funds (Harpool Northeast Transmission Pipeline)	$33,809,560
TWDB Funds (Harpool Plant Expansion)	$42,600,000
Non-Bond Capital Reserve Funds (net of TxDOT Reimbursements)	$5,424,050
Contribution Sources	$348,770
Growth Program Funds	$16,630
TxDOT Reimbursements	$2,264,320

CURRENT PROJECTS

Southwest Pump Station, Phase 1 – 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, funding is needed to complete construction of ground storage tanks and a pump station. This project will also include a screening wall and fence to provide a barrier for a nearby subdivision.

- FY 2026 Budget: $17,849,330
- Funding Source: Variable Rate Financing

Lake Ralph Hall – 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, located in Fannin County in the Sulphur River Basin, will provide the District with approximately 35.0 mgd of raw water. In February 2020, the District received the coveted Section 404 Clean Water Act permit from the U.S. Corps of Engineers. This was the final permit needed to begin construction on the Lake. In FY 2021, construction began on segments of the proposed Lake Ralph Hall and associated transmission pipelines. For FY 2026, funding provides for continued design / engineering and construction of various components of the proposed Lake Ralph Hall reservoir, including the Leon Hurse Dam (projected to be substantially

complete by September 2026), roadways, raw water pump station and pipelines, mitigation, cultural resources, and support facilities.

- FY 2026 Budget: $103,862,130
- Funding Sources: Variable Rate Financing, present and anticipated TWDB Board Participation Funds

RTWS General Treatment and Pumping Improvements – Due to continued increases to demand for treated water from the District's customer base, funding is needed to continue design / engineering for a multi-year project for the upgrade and improvement of several components of this plant that include additional / new pumps and electrical equipment at the Raw Water Intake Structure, Taylor RWTP, and Stone Hill Pump Station. This project also includes a second point of delivery and metering station in Providence Village.

- FY 2026 Budget: $2,000,000
- Funding Sources: Variable Rate Financing, annual reimbursement from Providence Village at $348,770

Thomas E. Taylor WTP Expansion, Phase 3 (from 70.0 to 85.0 MGD) – Due to increased demand for treated water from the District's customer base, funding is needed for continued design / engineering and construction for a multi-year project providing improvements to filters basins, settled water bypass, pumps, electrical, Lewisville Lake Intake Pump Station Improvements, Raw Water Pipeline and Meter Vault, Flocculation and Sedimentation Basins, Backwash Supply Tank Fill Pump Station, Backwash Recovery Basin and Recycle Pump Station, Onsite Sodium Hypochlorite Generation, Sodium Hydroxide and Liquid Ammonium Sulfate, Ozone System Expansion, Replacement and Ozone Injection Improvements, and Electrical Service Upgrades and Backup Generators.

- FY 2026 Budget: $60,000,000
- Funding Sources: Variable Rate Financing, TWDB Board Participation Funds

Thomas E. Taylor WTP Expansion, Phase 4 (from 85.0 to 120.0 MGD) – Funding provided for initial design / engineering to expand the treatment capacity for the Taylor Regional Water Treatment Plant from 85.0 to approximately 120.0 MGD to meet projected future member / customer demands.

- FY 2026 Budget: $1,000,000
- Funding Source: Variable Rate Financing

Lewisville Lake Raw Water Pump Station Improvements – Due to the age of this pump station, upgrades to electrical, pumping, and other critical components of the Lake Lewisville raw water intake pump station are necessary. Funding is provided to continue design / engineering and construction of this multi-year project.

- FY 2026 Budget: $4,269,575
- Funding Source: Variable Rate Financing

Lewisville Lake Parallel Raw Water Pipeline – Funding provided for initial planning and design activities to construct a parallel pipeline from the Lewisville Lake Raw Water Intake to provide additional quantities of raw water that is necessary to expand the Taylor Plant.

- FY 2026 Budget: $150,000
- Funding Source: Variable Rate Financing

RTWS Pump Station Improvement Projects – Funding needed for initial design / engineering that will improve / upgrade the pumping capacity and instrumentation of the RTWS pump stations, northeast of Lewisville Lake, to provide increased pressure and improved distribution of treated water for customers / members in the northeast service area. Improvements are required to increase pumping capacity to meet TCEQ requirements and customer demands.

- FY 2026 Budget: $2,000,000
- Funding Source: Variable Rate Financing

RTWS Meter Vault and Other Hydraulic Improvements – Based on results of the system Hydraulic Study, funding is provided for initial design / engineering for improvements to increase hydraulic efficiencies throughout the Regional Treated Water System and will include upsizing pipelines, appurtenances, vaults, and other delivery facilities.

- FY 2026 Budget: $1,000,000
- Funding Source: Variable Rate Financing

Harpool RWTP Phased Treatment Expansion, Phase 1 – Due to projected population growth in the northeast service area, funding is provided to complete a phased expansion of the Harpool Regional Water Treatment Plant to include expanded administration, maintenance, and water treatment facilities, increasing plant capacity to 30.0 mgd.

- FY 2026 Budget: $1,000,000
- Funding Source: Variable Rate Financing

Harpool RWTP Phased Treatment Expansion, Phase 2 – As service area population continues to increase, funding is provided to continue phase 2 of the Harpool Regional Water Treatment Plant expansion. This expansion will increase plant capacity by 30.0 mgd, leading to a total of 60.0 mgd at the plant.

- FY 2026 Budget: $83,400,000
- Funding Sources: Variable Rate Financing, TWDB Board Participation Funds

Lake Ralph Hall Terminal Storage – Funding provides for the District's participation in design / engineering for the future construction of the Lake Ralph Hall Terminal Storage Pond that will serve the Harpool Regional Water Treatment Plant as a secondary raw water storage source.

- FY 2026 Budget: $734,000
- Funding Source: Variable Rate Financing

Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2 – Due to increasing population growth and treated water demand from the City of Celina and other customers around this area, funding is provided to continue with design / engineering activities, purchasing rights-of-way / easements, and construction for the future 36” diameter water transmission pipeline extending northeast from the Harpool Water Treatment Plant to a future secondary point of delivery in this area.

- FY 2026 Budget: $23,746,080
- Funding Sources: Variable Rate Financing, TWDB Board Participation Funds

Harpool RWTP Northeast Transmission Pipeline, Phase 3 – Funding provided to complete an alignment study and purchase required rights-of-way, continue engineering, and begin construction of the next phase of treated water pipelines generally to connect Aubrey to the Regional Treated Water System.

- FY 2026 Budget: $15,000,000
- Funding Sources: Variable Rate Financing, TWDB Board Participation Funds

Harpool RWTP Northeast Transmission Pipeline, Phase 4 – Funding provided for initial design / engineering for the future construction of a finished water pipeline required to increase pipeline capacity to existing customers and members.

- FY 2026 Budget: $2,000,000
- Funding Source: Variable Rate Financing

RTWS Southwest Transmission Pipelines, Phase 4 – Funding provided to continue design and engineering for the future construction of a phased treated water transmission pipeline extending west from the Southwest Pump Station to serve members and customers.

- FY 2026 Budget: $450,000
- Funding Source: Variable Rate Financing

RTWS Phase 1C Parallel Pipeline – Funding provides for initial planning and design / engineering for the future construction of a treated water pipeline that generally parallels the existing phase 1C pipeline to increase delivery capacity to existing System participants.

- FY 2026 Budget: $1,000,000
- Funding Source: Variable Rate Financing

Celina 2nd Point of Delivery – Funding provided for continued design / engineering and to begin construction of a second point of delivery with metering facilities to provide additional treated water to the City of Celina.

- FY 2026 Budget: $1,377,680
- Funding Source: Variable Rate Financing

Shady Shores Rd Improvements – Denton County Roadway Project – Funding for coordination with Denton County and Shady Shores to include conflict analysis, design and construction on conflict resolutions.

- FY 2026 Budget: $205,000
- Funding Source: Variable Rate Financing

Operations Remote Communications Improvement Project – Funding provided to complete upgrades and improvements to all District remote site communication equipment including PLCs, water and wastewater metering sites, and points of entry and delivery. Upon completion, each District system will reimburse the RTWS Non-Bond Capital Reserve for their share of project costs.

- FY 2026 Budget: $663,000
- Funding Source: Non-Bond Capital Reserve Funds

RTWS System Hydraulic Modeling – Funding provided to complete the Regional Treated Water System hydraulic model update to allow for system evaluation and future planning.

- FY 2026 Budget: $242,005
- Funding Source: Non-Bond Capital Reserve Funds

Solids Management Planning Study – Funding for a study to develop cost effective solids management strategies for effectively handling, storing, and disposing of water and water reclamation treatment process waste.

- FY 2026 Budget: $300,000
- Funding Source: Non-Bond Capital Reserve Funds

802 Kealy Annex Parking Lot Improvements – Funding provides for initial planning and design for improvements to existing parking areas and construction of additional parking at the 802 Kealy Annex Building.

- FY 2026 Budget: $200,000
- Funding Source: Non-Bond Capital Reserve Funds

Temple Dane Pump Station Improvements – Funding provides for the District's participation in a joint project with Mustang SUD to complete construction of a two million gallon ground storage tank, with associated improvements, at the jointly owned Temple Dane Pump Station.

- FY 2026 Budget: $800,000
- Funding Source: Non-Bond Capital Reserve Funds

Laboratory Facility Feasibility Study – Funding for a study to determine the feasibility of a UTRWD owned and operated NELAC (National Environmental Laboratories Accreditation Conference) Laboratory facility to internally serve all six District treatment facilities, including the Lake Ralph Hall reservoir, and the Watershed Protection Program's sampling requirements.

- FY 2026 Budget: $150,000
- Funding Source: Non-Bond Capital Reserve Funds

Roadway Improvements Coordination Adjustments – Funding provided to continue coordination activities with other public entities to identify potential conflicts between proposed roadway improvements and District facilities. (Does not include funding for modifications to District facilities)

- FY 2026 Budget: $10,000
- Funding Source: Non-Bond Capital Reserve Funds

Lewisville Lake / USACE Dam Coordination – Funding provided to continue coordination activities with the U.S. Army Corps of Engineers (USACE) on utility relocations, including engineering / design and construction activities, for the District's water pipelines located in the vicinity of the Lewisville Lake Dam.

- FY 2026 Budget: $5,000
- Funding Source: Non-Bond Capital Reserve Funds

Restore / Relocate Portion of Sanger Water Pipeline – Funding provides for the completion of design and construction activities to relocate a portion of a pipeline that crosses under a drainage channel with severe erosion.

- FY 2026 Budget: $150,000
- Funding Source: Non-Bond Capital Reserve Funds

U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project – To complete appurtenances adjustments for the Southwest Pipeline as a result of TxDOT's widening project along U.S. Hwy 377 from FM 1171 to Country Club Road in Flower Mound, Texas. Upon completion, the District will be reimbursed by the Texas Department of Transportation for project costs.

- FY 2026 Budget: $66,445
- Funding Sources: Non-Bond Capital Reserve Funds, TxDOT reimbursement

TxDOT / IH-35 Project – Funding provided for the completion of engineering and construction to relocated District pipelines for the TxDOT's IH-35 widening project from Milam Road in Denton, TX north to Cowling Road in Sanger, Texas. Approximately 70% of project costs are reimbursable by TxDOT.

- FY 2026 Budget: $2,000,000
- Funding Sources: Non-Bond Capital Reserve Funds, TxDOT reimbursement

TxDOT / IH-35W and FM 407 Project – Funding provides for coordination / construction of pipeline modifications due to Texas Department of Transportation's widening projects along IH-35 and FM 407. 40% of project costs are anticipated to be reimbursable by the Texas Department of Transportation.

- FY 2026 Budget: $1,500,000
- Funding Sources: Non-Bond Capital Reserve Funds, TxDOT reimbursement

Relocation / TxDOT FM 2931 Project – Funding provides for coordination and if necessary, pipeline modifications / relocation, due to the Texas Department of Transportation's widening projects along FM 2931.

- FY 2026 Budget: $299,165
- Funding Source: Non-Bond Capital Reserve Funds

Relocation / TxDOT FM 1385 Project – Funding provides for coordination / construction of pipeline modifications / relocation, due to the Texas Department of Transportation's widening projects along FM 1385.

- FY 2026 Budget: $1,169,385
- Funding Source: Non-Bond Capital Reserve Funds

Contingency Improvements – To allow for various projects that may be identified throughout the fiscal year, annual funding of $150,000 is provided through FY 2030 to continue these activities.

- FY 2026 Budget: $150,000
- Funding Sources: Non-Bond Capital Reserve Funds, Growth Program Funds

FUTURE PROJECTS

Pilot Point Pipeline and Point of Delivery – This project is to begin in FY 2028 and entails the eventual construction of a pipeline to deliver treated water to the City of Pilot Point, Texas.

RTWS Northeast Pump Station and Ground Storage Tanks: Construction of new storage tanks for the Regional Treated Water System, northeast of Lewisville Lake, to provide increased pressure and improved distribution of treated water for customers / members in the northeast service area is anticipated to begin in FY 2028.

Harpool Membrane Replacement Project – Replacement of submerged membranes at the Harpool Regional Water Treatment Plant as existing membranes are expected to reach the end of their useful life in FY 2029. These membranes generally need to be replaced every 10-15 years.

Pipeline from Lake Ralph Hall Terminal Storage to the Harpool RWTP – This pipeline will connect the future raw water storage facilities in the Silverado Development area to the Harpool Regional Water Treatment Plant and is anticipated to begin in FY 2027.

Harpool RWTP Northeast Transmission Pipeline, Phase 5 and 6 – Due to customer growth and requirements, two additional phases of the Northeast Transmission Pipeline are necessary to extend the existing pipeline in the northern service area. This path is still preliminary and is anticipated to begin in FY 2029.

RTWS Southwest Transmission Pipelines, Phase 5 – The Southwest Transmission Pipelines will move onto the next phase of future pipeline from the Southwest Pump Station to FM 407 beginning in FY 2029.

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CONSTRUCTION CASH RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates		FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 159,014,302	$ 14,908,312	$ 3,182,136		$ 12,959,531
Transfer to Operations	$ (155,832,166)				
BEGINNING CASH BALANCE Revised	**$ 3,182,136**				
REVENUES					
Variable Rate Financing	74,426,000	97,500,000	103,000,000	*	107,000,000
Texas Water Development Board					
SWIFT Funds					
Board Participation Funds	69,307,940	290,780,290	224,581,925		217,569,775
Transfers In					
CIP Projects Funding - Operations	31,621	-	-		-
Non-Bond Capital Reserve	2,495,316	9,475,655	10,668,045		7,688,370
Growth Program	16,070	16,630	16,630		16,630
Future Water Program	-	180,000	300,000		-
Northeast Regional Water Reclamation System					
Doe Branch Construction Cash Reserve	-	-	286,565		-
Working Capital	155,832,166	-	-		-
Customer Reimbursements	45,000	1,067,520	348,770		348,770
Interest Revenue	6,510,580	2,641,790	5,354,295		1,067,885
TOTAL REVENUES	**$ 308,664,693**	**$ 401,661,885**	**$ 344,556,230**		**$ 333,691,430**
EXPENDITURES					
Construction Improvement Projects	307,350,008	389,069,360	332,441,780	**	328,748,795
Transfer Out - Operations	1,314,685	2,401,795	2,337,055		3,939,785
TOTAL EXPENDITURES	**$ 308,664,693**	**$ 391,471,155**	**$ 334,778,835**		**$ 332,688,580**
ENDING CASH BALANCE 9/30	**$ 3,182,136**	**$ 25,099,042**	**$ 12,959,531**		**$ 13,962,381**

FY 2026 Ending Balance decrease of $11,136,661 is largely due to the transfer of Board Participation escrow funds into Construction Cash.

* Variable Rate Financing draws exceed project financing needs in order to provide a buffer due to the timing of receipt of Board Participation funds.

** Amount also contains expenditures: $32,195 - SCADA System Improvements (519Q), $50,000 - Relocation / TxDOT US Hwy 380 Project (51T8), $1,607,930 - 802 Kealy Phase 2 Improvments (51W4), $425,120 - RTWS Alignment Study (515C), and $260,240 - GTUA Regional Water Utility Study (515D). These projects are expected to be completed in FY 2025 and are not shown on the accompanying 5-Year list of capital improvements projects.

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FY 2026 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2030

Project Acct	Project	Prior Expenditures	Estimates FY 2025	Adopted FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
51WP	Southwest Pump Station, Phase 1 *	$ 9,489,710	$ 17,251,255	$ 17,849,330	$ -	$ -	$ -	$ -	**$ 44,590,295**
51RH	Lake Ralph Hall Project *	621,623,151	242,868,915	103,862,130	59,958,830	12,380,000	1,585,670	-	**1,042,278,696**
5166	Pilot Point Pipeline and Point of Delivery *	4,929	-	-	-	500,000	-	-	**504,929**
519Y	RTWS General Treatment and Pumping Improvements *	29,557,413	6,091,235	2,000,000	1,000,000	-	-	-	**38,648,648**
514R	Thomas E. Taylor WTP Expansion, Phase 3 (from 70.0 to 85.0 MGD) *	8,210,371	35,189,625	60,000,000	50,000,000	21,600,000	-	-	**174,999,996**
519G	Thomas E. Taylor WTP Expansion, Phase 4 (from 85.0 to 120.0 MGD) *	-	-	1,000,000	6,000,000	20,000,000	80,000,000	100,000,000	**207,000,000**
51TP	Lewisville Lake Raw Water Pump Station Improvements	230,421	10,000	4,269,575	990,000	-	-	-	**5,499,996**
511M	Lewisville Lake Parallel Raw Water Pipeline	-	-	150,000	1,500,000	1,500,000	14,500,000	10,000,000	**27,650,000**
511Y	RTWS Pump Station Improvement Projects	-	-	2,000,000	5,000,000	5,000,000	5,000,000	5,000,000	**22,000,000**
512Q	RTWS Meter Vault and Other Hydraulic Improvements	-	-	1,000,000	4,000,000	4,000,000	4,000,000	4,000,000	**17,000,000**
51GT	RTWS Northeast Pump Station and Ground Storage Tanks	-	-	-	-	1,800,000	-	-	**1,800,000**
51HO	Harpool RWTP Phased Treatment Expansion, Phase 1 (from 20.0 to 30.0 MGD)	43,953,266	4,512,980	1,000,000	-	-	-	-	**49,466,246**
512H	Harpool RWTP Phased Treatment Expansion, Phase 2 (from 30.0 to 60.0 MGD) *	3,017,253	10,002,745	83,400,000	76,000,000	65,000,000	18,500,000	4,080,000	**259,999,998**
513M	Harpool Membrane Replacement Project	-	-	-	-	-	5,000,000	8,000,000	**13,000,000**
51HR	Lake Ralph Hall Terminal Storage	677,857	1,015	734,000	-	-	-	-	**1,412,872**
51HP	Pipeline from Lake Ralph Hall Terminal Storage to the Harpool RWTP	1,603,423	-	-	1,600,000	6,470,790	10,000,000	15,000,000	**34,674,213**
514N	Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2 *	7,073,922	3,000,000	23,746,080	5,000,000	-	-	-	**38,820,002**
515N	Harpool RWTP Northeast Transmission Pipeline, Phase 3 *	985,440	2,500,000	15,000,000	25,614,660	7,000,000	-	-	**51,100,100**
515K	Harpool RWTP Northeast Pipeline, Phase 4 *	-	-	2,000,000	4,500,000	7,450,000	10,700,000	10,600,000	**35,250,000**
51NS	Harpool RWTP Northeast Pipeline, Phase 5	-	-	-	-	-	50,000	1,450,000	**1,500,000**
TBD	Harpool RWTP Northeast Pipeline, Phase 6	-	-	-	-	-	50,000	3,450,000	**3,500,000**
51PG	RTWS Southwest Transmission Pipelines, Phase 4	50,042	50,000	450,000	4,721,930	4,681,075	10,400,000	10,000,000	**30,353,047**
TBD	RTWS Southwest Transmission Pipelines, Phase 5	-	-	-	-	-	50,000	5,000,000	**5,050,000**

FY 2026 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2030

Project Acct	Project	Prior Expenditures	Estimates FY 2025	Adopted FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
51TX	RTWS Phase 1C Parallel Pipeline *	-	-	1,000,000	1,000,000	5,000,000	20,000,000	50,000,000	**77,000,000**
51C2	Celina 2nd Point of Delivery *	106,263	19,095	1,377,680	500,000	-	-	-	**2,003,038**
511Q	Shady Shores Rd Improvements - Denton County Roadway Project	-	-	205,000	2,185,000	2,185,000	-	-	**4,575,000**
519C	Operations Remote Communications Improvement Project	**66,353**	**394,145**	**663,000**	-	-	-	-	**1,123,498**
515B	RTWS System Hydraulic Modeling	**7,996**	**150,000**	**242,005**	-	-	-	-	**400,001**
515P	Solids Management Planning Study	-	-	**300,000**	**200,000**	-	-	-	**500,000**
515J	802 Kealy Annex Parking Lot Improvements	-	-	**200,000**	**700,000**	**700,000**	-	-	**1,600,000**
512T	Temple Dane Pump Station Improvements	-	**1,300,000**	**800,000**	-	-	-	-	**2,100,000**
51VQ	Laboratory Facility Feasibility Study	-	**50,000**	**150,000**	-	-	-	-	**200,000**
513W	Roadway Improvements Coordination Adjustments *	**88,237**	**15,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**153,237**
51W3	Lewisville Lake / USACE Dam Coordination	**10,914**	**8,000**	**5,000**	**5,000**	-	-	-	**28,914**
516A	Restore / Relocate Portion of Sanger Water Pipeline	**105,807**	**324,195**	**150,000**	-	-	-	-	**580,002**
51T7	U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project	**104,613**	**20,000**	**66,445**	**30,000**	-	-	-	**221,058**
51TN	TxDOT / IH-35 Project	**2,047,273**	**5,891,335**	**2,000,000**	-	-	-	-	**9,938,608**
51TA	TxDOT / IH-35W and FM 407 Project	**53,243**	**146,755**	**1,500,000**	**1,500,000**	-	-	-	**3,199,998**
51TB	Relocation / TxDOT FM 2931 Project	**833**	**50,000**	**299,165**	**50,000**	-	-	-	**399,998**
51TG	Relocation / TxDOT FM 1385 Project	**80,614**	**200,000**	**1,169,385**	**1,000,000**	-	-	-	**2,449,999**
51WI	Contingency Improvements *	-	20,000	150,000	150,000	150,000	150,000	150,000	**770,000**
	Total	**$ 729,149,344**	**$ 330,066,295**	**$ 328,748,795**	**$ 253,215,420**	**$ 165,426,865**	**$ 179,995,670**	**$ 226,740,000**	**$ 2,213,342,389**

FY 2026 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2030

Project Acct	Project	Prior Expenditures	Estimates FY 2025	Adopted FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Funding Sources:									
	Variable Rate Financing	$ 211,785,177	$ 60,394,700	$ 110,760,975	$ 100,439,455	$ 69,805,295	$ 70,131,670	$ 89,300,000	**$ 712,617,272**
	Variable Rate Financing (Reimb)	-	(348,770)	(348,770)	(2,351,808)	(348,770)	(348,770)	-	**(3,746,888)**
	Revenue Bonds	24,185	-	-	-	-	-	-	**24,185**
	Texas Water Development Board Funds								
	Lake Ralph Hall (Present)	513,980,000	222,025,740	37,974,260	-	-	-	-	**773,980,000**
	Lake Ralph Hall (Anticipated)	-	-	45,899,000	14,101,000	-	-	-	**60,000,000**
	Thomas E. Taylor WTP Expansion, Ph 3 (514R)	-	28,151,700	50,000,000	45,500,000	18,928,300	-	-	**142,580,000**
	Thomas E. Taylor WTP Expansion, Ph 4 (519G)	-	-	-	5,600,000	16,000,000	64,000,000	80,000,000	**165,600,000**
	Harpool RWTP Northeast Transmission Pipeline (514N) (515N)	618,480	4,508,725	33,809,560	24,669,965	6,293,270	-	-	**69,900,000**
	Harpool RWTP Northeast Pipeline, Phase 4 (515K)	-	-	-	3,700,000	6,460,000	9,060,000	8,980,000	**28,200,000**
	RTWS Phase 1C Parallel Pipeline (51TX)	-	-	-	900,000	4,200,000	16,200,000	40,300,000	**61,600,000**
	Harpool WTP Expansion, Phase 2 (512H)	-	6,416,000	42,600,000	54,660,000	42,880,000	15,444,000	-	**162,000,000**
	Non-Bond Capital Reserve Funds	2,562,013	8,552,800	7,688,370	3,628,370	843,370	143,370	143,370	**23,561,663**
	Non-Bond Capital Reserve Reimbursement	(87,238)	(5,397,415)	(2,264,320)	(667,375)	-	-	-	**(8,416,348)**
	Contribution Sources								
	RTWS General Treatment and Pumping Improvements (519Y)	-	348,770	348,770	348,770	348,770	348,770	-	**1,743,850**
	Celina 2nd Point of Delivery (51C2)	-	-	-	2,003,038	-	-	-	**2,003,038**
	Harpool RWTP Northeast Transmission Pipeline (514N)	45,000	-	-	-	-	-	-	**45,000**
	Capital Replacement Reserve Funds	-	-	-	-	-	5,000,000	8,000,000	**13,000,000**
	Donated Assets	11,230	-	-	-	-	-	-	**11,230**
	Operating Funds	123,259	-	-	-	-	-	-	**123,259**
	Growth Program	-	16,630	16,630	16,630	16,630	16,630	16,630	**99,780**
	TxDOT Reimbursements	87,238	5,397,415	2,264,320	667,375	-	-	-	**8,416,348**
	Total	**$ 729,149,344**	**$ 330,066,295**	**$ 328,748,795**	**$ 253,215,420**	**$ 165,426,865**	**$ 179,995,670**	**$ 226,740,000**	**$ 2,213,342,389**

* - Multiple Funding Sources

Back to TOC

Project Title
Southwest Pump Station, Phase 1

Department
51WP

Description
Funding to complete construction of ground storage tanks and pump station with a screening wall and fencing.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ 8,580	$ 13,890	$ 14,585	$ 15,315
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	65,800	86,750	91,090	95,645
Debt Service	2,131,360	1,957,945	2,436,235	2,675,420	2,675,420
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	5,205	7,045	7,395	7,765
Total	$ 2,131,360	$ 2,037,530	$ 2,543,920	$ 2,788,490	$ 2,794,145

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 3,041,069	$ 300,000	$ 100,000	$ -	$ -	$ -	$ -	$ 3,441,069
Land/Right of Way	427,635	-	-	-	-	-	-	427,635
Construction	5,456,905	15,822,670	16,581,615	-	-	-	-	37,861,190
Admin/Inspection	564,101	1,128,585	1,167,715	-	-	-	-	2,860,401
Legal								
Furniture/Equipment								
Total Costs	$ 9,489,710	$ 17,251,255	$ 17,849,330	$ -	$ -	$ -	$ -	$ 44,590,295

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	20230 Completion	Project Total
Variable Rate Financing	$ 9,470,454	$ 17,251,255	$ 17,849,330	$ -	$ -	$ -	$ -	$ 44,571,039
Revenue Bonds	19,256	-	-	-	-	-	-	19,256
Non-Bond Capital Rsrv Funds								
TWDB Funds								
Contribution Sources								
Total Sources	$ 9,489,710	$ 17,251,255	$ 17,849,330	$ -	$ -	$ -	$ -	$ 44,590,295

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Mar-13	2026
Land/Right of Way	Apr-13	Aug-22
Construction	Dec-22	2026
Admin/Inspection	Mar-03	2026
Legal		
Furniture/Equipment		
Total Project		2026

Site Information

Town of Northlake and Argyle Water Supply Corporation
(Denton County, Texas)

Project Title
Lake Ralph Hall Project

Department
51RH

Description
Funding provides for continued design / engineering and construction of various components of the proposed Lake Ralph Hall reservoir, including the Leon Hurse Dam (projected to be substantially complete by September 2026), roadways, raw water pump station, raw water pipeline, mitigation, cultural resources, and support facilities. (Funding included in FY 2031 for additional mitigation activities.)

