



Fiscal Year 2024
Proposed
Revenue, General and
Special Projects/Contingency Funds
Operating Budgets

**Version 2 – Includes recommended
changes to the General Fund and
Special Projects/Contingency Fund**

August 22, 2023

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Summarized FY24 Proposed Revenue Budgets

| Revenues | Revenue Fund FY24 Proposed | General Fund FY24 Proposed | Special Projects/ Contingency Fund FY24 Proposed | Total Revenues |
|----------------------------|---------------------------------------|---------------------------------------|---|-----------------------|
| Sale of Water | \$ 164,091,374 | | | \$ 164,091,374 |
| Taxes | | 28,242,000 | | 28,242,000 |
| TIF Revenues | | | 7,927,446 | 7,927,446 |
| Oil & Gas Revenues | | | 8,000,000 | 8,000,000 |
| Dallas Water Utility - IPL | 3,590,578 | | | 3,590,578 |
| Interest Income | 1,600,000 | - | 1,600,000 | 3,200,000 |
| Contributions | 1,229,768 | 310,000 | | 1,539,768 |
| Other Water Sales | 520,000 | | | 520,000 |
| Leases, Permits & Fees | | | 1,965,647 | 1,965,647 |
| Other Income | 731,971 | | 236,200 | 968,171 |
| Total Revenues | \$ 171,763,691 | \$ 28,552,000 | \$ 19,729,293 | \$ 220,044,984 |

Summarized FY24 Proposed Expenditure Budgets

| Expenditures | Revenue Fund FY24 Proposed | General Fund FY24 Proposed | Special Projects/ Contingency Fund FY24 Proposed | Total Expenditures |
|--|---------------------------------------|---------------------------------------|---|---------------------------|
| Debt Service/Project Costs | \$ 83,204,886 | | \$ 7,927,446 | \$ 91,132,332 |
| Pumping Power | 18,000,000 | | | 18,000,000 |
| <u>Maintenance</u> | | | | |
| Pipeline & Pump Station | 5,335,000 | | | 5,335,000 |
| Pipeline Chemicals | 2,210,000 | | | 2,210,000 |
| Facilities & Grounds Maintenance | 2,162,105 | 1,313,440 | | 3,475,545 |
| Equipment & Fleet | 978,266 | 549,618 | | 1,527,884 |
| Maintenance Support | 964,965 | 801,545 | | 1,766,510 |
| Benbrook Reservoir O&M | 650,000 | | | 650,000 |
| Stream Gauging Stations | 195,000 | 287,000 | | 482,000 |
| Total Maintenance | 12,495,336 | 2,951,603 | | 15,446,939 |
| <u>Envrionmental Stewardship & Public Outreach</u> | | | | |
| Water Conservation Program | 3,096,002 | | | 3,096,002 |
| Watershed Protection | 409,890 | | | 409,890 |
| Environmental Stewardship | 437,960 | 56,400 | | 494,360 |
| Public Outreach & Events | 80,603 | 772,907 | | 853,510 |
| Stormwater Program | | 75,000 | | 75,000 |
| Clear Fork Trash Wheel | | 350,000 | | 350,000 |
| Total Environmental Stewardship & Public Outreach | 4,024,455 | 1,254,307 | | 5,278,762 |
| System Improvements & Capital Equipment | 10,451,679 | 4,275,250 | | 14,726,929 |
| Property Taxes Paid to TIF's | | 580,314 | | 580,314 |
| Canals | | | 3,000,000 | 3,000,000 |
| La Grave Stadium | | | 195,000 | 195,000 |
| Panther Island Land Strategy | | | 100,000 | 100,000 |
| <u>Support Services</u> | | | | |
| Employee Related | 33,801,466 | 13,986,296 | | 47,787,762 |
| Professional Services | 3,712,153 | 2,086,645 | | 5,798,798 |
| Administrative Support | 3,167,783 | 2,152,145 | | 5,319,928 |
| Information Technology | 2,905,933 | 1,139,329 | | 4,045,262 |
| Total Support Services | 43,587,335 | 19,364,415 | | 62,951,750 |
| Total Expenditures | \$ 171,763,691 | \$ 28,425,889 | \$ 11,222,446 | \$ 211,412,026 |

Full Time Equivalents Budgeted by Fund

| | FY22 | FY23 | FY24 |
|-------------------------------|-------------|-------------|-------------|
| Revenue | 250 | 243 | 246 |
| General | 91 | 86 | 106 |
| Special Projects/Contingency* | 10 | 9 | - |
| Dallas | 49 | 71 | 77 |
| Total | 400 | 409 | 428 |

*All Special Projects/Contingency Fund personnel were moved to the General Fund in FY24.