Operating Budget Impact

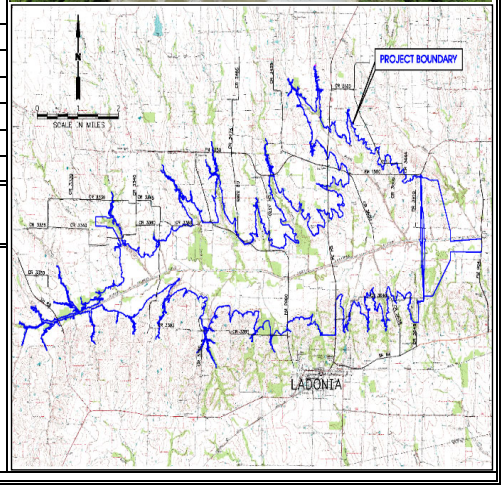
	2026	2027	2028	2029	2030
Personnel Services	$ -	$ 1,380,000	$ 1,557,200	$ 1,655,060	$ 1,745,310
Admin. / Office Expenses	-	20,000	42,800	44,940	47,190
Professional Services	-	150,000	150,000	150,000	150,000
Operating and Maintenance	-	866,240	1,051,040	1,248,275	1,621,520
Debt Service	14,317,930	16,991,885	20,402,360	27,161,650	29,698,240
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	169,135	196,070	216,880	249,480
Total	$ 14,317,930	$ 19,577,260	$ 23,399,470	$ 30,476,805	$ 33,511,740

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Total Costs	$ 621,623,151	$ 242,868,915	$ 103,862,130	$ 59,958,830	$ 12,380,000	$ 1,585,670	$ 3,114,230	$ 1,045,392,926

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ 107,512,532	$ 20,843,175	$ 19,988,870	$ 45,857,830	$ 12,380,000	$ 1,585,670	$ 3,114,230	$ 211,282,307
TWDB Funds - Present	513,980,000	222,025,740	37,974,260	-	-	-	-	773,980,000
TWDB Funds - Anticipated	-	-	45,899,000	14,101,000	-	-	-	60,000,000
Operating Funds	119,389	-	-	-	-	-	-	119,389
Donated Assets	11,230	-	-	-	-	-	-	11,230
Total Sources	$ 621,623,151	$ 242,868,915	$ 103,862,130	$ 59,958,830	$ 12,380,000	$ 1,585,670	$ 3,114,230	$ 1,045,392,926

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Jul-03	2027
Land/Right of Way	Dec-08	2026
Construction	Jul-20	2031
Admin/Inspection	May-03	2031
Legal	May-12	Jun-17
Furniture/Equipment		
Total Project		2031

Site Information
Ladonia, TX



Project Title
RTWS General Treatment and Pumping Improvements

Department
519Y

Description
Continue with engineering, design, and construction of multi-year projects to upgrade and improve components of the Regional Treated Water System. Improvements include treatment process replacement / optimization, modifying or installing new / additional pumps, and electrical component upgrades at the Taylor Regional Water Treatment Plant, Stone Hill Pump Station, and related conveyance system. Components in progress include Stone Hill Pumping Improvements, hydraulic improvements, the construction of a second point of delivery and metering station to be reimbursed by Providence Village, regulatory permitting, and Justin meter vault improvements.

Operating Budget Impact

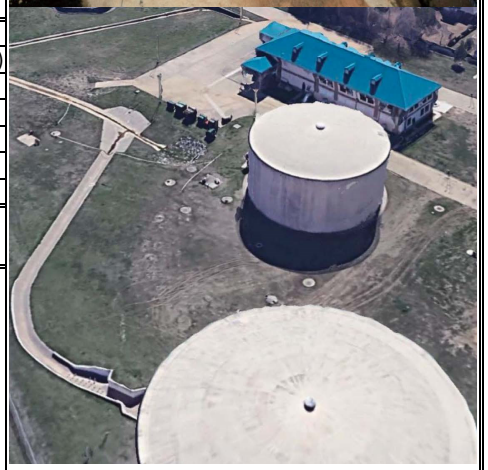
	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ -	$ -
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	-	-	-	-
Debt Service	2,133,505	2,155,085	2,265,320	2,305,520	2,318,920
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	-	-	-	-
Total	$ 2,133,505	$ 2,155,085	$ 2,265,320	$ 2,305,520	$ 2,318,920

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 1,868,050	$ 100,000	$ 50,000	$ 50,000	$ -	$ -	$ -	$ 2,068,050
Land/Right of Way								
Construction	25,813,877	5,592,745	1,819,160	884,580	-	-	-	34,110,362
Admin/Inspection	1,872,555	393,490	130,840	65,420	-	-	-	2,462,305
Legal	2,931	5,000	-	-	-	-	-	7,931
Furniture/Equipment								
Total Costs	$ 29,557,413	$ 6,091,235	$ 2,000,000	$ 1,000,000	$ -	$ -	$ -	$ 38,648,648

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ 29,557,413	$ 6,091,235	$ 2,000,000	$ 1,000,000	$ -	$ -	$ -	$ 38,648,649
Variable Rate Financing (Reimb)	-	(348,770)	(348,770)	(348,770)	(348,770)	(348,770)	-	(1,743,850)
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Funds								
Contrib. Source - Providence Village	-	348,770	348,770	348,770	348,770	348,770	-	1,743,850
Total Sources	$ 29,557,413	$ 6,091,235	$ 2,000,000	$ 1,000,000	$ -	$ -	$ -	$ 38,648,649

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Sep-20	2027
Land/Right of Way		
Construction	Dec-20	2027
Admin/Inspection	Sep-20	2027
Legal		
Furniture/Equipment		
Total Project		2027

Site Information
Various areas in the District's Regional Treated Water System



Project Title

Thomas E. Taylor WTP Expansion, Phase 3 (from 70.0 to 85.0 MGD)

Department

514R

Description

Funding provides for continued design / engineering and construction of improvements to filters basins, settled water bypass, pumps, electrical, Lewisville Lake Intake Pump Station Improvements, Raw Water Pipeline and Meter Vault, Flocculation and Sedimentation Basins, Backwash Supply Tank Fill Pump Station, Backwash Recovery Basin and Recycle Pump Station, Onsite Sodium Hypochlorite Generation, Sodium Hydroxide and Liquid Ammonium Sulfate, Ozone System Expansion, Replacement and Ozone Injection Improvements, and Electrical Service Upgrades with Backup Generators.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ 86,680	$ 165,600	$ 173,880
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	-	254,490	298,660	313,590
Debt Service	1,250,810	1,296,585	1,991,970	3,103,030	3,629,590
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	-	23,880	32,500	34,125
Total	$ 1,250,810	$ 1,296,585	$ 2,357,020	$ 3,599,790	$ 4,151,185

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 7,034,872	$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 100,000	$ -	$ -	$ 14,634,872
Land/Right of Way								
Construction	857,061	30,387,000	53,574,765	44,228,970	20,086,915	-	-	149,134,711
Admin/Inspection	299,726	2,302,125	3,925,235	3,271,030	1,413,085	-	-	11,211,201
Legal	18,712	500	-	-	-	-	-	19,212
Furniture/Equipment								
Total Costs	$ 8,210,371	$ 35,189,625	$ 60,000,000	$ 50,000,000	$ 21,600,000	$ -	$ -	$ 174,999,996

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ 8,210,371	$ 7,037,925	$ 10,000,000	$ 4,500,000	$ 2,671,700	$ -	$ -	$ 32,419,996
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Board Part. Funds	-	28,151,700	50,000,000	45,500,000	18,928,300	-	-	142,580,000
Contribution Sources								
Total Sources	$ 8,210,371	$ 35,189,625	$ 60,000,000	$ 50,000,000	$ 21,600,000	$ -	$ -	$ 174,999,996

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Jun-23	2028
Land/Right of Way		
Construction	Sep-23	2028
Admin/Inspection	Jan-23	2028
Legal	Jun-23	Aug-25
Furniture/Equipment		
Total Project		2028

Site Information

300 E. Valley Ridge Blvd
Lewisville, TX

Project Title
Thomas E. Taylor WTP Expansion, Phase 4 (from 85.0 to 120.0 MGD)

Department
519G

Description
Funding provided for initial design / engineering to expand the treatment capacity at the Taylor Regional Treated Water Plant from 85.0 to approximately 120.0 MGD to meet projected future member / customer demands.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ -	$ -
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	-	-	-	-
Debt Service	44,500	46,060	192,680	742,640	1,542,465
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	-	-	-	-
Total	$ 44,500	$ 46,060	$ 192,680	$ 742,640	$ 1,542,465

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ -	$ -	$ 934,580	$ 4,607,475	$ 3,500,000	$ 3,500,000	$ 3,500,000	$ 16,042,055
Land/Right of Way								
Construction	-	-	-	1,000,000	15,191,590	71,266,355	89,957,945	177,415,890
Admin/Inspection	-	-	65,420	392,525	1,308,410	5,233,645	6,542,055	13,542,055
Legal								
Furniture/Equipment								
Total Costs	$ -	$ -	$ 1,000,000	$ 6,000,000	$ 20,000,000	$ 80,000,000	$100,000,000	$ 207,000,000

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ -	$ -	$ 1,000,000	$ 400,000	$ 4,000,000	$ 16,000,000	$ 20,000,000	$ 41,400,000
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Board Part. Funds	-	-	-	5,600,000	16,000,000	64,000,000	80,000,000	165,600,000
Contribution Sources								
Total Sources	$ -	$ -	$ 1,000,000	$ 6,000,000	$ 20,000,000	$ 80,000,000	$100,000,000	$ 207,000,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	2026	2030
Land/Right of Way		
Construction	2027	2030
Admin/Inspection	2026	2030
Legal		
Furniture/Equipment		
Total Project		2030

Site Information

300 E. Valley Ridge Blvd
Lewisville, TX

Project Title
Lake Lewisville Raw Water Pump Station Improvements

Department
51TP

Description
Continue design / engineering and construction of a multi-year project that upgrades / updates electrical, pumping, and other critical components of the Lake Lewisville raw water intake pump station.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ (35,855)	$ (84,150)	$ (84,150)	$ (88,360)
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	(55,865)	(68,500)	(68,500)	(71,925)
Debt Service	204,265	187,330	246,255	316,735	330,000
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	(6,420)	(10,685)	(10,685)	(11,220)
Total	$ 204,265	$ 89,190	$ 82,920	$ 153,400	$ 158,495

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 206,129	$ 9,000	$ 50,000	$ 190,655	$ -	$ -	$ -	$ 455,784
Land/Right of Way								
Construction	-	-	3,940,255	734,580	-	-	-	4,674,835
Admin/Inspection	24,292	1,000	279,320	64,765	-	-	-	369,377
Legal								
Furniture/Equipment								
Total Costs	$ 230,421	$ 10,000	$ 4,269,575	$ 990,000	$ -	$ -	$ -	$ 5,499,996

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ 230,421	$ 10,000	$ 4,269,575	$ 990,000	$ -	$ -	$ -	$ 5,499,996
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Funds								
Contribution Sources								
Total Sources	$ 230,421	$ 10,000	$ 4,269,575	$ 990,000	$ -	$ -	$ -	$ 5,499,996

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	May-22	2027
Land/Right of Way		
Construction	2026	2027
Admin/Inspection	Jan-22	2027
Legal		
Furniture/Equipment		
Total Project		2027

Site Information

1500 N. Mill St
Lewisville, TX 75057

Project Title
Lewisville Lake Parallel Raw Water Pipeline

Department
511M

Description
Funding provided for initial planning and design activities to construct a parallel pipeline from the Lewisville Lake Raw Water Intake to provide additional quantities of raw water that is necessary to expand the Taylor plant.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ -	$ -
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	-	-	-	-
Debt Service	6,675	54,285	106,590	610,100	982,300
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	-	-	-	-
Total	$ 6,675	$ 54,285	$ 106,590	$ 610,100	$ 982,300

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ -	$ -	$ 140,185	$ 1,384,580	$ 1,000,000	$ 200,000	$ 200,000	$ 2,924,765
Land/Right of Way	-	-	-	50,000	-	-	-	50,000
Construction	-	-	-	-	401,870	13,318,690	9,145,795	22,866,355
Admin/Inspection	-	-	9,815	65,420	98,130	981,310	654,205	1,808,880
Legal								
Furniture/Equipment								
Total Costs	$ -	$ -	$ 150,000	$ 1,500,000	$ 1,500,000	$ 14,500,000	$ 10,000,000	$ 27,650,000

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ -	$ -	$ 150,000	$ 1,500,000	$ 1,500,000	$ 14,500,000	$ 10,000,000	$ 27,650,000
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Funds								
Contribution Sources								
Total Sources	$ -	$ -	$ 150,000	$ 1,500,000	$ 1,500,000	$ 14,500,000	$ 10,000,000	$ 27,650,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	2026	2030
Land/Right of Way	2027	2027
Construction	2028	2030
Admin/Inspection	2026	2030
Legal		
Furniture/Equipment		
Total Project		2030

Site Information
Lewisville Lake Intake to the Taylor WTP
Lewisville, TX

Project Title
RTWS Pump Station Improvement Projects

Department
511Y

Description
Funding provided for initial design / engineering that will improve / upgrade the pumping capacity and instrumentation of the RTWS pump stations. Improvements are required to increase pumping capacity to meet TCEQ requirements and customer demands.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ -	$ -
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	-	-	-	-
Debt Service	89,000	230,300	425,200	685,000	985,005
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	-	-	-	-
Total	$ 89,000	$ 230,300	$ 425,200	$ 685,000	$ 985,005

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ -	$ -	$ 1,869,160	$ 1,500,000	$ 200,000	$ 100,000	$ 100,000	$ 3,769,160
Land/Right of Way								
Construction	-	-	-	3,172,895	4,472,895	4,572,895	4,572,895	16,791,580
Admin/Inspection	-	-	130,840	327,105	327,105	327,105	327,105	1,439,260
Legal								
Furniture/Equipment								
Total Costs	$ -	$ -	$ 2,000,000	$ 5,000,000	$ 5,000,000	$ 5,000,000	$ 5,000,000	$ 22,000,000

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ -	$ -	$ 2,000,000	$ 5,000,000	$ 5,000,000	$ 5,000,000	$ 5,000,000	$ 22,000,000
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Board Part. Funds								
Contribution Sources								
Total Sources	$ -	$ -	$ 2,000,000	$ 5,000,000	$ 5,000,000	$ 5,000,000	$ 5,000,000	$ 22,000,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	2026	2030
Land/Right of Way		
Construction	2027	2030
Admin/Inspection	2026	2030
Legal		
Furniture/Equipment		
Total Project		2030

Site Information
Various locations within the District's service area.

Project Title
RTWS Meter Vault and Other Hydraulic Improvements

Department
512Q

Description
Based on results of the system Hydraulic Study, funding is provided for initial design / engineering for improvements to increase hydraulic efficiencies throughout the Regional Treated Water System and will include upsizing pipelines, appurtenances, vaults, and other delivery facilities.

Operating Budget Impact

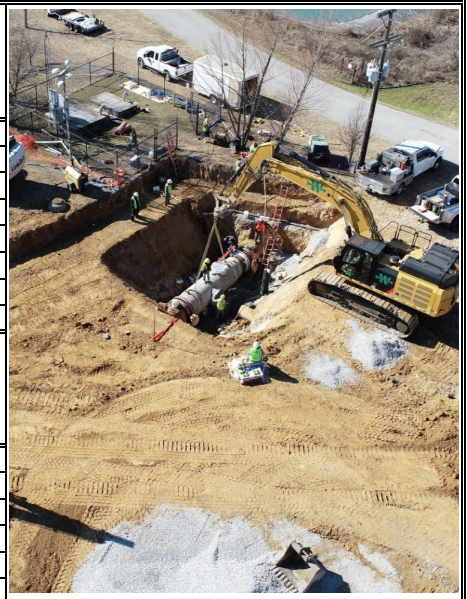
	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ -	$ -
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	-	-	-	-
Debt Service	44,500	164,500	312,200	512,000	752,000
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	-	-	-	-
Total	$ 44,500	$ 164,500	$ 312,200	$ 512,000	$ 752,000

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ -	$ -	$ 934,580	$ 1,200,000	$ 100,000	$ 100,000	$ 100,000	$ 2,434,580
Land/Right of Way								
Construction	-	-	-	2,538,320	3,638,320	3,638,320	3,638,320	13,453,280
Admin/Inspection	-	-	65,420	261,680	261,680	261,680	261,680	1,112,140
Legal								
Furniture/Equipment								
Total Costs	$ -	$ -	$ 1,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 17,000,000

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ -	$ -	$ 1,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 17,000,000
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Board Part. Funds								
Contribution Sources								
Total Sources	$ -	$ -	$ 1,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 17,000,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	2026	2030
Land/Right of Way		
Construction	2027	2030
Admin/Inspection	2026	2030
Legal		
Furniture/Equipment		
Total Project		2030

Site Information
Various locations within the District's service area.



Project Title
Harpool RWTP Phased Treatment Expansion, Phase 1 (from 20.0 to 30.0 MGD)

Department
51HO

Description
Completion of upgrades and improvements of various components (diurnal pond and membrane improvements and the installation of a ground water well) of a phased expansion of the Harpool RTWP, including expanded administration and maintenance facilities, increased raw water handling / water treatment capabilities that has increased the treatment capability of the Plant from 20.0 MGD to 30.0 MGD.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ 36,750	$ 38,590	$ 40,520	$ 42,545	$ 44,670
Admin. / Office Expenses	8,500	8,925	9,370	9,840	10,330
Professional Services	25,000	26,250	27,565	28,945	30,395
Operating and Maintenance	100,000	105,000	110,250	115,765	121,555
Debt Service	2,882,525	2,879,725	2,954,575	2,967,975	2,967,975
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	11,920	12,515	13,140	13,795	14,485
Total	$ 3,064,695	$ 3,071,005	$ 3,155,420	$ 3,178,865	$ 3,189,410

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 2,945,344	$ 1,800,000	$ 280,000	$ -	$ -	$ -	$ -	$ 5,025,344
Land/Right of Way								
Construction	38,818,399	2,417,735	654,580	-	-	-	-	41,890,714
Admin/Inspection	2,137,184	295,245	65,420	-	-	-	-	2,497,849
Legal	5,733	-	-	-	-	-	-	5,733
Furniture/Equipment	46,606	-	-	-	-	-	-	46,606
Total Costs	$ 43,953,266	$ 4,512,980	$ 1,000,000	$ -	$ -	$ -	$ -	$ 49,466,246

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ 43,953,266	$ 4,512,980	$ 1,000,000	$ -	$ -	$ -	$ -	$ 49,466,246
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Funds								
Contribution Sources								
Total Sources	$ 43,953,266	$ 4,512,980	$ 1,000,000	$ -	$ -	$ -	$ -	$ 49,466,246

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Aug-18	2026
Land/Right of Way		
Construction	Sep-19	2026
Admin/Inspection	Sep-17	2026
Legal	Jun-19	Nov-22
Furniture/Equipment	Jul-23	Oct-23
Total Project		2026

Site Information

11500 Fishtrap Road
Aubrey, TX

Project Title
Harpool RWTP Phased Treatment Expansion, Phase 2 (from 30.0 to 60.0 MGD)

Department
512H

Description
Funding provides for continued expansion of the water treatment capacity of the Harpool RWTP that includes site and plant piping improvements, increased raw water delivery capacity, a new membrane complex, installation of advanced treatment equipment, a new finished water pump station and clearwell, recovery pond, chemical and disinfection capabilities, electrical, and instrumentation / control upgrades to expand the plant to comply with TCEQ design standards.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ 65,000	$ 250,000
Admin. / Office Expenses	-	-	-	7,865	12,500
Professional Services	-	-	-	16,580	20,000
Operating and Maintenance	-	-	-	-	385,000
Debt Service	2,156,245	2,392,045	4,088,585	5,462,720	6,814,635
Furniture and Equipment	-	-	-	-	286,500
Maintenance / OH Allocation	-	-	-	6,260	66,780
Total	$ 2,156,245	$ 2,392,045	$ 4,088,585	$ 5,558,425	$ 7,835,415

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 2,549,273	$ 3,000,000	$ 2,400,000	$ 1,500,000	$ 1,000,000	$ 200,000	$ 100,000	$ 10,749,273
Land/Right of Way	-	-	30,000,000	-	-	-	-	30,000,000
Construction	340,702	6,347,360	47,506,540	69,528,040	59,747,700	17,089,720	3,713,085	204,273,147
Admin/Inspection	124,492	654,385	3,493,460	4,971,960	4,252,300	1,210,280	266,915	14,973,792
Legal	2,786	1,000	-	-	-	-	-	3,786
Furniture/Equipment								
Total Costs	$ 3,017,253	$ 10,002,745	$ 83,400,000	$ 76,000,000	$ 65,000,000	$ 18,500,000	$ 4,080,000	$ 259,999,998

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ 3,017,253	$ 3,586,745	$ 40,800,000	$ 21,340,000	$ 22,120,000	$ 3,056,000	$ 4,080,000	$ 97,999,998
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Board Part. Funds	-	6,416,000	42,600,000	54,660,000	42,880,000	15,444,000	-	162,000,000
Contribution Sources								
Total Sources	$ 3,017,253	$ 10,002,745	$ 83,400,000	$ 76,000,000	$ 65,000,000	$ 18,500,000	$ 4,080,000	$ 259,999,998

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	May-23	2030
Land/Right of Way	2026	2026
Construction	Sep-24	2030
Admin/Inspection	Apr-23	2030
Legal	May-24	Aug-25
Furniture/Equipment		
Total Project		2030

Site Information

Generally north of Fishtrap Road and east of Navo Road
Aubrey, TX

Project Title
Lake Ralph Hall Terminal Storage

Department
51HR

Description
Funding provides for the District's participation in design / engineering for the future construction of the Lake Ralph Hall Terminal Storage Pond.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ 6,500	$ 7,165	$ 7,525	$ 7,900
Admin. / Office Expenses	-	550	595	620	650
Professional Services	-	-	-	-	-
Operating and Maintenance	-	3,500	3,785	3,935	4,130
Debt Service	73,380	64,865	74,935	84,770	84,770
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	740	810	845	890
Total	$ 73,380	$ 76,155	$ 87,290	$ 97,695	$ 98,340

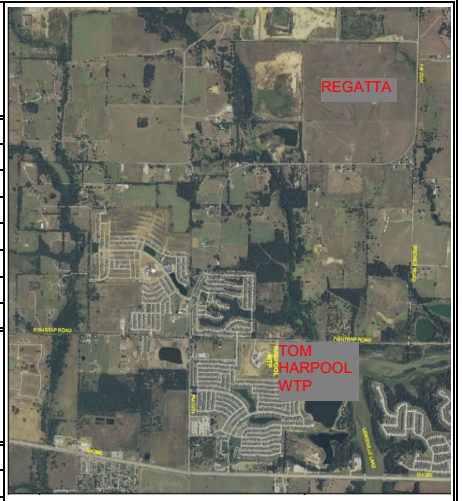
Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 35,709	$ 515	$ 685,980	$ -	$ -	$ -	$ -	$ 722,204
Land/Right of Way	485,312	-	-	-	-	-	-	485,312
Construction								-
Admin/Inspection	150,971	500	48,020	-	-	-	-	199,491
Legal	5,865	-	-	-	-	-	-	5,865
Furniture/Equipment								
Total Costs	$ 677,857	$ 1,015	$ 734,000	$ -	$ -	$ -	$ -	$ 1,412,872

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ 677,857	$ 1,015	$ 734,000	$ -	$ -	$ -	$ -	$ 1,412,872
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Funds								
Contribution Sources								
Total Sources	$ 677,857	$ 1,015	$ 734,000	$ -	$ -	$ -	$ -	$ 1,412,872

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Sep-20	2026
Land/Right of Way	Dec-09	Dec-09
Construction		
Admin/Inspection	Dec-09	2026
Legal	May-10	Jul-21
Furniture/Equipment		
Total Project		2026

Site Information

Northeast Denton County
Aubrey, TX



Project Title
Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2

Department
514N

Description
Continue with design / engineering and construction for treated water transmission pipeline extending northeast from the Harpool Water Treatment Plant to serve the City of Celina, and other customers.