Budgeted Expenditures Per Capita

| | Revenue | General | Special Projects/ Contingency |
|-------------------------|----------------|----------------|--|
| Revenues Per Capita | \$ 78.84 | \$ 59.76 | \$ 41.29 |
| Expenditures Per Capita | \$ 78.84 | \$ 59.49 | \$ 23.49 |

Population data is from 2022. General Fund and Special Projects/Contingency Fund population is the TRWD taxing/voting district. Revenue Fund population is the service area that purchases water from TRWD.

Revenue Fund

Water Supply



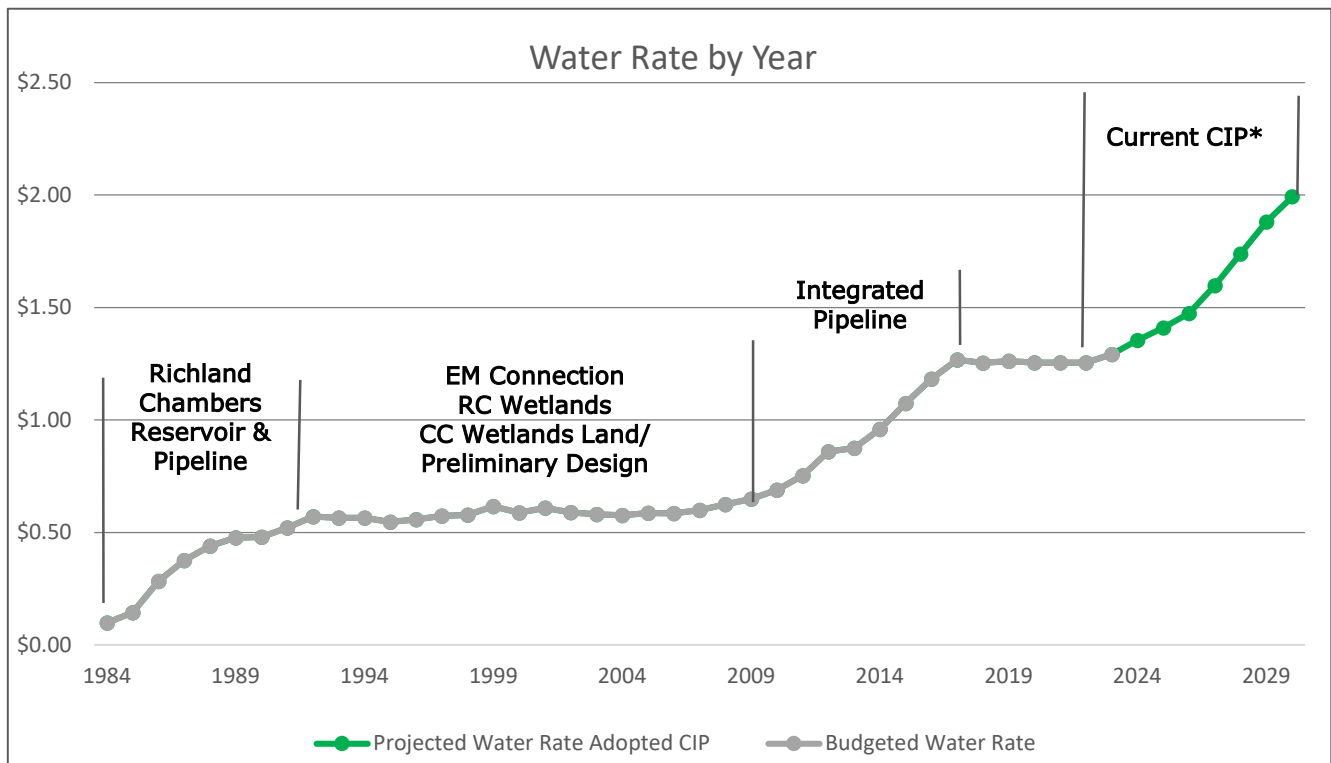
Spillway at Richland Chambers

TRWD Revenue Fund - Water Supply FY24 Budget Highlights

Tarrant Regional Water District ("the District") exists to enrich communities and improve the quality of life through water supply, flood control, and recreation. The District has approved a strategic plan that will be implemented over the next four years. The portion of the plan that relates specifically to water supply includes investing in a diverse workforce through training, safety, and the planning and support needed to live TRWD values. Additionally, the plan includes creating a long-range water supply resilience and diversification plan to ensure we have a reliable water supply in all extreme and changing conditions, pursuing Federal and State funding to reduce costs, updating internal processes to increase efficiency, and demonstrating our values and commitment to the community.

The Revenue Fund budget for fiscal year 2024 shows an increase in the water rate due to upcoming large capital projects and higher maintenance and support services costs. The large capital projects that are currently part of the long-term Capital Improvement Plan, include the Cedar Creek wetlands, replacing aging infrastructure, expanding balancing reservoir capacity, a new operations facility, and the start of the IPL connection to Richland Chambers.

Additionally, the District's current water supply system is both expanding and aging, both of which lead to higher maintenance costs, as well as the need to increase the support services required to manage that system. Overall, costs have also increased due to the current inflation environment. All of these cost increases are described in more detail in the expense portion of the budget.



Current CIP*

Cedar Creek Wetlands

Aging Infrastructure Replacements