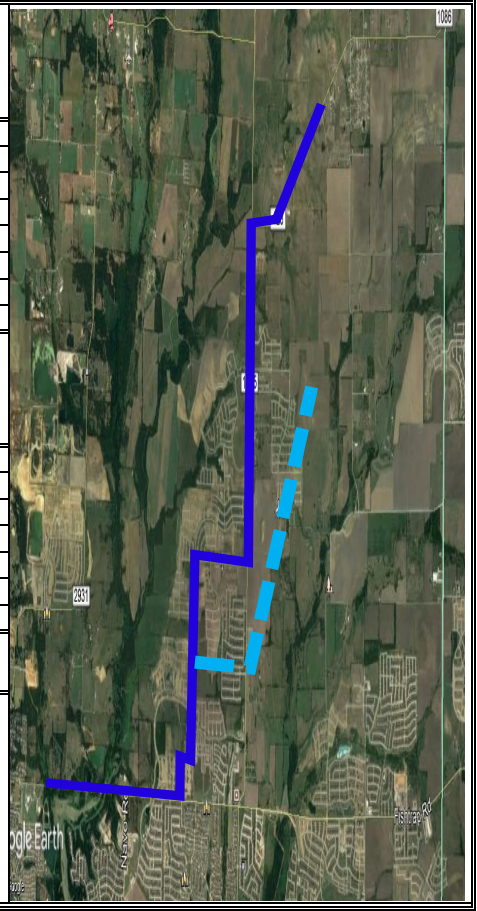
Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ 6,585	$ 13,125	$ 13,780	$ 14,470
Admin. / Office Expenses	-	1,500	2,600	2,705	2,815
Professional Services	-	2,500	2,755	2,895	3,040
Operating and Maintenance	-	48,650	112,550	118,180	124,090
Debt Service	645,965	730,365	881,405	1,034,455	1,300,770
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	4,145	9,175	9,630	10,110
Total	$ 645,965	$ 793,745	$ 1,021,610	$ 1,181,645	$ 1,455,295

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 1,855,077	$ 700,000	$ 400,000	$ 265,420	$ -	$ -	$ -	$ 3,220,497
Land/Right of Way	4,895,219	600,000	-	-	-	-	-	5,495,219
Construction	63,752	1,503,740	21,792,600	4,407,475	-	-	-	27,767,567
Admin/Inspection	259,874	196,260	1,553,480	327,105	-	-	-	2,336,719
Legal								
Furniture/Equipment								
Total Costs	$ 7,073,922	$ 3,000,000	$ 23,746,080	$ 5,000,000	$ -	$ -	$ -	$ 38,820,002

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ 6,410,442	$ 491,275	$ 1,936,520	$ 821,765	$ -	$ -	$ -	$ 9,660,002
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Board Part. Funds	618,480	2,508,725	21,809,560	4,178,235	-	-	-	29,115,000
Contribution Sources	45,000	-	-	-	-	-	-	45,000
Total Sources	$ 7,073,922	$ 3,000,000	$ 23,746,080	$ 5,000,000	$ -	$ -	$ -	$ 38,820,002

Project Schedule	Project Start Date	Project Completion Date	Site Information
Design/Engineering	Sep-20	2027	Northeast from Aubrey, TX (Navo Road) to Celina, TX
Land/Right of Way	Jun-20	Apr-25	
Construction	Sep-24	2027	
Admin/Inspection	Sep-20	2027	
Legal			
Furniture/Equipment			
Total Project		2027	



Project Title
Harpool RWTP Northeast Transmission Pipeline, Phase 3

Department
515N

Description
Funding provided to complete an alignment study and purchase required rights-of-way, continue engineering, and begin construction of the next phase of treated water pipelines to connect Aubrey and Regional Treated Water System.

Operating Budget Impact

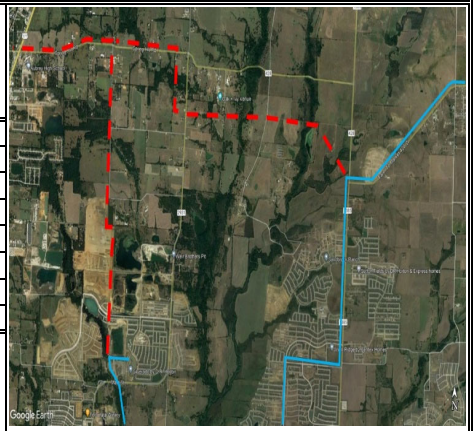
	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ 12,500	$ 24,010	$ 25,210
Admin. / Office Expenses	-	-	2,500	3,395	3,530
Professional Services	-	-	2,880	3,835	4,025
Operating and Maintenance	-	-	86,650	118,180	124,090
Debt Service	214,875	407,015	568,985	839,540	1,105,315
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	-	7,315	10,460	10,980
Total	$ 214,875	$ 407,015	$ 680,830	$ 999,420	$ 1,273,150

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 900,355	$ 455,450	$ 550,000	$ 440,000	$ 75,000	$ -	$ -	$ 2,420,805
Land/Right of Way	104	1,881,000	700,000	-	-	-	-	2,581,104
Construction	-	-	12,768,695	23,498,935	6,467,055	-	-	42,734,685
Admin/Inspection	84,981	163,550	981,305	1,675,725	457,945	-	-	3,363,506
Legal								
Furniture/Equipment								
Total Costs	$ 985,440	$ 2,500,000	$ 15,000,000	$ 25,614,660	$ 7,000,000	$ -	$ -	$ 51,100,100

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ 985,440	$ 500,000	$ 3,000,000	$ 5,122,930	$ 706,730	$ -	$ -	$ 10,315,100
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Board Part. Funds	-	2,000,000	12,000,000	20,491,730	6,293,270	-	-	40,785,000
Contribution Sources								
Total Sources	$ 985,440	$ 2,500,000	$ 15,000,000	$ 25,614,660	$ 7,000,000	$ -	$ -	$ 51,100,100

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Sep-22	2028
Land/Right of Way	May-23	2026
Construction	2026	2028
Admin/Inspection	Sep-22	2028
Legal		
Furniture/Equipment		
Total Project		2028

Site Information
Generally northwest from Fishtrap Rd to the Town of Aubrey, TX



Project Title
Harpool RWTP Northeast Pipeline, Phase 4

Department
515K

Description
Funding provided for initial design / engineering for the future construction of a finished water pipeline required to increase pipeline capacity to existing customers and members.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ -	$ -
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	-	-	-	-
Debt Service	89,000	92,120	152,630	244,595	335,360
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	-	-	-	-
Total	$ 89,000	$ 92,120	$ 152,630	$ 244,595	$ 335,360

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ -	$ -	$ 1,869,160	$ 3,500,000	$ 2,500,000	$ 750,000	$ 650,000	$ 9,269,160
Land/Right of Way								-
Construction	-	-	-	869,160	4,622,895	9,295,795	9,295,795	24,083,645
Admin/Inspection	-	-	130,840	130,840	327,105	654,205	654,205	1,897,195
Legal								
Furniture/Equipment								
Total Costs	$ -	$ -	$ 2,000,000	$ 4,500,000	$ 7,450,000	$ 10,700,000	$ 10,600,000	$ 35,250,000

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ -	$ -	$ 2,000,000	$ 800,000	$ 990,000	$ 1,640,000	$ 1,620,000	$ 7,050,000
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Board Part. Funds	-	-	-	3,700,000	6,460,000	9,060,000	8,980,000	28,200,000
Contribution Sources								
Total Sources	$ -	$ -	$ 2,000,000	$ 4,500,000	$ 7,450,000	$ 10,700,000	$ 10,600,000	$ 35,250,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	2026	2030
Land/Right of Way		
Construction	2027	2030
Admin/Inspection	2026	2030
Legal		
Furniture/Equipment		
Total Project		2030

Site Information
Northeast Denton County

Project Title
RTWS Southwest Transmission Pipelines, Phase 4

Department
51PG

Description
Continue with design / engineering for the future construction of a phased treated water transmission pipeline extending west from the Southwest Pump Station to serve members and customers.

Operating Budget Impact

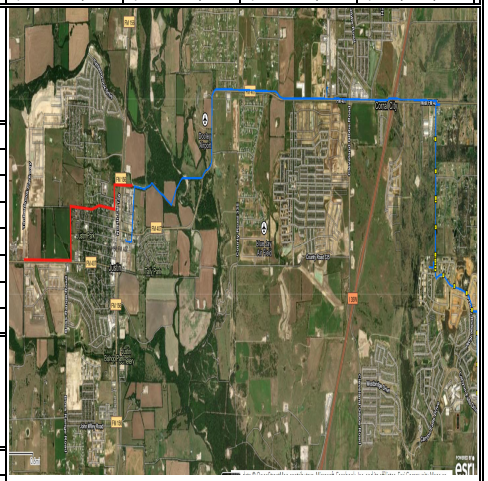
	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ -	$ -
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	-	-	-	-
Debt Service	25,255	175,480	339,150	753,735	1,377,735
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	-	-	-	-
Total	$ 25,255	$ 175,480	$ 339,150	$ 753,735	$ 1,377,735

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 45,821	$ 41,000	$ 265,560	$ 550,000	$ 400,000	$ 100,000	$ 100,000	$ 1,502,381
Land/Right of Way	-	-	150,000	650,000	-	-	-	800,000
Construction	-	-	-	3,213,020	3,974,835	9,619,625	13,918,690	30,726,170
Admin/Inspection	4,221	4,000	29,440	308,910	306,240	680,375	981,310	2,314,496
Legal	-	5,000	5,000	-	-	-	-	10,000
Furniture/Equipment								
Total Costs	$ 50,042	$ 50,000	$ 450,000	$ 4,721,930	$ 4,681,075	$ 10,400,000	$ 15,000,000	$ 35,353,047

Source of Funds	Appropriations through FY 2023	Estimated Appropriations FY 2024	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ 50,042	$ 50,000	$ 450,000	$ 4,721,930	$ 4,681,075	$ 10,400,000	$ 15,000,000	$ 35,353,047
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Funds								
Contribution Sources								
Total Sources	$ 50,042	$ 50,000	$ 450,000	$ 4,721,930	$ 4,681,075	$ 10,400,000	$ 15,000,000	$ 35,353,047

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Jan-24	2031
Land/Right of Way	2026	2027
Construction	2027	2031
Admin/Inspection	Nov-23	2031
Legal	Sep-25	2026
Furniture/Equipment		
Total Project		2031

Site Information
Approximate location I-35 and FM 407



Project Title
RTWS Phase 1C Parallel Pipeline

Department
51TX

Description
Funding provides for initial planning and design / engineering for the future construction of a treated water pipeline that generally parallels the existing phase 1C pipeline to increase delivery capacity to existing System participants.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ -	$ -
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	-	-	-	-
Debt Service	44,500	36,190	76,480	217,380	580,070
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	-	-	-	-
Total	$ 44,500	$ 36,190	$ 76,480	$ 217,380	$ 580,070

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ -	$ -	$ 934,580	$ 934,580	$ 3,000,000	$ 1,000,000	$ 1,000,000	$ 6,869,160
Land/Right of Way								
Construction	-	-	-	-	1,672,900	17,691,590	45,728,980	65,093,470
Admin/Inspection	-	-	65,420	65,420	327,100	1,308,410	3,271,020	5,037,370
Legal								
Furniture/Equipment								
Total Costs	$ -	$ -	$ 1,000,000	$ 1,000,000	$ 5,000,000	$ 20,000,000	$ 50,000,000	$ 77,000,000

Source of Funds	Appropriations through FY 2023	Estimated Appropriations FY 2024	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ -	$ -	$ 1,000,000	$ 100,000	$ 800,000	$ 3,800,000	$ 9,700,000	$ 15,400,000
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
TWDB Board Part. Funds	-	-	-	900,000	4,200,000	16,200,000	40,300,000	61,600,000
Contribution Sources								
Total Sources	$ -	$ -	$ 1,000,000	$ 1,000,000	$ 5,000,000	$ 20,000,000	$ 50,000,000	$ 77,000,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	2026	2030
Land/Right of Way		
Construction	2028	2030
Admin/Inspection	2026	2030
Legal		
Furniture/Equipment		
Total Project		2030

Site Information
Denton County

Project Title
Celina 2nd Point of Delivery

Department
51C2

Description
Funding provided for continued design / engineering to begin construction of a second point of delivery with metering facilities to provide additional treated water to the City of Celina.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

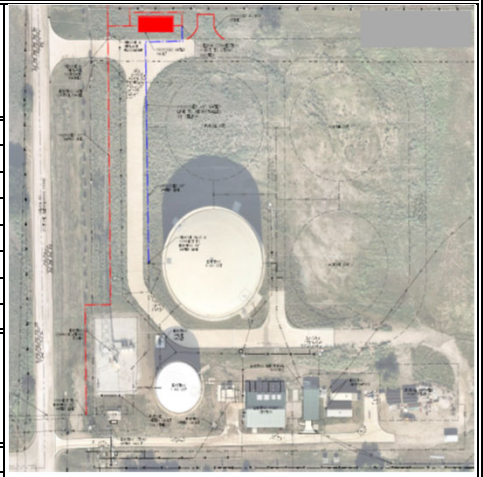
Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 103,594	$ 17,845	$ 40,000	$ 5,000	$ -	$ -	$ -	$ 166,439
Land/Right of Way	82	-	-	-	-			82
Construction	-	-	1,247,550	462,290	-	-	-	1,709,840
Admin/Inspection	2,587	1,250	90,130	32,710	-	-	-	126,677
Legal								
Furniture/Equipment								
Total Costs	$ 106,263	$ 19,095	$ 1,377,680	$ 500,000	$ -	$ -	$ -	$ 2,003,038

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ 106,263	$ 19,095	$ 1,377,680	$ 500,000	$ -	$ -	$ -	$ 2,003,038
Variable Rate Financing (Reimb	-	-	-	(2,003,038)	-	-	-	(2,003,038)
Non-Bond Capital Rsrv Funds								
TWDB Funds								
Contribution Sources	$ -	$ -	$ -	$ 2,003,038	$ -	$ -	$ -	$ 2,003,038
Total Sources	$ 106,263	$ 19,095	$ 1,377,680	$ 500,000	$ -	$ -	$ -	$ 2,003,038

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Jul-23	2027
Land/Right of Way	Nov-23	Nov-23
Construction	2026	2027
Admin/Inspection	Sep-23	2027
Legal		
Furniture/Equipment		
Total Project		2027

Site Information

Approximate location is Celina Road and FM 428
Celina, TX



Project Title
Shady Shores Rd Improvements - Denton County Roadway Project

Department
511Q

Description
Funding for coordination with Denton County and Shady Shores to include conflict analysis, design and construction on conflict resolutions.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	-	-	-	-	-
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	-	-	-	-
Debt Service	$ 9,125	$ 78,630	$ 154,635	$ 186,665	$ 245,220
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	-	-	-	-
Total	$ 9,125	$ 78,630	$ 154,635	$ 186,665	$ 245,220

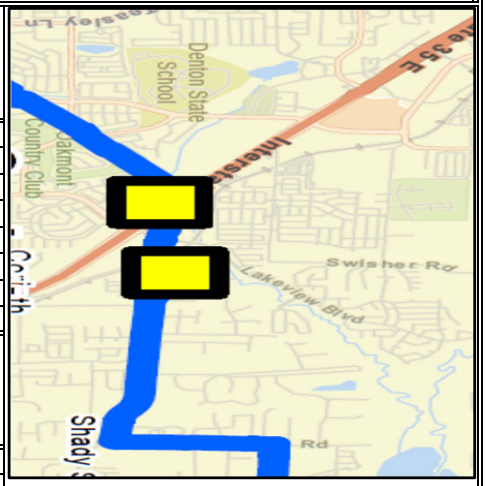
Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ -	$ -	$ 190,000	$ 45,000	$ 45,000	$ -	$ -	$ 280,000
Land/Right of Way								
Construction	-	-	-	2,000,000	2,000,000	-	-	4,000,000
Admin/Inspection	-	-	15,000	140,000	140,000	-	-	295,000
Legal								
Furniture/Equipment								
Total Costs	$ -	$ -	$ 205,000	$ 2,185,000	$ 2,185,000	$ -	$ -	$ 4,575,000

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing	$ -	$ -	$ 205,000	$ 2,185,000	$ 2,185,000	$ -	$ -	$ 4,575,000
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
Contribution Sources								
TxDOT Reimbursement								
Total Sources	$ -	$ -	$ 205,000	$ 2,185,000	$ 2,185,000	$ -	$ -	$ 4,575,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	2026	2028
Land/Right of Way		
Construction	2026	2028
Admin/Inspection	2026	2028
Legal		
Furniture/Equipment		
Total Project		2028

Site Information

Shady Shores Rd. from approximately IH35 to Garza Rd.



Project Title
Operations Remote Communications Improvement Project

Department
519C

Description
Funding provided to complete upgrades and improvements to all District remote site communication equipment including PLCs, water and wastewater metering sites, and points of entry and delivery. Upon completion, each District operating system will reimburse the RTWS Non-Bond Capital Reserve for their share of project costs.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

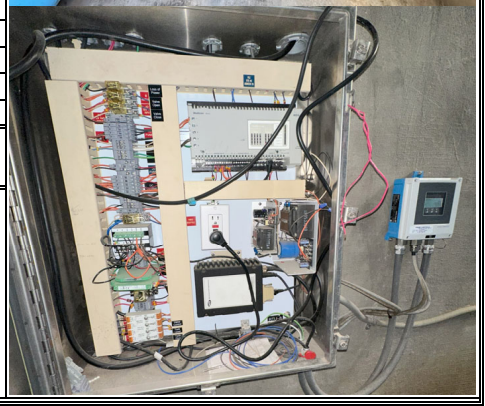
Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ -	$ 40,000	$ 100,000	$ -	$ -	$ -	$ -	$ 140,000
Land/Right of Way								
Construction								
Admin/Inspection	1,207	25,785	43,375	-	-	-	-	70,367
Legal								
Furniture/Equipment	65,146	328,360	519,625	-	-	-	-	913,131
Total Costs	$ 66,353	$ 394,145	$ 663,000	$ -	$ -	$ -	$ -	$ 1,123,498

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ 66,353	$ 394,145	$ 663,000	$ -	$ -	$ -	$ -	$ 1,123,498
TWDB Funds								
Contribution Sources								
Total Sources	$ 66,353	$ 394,145	$ 663,000	$ -	$ -	$ -	$ -	$ 1,123,498

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Sep-25	2026
Land/Right of Way		
Construction		
Admin/Inspection	Apr-24	2026
Legal		
Furniture/Equipment	Apr-24	2026
Total Project		2026

Site Information

Various locations within the District's service area.



Project Title	**Department**
RTWS System Hydraulic Modeling	515B

Description

Funding provided for Regional Treated Water System hydraulic model update to allow for system evaluation and future planning.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

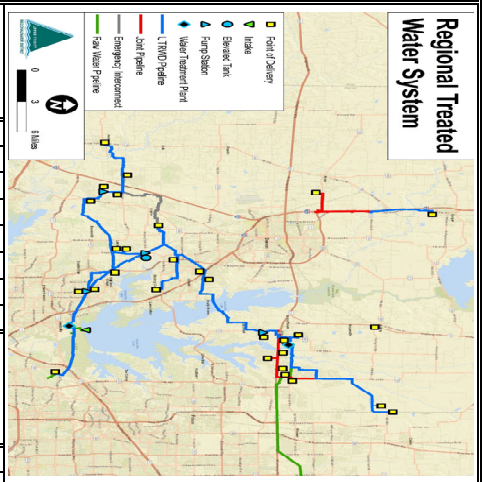
Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 2,749	$ 138,000	$ 225,005	$ -	$ -	$ -	$ -	$ 365,754
Land/Right of Way								
Construction								
Admin/Inspection	5,247	12,000	17,000	-	-	-	-	34,247
Professional Services								
Furniture/Equipment								
Total Costs	$ 7,996	$ 150,000	$ 242,005	$ -	$ -	$ -	$ -	$ 400,001

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ 7,996	$ 150,000	$ 242,005	$ -	$ -	$ -	$ -	$ 400,001
Contribution Sources								
TxDOT Reimbursement								
Total Sources	$ 7,996	$ 150,000	$ 242,005	$ -	$ -	$ -	$ -	$ 400,001

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Sep-24	2026
Land/Right of Way		
Construction		
Admin/Inspection	May-24	2026
Professional Services		
Furniture/Equipment		
Total Project		2026

Site Information

Various locations throughout the Regional Treated Water System service area.



Project Title	**Department**
Solids Management Planning Study	515P

Description

Funding for a study to develop cost effective solids management strategies for effectively handling, storing, and disposing of water and water reclamation treatment process waste.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

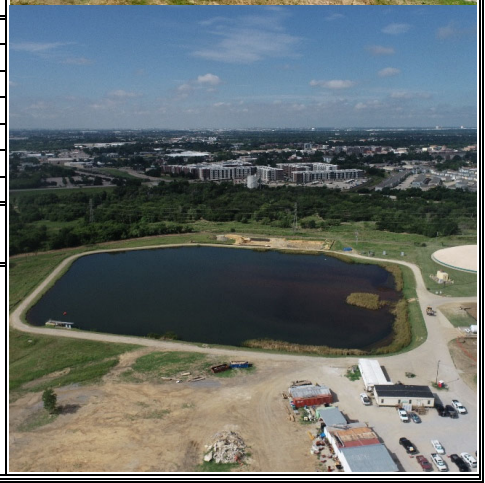
Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ -	$ -	$ 280,375	$ 185,000	$ -	$ -	$ -	$ 465,375
Land/Right of Way								
Construction								
Admin/Inspection	-	-	19,625	15,000	-	-	-	34,625
Professional Services								
Furniture/Equipment								
Total Costs	$ -	$ -	$ 300,000	$ 200,000	$ -	$ -	$ -	$ 500,000

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ -	$ -	$ 300,000	$ 200,000	$ -	$ -	$ -	$ 500,000
Contribution Sources								
TxDOT Reimbursement								
Total Sources	$ -	$ -	$ 300,000	$ 200,000	$ -	$ -	$ -	$ 500,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	2026	2027
Land/Right of Way		
Construction		
Admin/Inspection	2026	2027
Professional Services		
Furniture/Equipment		
Total Project		2027

Site Information

Various locations within the District's service area.



Project Title
802 Kealy Annex Parking Lot Improvements

Department
515J

Description
Funding provides for initial planning and design for improvements to existing parking areas and construction of additional parking at the 802 Kealy annex building.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ -	$ -	$ 186,915	$ 20,000	$ 10,000	$ -	$ -	$ 216,915
Land/Right of Way								
Construction	$ -	$ -	$ -	$ 634,205	$ 644,205	$ -	$ -	1,278,410
Admin/Inspection	-	-	13,085	45,795	45,795	-	-	104,675
Professional Services								
Furniture/Equipment								
Total Costs	$ -	$ -	$ 200,000	$ 700,000	$ 700,000	$ -	$ -	$ 1,600,000

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ -	$ -	$ 200,000	$ 700,000	$ 700,000	$ -	$ -	$ 1,600,000
Contribution Sources								
TxDOT Reimbursement								
Total Sources	$ -	$ -	$ 200,000	$ 700,000	$ 700,000	$ -	$ -	$ 1,600,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	2026	2028
Land/Right of Way		
Construction	2027	2028
Admin/Inspection	2026	2028
Professional Services		
Furniture/Equipment		
Total Project		2028

Site Information
802 N Kealy St
Lewisville, TX

Project Title	**Department**
Temple Dane Pump Station Improvements	512T

Description

Funding provides for the District's participation in a joint project with Mustang SUD to construct a two million gallon ground storage tank, with associated improvements, at the jointly owned Temple Dane Pump Station.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering								
Land/Right of Way								
Construction	$ -	$ 1,260,000	$ 780,000	$ -	$ -	$ -	$ -	$ 2,040,000
Admin/Inspection	-	40,000	20,000	-	-	-	-	60,000
Professional Services								
Furniture/Equipment								
Total Costs	$ -	$ 1,300,000	$ 800,000	$ -	$ -	$ -	$ -	$ 2,100,000

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ -	$ 1,300,000	$ 800,000	$ -	$ -	$ -	$ -	$ 2,100,000
TWDB Funds								
Contribution Sources								
Total Sources	$ -	$ 1,300,000	$ 800,000	$ -	$ -	$ -	$ -	$ 2,100,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering		
Land/Right of Way		
Construction	Dec-24	2026
Admin/Inspection	Dec-24	2026
Professional Services		
Furniture/Equipment		
Total Project		2026

Site Information

Approximate location is 3805 FM 720
Aubrey, TX

Project Title	**Department**
Laboratory Facility Feasibility Study	51VQ

Description

Funding for a study to determine the feasibility of a UTRWD owned and operated NELAC (National Environmental Laboratories Accreditation Conference) Laboratory facility to internally serve all six District treatment facilities, including the Lake Ralph Hall reservoir, and the Watershed Protection Program's sampling requirements.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ -	$ 46,500	$ 140,000	$ -	$ -	$ -	$ -	$ 186,500
Land/Right of Way								
Construction								
Admin/Inspection	-	3,500	10,000	-	-	-	-	13,500
Professional Services								
Furniture/Equipment								
Total Costs	$ -	$ 50,000	$ 150,000	$ -	$ -	$ -	$ -	$ 200,000

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ -	$ 50,000	$ 150,000	$ -	$ -	$ -	$ -	$ 200,000
Contribution Sources								
TxDOT Reimbursement								
Total Sources	$ -	$ 50,000	$ 150,000	$ -	$ -	$ -	$ -	$ 200,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Sep-25	2026
Land/Right of Way		
Construction		
Admin/Inspection	Sep-25	2026
Professional Services		
Furniture/Equipment		
Total Project		2026

Site Information

Location is expected to be centrally located in the District's Northern service area.