Expanded Balancing Reservoir Capacity

Operations Facility

IPL connection to Richland Chambers

TRWD Revenue Fund - Water Supply FY24 Budget Summary

TRWD Purpose

Enriching communities and improving the quality of life through water supply, flood control, and recreation.

Water Supply Overview

TRWD supplies water to more than 2 million people in an 11-county service area, making it one of the largest water suppliers in the state. The District provides raw water to more than 50 wholesale customers in north central Texas, the largest of which include the Trinity River Authority and the cities of Fort Worth, Arlington, and Mansfield.

The District's service area population is projected to nearly double in the next 50 years. In anticipation of this growth, the District has begun planning for enough new water supply sources to provide water supply reliability through the year 2050. TRWD is developing a long-range water supply resilience and diversification plan to ensure a reliable water supply in extreme and challenging conditions, including power outages and climate change. TRWD is also pioneering the work to determine how to optimize regional water supply across north central Texas.

Proposed FY24 Revenue Fund Budget

| Expenditures | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed |
|---|-------------------------|---------------------------------|---------------------------------|
| Operating Expenditures | \$ 65,360,519 | \$ 70,946,352 | \$ 78,107,126 |
| System Improvements & Capital Equipment | \$ 11,225,724 | \$ 7,227,474 | \$ 10,451,679 |
| Debt Service | \$ 72,740,016 | \$ 79,901,067 | \$ 83,204,886 |
| Total Expenditures | \$ 149,326,259 | \$ 158,074,893 | \$ 171,763,691 |

| Revenues | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed |
|----------------------------------|-------------------------|---------------------------------|---------------------------------|
| Sale of Water | \$ 137,885,560 | \$ 151,795,320 | \$ 164,091,374 |
| Dallas Water Utility - IPL | \$ 1,521,954 | \$ 2,798,048 | \$ 3,590,578 |
| Interest Income | \$ 895,175 | \$ 1,125,000 | \$ 1,600,000 |
| Water Conservation Contributions | \$ 1,102,988 | \$ 1,205,668 | \$ 1,229,768 |
| Other Income | \$ 5,064,014 | \$ 1,150,858 | \$ 1,251,971 |
| Total Revenues | \$ 146,469,691 | \$ 158,074,894 | \$ 171,763,691 |