Project Title
Roadway Improvements Coordination Adjustments

Department
513W

Description
Funding provided to continue coordination activities 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.)

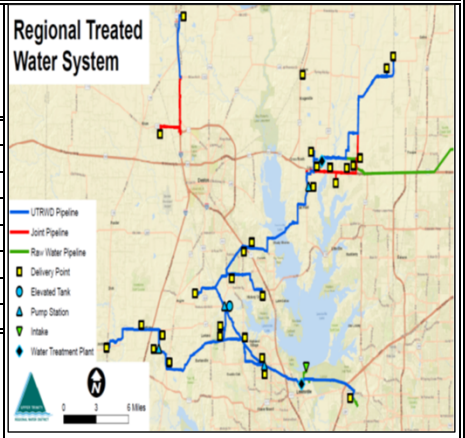
Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering								
Land/Right of Way								
Construction	$ 1,860	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,860
Admin/Inspection	83,274	14,500	9,000	9,000	9,000	9,000	9,000	142,774
Legal	3,103	500	1,000	1,000	1,000	1,000	1,000	8,603
Furniture/Equipment								
Total Costs	$ 88,237	$ 15,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 153,237

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ 84,367	$ 15,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 149,367
Operating Funds	3,870	-	-	-	-	-	-	3,870
Contribution Sources								
Total Sources	$ 88,237	$ 15,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 153,237

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	Sep-16	Sep-16	
Admin/Inspection	Oct-10	Ongoing	
Legal	Feb-11	Ongoing	
Furniture/Equipment			
Total Project		Ongoing	



Project Title
Lewisville Lake / USACE Dam Coordination

Department
51W3

Description
Funding provided to continue coordination activities with the U.S. Army Corps of Engineers (USACE) on utility relocations, including engineering / design and construction activities for the District's water pipelines in the vicinity of the Lewisville Lake Dam.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering								
Land/Right of Way								
Construction								
Admin/Inspection	$ 10,914	$ 8,000	5,000	5,000	-	-	-	$ 28,914
Legal								
Furniture/Equipment								
Total Costs	$ 10,914	$ 8,000	$ 5,000	$ 5,000	$ -	$ -	$ -	$ 28,914

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ 10,914	$ 8,000	$ 5,000	$ 5,000	$ -	$ -	$ -	$ 28,914
TWDB Funds								
Contribution Sources								
Total Sources	$ 10,914	$ 8,000	$ 5,000	$ 5,000	$ -	$ -	$ -	$ 28,914

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering		
Land/Right of Way		
Construction		
Admin/Inspection	Oct-18	2027
Legal		
Furniture/Equipment		
Total Project		2027

Site Information

Near the Lake Lewisville intake pump station and intake pipeline in Lewisville, TX

Project Title	**Department**
Restore / Relocate Sanger Water Pipeline	516A

Description

Funding provides for the completion of design and construction activities to relocate a portion of a pipeline that crosses under a drainage channel with severe erosion.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 96,987	$ 282,985	$ 10,000	$ -	$ -	$ -	$ -	$ 389,972
Land/Right of Way								
Construction	-	20,000	130,190	-	-	-	-	150,190
Admin/Inspection	8,820	21,210	9,810	-	-	-	-	39,840
Legal								
Furniture/Equipment								
Total Costs	$ 105,807	$ 324,195	$ 150,000	$ -	$ -	$ -	$ -	$ 580,002

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ 105,807	$ 324,195	$ 150,000	$ -	$ -	$ -	$ -	$ 580,002
Contribution Sources								
TxDOT Reimbursement								
Total Sources	$ 105,807	$ 324,195	$ 150,000	$ -	$ -	$ -	$ -	$ 580,002

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Feb-24	2026
Land/Right of Way		
Construction	Sep-25	2026
Admin/Inspection	Oct-23	2026
Legal		
Furniture/Equipment		
Total Project		2026

Site Information

Approximate location is 1275 Cowling Road
Sanger, TX

Project Title
U.S. Hwy 377 / TxDOT Appurtenances and Adjustments Project

Department
51T7

Description
Funding provides for appurtenance adjustments for the Southwest Pipeline as a result of the Texas Department of Transportation's widening project along U.S. Hwy 377 from FM 1171 to Country Club Road. Upon project completion, the District will be reimbursed by the Texas Department of Transportation for project costs.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

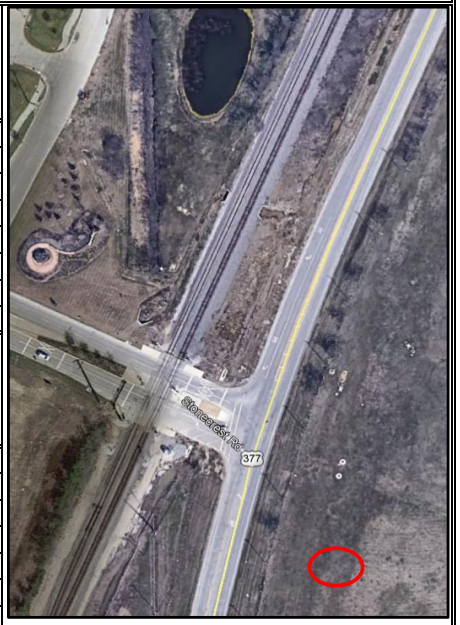
Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 60,469	$ 18,000	$ 3,000	$ 1,000	$ -	$ -	$ -	$ 82,469
Land/Right of Way								
Construction	-	-	57,405	26,275	-	-	-	83,680
Admin/Inspection	44,144	2,000	6,040	2,725	-	-	-	54,909
Legal								
Furniture/Equipment								
Total Costs	$ 104,613	$ 20,000	$ 66,445	$ 30,000	$ -	$ -	$ -	$ 221,058

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ 104,613	$ 20,000	$ 66,445	$ 30,000	$ -	$ -	$ -	221,058
Non-Bond Capital Rsrv Reimbu	(87,238)	-	(66,445)	(67,375)	-	-	-	(221,058)
TxDOT Reimbursement	87,238	-	66,445	67,375	-	-	-	221,058
Total Sources	$ 104,613	$ 20,000	$ 66,445	$ 30,000	$ -	$ -	$ -	$ 221,058

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Aug-20	2027
Land/Right of Way		
Construction	2026	2027
Admin/Inspection	Aug-20	2027
Legal		
Furniture/Equipment		
Total Project		2027

Site Information

East Side of US 377, near intersection of Stonecest and US 377
Flower Mound, Tx



Project Title	**Department**
TxDOT / IH-35 Project	51TN

Description

Funding provided for the completion of engineering and construction to relocated District pipelines for the Texas Department of Transportation's IH-35 widening project from Milam Road in Denton, TX north to Cowling Road in Sanger, TX. Approximately 70% of project costs are reimbursable by the Texas Department of Transportation.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

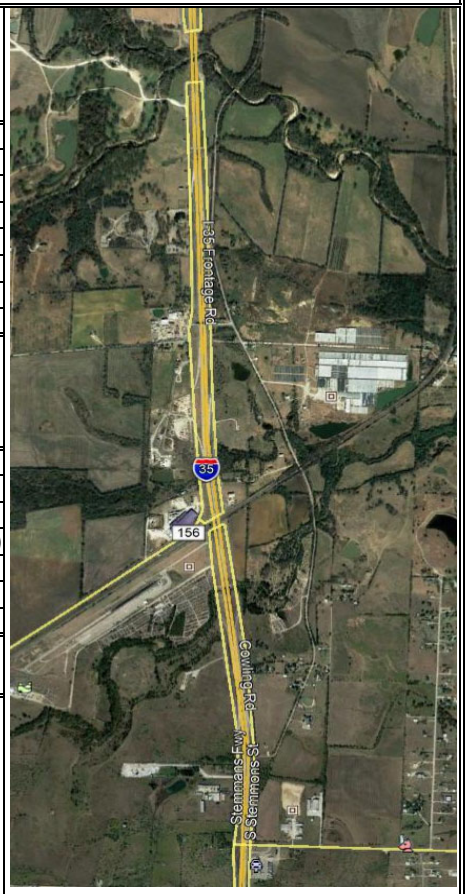
Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 766,966	$ 520,000	$ 10,000	$ -	$ -	$ -	$ -	$ 1,296,966
Land/Right of Way	1,001,645	500,000	-	-	-	-	-	1,501,645
Construction	-	4,485,925	1,859,160	-	-	-	-	6,345,085
Admin/Inspection	224,037	380,410	130,840	-	-	-	-	735,287
Legal	54,625	5,000	-	-	-	-	-	59,625
Furniture/Equipment								
Total Costs	$ 2,047,273	$ 5,891,335	$ 2,000,000	$ -	$ -	$ -	$ -	$ 9,938,608

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ 2,047,273	$ 5,891,335	$ 2,000,000	$ -	$ -	$ -	$ -	$ 9,938,608
Non-Bond Capital Rsrv Reimbursement	-	(5,397,414)	(1,517,875)	-	-	-	-	(6,915,289)
TxDOT Reimbursement	-	5,397,414	1,517,875	-	-	-	-	6,915,289
Total Sources	$ 2,047,273	$ 5,891,335	$ 2,000,000	$ -	$ -	$ -	$ -	$ 9,938,608

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Nov-20	2026
Land/Right of Way	Jun-23	Sep-25
Construction	Feb-25	2026
Admin/Inspection	Nov-20	2026
Legal	Nov-23	Sep-25
Furniture/Equipment		
Total Project		2026

Site Information

IH-35 (Milam Road in Denton to Cowling Road in Sanger)
Denton County, TX



Project Title	**Department**
TxDOT / IH-35W and FM 407 Project	51TA

Description

Funding provides for coordination / construction of pipeline modifications due to Texas Department of Transportation's widening projects along IH-35 and FM 407. 40% of project costs are anticipated to be reimbursable by the Texas Department of Transportation.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

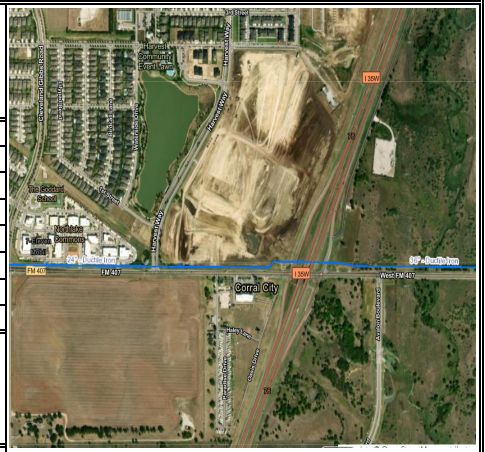
Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 43,696	$ 136,755	$ 5,000	$ 5,000	$ -	$ -	$ -	$ 190,451
Land/Right of Way								
Construction	-	-	1,396,870	1,396,870	-	-	-	2,793,740
Admin/Inspection	9,547	10,000	98,130	98,130	-	-	-	215,807
Legal								
Furniture/Equipment								
Total Costs	$ 53,243	$ 146,755	$ 1,500,000	$ 1,500,000	$ -	$ -	$ -	$ 3,199,998

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ 53,243	$ 146,755	$ 1,500,000	$ 1,500,000	$ -	$ -	$ -	$ 3,199,998
Non-Bond Capital Rsrv Reimbursement	-	-	(680,000)	(680,000)	-	-	-	(1,360,000)
TxDOT Reimbursement	-	-	680,000	680,000	-	-	-	1,360,000
Total Sources	$ 53,243	$ 146,755	$ 1,500,000	$ 1,500,000	$ -	$ -	$ -	$ 3,199,998

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Jun-23	2027
Land/Right of Way		
Construction	2026	2027
Admin/Inspection	Sep-23	2027
Legal		
Furniture/Equipment		
Total Project		2027

Site Information

Approximate location I-35 and FM 407
Lewisville, TX



Project Title	**Department**
TXDOT / Relocate FM 2931	51TB

Description

Funding provides for coordination and if necessary, pipeline modifications / relocation, due to the Texas Department of Transportation's widening projects along FM 2931.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

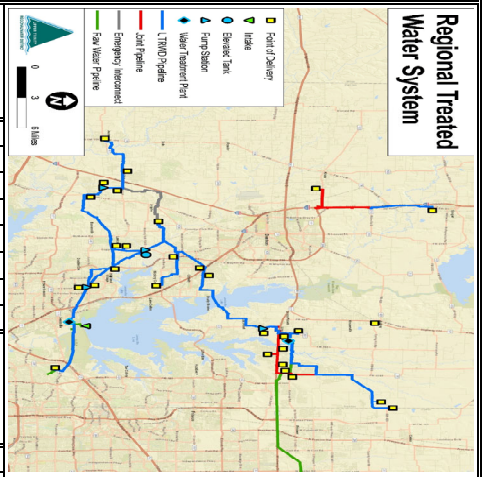
Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ -	$ 44,645	$ 267,065	$ 44,645	$ -	$ -	$ -	$ 356,355
Land/Right of Way								
Construction								
Admin/Inspection	833	5,355	32,100	5,355	-	-	-	43,643
Legal								
Furniture/Equipment								
Total Costs	$ 833	$ 50,000	$ 299,165	$ 50,000	$ -	$ -	$ -	$ 399,998

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ 833	$ 50,000	$ 299,165	$ 50,000	$ -	$ -	$ -	$ 399,998
Non-Bond Capital Rsrv Reimbursement								
TxDOT Reimbursement								
Total Sources	$ 833	$ 50,000	$ 299,165	$ 50,000	$ -	$ -	$ -	$ 399,998

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Sep-25	2027
Land/Right of Way		
Construction		
Admin/Inspection	Feb-24	2027
Legal		
Furniture/Equipment		
Total Project		2027

Site Information

Approximate location is north and south of US 380 along FM 2931 for the extent of the TxDOT project.



Project Title
TXDOT / Relocate FM 1385

Department
51TG

Description
Funding provides for coordination and if necessary, pipeline modifications / relocation, due to the Texas Department of Transportation's widening projects along FM 1385.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

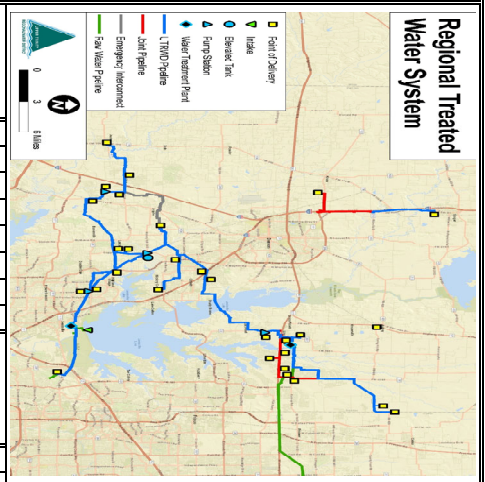
Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 66,297	$ 178,570	$ 151,235	$ 5,000	$ -	$ -	$ -	$ 401,102
Land/Right of Way								
Construction	-	-	941,650	929,580	-	-	-	1,871,230
Admin/Inspection	14,317	21,430	76,500	65,420	-	-	-	177,667
Legal								
Furniture/Equipment								
Total Costs	$ 80,614	$ 200,000	$ 1,169,385	$ 1,000,000	$ -	$ -	$ -	$ 2,449,999

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ 80,614	$ 200,000	$ 1,169,385	$ 1,000,000	$ -	$ -	$ -	$ 2,449,999
Non-Bond Capital Rsrv Reimbursement								
TxDOT Reimbursement								
Total Sources	$ 80,614	$ 200,000	$ 1,169,385	$ 1,000,000	$ -	$ -	$ -	$ 2,449,999

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Jun-24	2027
Land/Right of Way		
Construction	2026	2027
Admin/Inspection	Feb-24	2027
Legal		
Furniture/Equipment		
Total Project		2027

Site Information

Approximate location is north of US 380 along FM 1385 for the extent of the TxDOT project.



Project Title	**Department**
Contingency Improvements	51WI

Description

To allow for various projects that may be identified throughout the year.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering								
Land/Right of Way								
Construction/Other	$ -	$ 20,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 770,000
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Costs	$ -	$ 20,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 770,000

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Variable Rate Financing								
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ -	$ 3,370	$ 133,370	$ 133,370	$ 133,370	$ 133,370	$ 133,370	$ 670,220
Growth Program Funds	-	16,630	16,630	16,630	16,630	16,630	16,630	99,780
Contribution Sources								
Total Sources	$ -	$ 20,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 150,000	$ 770,000

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	Sep-25	Ongoing	
Admin/Inspection			
Legal			
Furniture/Equipment			
Total Project		Ongoing	

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ESTIMATED ANNUAL OPERATING EXPENSE (WITH DEBT SERVICE) FROM INVESTMENTS IN CAPITAL PROJECTS

Project Acct	Project	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
51WP	Southwest Pump Station, Phase 1	$ 2,131,360	$ 2,037,530	$ 2,543,920	$ 2,788,490	$ 2,794,145	$ 12,295,445
51RH	Lake Ralph Hall Project	14,317,930	19,577,260	23,399,470	30,476,805	33,511,740	121,283,205
519Y	RTWS General Treatment and Pumping Improvements	2,133,505	2,155,085	2,265,320	2,305,520	2,318,920	11,178,350
514R	Thomas E. Taylor WTP Expansion, Phase 3 (from 70.0 to 85.0 MGD)	1,250,810	1,296,585	2,357,020	3,599,790	4,151,185	12,655,390
519G	Thomas E. Taylor WTP Expansion, Phase 4 (from 85.0 to 120.0 MGD)	44,500	46,060	192,680	742,640	1,542,465	2,568,345
51TP	Lake Lewisville Raw Water Pump Station Improvements	204,265	89,190	82,920	153,400	158,495	688,270
511M	Lewisville Lake Parallel Raw Water Pipeline	6,675	54,285	106,590	610,100	982,300	1,759,950
511Y	RTWS Pump Station Improvement Projects	89,000	230,300	425,200	685,000	985,005	2,414,505
512Q	RTWS Meter Vault and Other Hydraulic Improvements	44,500	164,500	312,200	512,000	752,000	1,785,200
51HO	Harpool RWTP Phased Treatment Expansion, Phase 1 (from 20.0 to 30.0 MGD)	3,064,695	3,071,005	3,155,420	3,178,865	3,189,410	15,659,395
512H	Harpool RWTP Phased Treatment Expansion, Phase 2 (from 30.0 to 60.0 MGD)	2,156,245	2,392,045	4,088,585	5,558,425	7,835,415	22,030,715
51HR	Lake Ralph Hall Terminal Storage	73,380	76,155	87,290	97,695	98,340	432,860
514N	Harpool RWTP Northeast Transmission Pipeline, Phase 1 & 2	645,965	793,745	1,021,610	1,181,645	1,455,295	5,098,260
515N	Harpool RWTP Northeast Transmission Pipeline, Phase 3	214,875	407,015	680,830	999,420	1,273,150	3,575,290
515K	Harpool RWTP Northeast Pipeline, Phase 4	89,000	92,120	152,630	244,595	335,360	913,705
51PG	RTWS Southwest Transmission Pipelines, Phase 4	25,255	175,480	339,150	753,735	1,377,735	2,671,355
51TX	RTWS Phase 1C Parallel Pipeline	44,500	36,190	76,480	217,380	580,070	954,620
511Q	Shady Shores Rd Improvements - Denton County Roadway Project	9,125	78,630	154,635	186,665	245,220	674,275
	Total	**$ 26,545,585**	**$ 32,773,180**	**$ 41,441,950**	**$ 54,292,170**	**$ 63,586,250**	**$ 218,639,135**

Methodology:

Operating expense estimates based on comparable (if any) operating assets in operation with regard to flow capability, inspection requirements, size, electricty and chemical use / requirements, etc.

Debt Service amounts are based on projected interest rates for Variable Rate Financing, Revenue Bonds, timing of Variable Rate Financing converted into long-term debt, estimated debt service amounts prepared by the District's financial advisors, and actual debt service amounts for bonds / debt already issued.

Personnel expense estimates based on additional hiring of water operators (Salary and Benefits).

Maintenance and Administration Overhead Allocation amounts are based on 7% of total operating expenses (excluding debt service).

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LAKEVIEW REGIONAL WATER RECLAMATION SYSTEM

The FY 2026 adopted capital budget for the Lakeview Regional Water Reclamation System is $2,904,955, a decrease of $4,115,740 from the previous year adopted capital budget of $7,020,695. This decrease is primarily due to the postponing of the Lakeview Plant Expansion.

FY 2026 funding consists of the following:

Funding Source	FY 2026 Budget
Non-Bond Capital Reserve Funds	$2,904,955

CURRENT PROJECTS

Plant Expansion, Phase 3 (from 5.5 to 7.5 MGD) – Growth in the Lakeview Regional Water Reclamation Systems' service area has steadily increased over the past 3-5 years. As wastewater flows increase to a level equal to 90% of the plant's treatment capacity of 5.5 mgd, the District is required by the Texas Pollutant Discharge Elimination Permit to begin planning for the next expansion of the plant, (average flows over the past three fiscal years = 4.80 MGD). Funding is provided to continue design / engineering for the construction of the expansion of the Lakeview Regional Water Reclamation Plant treatment capacity from 5.5 to 7.5 mgd.

- FY 2026 Budget: $500,000
- Funding Source: Non-Bond Capital Reserve Funds

System Interceptor and Odor Control Improvements – Due to a confluence of many entities' pipelines and connections in the vicinity of IH-35E and Swisher Road (Corinth, Texas), the District is reconfiguring and improving its water reclamation pipeline infrastructure by replacing and upgrading fittings and appurtenances on the trunk main and connections in this area to increase ease of flow and to better control odors emanating from this infrastructure.

- FY 2026 Budget: $54,955
- Funding Source: Non-Bond Capital Reserve Funds

Lift Station Improvements – Based on recommendations from the Lift Station Condition Assessment Study, complete construction of proposed improvements to lift stations in the Lakeview Regional Water Reclamation System. Non-Bond funding to be utilized and subsequently reimbursed by individual lift station users upon completion.

- FY 2026 Budget: $2,300,000
- Funding Source: Non-Bond Capital Reserve Funds

Contingency Improvements – Finally, the FY 2026 capital budget contains annual expenditures for Contingency Improvements to allow for various projects that may be identified throughout the fiscal year. Annual funding of $50,000 is provided through FY 2030 to continue these activities.

- FY 2026 Budget: $50,000
- Funding Source: Non-Bond Capital Reserve Funds

FUTURE PROJECTS

Permit Renewal – Every 5 years, the District is required to renew the Texas Pollutant Discharge Elimination System Permit as required by the Texas Commission on Environmental Quality for the Lakeview Regional Water Reclamation Plant. The next renewal period is anticipated to begin in FY 2028.

TxDOT I35 & Swisher Rd Project – Coordination project with TxDOT staff regarding future plans to improve the roadways around IH-35 and Swisher Rd in Denton, TX, which is anticipated to begin in FY 2030.

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CONSTRUCTION CASH RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 50,965	$ 51,635	$ 50,696	$ 51,071
Transfer to Operations	$ (269)			
BEGINNING CASH BALANCE Revised	**$ 50,696**			
REVENUES				
Transfers In				
Non-Bond Capital Reserve	579,376	7,020,695	3,332,080	2,904,955
Working Capital	269	-	-	-
Interest Income	665	1,680	375	195
TOTAL REVENUES	**$ 580,310**	**$ 7,022,375**	**$ 3,332,455**	**$ 2,905,150**
EXPENDITURES				
Construction Improvement Projects	580,310	7,020,695	3,332,080	2,904,955
TOTAL EXPENDITURES	**$ 580,310**	**$ 7,020,695**	**$ 3,332,080**	**$ 2,904,955**
ENDING CASH BALANCE 9/30	**$ 50,696**	**$ 53,315**	**$ 51,071**	**$ 51,266**

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FY 2026 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2030

Project Acct	Project	Prior Expenditures	Estimates FY 2025	Adopted FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
51LL	Permit Renewal	$ -	$ -	$ -	$ -	$ 40,000	$ 20,000	$ -	**$ 60,000**
51L2	Plant Expansion, Phase 3 (from 5.5 to 7.5 MGD) - Includes Biosolids Improvements *	3,362,351	**2,602,080**	**500,000**	**3,500,000**	15,500,000	19,500,000	15,250,000	**60,214,431**
513B	System Interceptor and Odor Control Improvements	**101,077**	**20,000**	**54,955**	**1,912,305**	**300,000**	-	-	**2,388,337**
5179	Lift Station Improvements *	**442,994**	**700,000**	**2,300,000**	-	-	-	-	**3,442,994**
TBD	TxDOT / IH-35 & Swisher Rd Project	-	-	-	-	-	-	**20,000**	**20,000**
51LM	Contingency Improvements	-	**10,000**	**50,000**	**50,000**	**50,000**	**50,000**	**50,000**	**260,000**
	Total	**$ 3,906,422**	**$ 3,332,080**	**$ 2,904,955**	**$ 5,462,305**	**$ 15,890,000**	**$ 19,570,000**	**$ 15,320,000**	**$ 66,385,762**
	Funding Sources:								
	Revenue Bonds								
	Plant Expansion, Phase 3 (51L2)	$ -	$ -	$ -	$ -	$ 12,500,000	$ 19,500,000	$ 15,250,000	**$ 47,250,000**
	Construction Cash Funds	1,898,174	-	-	-	-	-	-	**1,898,174**
	Non-Bond Capital Reserve Funds	2,008,248	3,332,080	2,904,955	5,462,305	3,350,000	50,000	70,000	**17,177,588**
	Non-Bond Capital Reserve Reimbursement	-	(1,331,060)	-	(2,111,934)	-	-	-	**(3,442,994)**
	Customer Reimbursement	-	1,331,060	-	2,111,934	-	-	-	**3,442,994**
	Project Development Funds	187,991	-	-	-	-	-	-	**187,991**
	Project Development Funds Reimbursement	(187,991)	-	-	-	-	-	-	**(187,991)**
	Plant Permitting Reserve Funds	-	-	-	-	40,000	20,000	-	**60,000**
	Total	**$ 3,906,422**	**$ 3,332,080**	**$ 2,904,955**	**$ 5,462,305**	**$ 15,890,000**	**$ 19,570,000**	**$ 15,320,000**	**$ 66,385,762**

* - Multiple Funding Sources

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Project Title
Plant Expansion, Phase 3 (from 5.5 to 7.5 MGD) - Includes Biosolids Improvements

Department
51L2

Description
Continue with design / engineering and begin construction for the next expansion of the Lakeview Regional Water Reclamation Plant treatment capacity from 5.5 to 7.5 MGD.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ -	$ -
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	-	-	-	-
Debt Service	-	-	484,670	1,744,740	3,198,170
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	-	-	-	-
Total	$ -	$ -	$ 484,670	$ 1,744,740	$ 3,198,170

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 3,107,424	$ 120,000	$ 467,290	$ 50,000	$ 50,000	$ 20,000	$ 50,000	$ 3,864,714
Land/Right of Way								
Construction	54,460	2,311,850	-	3,221,030	14,435,980	18,204,300	14,202,335	52,429,955
Admin/Inspection	200,467	170,230	32,710	228,970	1,014,020	1,275,700	997,665	3,919,762
Legal								
Furniture/Equipment								
Total Costs	$ 3,362,351	$ 2,602,080	$ 500,000	$ 3,500,000	$ 15,500,000	$ 19,500,000	$ 15,250,000	$ 60,214,431

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Revenue Bonds	$ -	$ -	$ -	$ -	$ 12,500,000	$ 19,500,000	$ 15,250,000	$ 47,250,000
Non-Bond Capital Rsrv Funds	1,464,177	2,602,080	500,000	3,500,000	3,000,000	-	-	11,066,257
Const. Cash Funds (Prior Bond Proceeds)	1,898,174	-	-	-	-	-	-	1,898,174
Contribution Sources								
O&M Reserve Funds								
Total Sources	$ 3,362,351	$ 2,602,080	$ 500,000	$ 3,500,000	$ 15,500,000	$ 19,500,000	$ 15,250,000	$ 60,214,431

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Sep-06	2030
Land/Right of Way		
Construction	Sep-24	2030
Admin/Inspection	Mar-05	2030
Legal		
Furniture/Equipment		
Total Project		2030

Site Information

North End of Lakeview Drive #1
Lake Dallas, TX

Project Title
System Interceptor and Odor Control Improvements

Department
513B

Description
Continue with design / engineering to correct piping issues and install odor control equipment in and along interceptors and force mains of the Lakeview Regional Water Reclamation System, which is used to transport wastewater flows from System participants to the Lakeview Plant.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ -	$ -
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	-	(7,800)	(8,190)	(8,600)
Debt Service	-	-	-	-	-
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	-	(545)	(575)	(600)
Total	$ -	$ -	$ (8,345)	$ (8,765)	$ (9,200)

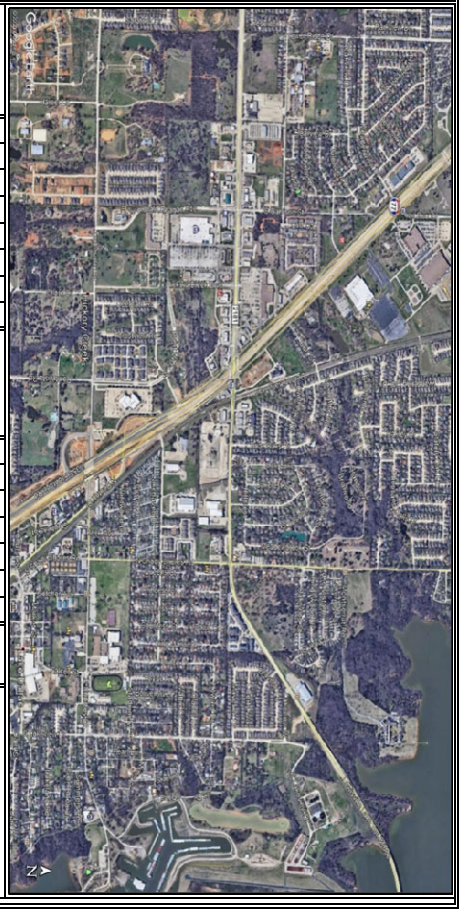
Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 77,454	$ 17,000	$ 49,055	$ 394,850	$ 50,000	$ -	$ -	$ 588,359
Land/Right of Way								
Construction/Other	-	-	-	1,392,350	217,855	-	-	1,610,205
Admin/Inspection	23,623	3,000	5,900	125,105	32,145	-	-	189,773
Legal								
Furniture/Equipment								
Total Costs	$ 101,077	$ 20,000	$ 54,955	$ 1,912,305	$ 300,000	$ -	$ -	$ 2,388,337

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ 101,077	$ 20,000	$ 54,955	$ 1,912,305	$ 300,000	$ -	$ -	$ 2,388,337
Plant Permitting Reserve Funds								
Contribution Sources								
O&M Reserve Funds								
Total Sources	$ 101,077	$ 20,000	$ 54,955	$ 1,912,305	$ 300,000	$ -	$ -	$ 2,388,337

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Sep-21	2028
Land/Right of Way		
Construction/Other	2027	2028
Admin/Inspection	Nov-20	2028
Legal		
Furniture/Equipment		
Total Project		2028

Site Information

Project includes all Lakeview force mains and interceptors, but is generally near the intersection of Swisher (FM 2181) and IH35E in Corinth and Hickory Creek and Lake Dallas, TX



Project Title
Lift Station Improvements

Department
5179

Description
Based on recommendations from the Lift Station Condition Assessment Study, complete construction of proposed improvements to lift stations in the Lakeview Regional Water Reclamation System.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ -	$ -
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	(5,600)	(5,880)	(6,175)	(6,485)
Debt Service	-	-	-	-	-
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	(390)	(410)	(430)	(455)
Total	$ -	$ (5,990)	$ (6,290)	$ (6,605)	$ (6,940)

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 370,207	$ 150,000	$ 20,000	$ -	$ -	$ -	$ -	$ 540,207
Land/Right of Way								
Construction	-	495,000	2,125,000	-	-	-	-	2,620,000
Admin/Inspection	72,787	55,000	155,000	-	-	-	-	282,787
Legal								
Furniture/Equipment								
Total Costs	$ 442,994	$ 700,000	$ 2,300,000	$ -	$ -	$ -	$ -	$ 3,442,994

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ 442,994	$ 700,000	$ 2,300,000	$ -	$ -	$ -	$ -	$ 3,442,994
Non-Bond Capital Rsrv Reimb	-	(1,331,060)	-	(2,111,934)	-	-	-	(3,442,994)
Customer Reimbursement	-	1,331,060	-	2,111,934	-	-	-	3,442,994
Project Development Funds	187,991	-	-	-	-	-	-	187,991
Project Development Funds Reim	(187,991)	-	-	-	-	-	-	(187,991)
Total Sources	$ 442,994	$ 700,000	$ 2,300,000	$ -	$ -	$ -	$ -	$ 3,442,994

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Jan-22	2026
Land/Right of Way		
Construction	May-25	2026
Admin/Inspection	Nov-21	2026
Legal		
Furniture/Equipment		
Total Project		2026

Site Information

Various lift station locations including Corinth, LCMUA, Hickory Creek, and Highland Village

Project Title	**Department**
Contingency Improvements	51LM

Description
To allow for various projects that may be identified throughout the year.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering								
Land/Right of Way								
Construction/Other	$ -	$ 10,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 260,000
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Costs	$ -	$ 10,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 260,000

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ -	$ 10,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 260,000
Plant Permitting Reserve Funds								
Contribution Sources								
O&M Reserve Funds								
Total Sources	$ -	$ 10,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 260,000

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	Sep-25	Ongoing	
Admin/Inspection			
Legal			
Furniture/Equipment			
Total Project		Ongoing	

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ESTIMATED ANNUAL OPERATING EXPENSE (WITH DEBT SERVICE) FROM INVESTMENTS IN CAPITAL PROJECTS

Project Acct	Project	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
51L2	Plant Expansion, Phase 3 (from 5.5 to 7.5 MGD) - Includes Biosolids Improvements	$ -	$ -	$ 484,670	$ 1,744,740	$ 3,198,170	$ 5,427,580
513B	System Interceptor and Odor Control Improvements	-	-	(8,345)	(8,765)	(9,200)	(26,310)
5179	Lift Station Improvements	-	(5,990)	(6,290)	(6,605)	(6,940)	(25,825)
	Total	**$ -**	**$ (5,990)**	**$ 470,035**	**$ 1,729,370**	**$ 3,182,030**	**$ 5,375,445**

Methodology:

Operating expense estimates based on comparable (if any) operating assets in operation with regard to flow capability, inspection requirements, size, electricty and chemical use / requirements, etc.

Debt Service amounts are based on projected interest rates for Revenue Bonds through estimated debt service schedules prepared by the District's financial advisors, and actual debt service amounts for bonds / debt already issued.

Personnel expense estimates based on additional hiring of wastewater operators (Salary and Benefits).

Maintenance and Administration Overhead Allocation amounts are based on 7% of total operating expenses (excluding debt service).

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NON-POTABLE WATER SYSTEM

The FY 2026 adopted capital budget for the Non-Potable Water System is $5,000; an increase of $2,000 from the previous year adopted capital budget of $3,000.

FY 2026 funding consists of the following:

Funding Source	FY 2026 Budget
Construction Cash Reserve Funds	$5,000

CURRENT PROJECTS

Lake Lewisville / USACE Dam Coordination – Continue coordinating with the U.S. Army Corps of Engineers' (USACE) utility relocation in the same vicinity as the District's non-potable water pipeline at the Lewisville Lake Dam. Annual funding of $5,000 is shown for this activity through FY 2027.

- FY 2026 Budget: $5,000
- Funding Source: Construction Cash Reserve Funds

FUTURE PROJECTS

No other future capital projects are currently planned for the Non-Potable Water System for FY 2027 though FY 2030.

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CONSTRUCTION CASH RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 423,644	$ 441,839	$ 444,465	$ 457,475
REVENUES				
Interest Income	20,821	19,000	18,010	19,000
TOTAL REVENUES	**$ 20,821**	**$ 19,000**	**$ 18,010**	**$ 19,000**
EXPENDITURES				
Construction Improvement Project	-	3,000	5,000	5,000
TOTAL EXPENDITURES	**$ -**	**$ 3,000**	**$ 5,000**	**$ 5,000**
ENDING CASH BALANCE 9/30	**$ 444,465**	**$ 457,839**	**$ 457,475**	**$ 471,475**

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FY 2026 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2030

Project Acct	Project	Prior Expenditures	Estimates FY 2025	Adopted FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
513N	Lake Lewisville / USACE Dam Coordination	$ 1,946	$ 5,000	$ 5,000	$ 5,000	$ -	$ -	$ -	$ 16,946
	Total	**$ 1,946**	**$ 5,000**	**$ 5,000**	**$ 5,000**	**$ -**	**$ -**	**$ -**	**$ 16,946**
	Funding Source:								
	Construction Funds	$ 1,946	$ 5,000	$ 5,000	$ 5,000	$ -	$ -	$ -	$ 16,946
	Total	**$ 1,946**	**$ 5,000**	**$ 5,000**	**$ 5,000**	**$ -**	**$ -**	**$ -**	**$ 16,946**

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Project Title
Lewisville Lake / USACE Dam Coordination

Department
513N

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

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering								
Land/Right of Way								
Construction								
Admin/Inspection	$ 1,946	$ 5,000	$ 5,000	$ 5,000	$ -	$ -	$ -	$ 16,946
Legal								
Furniture/Equipment								
Total Costs	$ 1,946	$ 5,000	$ 5,000	$ 5,000	$ -	$ -	$ -	$ 16,946

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
Construction Cash Rsrv Funds	$ 1,946	$ 5,000	$ 5,000	$ 5,000	$ -	$ -	$ -	$ 16,946
Contribution Sources								
O&M Reserve Funds								
Total Sources	$ 1,946	$ 5,000	$ 5,000	$ 5,000	$ -	$ -	$ -	$ 16,946

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering		
Land/Right of Way		
Construction		
Admin/Inspection	Sep-19	2027
Legal		
Furniture/Equipment		
Total Project		2027

Site Information
FM 544 near Windhaven Parkway
Lewisville, TX

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NORTHEAST REGIONAL WATER RECLAMATION SYSTEM- RIVERBEND PLANT

The FY 2026 adopted capital budget for the Northeast Regional Water Reclamation System – Riverbend Plant is $20,130,160; an increase of $9,434,160 from the previous year adopted capital budget of $10,696,000. This increase is primarily due to the transition into an expanded phase of construction for the West Influent Lift Station Improvements.

FY 2026 funding consists of the following:

Funding Sources	FY 2026 Budget
Revenue Bonds	$17,682,560
Contribution Sources	$1,687,600
Non-Bond Capital Reserve Funds	$760,000

CURRENT PROJECTS

Riverbend Plant Expansion, Phase 4 project (from 4.0 to 8.0 mgd) – Funding provides for initial planning and design / engineering to expand the treatment capacity of the Riverbend Water Reclamation Plant from 4.0 to 8.0 mgd.

- FY 2026 Budget: $750,000
- Funding Source: Non-Bond Capital Reserve Funds

West Influent Lift Station and Dewatering Improvements – Funding provides for continued engineering and construction to replace the existing lift station at the Riverbend Regional Water Reclamation Plant. Lift Station improvements will provide system reliability for the transfer of increased wastewater flows from the Town of Providence Village and Mustang SUD.

- FY 2026 Budget: $19,370,160
- Funding Sources: Revenue Bonds and Contribution Sources

Contingency Improvements – Finally, the FY 2026 capital budget contains annual expenditures for Contingency Improvements to allow for various projects that may be identified throughout the fiscal year. Annual funding of $10,000 is provided through FY 2030 to continue these activities.

- FY 2026 Budget: $10,000
- Funding Source: Non-Bond Capital Reserve Funds

FUTURE PROJECTS

Permit Renewal – Every 5 years, the District is required to renew the Texas Pollutant Discharge Elimination System permit as required by the Texas Commission on Environmental Quality for the Northeast Regional Water Reclamation System – Riverbend Plant. The next renewal period is anticipated to begin in FY 2027.

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CONSTRUCTION CASH RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 1,566,051	$ 266,956	$ 553,202	$ 13,301,487
Transfer to Operations	$ (1,012,849)			$ (11,968,340)
BEGINNING CASH BALANCE Revised	**$ 553,202**			**$ 1,333,147**
REVENUES				
Revenue Bonds				
West Influent Lift Station	-	11,000,000	11,000,000	7,299,340
Transfers In				
Doe Branch Construction Cash Reserve	-	-	2,492,600	-
Non-Bond Capital Reserve	-	-	-	760,000
Plant Permitting Reserve	17,027	-	-	-
Working Capital	1,012,849	-	-	11,968,340
Contribution Sources				
Customer Pipeline Extensions	-	10,000	-	-
Interest Income	47,864	15,105	330,315	102,480
TOTAL REVENUES	**$ 1,077,740**	**$ 11,025,105**	**$ 13,822,915**	**$ 20,130,160**
EXPENDITURES				
Construction Improvement Projects	1,077,740	10,696,000	1,074,630 *	20,130,160
TOTAL EXPENDITURES	**$ 1,077,740**	**$ 10,696,000**	**$ 1,074,630**	**$ 20,130,160**
ENDING CASH BALANCE 9/30	**$ 553,202**	**$ 596,061**	**$ 13,301,487**	**$ 1,333,147**

FY 2026 Ending Balance increase of $737,086 is largely due to the preliminary Series 2026 bond issue of $7.5M for the West Influent Lift Station and Dewatering Improvements project (51IP), additional capital expenditures (FY 2026), and a transfer from Doe Branch Construction Cash Reserve used as a contibution from MSUD for the West Influent Lift Station project.

* - Amount also contains expenditures of $74,630 for Landscaping & Fencing Improvements (51RG). This project is to be completed in FY 2025 and is not shown on the accompanying 5-Year list of capital improvement projects.

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FY 2026 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2030

Project Acct	Project	Prior Expenditures	Estimates FY 2025	Adopted FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
51RL	Permit Re-Rating / Renewal	$ -	$ -	$ -	$ 40,000	$ 20,000	$ -	$ -	**$ 60,000**
51R4	Plant Expansion, Phase 4 (from 4.0 to 8.0 MGD) *	-	-	**750,000**	12,000,000	25,000,000	25,000,000	25,000,000	**87,750,000**
51IP	West Influent Lift Station and Dewatering Improvements *	1,805,053	1,000,000	19,370,160	7,369,000	-	-	-	**29,544,213**
51RX	Contingency Improvements	-	-	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**50,000**
	Total	**$ 1,805,053**	**$ 1,000,000**	**$ 20,130,160**	**$ 19,419,000**	**$ 25,030,000**	**$ 25,010,000**	**$ 25,010,000**	**$ 117,404,213**

Funding Sources:

Revenue Bonds								
West Influent Lift Station (51IP)	$ 1,805,053	$ 195,000	$ 17,682,560	$ 7,369,000	$ -	$ -	$ -	**$ 27,051,613**
Plant Expansion, Phase 4 (51R4)	-	-	-	12,750,000	25,000,000	25,000,000	25,000,000	**87,750,000**
Plant Permitting Reserve Funds	-	-	-	40,000	20,000	-	-	**60,000**
Contribution Sources								
West Influent Lift Station (51IP)								
Mustang SUD	-	805,000	1,687,600	-	-	-	-	**2,492,600**
Non-Bond Capital Reserve Funds	-	-	760,000	10,000	10,000	10,000	10,000	**800,000**
Non-Bond Capital Reserve Reimbursement	-	-	-	(750,000)	-	-	-	**(750,000)**
Total	**$ 1,805,053**	**$ 1,000,000**	**$ 20,130,160**	**$ 19,419,000**	**$ 25,030,000**	**$ 25,010,000**	**$ 25,010,000**	**$ 117,404,213**

* - Multiple Funding Sources

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Project Title
Plant Expansion, Phase 4 (from 4.0 to 8.0 MGD)

Department
51R4

Description
Funding provides for initial planning and design / engineering to expand the treatment capacity of the Riverbend Water Reclamation Plant from 4.0 to 8.0 MGD.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ -	$ 125,000
Admin. / Office Expenses	-	-	-	-	2,000
Professional Services	-	-	-	-	1,050
Operating and Maintenance	-	-	-	-	25,000
Debt Service	-	436,445	1,786,620	3,636,990	5,510,260
Furniture and Equipment	-	-	-	-	2,500
Maintenance / OH Allocation	-	-	-	-	10,890
Total	$ -	$ 436,445	$ 1,786,620	$ 3,636,990	$ 5,676,700

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ -	$ -	$ 700,935	$ 11,214,955	$ 200,000	$ 200,000	$ 200,000	$ 12,515,890
Land/Right of Way								
Construction	-	-	-	-	23,164,485	23,164,485	23,164,485	69,493,455
Admin/Inspection	-	-	49,065	785,045	1,635,515	1,635,515	1,635,515	5,740,655
Legal								
Furniture/Equipment								
Total Costs	$ -	$ -	$ 750,000	$ 12,000,000	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ 87,750,000

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Revenue Bonds	$ -	$ -	$ -	$ 12,750,000	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ 87,750,000
Non-Bond Capital Rsrv Funds	-	-	750,000	-	-	-	-	750,000
Non-Bond Capital Rsrv Reimb	-	-	-	(750,000)	-	-	-	(750,000)
Contribution Sources								
Total Sources	$ -	$ -	$ 750,000	$ 12,000,000	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ 87,750,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	2026	2030
Land/Right of Way		
Construction	2028	2030
Admin/Inspection	2026	2030
Legal		
Furniture/Equipment		
Total Project		2030

Site Information

1780 Navo Road
Aubrey, TX

Project Title
West Influent Lift Station and Dewatering Improvements

Department
51IP

Description
Funding provides for continued engineering and construction to replace the existing lift station at the Riverbend Regional Water Reclamation Plant to provide system reliability for the transfer of increased wastewater flows from the Town of Providence Village and Mustang SUD.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ -	$ -
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	7,500	15,000	15,750	16,540
Debt Service	903,670	1,698,815	1,957,910	1,956,410	1,954,160
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	525	1,050	1,105	1,160
Total	$ 903,670	$ 1,706,840	$ 1,973,960	$ 1,973,265	$ 1,971,860

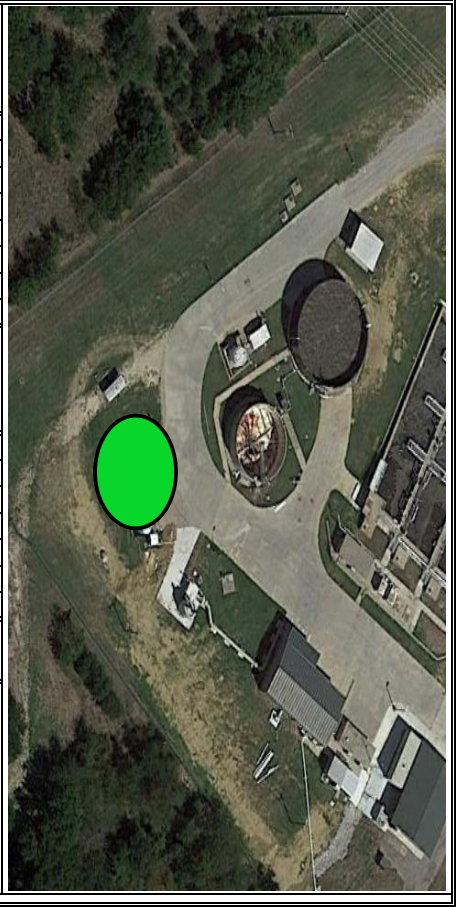
Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 1,404,219	$ 300,000	$ 235,000	$ 100,000	$ -	$ -	$ -	$ 2,039,219
Land/Right of Way								
Construction	277,693	634,580	17,644,700	6,787,000	-	-	-	25,343,973
Admin/Inspection	123,141	65,420	1,490,460	482,000	-	-	-	2,161,021
Legal								
Furniture/Equipment								
Total Costs	$ 1,805,053	$ 1,000,000	$ 19,370,160	$ 7,369,000	$ -	$ -	$ -	$ 29,544,213

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Revenue Bonds (MSUD & PV)	$ 1,805,053	$ 195,000	$ 17,682,560	$ 7,369,000	$ -	$ -	$ -	$ 27,051,613
Non-Bond Capital Rsrv Funds								
Contribution Sources (MSUD)	-	805,000	1,687,600	-	-	-	-	2,492,600
O&M Reserve Funds								
Total Sources	$ 1,805,053	$ 1,000,000	$ 19,370,160	$ 7,369,000	$ -	$ -	$ -	$ 29,544,213

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Sep-22	2027
Land/Right of Way		
Construction	Aug-23	2027
Admin/Inspection	Nov-21	2027
Legal		
Furniture/Equipment		
Total Project		2027

Site Information

1780 Navo Road
Aubrey, TX



Project Title	**Department**
Contingency Improvements	51RX

Description

To allow for various projects that may be identified throughout the year.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering								
Land/Right of Way								
Construction/Other	$ -	$ -	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 50,000
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Costs	$ -	$ -	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 50,000

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ -	$ -	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 50,000
Contribution Sources								
O&M Reserve Funds								
Total Sources	$ -	$ -	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 50,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering		
Land/Right of Way		
Construction/Other	2026	Ongoing
Admin/Inspection		
Legal		
Furniture/Equipment		
Total Project		Ongoing

Site Information

Various locations in the Northeast Regional Water Reclamation System (Riverbend Plant) service area.

Back to TOC

ESTIMATED ANNUAL OPERATING EXPENSE (WITH DEBT SERVICE) FROM INVESTMENTS IN CAPITAL PROJECTS

Project Acct	Project	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
51R4	Plant Expansion, Phase 4 (from 4.0 to 8.0 MGD)	$ -	$ 436,445	$ 1,786,620	$ 3,636,990	$ 5,676,700	$ 11,536,755
51IP	West Influent Lift Station and Dewatering Improvements	903,670	1,706,840	1,973,960	1,973,265	1,971,860	8,529,595
	Total	**$ 903,670**	**$ 2,143,285**	**$ 3,760,580**	**$ 5,610,255**	**$ 7,648,560**	**$ 20,066,350**

Methodology:

Operating expense estimates based on comparable (if any) operating assets in operation with regard to flow capability, inspection requirements, size, electricty and chemical use / requirements, etc.

Debt Service amounts are based on projected interest rates for Revenue Bonds through estimated debt service schedules prepared by the District's financial advisors, and actual debt service amounts for bonds / debt already issued.

Personnel expense estimates based on additional hiring of wastewater operators (Salary and Benefits).

Maintenance and Administration Overhead Allocation amounts are based on 7% of total operating expenses (excluding debt service).

Back to TOC

NORTHEAST REGIONAL WATER RECLAMATION SYSTEM- DOE BRANCH PLANT

The FY 2026 adopted capital budget for the Northeast Regional Water Reclamation System – Doe Branch Plant is $121,350,070; an increase of $41,553,205 from the previous year adopted capital budget of $79,796,865. This increase is primarily due to the increased scope and cost of the Plant Expansion, Phase 3 project.

FY 2026 funding consists of the following:

Funding Sources	FY 2026 Budget
Revenue Bonds	$61,404,610
Construction Cash Reserve Funds	$1,975,220
Non-Bond Capital Reserve Funds	$760,000
Plant Permitting Reserve Funds	$40,000
Contribution Sources	$57,170,240

CURRENT PROJECTS

Permit Renewal – Begin renewal of the Texas Pollutant Discharge Elimination System permit as required by the Texas Commission on Environmental Quality for the Doe Branch Regional Water Reclamation Plant, with subsequent renewals required every five years.

- FY 2026 Budget: $40,000
- Funding Source: Plant Permitting Reserve Funds

Plant Expansion, Phase 3 (from 4.0 to 12.0 MGD) – As the population continues to grow in the Doe Branch Plant's service area, funding is provided to continue design, engineering, and construction for the third phase of expansion.

- FY 2026 Budget: $100,000,000
- Funding Sources: Revenue Bonds, Contribution Sources, and Construction Cash Reserve Funds

Phase 1, Parallel Interceptor – With the projected increase in wastewater flows from the Doe Branch service area, the District is constructing a parallel interceptor to deliver wastewater flows from approximately Fishtrap Road south to the Doe Branch Plant. This new pipeline with ensure sufficient capacity for future increased treatment. Funding provides continued design / engineering and construction of this parallel interceptor.

- FY 2026 Budget: $20,550,070
- Funding Sources: Revenue Bonds and Contribution Sources

Phase 2, Parallel Interceptor – While construction is continuing on the first phase of the parallel interceptor project, initial planning and design is necessary to begin on the second phase of this project to construct an interceptor that extends from Fish Trap Road, north to the junction structure near Parvin and Good Hope Road in Little Elm, Tx.

- FY 2026 Budget: $750,000
- Funding Source: Non-Bond Capital Reserve Funds

Contingency Improvements – Finally, the FY 2026 capital budget contains annual expenditures for Contingency Improvements to allow for various projects that may be identified throughout the fiscal year. Annual funding of $10,000 is provided through FY 2030 to continue these activities.

- FY 2026 Budget: $10,000
- Funding Source: Non-Bond Capital Reserve Funds

FUTURE PROJECTS

No other future capital projects are currently planned for the Doe Branch Regional Water Reclamation Plant for FY 2027 though FY 2030.

Back to TOC

CONSTRUCTION CASH RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 12,860,122	$ 36,900,847	$ 41,787,674	$ 64,754,564
Transfer to Operations		$ (13,246,775)		$ (52,962,305)
BEGINNING CASH BALANCE Revised		**$ 23,654,072**		**$ 11,792,259**
REVENUES				
Revenue Bonds				
Phase 1, Parallel Interceptor (Celina)	-	6,000,000	-	6,000,000
Plant Expansion, Phase 3 (Celina)	27,000,000	30,000,000	-	30,000,000
Transfers In				
Non-Bond Capital Reserve	115,773	150,000	384,225	760,000
Plant Permitting Reserve Fund	-	-	-	40,000
Working Capital	-	13,246,775	-	52,962,305
Contribution Sources				
Phase 1, Parallel Interceptor (Prosper)	1,102,367	6,000,000	6,000,000	9,093,000
Plant Expansion, Phase 3 (Prosper)	5,000,000	25,250,000	25,250,000	22,157,000
Customer Pipeline Extensions	-	10,000	-	-
Interest Income	1,219,831	599,420	2,966,970	455,515
TOTAL REVENUES	**$ 34,437,971**	**$ 81,256,195**	**$ 34,601,195**	**$ 121,467,820**
EXPENDITURES				
Construction Improvement Projects	4,626,529	79,796,865	7,604,225 *	121,350,070
Refund to Elm Ridge WCID (from Contributions)	883,890	-	-	-
Transfers Out				
Northeast Regional Water Reclamation System				
Operating Cash	-	632,500	632,500	117,750
Non-Bond Capital Reserve	-	826,830	-	-
Riverbend Construction Cash Reserve	-	-	2,492,600	-
Regional Treated Water System				
Capital Replacement Reserve	-	-	39,635	-
Northeast Contribution Reserve	-	-	36,115	-
Gas Lease Reserve	-	-	40,435	-
Non-Bond Capital Reserve	-	-	2,230	-
Construction Cash Reserve	-	-	286,565	-
Peninsula Water Reclamation Plant				
Construction Cash Reserve	-	-	500,000	-
TOTAL EXPENDITURES	**$ 5,510,419**	**$ 81,256,195**	**$ 11,634,305**	**$ 121,467,820**
ENDING CASH BALANCE 9/30	**$ 41,787,674**	**$ 23,654,072**	**$ 64,754,564**	**$ 11,792,259**

FY 2026 Ending Balance decrease of $11,861,813 is largely due to the continued funding of the Doe Branch Plant Expansion, Phase 3 and Phase 1, Parallel Interceptor. FY 2025 Expenditures also include a transfer to Riverbend Construction Cash Reserve as a contribution from MSUD for the West Influent Lift Station project, transfers to various RTWS reserves to reimburse prior projects, and a transfer to Peninsula Construction Cash Reserve as a contribution from MSUD for the Clarifier Improvements project.

* Amount contains expenditures: $384,225 - Relocation / TxDOT US Hwy 380 Project (51B8). This project is to be completed in FY 2025 and is not shown on the accompanying 5-Year list of capital improvement projects.

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FY 2026 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2030

Project Acct	Project	Prior Expenditures	Estimates FY 2025	Adopted FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
51BL	Permit Re-Rating / Renewal	$ -	$ -	$ 40,000	$ 20,000	$ -	$ -	$ -	**$ 60,000**
518U	Plant Expansion, Phase 3 (from 4.0 to 12.0 MGD) *	8,277,814	5,500,000	100,000,000	77,250,200	55,712,000	-	-	**246,740,014**
511A	Phase 1, Parallel Interceptor *	1,137,490	1,720,000	20,550,070	10,296,680	-	-	-	**33,704,240**
512A	Phase 2, Parallel Interceptor *	-	-	**750,000**	10,000,000	20,000,000	10,000,000	-	**40,750,000**
518X	Contingency Improvements	**-**	**-**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**50,000**
	Total	**$ 9,415,304**	**$ 7,220,000**	**$ 121,350,070**	**$ 97,576,880**	**$ 75,722,000**	**$ 10,010,000**	**$ 10,000**	**$ 321,304,254**
	Funding Sources:								
	Revenue Bonds								
	Plant Expansion, Phase 3 (518U)	$ 4,290,982	$ 2,000,000	$ 52,104,610	$ 77,250,200	$ 55,712,000	$ -	$ -	**$ 191,357,792**
	Phase 1, Parallel Interceptor (511A)	-	700,000	9,300,000	6,195,365	-	-	-	**16,195,365**
	Phase 2, Parallel Interceptor (512A)	-	-	-	10,750,000	20,000,000	10,000,000	-	**40,750,000**
	Construction Cash Funds								
	Plant Expansion, Phase 3 (518U)								
	City of Celina	-	1,000,000	1,975,220	-	-	-	-	**2,975,220**
	Phase 1, Parallel Interceptor (511A)								
	City of Celina	445,033	211,723	-	-	-	-	-	**656,755**
	Town of Prosper	445,033	211,723	-	-	-	-	-	**656,755**
	Non-Bond Capital Reserve Funds	247,425	-	760,000	10,000	10,000	10,000	10,000	**1,047,425**
	Non-Bond Capital Reserve Reimbursement	-	(247,425)	-	(750,000)	-	-	-	**(997,425)**
	Plant Permitting Reserve Funds	-	-	40,000	20,000	-	-	-	**60,000**
	Contribution Sources								
	Plant Expansion, Phase 3 (518U)	3,986,832	2,500,000	45,920,170	-	-	-	-	**52,407,002**
	Phase 1, Parallel Interceptor (511A)	-	843,980	11,250,070	4,101,315	-	-	-	**16,195,365**
	Total	**$ 9,415,304**	**$ 7,220,000**	**$ 121,350,070**	**$ 97,576,880**	**$ 75,722,000**	**$ 10,010,000**	**$ 10,000**	**$ 321,304,254**

* - Multiple Funding Sources

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Project Title
Permit Re-Rating / Renewal

Department
51BL

Description
Begin renewal of the Texas Pollutant Discharge Elimination System permit as required by the Texas Commission on Environmental Quality, with subsequent renewals required every five years, and funded from rates via the Plant Permitting Reserve Fund.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ -	$ -
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	-	-	-	-
Debt Service	-	-	-	-	-
Trsfr to Plant Permitting Rsrv	7,500	10,000	12,000	12,000	12,000
Maintenance / OH Allocation	525	700	840	840	840
Total	$ 8,025	$ 10,700	$ 12,840	$ 12,840	$ 12,840

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2023 to Completion	Project Total
Design/Engineering	$ -	$ -	$ 31,000	$ 15,000	$ -	$ -	$ -	$ 46,000
Land/Right of Way								
Construction								
Admin/Inspection	-	-	4,000	2,000	-	-	-	6,000
Legal	-	-	5,000	3,000	-	-	-	8,000
Furniture/Equipment								
Total Costs	$ -	$ -	$ 40,000	$ 20,000	$ -	$ -	$ -	$ 60,000

Source of Funds	Appropriations through FY 2024	Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
Non-Bond Capital Rsrv Reimb								
Contribution Sources								
Plant Permitting Rsrv Funds	$ -	$ -	$ 40,000	$ 20,000	$ -	$ -	$ -	$ 60,000
Total Sources	$ -	$ -	$ 40,000	$ 20,000	$ -	$ -	$ -	$ 60,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	2026	2027
Land/Right of Way		
Construction		
Admin/Inspection	2026	2027
Legal	2026	2027
Furniture/Equipment		
Total Project		2027

Site Information

27080 U.S. Highway 380
Little Elm, TX

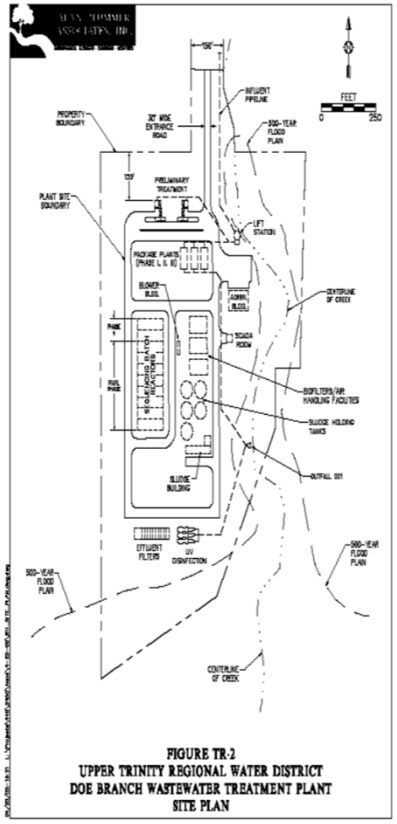


FIGURE TR-2
UPPER TRINITY REGIONAL WATER DISTRICT
DOE BRANCH WASTEWATER TREATMENT PLANT
SITE PLAN

Project Title
Plant Expansion, Phase 3 (from 4.0 to 12.0 MGD)

Department
518U

Description
Funding provides for continued design / engineering and construction to expand the treatment capacity of the Doe Branch Regional Water Reclamation Plant from 4.0 MGD to 12.0 MGD.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ 125,000	$ 250,000
Admin. / Office Expenses	-	-	-	2,000	2,000
Professional Services	-	-	-	1,050	1,050
Operating and Maintenance	-	-	-	25,000	50,000
Debt Service	2,964,605	6,390,205	11,193,720	13,116,215	13,703,715
Furniture and Equipment	-	-	-	2,500	2,500
Maintenance / OH Allocation	-	-	-	10,890	21,390
Total	$ 2,964,605	$ 6,390,205	$11,193,720	$13,282,655	$ 14,030,655

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2023 to Completion	Project Total
Design/Engineering	$ 7,105,662	$ 1,175,000	$ 1,100,000	$ 900,000	$ 1,000,000	$ -	$ -	$ 11,280,662
Land/Right of Way								
Construction	862,256	3,965,185	92,357,945	71,296,450	51,067,290	-	-	219,549,126
Admin/Inspection	304,877	359,815	6,542,055	5,053,750	3,644,710	-	-	15,905,207
Legal	5,019	-	-	-	-	-	-	5,019
Furniture/Equipment								
Total Costs	$ 8,277,814	$ 5,500,000	$ 100,000,000	$ 77,250,200	$ 55,712,000	$ -	$ -	$ 246,740,014

Source of Funds	Appropriations through FY 2024	Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Revenue Bonds	$ 4,290,982	$ 2,000,000	$ 52,104,610	$ 77,250,200	$ 55,712,000	$ -	$ -	$ 191,357,792
Non-Bond Capital Rsrv Funds								
Non-Bond Capital Rsrv Reimb								
Contribution Sources	3,986,832	2,500,000	45,920,170	-	-	-	-	52,407,002
Construction Cash Rsrv Funds (Celina)	-	1,000,000	1,975,220	-	-	-	-	2,975,220
Total Sources	$ 8,277,814	$ 5,500,000	$ 100,000,000	$ 77,250,200	$ 55,712,000	$ -	$ -	$ 246,740,014

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Sep-22	2028
Land/Right of Way		
Construction	Aug-23	2028
Admin/Inspection	Sep-22	2028
Legal	May-23	Apr-24
Furniture/Equipment		
Total Project		2028

Site Information

27080 U.S. Highway 380
Little Elm, TX

Project Title
Phase 1, Parallel Interceptor

Department
511A

Description
Funding provides for continued design / engineering and construction of a parallel interceptor from approximately Fishtrap Road south to the Doe Branch Plant to provide additional capacity for the future increased treatment capacity upon completion of the Doe Branch Plant Phase 3 expansion from 4.0 to 12.0 MGD.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ 8,335	$ 25,000	$ 26,250	$ 27,565
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	22,985	68,950	71,710	74,575
Debt Service	216,335	674,835	1,025,165	1,025,165	1,025,165
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	2,190	6,575	6,855	7,150
Total	$ 216,335	$ 708,345	$ 1,125,690	$ 1,129,980	$ 1,134,455

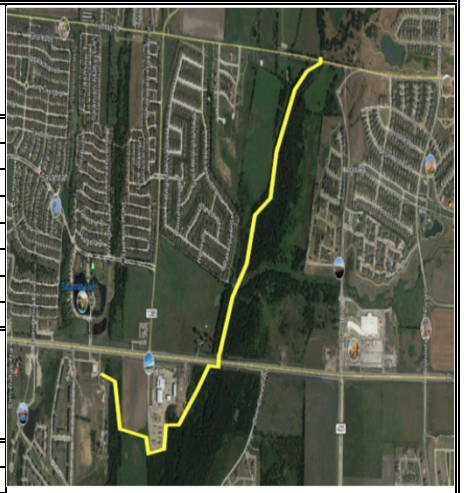
Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ 866,817	$ 210,000	$ 101,000	$ 84,000	$ -	$ -	$ -	$ 1,261,817
Land/Right of Way	-	500,000	-	-	-	-	-	500,000
Construction	199,017	897,000	19,105,000	9,539,000	-	-	-	29,740,017
Admin/Inspection	71,656	113,000	1,344,070	673,680	-	-	-	2,202,406
Legal								
Furniture/Equipment								
Total Costs	$ 1,137,490	$ 1,720,000	$ 20,550,070	$ 10,296,680	$ -	$ -	$ -	$ 33,704,240

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Revenue Bonds	$ -	$ 700,000	$ 9,300,000	$ 6,195,365	$ -	$ -	$ -	$ 16,195,365
Non-Bond Capital Rsrv Funds	247,425	-	-	-	-	-	-	247,425
Non-Bond Capital Rsrv Reimb	-	(247,425)	-	-	-	-	-	(247,425)
Contribution Sources	-	843,980	11,250,070	4,101,315	-	-	-	16,195,365
Construction Cash Rsrv Funds (Celina)	445,033	211,723	-	-	-	-	-	656,755
Construction Cash Rsrv Funds (Prosper)	445,033	211,723	-	-	-	-	-	656,755
Total Sources	$ 1,137,490	$ 1,720,000	$ 20,550,070	$ 10,296,680	$ -	$ -	$ -	$ 33,704,240

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Aug-21	2027
Land/Right of Way	Mar-25	Sep-25
Construction	Aug-23	2027
Admin/Inspection	Jul-21	2027
Legal		
Furniture/Equipment		
Total Project		2027

Site Information

Sewer Interceptor from Fishtrap south to the Doe Branch Regional Water Reclamation Plant
27080 U.S. Highway 380
Little Elm, TX



Project Title
Phase 2, Parallel Interceptor

Department
512A

Description
Funding provides for initial planning and design for the second phase of a parallel interceptor that extends from Fish Tap Rd north to the junction structure near Parvin and Good Hope Rd in Little Elm, TX.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ 25,000	$ 26,250
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	-	-	68,950	72,400
Debt Service	-	428,185	1,582,595	2,686,185	3,063,550
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	-	-	6,575	6,905
Total	$ -	$ 428,185	$ 1,582,595	$ 2,786,710	$ 3,169,105

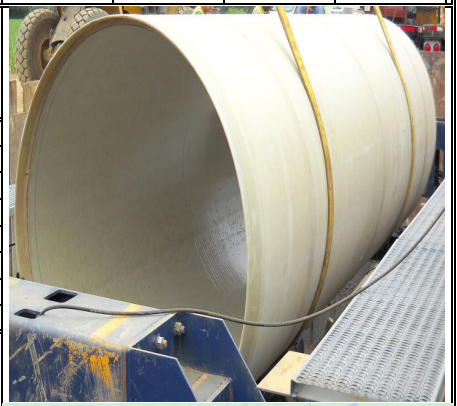
Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ -	$ -	$ 700,935	$ 4,800,000	$ 100,000	$ 150,000	$ -	$ 5,750,935
Land/Right of Way								
Construction	-	-	-	4,545,795	18,591,590	9,195,795	-	32,333,180
Admin/Inspection	-	-	49,065	654,205	1,308,410	654,205	-	2,665,885
Legal								
Furniture/Equipment								
Total Costs	$ -	$ -	$ 750,000	$ 10,000,000	$ 20,000,000	$ 10,000,000	$ -	$ 40,750,000

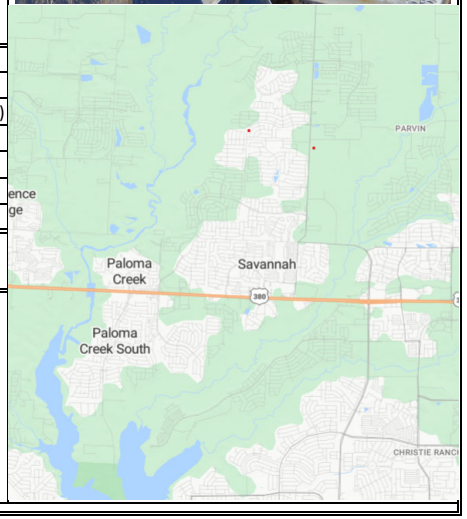
Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Revenue Bonds	$ -	$ -	$ -	$ 10,750,000	$ 20,000,000	$ 10,000,000	$ -	$ 40,750,000
Non-Bond Capital Rsrv Funds	-	-	750,000	-	-	-	-	750,000
Non-Bond Capital Rsrv Reimb	-	-	-	(750,000)	-	-	-	(750,000)
Contribution Sources								
Total Sources	$ -	$ -	$ 750,000	$ 10,000,000	$ 20,000,000	$ 10,000,000	$ -	$ 40,750,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	2026	2029
Land/Right of Way		
Construction	2027	2029
Admin/Inspection	2026	2029
Legal		
Furniture/Equipment		
Total Project		2029

Site Information

Fish Trap Rd north to the junction structure near Parvin and Good Hope Rd
Little Elm, TX





Project Title	**Department**
Contingency Improvements	518X

Description

To allow for various projects that may be identified throughout the year.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services					
Admin. / Office Expenses					
Professional Services					
Operating and Maintenance					
Debt Service					
Furniture and Equipment					
Maintenance / OH Allocation					
Total					

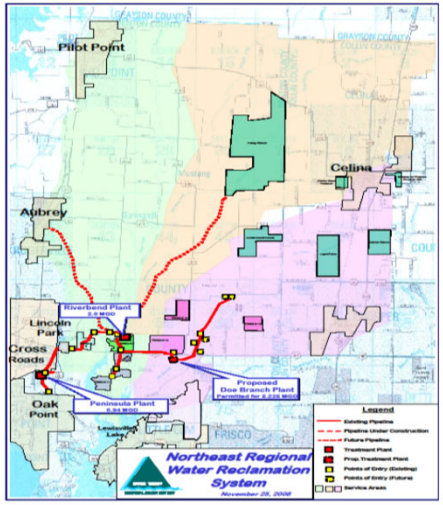
Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering								
Land/Right of Way								
Construction/Other	$ -	$ -	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 50,000
Admin/Inspection								
Legal								
Furniture/Equipment								
Total Costs	$ -	$ -	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 50,000

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ -	$ -	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 50,000
Plant Permitting Rsrv Funds								
Contribution Sources								
O&M Reserve Funds								
Total Sources	$ -	$ -	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 50,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering		
Land/Right of Way		
Construction/Other	2026	Ongoing
Admin/Inspection		
Legal		
Furniture/Equipment		
Total Project		Ongoing

Site Information

Various locations in the Northeast Regional Water Reclamation System (Doe Branch Plant) service area.



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ESTIMATED ANNUAL OPERATING EXPENSE (WITH DEBT SERVICE) FROM INVESTMENTS IN CAPITAL PROJECTS

Project Acct	Project	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
51BL	Permit Re-Rating / Renewal	$ 8,025	$ 10,700	$ 12,840	$ 12,840	$ 12,840	$ 57,245
518U	Plant Expansion, Phase 3 (from 4.0 to 12.0 MGD)	2,964,605	6,390,205	11,193,720	13,282,655	14,030,655	47,861,840
511A	Phase 1, Parallel Interceptor	216,335	708,345	1,125,690	1,129,980	1,134,455	4,314,805
512A	Phase 2, Parallel Interceptor	-	428,185	1,582,595	2,786,710	3,169,105	7,966,595
	Total	**$ 3,188,965**	**$ 7,537,435**	**$ 13,914,845**	**$ 17,212,185**	**$ 18,347,055**	**$ 60,200,485**

Methodology:

Operating expense estimates based on comparable (if any) operating assets in operation with regard to flow capability, inspection requirements, size, electricty and chemical use / requirements, etc.

Debt Service amounts are based on projected interest rates for Revenue Bonds through estimated debt service schedules prepared by the District's financial advisors, and actual debt service amounts for bonds / debt already issued.

Personnel expense estimates based on additional hiring of wastewater operators (Salary and Benefits).

Maintenance and Administration Overhead Allocation amounts are based on 7% of total operating expenses (excluding debt service).

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PENINSULA WATER RECLAMATION PLANT

The FY 2026 adopted capital budget for the Peninsula Water Reclamation Plant is $2,740,000, an increase of $1,240,000 from the previous year adopted capital budget of $1,500,000. This increase is primarily due to a project cost increase for the Clarifier Rehabilitation project in addition to the start of Phase 4 of the Plant Expansion.

FY 2026 funding consists of the following:

Funding Source	FY 2026 Budget
Plant Permitting Reserve Funds	$40,000
Non-Bond Capital Reserve Funds	$1,860,000
RTWS Non-Bond Capital Reserve Funds (Loan)	$400,000
Contribution Sources	$440,000

CURRENT PROJECTS

Permit Renewal – Begin renewal of the Texas Pollutant Discharge Elimination System permit as required by the Texas Commission on Environmental Quality for the Peninsula Water Reclamation Plant, with subsequent renewals required every five years, and funded from rates via the Plant Permitting Reserve Fund.

- FY 2026 Budget: $40,000
- Funding Source: Plant Permitting Reserve Fund

Clarifier Rehabilitation – Funding provides for continued design / engineering and construction to rehab Clarifier 1. This includes the structural evaluation and replacement of the damaged concrete floor, walls, weir troughs and baffles, and sludge rakes / collector equipment.

- FY 2026 Budget: $2,300,000
- Funding Sources: Non-Bond Capital Reserve Funds and Contribution Sources

Plant Expansion, Phase 4 (from 2.0 to 4.0 MGD) – As the population continues to grow within the Peninsula service area, the District will need to begin initial design / engineering for the future construction required to expand the treatment capacity of the Peninsula Reclamation Plant from 2.0 to 4.6 MGD.

- FY 2026 Budget: $400,000
- Funding Source: RTWS Non-Bond Capital Reserve Funds (Loan)

FUTURE PROJECTS

No other future capital projects are currently planned for the Peninsula Water Reclamation Plant for FY 2027 though FY 2030.

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CONSTRUCTION CASH RESERVE

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	$ 486,505	$ 539,925	$ 443,852	$ 473,112
Transfer to Operations	$ (42,653)	$ (491,485)		$ (436,210)
BEGINNING CASH BALANCE Revised	**$ 443,852**	**$ 48,440**		**$ 36,902**
REVENUES				
Transfers In				
Non-Bond Capital Reserve	-	1,000,000	-	1,860,000
Plant Permitting Reserve	-	-	-	40,000
Northeast Regional Water Reclamation System Construction Cash Reserve	-	-	500,000	-
Regional Treated Water System Non-Bond Capital Reserve Loan	-	-	-	400,000
Working Capital	42,653	491,485	-	436,210
Interest Income	59,871	8,515	30,720	3,790
TOTAL REVENUES	**$ 102,524**	**$ 1,500,000**	**$ 530,720**	**$ 2,740,000**
EXPENDITURES				
Construction Improvement Projects	102,524	1,500,000	501,460 *	2,740,000
TOTAL EXPENDITURES	**$ 102,524**	**$ 1,500,000**	**$ 501,460**	**$ 2,740,000**
ENDING CASH BALANCE 9/30	**$ 443,852**	**$ 48,440**	**$ 473,112**	**$ 36,902**

FY 2026 Ending Balance decrease of $11,538 is due to funding the Clarifier Rehabilitation project (51N4).

* - Amount contains expenditures: $1,190 - Peninsula Plant Expansion, Phase 3 (51N3). This project is to be completed in FY 2025 and is not shown on the accompanying 5-Year list of capital improvement projects.

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FY 2026 ADOPTED CAPITAL BUDGET WITH PROJECTIONS THROUGH FY 2030

Project Acct	Project	Prior Year Expenditures	Estimates FY 2025	Adopted FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
51PL	Permit Renewal	$ -	$ -	$ 40,000	$ 20,000	$ -	$ -	$ -	**$ 60,000**
51N4	Clarifier Rehabilitation *	-	500,270	2,300,000	-	-	-	-	**2,800,270**
5174	Plant Expansion, Phase 4 (from 2.0 to 4.6 MGD) *	-	-	400,000	12,500,000	12,500,000	12,500,000	12,500,000	**50,400,000**
	Total	**$ -**	**$ 500,270**	**$ 2,740,000**	**$ 12,520,000**	**$ 12,500,000**	**$ 12,500,000**	**$ 12,500,000**	**$ 53,260,270**

Funding Sources:

Revenue Bonds	$ -	$ -	$ -	$ 12,900,000	$ 12,500,000	$ 12,500,000	$ 12,500,000	**$ 50,400,000**
Plant Permitting Reserve Funds	-	-	40,000	20,000	-	-	-	**60,000**
Non-Bond Capital Reserve Funds	-	-	1,860,000	-	-	-	-	**1,860,000**
RTWS Non-Bond Capital Reserve Funds	-	-	400,000	-	-	-	-	**400,000**
RTWS Non-Bond Capital Reserve Reimbursement	-	-	-	(400,000)	-	-	-	**(400,000)**
Contribution Sources	-	500,270	440,000	-	-	-	-	**940,270**
Total	**$ -**	**$ 500,270**	**$ 2,740,000**	**$ 12,520,000**	**$ 12,500,000**	**$ 12,500,000**	**$ 12,500,000**	**$ 53,260,270**

* - Multiple Funding Sources

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Project Title
Permit Renewal

Department
51PL

Description
Begin renewal of the Texas Pollutant Discharge Elimination System permit as required by the Texas Commission on Environmental Quality, with subsequent renewals required every five years, and funded from rates via the Plant Permitting Reserve Fund.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ -	$ -
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	-	-	-	-
Debt Service	-	-	-	-	-
Trsfr to Plant Permitting Rsrv	12,000	12,000	12,000	12,000	12,000
Maintenance / OH Allocation	840	840	840	840	840
Total	$ 12,840	$ 12,840	$ 12,840	$ 12,840	$ 12,840

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ -	$ -	$ 30,000	$ 15,000	$ -	$ -	$ -	$ 45,000
Land/Right of Way								
Construction								
Admin/Inspection	-	-	10,000	5,000	-	-	-	15,000
Legal								
Furniture/Equipment								
Total Costs	$ -	$ -	$ 40,000	$ 20,000	$ -	$ -	$ -	$ 60,000

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Revenue Bonds								
Non-Bond Capital Rsrv Funds								
Construction Cash								
Contribution Sources								
Plant Permitting Reserve Fund	$ -	$ -	$ 40,000	$ 20,000	$ -	$ -	$ -	$ 60,000
Total Sources	$ -	$ -	$ 40,000	$ 20,000	$ -	$ -	$ -	$ 60,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	2026	2027
Land/Right of Way		
Construction	2026	2027
Admin/Inspection	2026	2027
Legal		
Furniture/Equipment		
Total Project		2027

Site Information

1130 Naylor Road
Oak Point, TX (FM 720 and Hwy 380)

Project Title
Clarifier Rehabilitation

Department
51N4

Description
Funding provides for continued design / engineering and construction to rehab Clarifier 1 and includes structural evaluation and replacement of the damaged concrete floor, walls, weir troughs and baffles, and sludge rakes / collector equipment.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ -	$ -
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	(5,500)	(5,775)	(6,065)	(6,370)
Debt Service	-	-	-	-	-
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	(385)	(405)	(425)	(445)
Total	$ -	$ (5,885)	$ (6,180)	$ (6,490)	$ (6,815)

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ -	$ 100,000	$ 50,000	$ -	$ -	$ -	$ -	$ 150,000
Land/Right of Way								
Construction	-	367,540	2,099,530	-	-	-	-	2,467,070
Admin/Inspection	-	32,730	150,470	-	-	-	-	183,200
Legal								
Furniture/Equipment								
Total Costs	$ -	$ 500,270	$ 2,300,000	$ -	$ -	$ -	$ -	$ 2,800,270

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Revenue Bonds								
Non-Bond Capital Rsrv Funds	$ -	$ -	$ 1,860,000	$ -	$ -	$ -	$ -	$ 1,860,000
Construction Cash Reserve Funds								
Contribution Sources	-	500,270	440,000	-	-	-	-	940,270
Total Sources	$ -	$ 500,270	$ 2,300,000	$ -	$ -	$ -	$ -	$ 2,800,270

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	Dec-24	2026
Land/Right of Way		
Construction	Sep-25	2026
Admin/Inspection	Dec-24	2026
Legal		
Furniture/Equipment		
Total Project		2026

Site Information

1130 Naylor Road
Oak Point, TX (FM 720 and Hwy 380)

Project Title
Plant Expansion, Phase 4 (from 2.0 to 4.6 MGD)

Department
5174

Description
Begin design / engineering for the future construction required to expand the treatment capacity of the Peninsula Water Reclamation Plant from 2.0 to 4.6 MGD.

Operating Budget Impact

	2026	2027	2028	2029	2030
Personnel Services	$ -	$ -	$ -	$ -	$ -
Admin. / Office Expenses	-	-	-	-	-
Professional Services	-	-	-	-	-
Operating and Maintenance	-	-	-	-	-
Debt Service	-	470,850	1,408,820	2,343,050	3,277,280
Furniture and Equipment	-	-	-	-	-
Maintenance / OH Allocation	-	-	-	-	-
Total	$ -	$ 470,850	$ 1,408,820	$ 2,343,050	$ 3,277,280

Project Costs	Expenditures through FY 2024	Estimated Expenditures FY 2025	Future Planned Expenditures 2026	2027	2028	2029	2030 to Completion	Project Total
Design/Engineering	$ -	$ -	$ 373,830	$ 6,400,000	$ 100,000	$ 100,000	$ 150,000	$ 7,123,830
Land/Right of Way								
Construction	-	-	-	5,282,245	11,582,245	11,582,245	11,532,245	39,978,980
Admin/Inspection	-	-	26,170	817,755	817,755	817,755	817,755	3,297,190
Legal								
Furniture/Equipment								
Total Costs	$ -	$ -	$ 400,000	$ 12,500,000	$ 12,500,000	$ 12,500,000	$ 12,500,000	$ 50,400,000

Source of Funds	Appropriations through FY 2024	Estimated Appropriations FY 2025	Future Planned Appropriations 2026	2027	2028	2029	2030 to Completion	Project Total
Revenue Bonds	$ -	$ -	$ -	$ 12,900,000	$ 12,500,000	$ 12,500,000	$ 12,500,000	$ 50,400,000
Non-Bond Capital Rsrv Fund								
RTWS Non-Bond Capital Reserve Fu	-	-	400,000	-	-	-	-	400,000
RTWS Non-Bond Capital Reserve Re	-	-	-	(400,000)	-	-	-	(400,000)
Total Sources	$ -	$ -	$ 400,000	$ 12,500,000	$ 12,500,000	$ 12,500,000	$ 12,500,000	$ 50,400,000

Project Schedule	Project Start Date	Project Completion Date
Design/Engineering	2026	2030
Land/Right of Way		
Construction	2027	2030
Admin/Inspection	2026	2030
Legal		
Furniture/Equipment		
Total Project		2030

Site Information

1130 Naylor Road
Oak Point, TX (FM 720 and Hwy 380)

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ESTIMATED ANNUAL OPERATING EXPENSE (WITH DEBT SERVICE) FROM INVESTMENTS IN CAPITAL PROJECTS

Project Acct	Project	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5-Year Total
51PL	Permit Renewal	$ 12,840	$ 12,840	$ 12,840	$ 12,840	$ 12,840	$ 64,200
51N4	Clarifier Rehabilitation	$ -	$ (5,885)	$ (6,180)	$ (6,490)	$ (6,815)	$ (25,370)
5174	Plant Expansion, Phase 4 (from 2.0 to 4.6 MGD)	-	470,850	1,408,820	2,343,050	3,277,280	7,500,000
	Total	**$ 12,840**	**$ 477,805**	**$ 1,415,480**	**$ 2,349,400**	**$ 3,283,305**	**$ 7,538,830**

Methodology:

Operating expense estimates based on comparable (if any) operating assets in operation with regard to flow capability, inspection requirements, size, electricty and chemical use / requirements, etc.

Debt Service amounts are based on projected interest rates for Revenue Bonds through estimated debt service schedules prepared by the District's financial advisors, and actual debt service amounts for bonds / debt already issued.

Maintenance and Administration Overhead Allocation amounts are based on 7% of total operating expenses (excluding debt service).

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GROWTH PROGRAM FUND

The Growth Program 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. To continue this effort, the FY 2026 budget contains a transfer to the Regional Treated Water System Construction Cash Reserve for capital project funding assistance.

MISSION

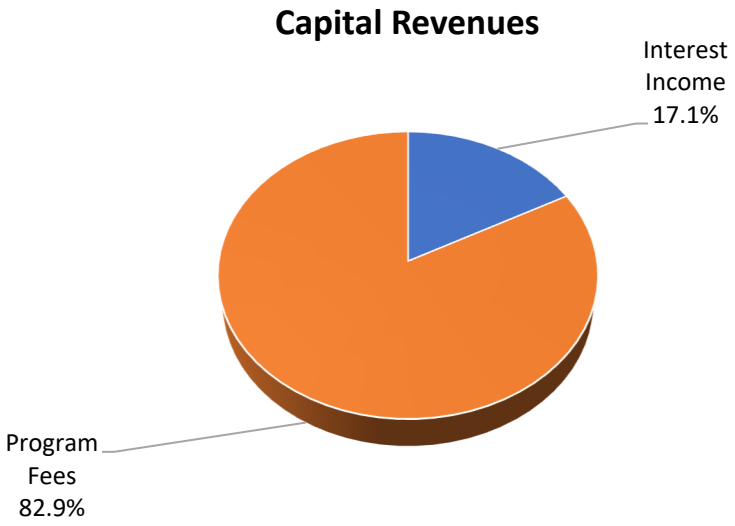
The mission is to adequately plan for the purchase of land, rights-of-way, and other costs necessary for future District facilities.

GOALS AND OBJECTIVE

- Provide accurate accounting of land, rights-of-way, and other costs associated with District construction projects.

BUDGET SUMMARY

		FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01		**$ 61,766**	**$ 65,301**	**$ 65,210**	**$ 68,525**
CAPITAL REVENUES					
Program Fees	**2025 Est. Pop.**				
Argyle	6,869	$ 4,598	$ 5,000	$ 5,000	$ 5,000
Copper Canyon	2,037	1,468	1,630	1,630	1,630
Pilot Point	7,942	5,000	5,000	5,000	5,000
Ponder	2,851	5,000	5,000	5,000	5,000
Total Program Fees	19,699	$ 16,066	$ 16,630	$ 16,630	$ 16,630
Interest Revenue		3,448	3,600	3,315	3,420
TOTAL CAPITAL REVENUES		**$ 19,514**	**$ 20,230**	**$ 19,945**	**$ 20,050**
CAPITAL EXPENSE					
Transfer Out					
RTWS - Construction Cash		$ 16,070	$ 16,630	$ 16,630	$ 16,630
TOTAL CAPITAL EXPENSE		**$ 16,070**	**$ 16,630**	**$ 16,630**	**$ 16,630**
ENDING CASH BALANCE 9/30		**$ 65,210**	**$ 68,901**	**$ 68,525**	**$ 71,945**



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 Out of Program Fees to the Regional Treated Water System Construction Cash for capital project improvement funding assistance.

Project/ Description	Year End FY 2025	FY 2026 Expenses	FY 2026 Reimbursements	Projected Year End FY 2026
Regional Treated Water System – CIP Projects	$16,630	$16,630	$(0.00)	$33,260

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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

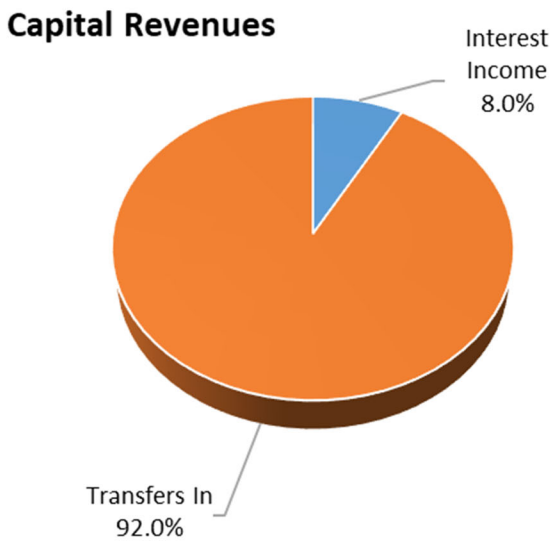
The mission is to adequately and efficiently conduct studies that will provide District management with sufficient decision-making information on the feasibility of projects that will be beneficial to the District and its members.

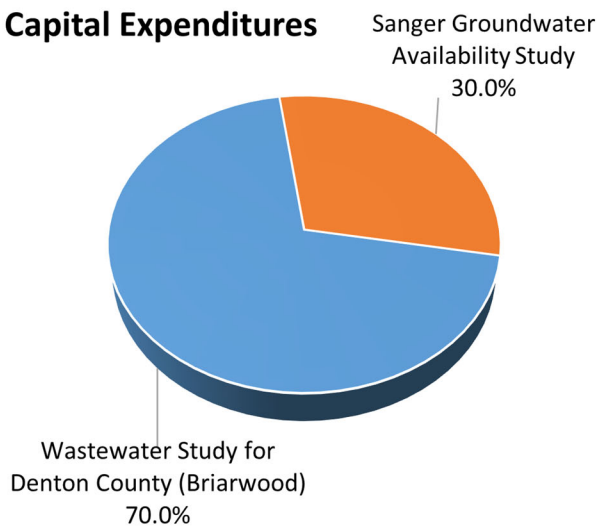
GOALS AND OBJECTIVE

- Provide accurate accounting of all activities associated with feasibility studies deemed necessary to determine the potential of future projects.

BUDGET SUMMARY

	FY 2024 Actuals	FY 2025 Budget	FY 2025 Estimates	FY 2026 Budget
BEGINNING CASH BALANCE 10/01	**$ 396,742**	**$ 382,107**	**$ 334,769**	$ 292,654
Transfer to Operations	$ (61,973)	$ (21,600)	$ (42,115)	$ (138,000)
BEGINNING CASH BALANCE Revised	**$ 334,769**	**$ 360,507**	**$ 292,654**	**$ 154,654**
CAPITAL REVENUES				
Transfers In				
Lift Station Condition Assessments (Reimb.)				
Lakeview Regional Water Reclamation System	$ 187,992	$ -	$ -	$ -
	-	-	-	-
Total	$ 187,992	$ -	$ -	$ -
Working Capital	61,973	21,600	42,115	138,000
Total Transfers In	$ 249,965	$ 21,600	$ 42,115	$ 138,000
Interest Revenue	19,974	18,400	12,885	12,000
TOTAL CAPITAL REVENUES	**$ 269,939**	**$ 40,000**	**$ 55,000**	**$ 150,000**
CAPITAL EXPENSE				
Water Reclamation Lift Station Condition Assessments	$ 14	$ -	$ -	$ -
Water and Wastewater Service Study for Sulphur River Basin	269,925	40,000	55,000	-
Wastewater Study for Denton County (Briarwood)	-	-	-	105,000
Sanger Groundwater Availability Study	-	-	-	45,000
TOTAL CAPITAL EXPENSE	**$ 269,939**	**$ 40,000**	**$ 55,000**	**$ 150,000**
ENDING CASH BALANCE 9/30	**$ 334,769**	**$ 360,507**	**$ 292,654**	**$ 154,654**





SUMMARY OF MAJOR CHANGES

- Interest Income is representative of current market conditions.
- In FY 2025, a Water and Wastewater Service Study was completed for the Sulphur River Basin to evaluate future water and wastewater service in Fannin County.
- A feasibility study evaluating a potential Denton County connection to the Lakeview Regional Water Reclamation System.
- A feasibility study to determine the availability of groundwater near the City of Sanger to help meet the City's future water demand.

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MEMBER / CUSTOMER POPULATIONS

	2020	2021	2022	2023	2024	2025
Argyle WSC	8,130	8,430	10,239	11,211	12,486	13,560
Argyle	4,310	4,430	4,780	5,747	6,470	6,869
Aubrey	5,380	6,210	7,580	8,550	9,187	9,801
Bartonville	1,740	1,750	1,770	1,777	1,788	1,849
Blackrock WSC**	1,350	1,490	-	-	-	-
Celina	20,397	26,409	31,598	35,028	45,854	61,834
Copper Canyon	1,450	1,460	1,780	1,835	2,037	2,037
Corinth	22,160	22,655	24,199	24,199	24,199	24,204
Cross Timbers WSC	7,614	7,756	8,060	8,060	8,139	8,379
Denton	138,250	141,000	146,750	149,509	154,189	151,000
Denton County*	46,248	38,045	39,803	33,318	20,176	7,265
DCFWSD #1A***	14,720	15,606	-	-	-	-
DCFWSD #7	12,000	12,300	13,191	13,325	16,314	13,341
DCFWSD #8A****	6,197	5,865	3,050	5,853	6,039	-
Providence Village (DCFWSD#9)	6,700	6,910	8,260	9,298	10,358	10,358
Elm Ridge (DCFWSD #10)	5,282	5,064	5,348	5,524	5,325	5,344
DCFWSD #11A****	9,660	9,492	10,509	10,083	11,067	-
Double Oak	2,990	2,990	3,080	3,081	3,096	3,096
Flower Mound	78,080	79,390	80,268	80,268	80,707	82,344
Highland Village	17,000	16,500	17,679	17,679	17,679	16,500
Irving	242,410	245,410	261,350	263,720	264,546	266,162
Justin	5,292	6,271	7,952	7,952	7,952	7,537
Krum	5,760	5,943	6,764	6,764	6,764	6,684
Lake Cities MUA	15,767	16,582	16,994	16,994	16,314	16,500
Lewisville	107,120	109,270	132,620	134,242	137,315	140,880
Mustang SUD	44,718	56,088	65,987	74,019	82,965	131,448
Northlake	8,898	15,336	16,830	16,830	16,830	21,640
Oak Point	3,930	4,110	5,000	5,492	6,019	6,248
Pilot Point	4,300	4,500	4,830	5,218	6,578	7,942
Ponder	2,400	2,400	2,450	2,711	2,851	2,851
Prosper	28,380	31,090	35,410	38,840	42,598	46,087
Sanger	9,080	9,640	10,463	10,463	10,463	10,166
TOTAL	**887,713**	**920,392**	**984,594**	**1,007,590**	**1,036,305**	**1,081,926**

* Includes only unincorporated areas within the County.

** Blackrock WSC terminated their contract with the Upper Trinity Regional Water District at the end of FY 2021.

*** DCFWSD #1A was adquired by the City of Lewisville at end of FY 2021.

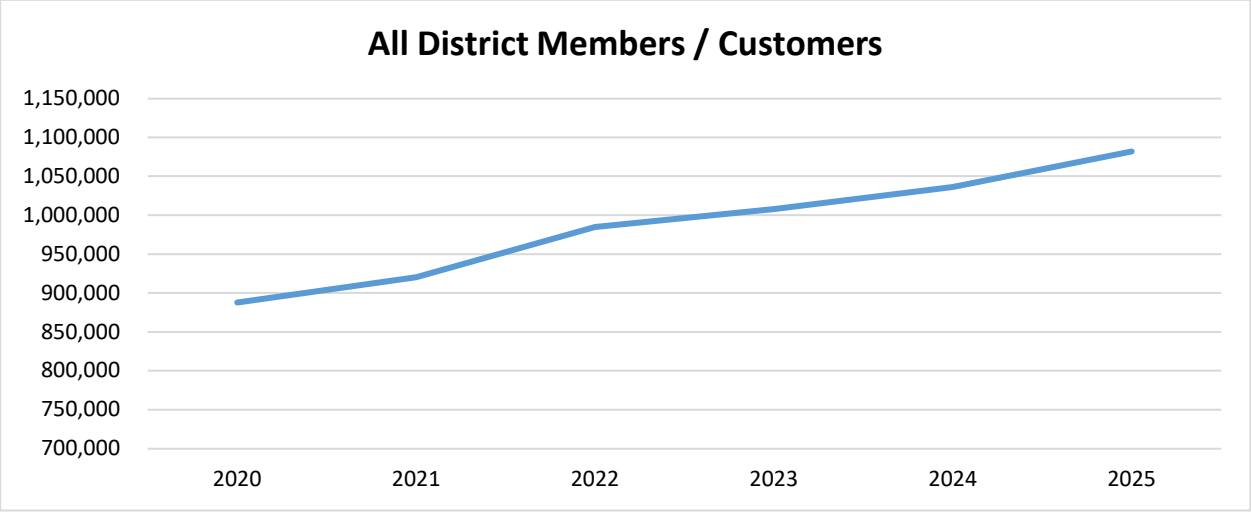
**** Mustang SUD Assumes DCFWSD #8A & #11A in FY 2026.

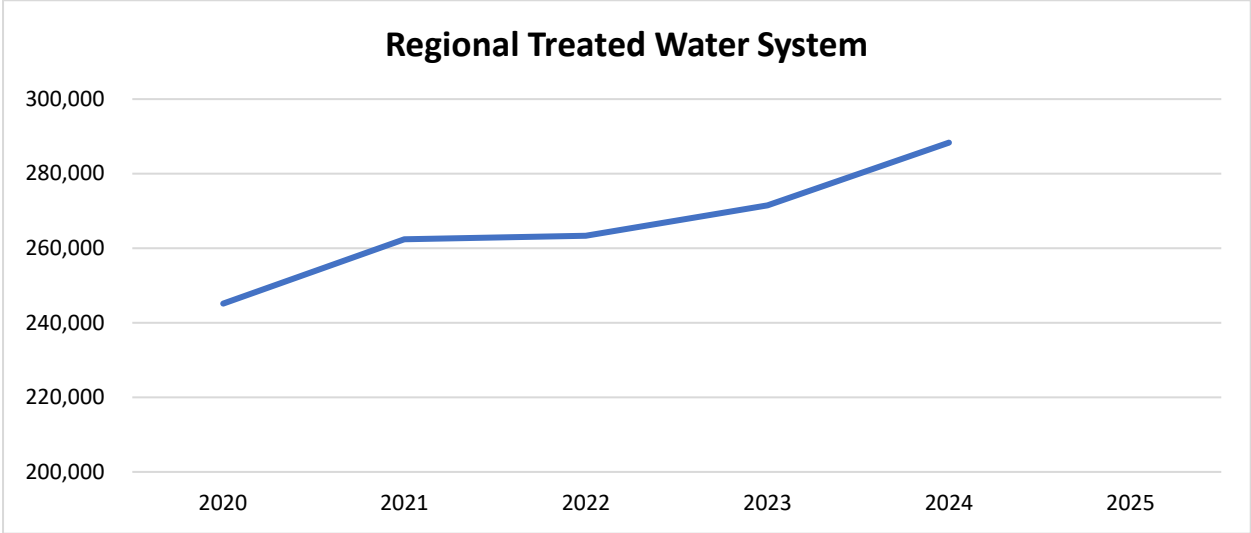
Sources:

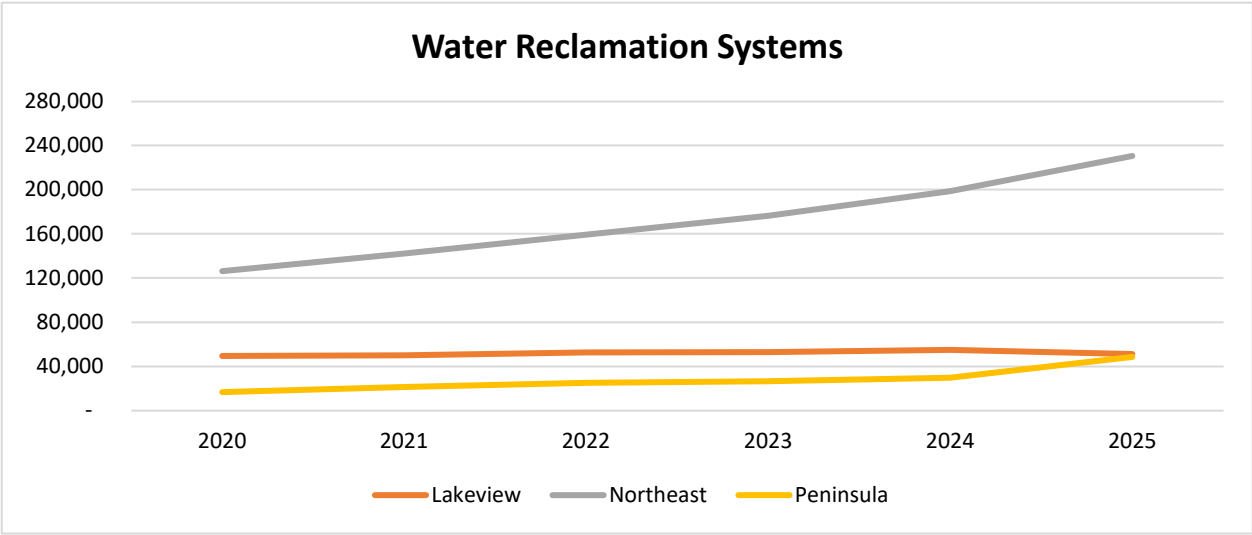
North Central Texas Council of Governments (NCTCOG)

UTRWD Annual Survey

POPULATION GROWTH







OPERATING INDICATORS BY SYSTEM

	Fiscal Year					
SYSTEM	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Regional Treated Water System						
Wholesale Customers Contracted (See Note)	19	19	19	19	19	19
Total Towns, Cities and Others Served (See Note)	29	29	29	29	29	29
Total Customer Delivery Points	27	27	27	27	27	27
Total Yearly Billed Flows (millions of gallons)	12,042	12,391	15,399	16,343	16,330	16,967
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)	1,705	1,645	1,458	1,582	1,987	1,686
Northeast Regional Water Reclamation System						
Wholesale Customers Contracted (See Note)	7	7	7	7	7	7
Total Towns, Cities and Others Served (See Note)	10	10	10	11	11	11
Customer Points of Entry	15	15	15	15	16	16
Total Yearly Billed Flows (millions of gallons)	1,757	1,812	1,948	2,437	2,938	3,180
Peninsula Water Reclamation Plant						
Wholesale Customers Contracted (See Note)	1	1	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)	271	321	342	406	473	494

Note: Some contracting parties provide service to more than one town or city

Source: UTRWD Business Department

CAPACITY CONTRACTED BY PARTICIPANTS

Participant	Regional Treated Water MGD	Regional Treated Water %		Lakeview Wastewater Treatment MGD	Lakeview Wastewater Treatment %	Northeast Wastewater Treatment MGD	Northeast Wastewater Treatment %	Peninsula Wastewater Treatment MGD	Peninsula Wastewater Treatment %	Non-Potable Water MGD	Non-Potable Water %
Argyle Water Supply Corp.	2.00	2.00%		-	-	-	-	-	-	-	-
City of Aubrey	0.10	0.10%		-	-	-	-	-	-	-	-
Cross Timbers Water Supply Corp.	2.50	2.50%		-	-	-	-	-	-	-	-
Town of Bartonville	-	-		0.0378	0.71%	-	-	-	-	-	-
City of Celina	10.58	10.58%		-	-	1.51000	20.18%	-	-	-	-
City of Corinth	7.50	7.50%		1.6080	30.18%	-	-	-	-	-	-
City of Denton	-	-	(1)	-	-	-	-	-	-	-	-
Denton County Fresh Water Supply Dist. #7	4.30	4.30%		0.8440	15.84%	-	-	-	-	-	-
Denton County Fresh Water Supply Dist. #8A *	-	-		-	-	0.45375	6.06%	-	-	-	-
Denton County Fresh Water Supply Dist. #11A *	-	-		-	-	0.71575	9.57%	-	-	-	-
Elm Ridge (Formerly DCFWSD #10)	1.12	1.12%		-	-	0.38600	5.16%	-	-	-	-
Town of Double Oak	-	-		0.0080	0.15%	-	-	-	-	-	-
Town of Flower Mound	30.00	30.00%		-	-	-	-	-	-	-	-
City of Highland Village	3.00	3.00%		1.6500	30.96%	-	-	-	-	-	-
City of Justin	2.05	2.05%		-	-	-	-	-	-	-	-
City of Krum	0.40	0.40%		-	-	-	-	-	-	-	-
Lake Cities Municipal Utility Authority	4.00	4.00%		1.1810	22.16%	-	-	-	-	-	-
Lewisville (Acquired DCFWSD #1A)	4.00	4.00%		-	-	-	-	-	-	All	100.00%
Mustang Special Utility District *	17.25	17.25%		-	-	2.74150	36.64%	2.000	100.00%	-	-
Town of Northlake	8.20	8.20%		-	-	-	-	-	-	-	-
Town of Providence Village	2.40	2.40%		-	-	0.55000	7.35%	-	-	-	-
Town of Prosper	-	-		-	-	1.12500	15.04%	-	-	-	-
City of Sanger	0.60	0.60%		-	-	-	-	-	-	-	-
Total System / Plant Subscribed Capacity	**100.00**	**100.00%**		**5.3288**	**96.89%**	**7.48200**	**93.53%**	**2.000**	**100.00%**	**All**	**100.00%**
Total System / Plant Capacity	**100.00**			**5.5000**		**8.0000**		**2.000**		**N/A**	
Total Excess Capacity (Unsubscribed)	**-**	**0.00%**		**0.17120**	**3.11%**	**0.5180**	**6.47%**	**-**	**0.000%**	**N/A**	**N/A**

(1) Service is provided via emergency interconnect according to need - no specific capacity.
* Mustang SUD assumes DCFWSD #8A & #11A in FY 2026.

Source: UTRWD Business Department

CAPITAL ASSET (IN SERVICE) STATISTICS BY SYSTEM

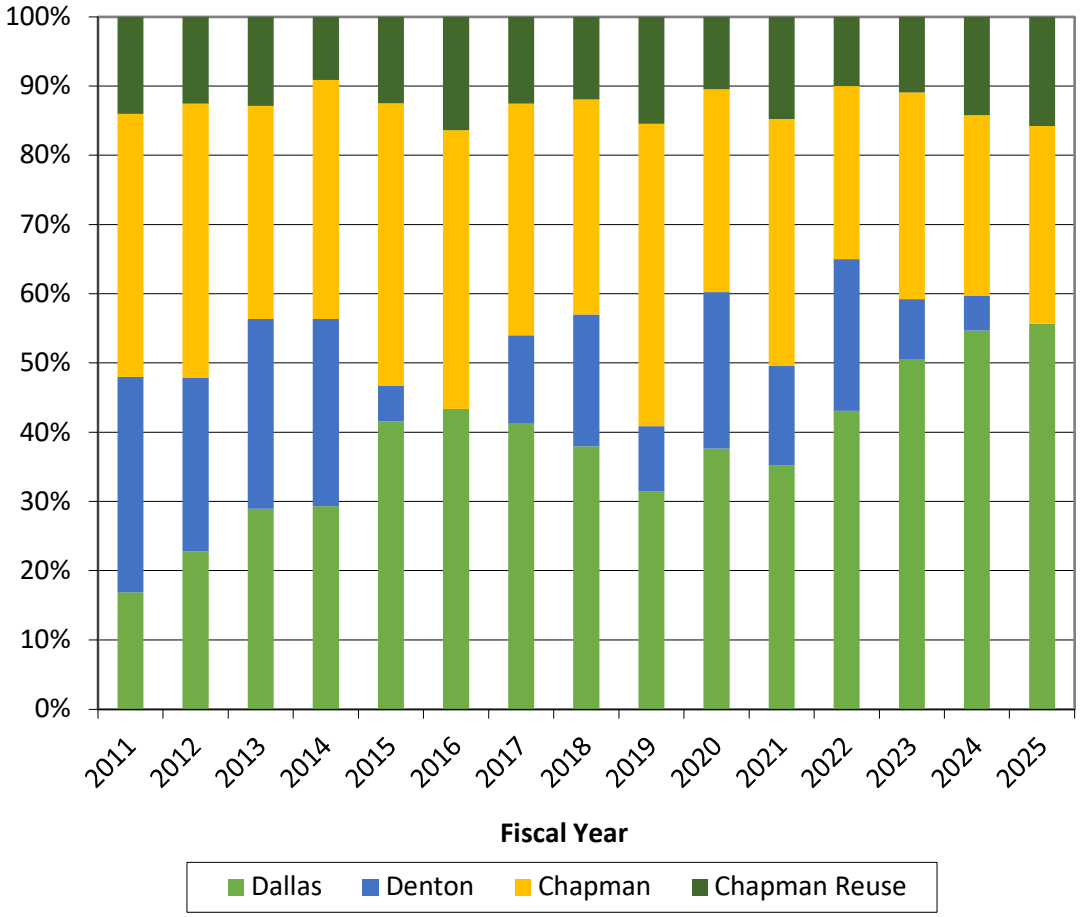
SYSTEM	Fiscal Year					
	2020	2021	2022	2023	2024	2025
Regional Treated Water System						
Taylor Regional Treated Water Plant						
Raw Water Intake Capacity	200 mgd	200 mgd	200 mgd	200 mgd	200 mgd	200 mgd
Water Treatment Plant Capacity	70 mgd	70 mgd	70 mgd	70 mgd	70 mgd	70 mgd
Treated Water Pumping Capacity (est.)	130 mgd	130 mgd	130 mgd	130 mgd	130 mgd	130 mgd
Transmission Pipelines (miles):						
12" to 20"	37.07	36.81	36.81	31.68	31.68	31.68
24" to 36"	43.77	45.18	47.55	48.02	48.02	48.60
42" to 72"	22.65	24.94	29.94	26.42	26.42	26.58
Treated Water Storage Tanks:						
Treatment Plant	4	4	4	4	4	4
Other	6	6	6	6	6	6
Tom Harpool Water Treatment Plant						
Raw Water Intake Capacity	45 mgd	45 mgd	45 mgd	45 mgd	45 mgd	45 mgd
Water Treatment Plant Capacity	24.5 mgd	25 mgd	25 mgd	30 mgd	30 mgd	30 mgd
Treated Water Pumping Capacity (est.)	28 mgd	28 mgd	28 mgd	28 mgd	28 mgd	28 mgd
Lakeview Regional Water Reclamation System						
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	1.11	1.11	1.11
18" to 20"	7.60	7.60	7.60	7.60	7.6	7.6
24" to 27"	4.76	4.76	4.76	4.78	4.78	4.78
Wastewater Lift Stations	5	5	5	5	5	5
Northeast Regional Water Reclamation System						
Riverbend Water Reclamation Plant Capacity	4.0 mgd	4.0 mgd	4.0 mgd	4.0 mgd	4.0 mgd	4.0 mgd
Doe Branch Water Reclamation Plant Capacity	2.0 mgd	2.0 mgd	4.0 mgd	4.0 mgd	4.0 mgd	4.0 mgd
Interceptor Pipeline (miles):						
8" to 21"	6.54	6.54	6.54	6.04	6.04	6.04
24" to 36"	6.54	6.54	6.65	6.48	6.48	6.48
Wastewater Lift Stations	1	1	1	1	1	1
Peninsula Water Reclamation Plant						
Water Reclamation Plant Capacity	0.94 mgd	0.94 mgd	0.94 mgd	2.0 mgd	2.0 mgd	2.0 mgd
Interceptor Pipeline (miles):						
24" to 36"	0.16	0.16	0.16	0.16	0.16	0.16

Note: mgd is million gallons per day

Source: UTRWD Engineering Department

RAW WATER PURCHASES

Fiscal Year	Dallas	Denton	Lake Chapman	Lake Chapman Reuse
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
2020	4,653,429	2,795,362	3,628,180	1,294,559
2021	4,484,798	1,834,933	4,551,350	1,880,022
2022	6,965,373	3,545,480	4,043,360	1,618,252
2023	8,635,025	1,473,137	5,097,950	1,869,714
2024	9,288,141	845,428	4,436,170	2,412,244
2025	9,957,525	-	5,109,640	2,822,000



Back to TOC

UPPER TRINITY
REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2025 – 25

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 31 of each year; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2025 – 2026 to determine current estimates of costs for FY 2025 – 2026; 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.

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:	$1.72 per 1,000 gallons of water delivered and metered.
Customer Volume Charge:	$1.85 per 1,000 gallons of water delivered and metered.
Demand Charge:	$557,765 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:	$6.18 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, 2025, and shall remain in effect through September 30, 2026, 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 4TH DAY OF SEPTEMBER 2025.

Recommended: Larry N. Patterson
Larry N. Patterson, Executive Director

Executed:
Lyle H. Dresher, President

Attest: KBrawner
Kimberly Brawner, Secretary

UPPER TRINITY
REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2025 – 26

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 2025 – 2026 to determine current estimates of costs for FY 2025 – 2026; 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:	$1.40 per 1,000 gallons
Fixed O&M Charge:	$490,300 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	$15,985
Corinth	$535,600
Denton County FWSD #7	$700,655
Double Oak	$11,905
Highland Village	$671,395
Lake Cities MUA	$373,390

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 $0.13 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, 2025, and shall remain in effect until September 30, 2026, 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 4TH DAY OF SEPTEMBER 2025.

Recommended: Larry N. Patterson
Larry N. Patterson, Executive Director

Executed:
Lyle H. Dresher, President

Attest: K Brawner
Kimberly Brawner, Secretary

UPPER TRINITY
REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2025 – 27

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 participants in the System will be charged a monthly Excess Flow Surcharge for each 1,000 gallons of wastewater flows in excess of their monthly contracted capacity in the System, with all surcharge revenues being transferred to the O&M Reserve on a monthly basis; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2025 – 2026 to determine current estimates of costs for FY 2025 – 2026; 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):	$1.49 per 1,000 gallons
Treatment Rate (Customer):	$1.60 per 1,000 gallons
Excess Flow Surcharge (Member or Customer)	$0.59 per 1,000 gallons
Fixed O&M Costs:	$669,900 per year per million gallons per day (mgd) of contracted capacity in the System, billed on a monthly basis.

Capital Charges for Joint/Individual Facilities:

Riverbend:

Elm Ridge WCID	$12,585
Mustang SUD	$2,461,005 (Includes DCFWSD #8A & #11A Operations Transfer)
Providence Village	$875,795

Doe Branch:

Celina	$4,798,505
Prosper	$147,260

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, 2025, and shall remain in effect until September 30, 2026, 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 4TH DAY OF SEPTEMBER 2025.

Recommended: Larry N. Patterson

Larry N. Patterson, Executive Director

Executed:

Lyle H. Dresher, President

Attest: KBrawner

Kimberly Brawner, Secretary

UPPER TRINITY
REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2025 – 28

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 MEMBER(S) OF THE PENINSULA WATER RECLAMATION PLANT.

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

WHEREAS, the Mustang Special Utility District is the sole participant in the Plant and is responsible for the costs; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2025 – 2026 to determine current estimates of costs for FY 2025 – 2026; 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 Mustang Special Utility District in the Peninsula Water Reclamation Plant:

Treatment Rate (Member):	$1.49 per 1,000 gallons
Fixed O&M Costs:	$774,000 per year per million gallons per day (mgd) of contracted capacity in the Plant, billed on a monthly basis.
Capital Charge for Facilities:	$73,595

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, 2025, and shall remain in effect until September 30, 2026, 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 4TH DAY OF SEPTEMBER 2025.

Recommended: Larry N. Patterson

Larry N. Patterson, Executive Director

Executed:

Lyle H. Dresher, President

Attest: K Brawner

Kimberly Brawner, Secretary

UPPER TRINITY
REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2025 – 29

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 the City of Lewisville; and,

WHEREAS, until other customers are added, the City of Lewisville is responsible for all costs of the facilities devoted to non-potable water service for the City of Lewisville; and,

WHEREAS, the District's staff has evaluated the budgets for FY 2025 – 2026 to determine current estimates of costs for FY 2025 – 2026; 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 the City of Lewisville:

Treated Effluent Volume Charge:	$0.53 per 1,000 gallons of water delivered and metered
Raw Water Volume Charge:	$1.39 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, 2025, and shall remain in effect through September 30, 2026, 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 4TH DAY OF SEPTEMBER 2025.

Recommended:

Larry N. Patterson, Executive Director

Executed:

Lyle H. Dresher, President

Attest:

Kimberly Brawner, Secretary

UPPER TRINITY
REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2025 – 30

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 2025 – 2026 to determine current estimates of costs for FY 2025 – 2026; 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:	$147.00 per household – Participating Entities
Event Voucher:	$147.00 per household – Citizen delivers to a scheduled Event
Fort Worth Voucher:	$125.00 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, 2025, and shall remain in effect until September 30, 2026, 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 4TH DAY OF SEPTEMBER 2025.

Recommended: Larry N. Patterson

Larry N. Patterson, Executive Director

Executed:

Lyle H. Dresher, President

Attest: K Brawner

Kimberly Brawner, Secretary

UPPER TRINITY
REGIONAL WATER DISTRICT

RESOLUTION

RESOLUTION # 2025 – 31

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, 2025 AND ENDING SEPTEMBER 30, 2026.

WHEREAS, for FY 2025 – 2026, Staff has proposed an Operating Budget totaling $119,163,610 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, Information Technology Fund, and the Household Hazardous Waste Fund; and,

WHEREAS, Staff has compiled a proposed Capital Budget which totals $475,878,980 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 $166,630; and,

WHEREAS, the Upper Trinity Conservation Trust Budget is recommended at $46,040; 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 2025 – 2026 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, 2025 for the Fiscal Year ending September 30, 2026.

SECTION 4. That any remaining balance at the end of FY 2024 – 2025 in appropriations for capital projects are hereby re-appropriated for continued use for those same respective projects in FY 2025 – 2026.

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

DULY PASSED AND APPROVED THIS 4TH DAY OF SEPTEMBER 2025.

Recommended: Larry N. Patterson

Larry N. Patterson, Executive Director

Executed:

Lyle H. Dresher, President

Attest: K Brawner

Kimberly Brawner, Secretary

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GLOSSARY OF TERMS

A

ABTCR – An acronym for Additional Bonds Test Coverage Ratio. The ratio of annual Net Revenues (from all sources) divided by Average Annual Debt Service

Account – A record of a business transaction of money received or paid.

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.

ACFR – An acronym for Annual Comprehensive Financial Report which is a set of U.S. government financial statements comprising the financial report of a state, municipal, or other governmental entity that complies with accounting requirements promulgated by the Governmental Accounting Standards Board (GASB) and is comprised of three sections: Introductory, Financial, and Statistical and combines the financial information of fund accounting and enterprise authorities accounting.

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.

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 Annual Debt Service – At the time of calculation (after the reporting year), the sum of the Annual Debt Service for the remaining years of outstanding Senior Lien Debt issues to the last scheduled maturity of the bonds divided by the number of those years.

B

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.

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.

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.

C

Cash Basis of Budgeting – Under the cash basis of budgeting, transactions are recognized only when cash changes hands and where encumbrances and depreciation are not budgeted.

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.

Carryforward– 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 Basis of Accounting – A basis of accounting that recognizes revenues and expenses at the time cash is received or paid out. This contrasts with accrual accounting, which recognizes income at the time the revenue is earned and records expenses when liabilities are incurred regardless of when cash is received or paid.

CBDCR – An acronym for Cash Basis Debt Coverage Ratio. The ratio of annual Net Operating Revenues divided by Net Annual Debt Service (net of Capitalized Interest) actually paid.

Cash Flows – The movement of cash in and out of the District from day-to-day activities.

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.

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, if they have the same maturity date.

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

DCFWSD – 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.

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.

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.

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 can treat, 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.

Direct Purchase Program – A program that offers variable rate debt instruments involving the purchase of debt obligations by financial institutions without underwriting or public offering and allows for the acquisition of bonds, notes, or other obligations of indebtedness, often used for tax-exempt financing.

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.

Ending Balance (Operating Cash) – The total amount of cash available to a business for its daily operations, investments, and other financial activities. This balance also includes the Interest and Sinking Reserve balance.

Enterprise Fund – A fund established to account for the operation of self-supporting enterprises.

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 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).

FWSD – An acronym for Fresh Water Supply District. 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.

FTE – An acronym for Full Time Equivalent. Full-time employees work 40 hours per week and are 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.

G

GAAP – An acronym for Generally Accepted Accounting Principles. 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.

GIS – An acronym for Geographic Information System***.*** 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.

GASB – An acronym for Governmental Accounting Standards Board. 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.

GFOA – An acronym for Governmental Finance Officers of America**.** 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.

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 than 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 intercept the wastewater from smaller and or local sewers to one of the District's wastewater treatment plants.

Interest Income – Income derived by investing a certain fund balance in interest-yielding securities in compliance with the provisions of the District's Investment Policy.

Internal Control – Methods and procedures that are primarily concerned with the authorization of transactions, safeguarding of assets, and accuracy of financial records.

Inventories – Items held for future use.

J

Junior Lien Debt – Borrowing that occurs after a first lien is already in place. It subsequently refers to the ranking of the debt in the event of bankruptcy and liquidation as being payable after senior lien debt is fully repaid. Currently, Junior Lien Debt does not require a Debt Service Reserve.

K

L

LCMUA – An 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.

Local Government Investment Pool – a state or local government pool offered to public entities for the investment of public funds and that offers safety and a competitive yield.

Long-Term Debt – Debt with a maturity of more than one year after the date of issuance.

LRWRS – An 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 contracts with the District for wholesale service.

Membranes – Engineers classify membranes in many 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 for measuring the flow of water/wastewater.

MGD – *An acronym for 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.

Modified Accrual Basis of Accounting – A basis of accounting that combines cash basis and accrual basis of accounting. It requires recording revenues when they are available and measurable, and expenditures when liabilities are incurred, except for some short-term events that are recorded on a cash basis. Modified Accrual accounting was created by the Government Accounting Standards Board (GASB) and is commonly used by government agencies.

N

NACWA – An acronym for National Association of Clean Water Agencies, 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.

NERWRS – An 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 used to account for deposits earmarked to provide funding for the capital improvement program.

NPWS – An acronym for Non-Potable Water Supply, a water supply that is not treated to drinking water standards and is not meant for human consumption.

NCTCOG – An acronym for North Central Texas Council of Governments. The North Central Texas Council of Governments is a voluntary association of, by and for local governments, established to assist in regional planning. NCTCOG's purpose is to strengthen both the individual and collective power of local governments and to help them recognize regional opportunities, eliminate unnecessary duplication, and make joint decisions.

O

O&M – An 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.

P

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.

Pump Station – Structure containing pumps and accessory piping, valves and other mechanical and electrical equipment for pumping water, wastewater or other liquids.

Q

R

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 that are 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 approved by the District's 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 – Bonds which are obligations of the issuer on which revenues received from operations are pledged for the payment of the principal and interest, thereon.

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 – An 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 – An 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 – An acronym for Supervisory Control and Data Acquisition System. The computer system that collects data, processes data and allows operating personnel to take corrective actions.

Senior Lien Debt – Debt and obligations which are prioritized for repayment in the case of bankruptcy and that also require a Debt Service Reserve as additional security for payment.

Sludge – Solid residue from wastewater treatment.

State (or Board) Participation Funds – The State (or Board) 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 in property and treatment works. The loan repayments that would have been required, if the assistance had been from a loan, are deferred. Ultimately, 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.

Strategic Goal – The long-range plans and direction of the District.

Surface Water – Natural sources of water, such as rivers and lakes.

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.

SWIRFT – An acronym for State Water Implementation Revenue Fund of Texas. The Texas Water Development Board (TWDB) is authorized to issue revenue bonds associated with SWIRFT under Article 3, Section 49-d-13 of the Texas Constitution and Chapter 15, Subchapter H of the Texas Water Code. SWIRFT bonds are issued to provide financial assistance to political subdivisions for projects included in the State Water Plan through the TWDB's State Water Implementation Fund for Texas (SWIFT) program.

SWP – An acronym for State Water Plan. Development of the state water plan is central to the mission of the TWDB. Based on 16 regional water plans, the plan addresses the needs of all water user groups in the state – municipal, irrigation, manufacturing, livestock, mining, and steam-electric power – during a repeat of the drought of record that the state suffered in the 1950s. At the end of each five-year regional water planning cycle, agency staff compiles information from the approved regional water plans and other sources to develop the state water plan, which is presented to TWDB's governing Board for adoption. The final adopted plan is then submitted to the Governor, Lieutenant Governor, and the Texas Legislature.

T

Texas National Resources Conservation Commission (TNRCC) – See Texas Commission on Environment Quality (TCEQ)

TWDB – An acronym for Texas Water Development Board. 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.

Tranche – A apportion of something, especially money.

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.

TIC – An acronym for True Interest Cost. A method of computing the interest expense of bonds and is defined as the rate, 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.

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 Operating 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.

Working Capital – Budgeted working capital is calculated as a fund's current assets less current liabilities, including the current portion of long-term debt.

X

Y

Yield – The rate of return on an investment if it is held to maturity.

Z

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