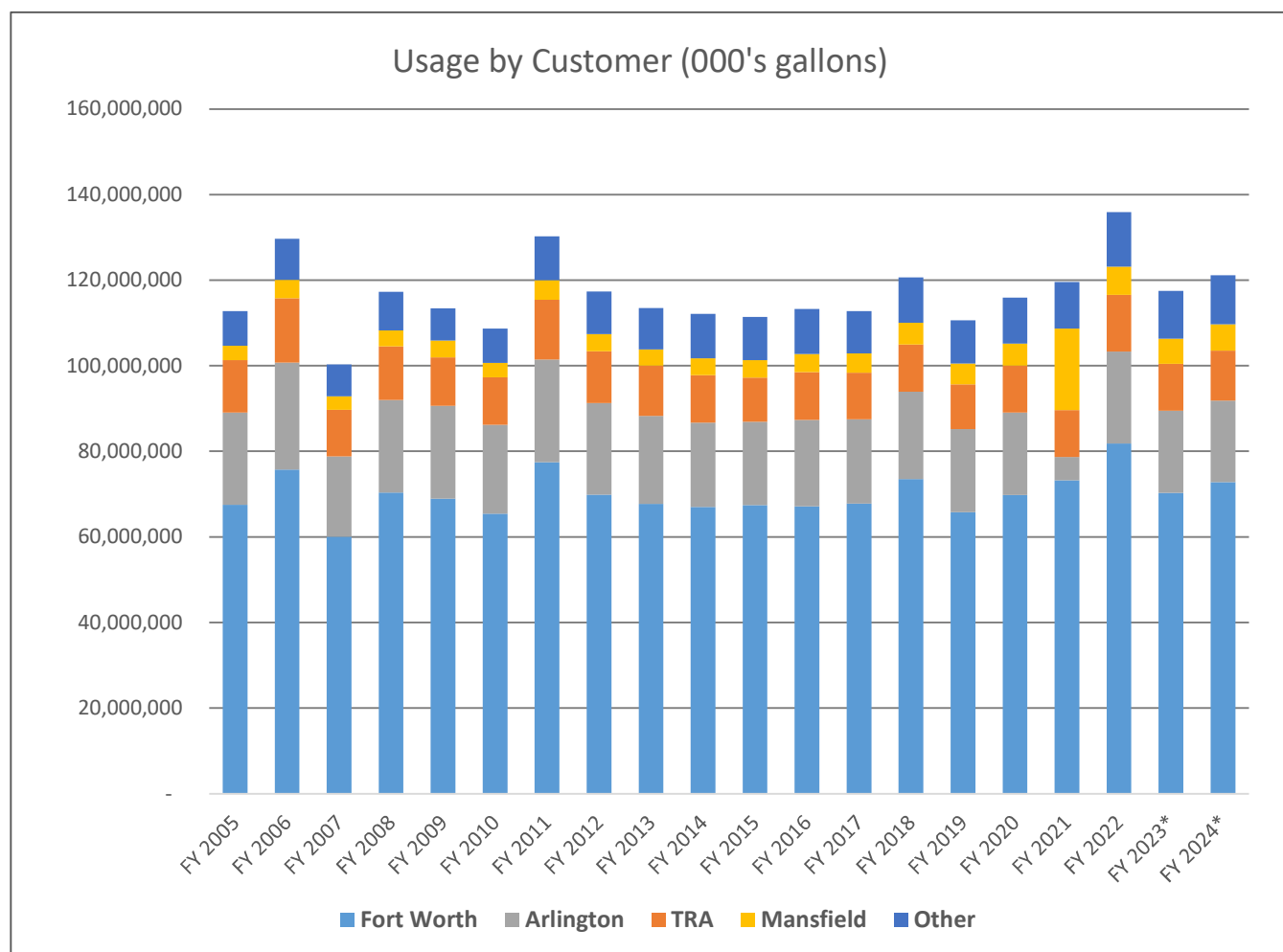
| | FY22 Actual Rate | FY23 Budgeted Approved Rate | FY24 Budgeted Proposed Rate |
|-------------|-----------------------------|--|--|
| System Rate | \$1.03530 | \$1.29191 | \$1.35479 |

Water Supply Demands

Demand for water supply is based on many factors including population growth, water conservation, weather patterns, and changing population lifestyles. All of these factors impact both current and future demands. The District continues to focus on water affordability as well as preparing for those future demands.

The graph below shows water usage for the past 18 years and budgeted usage for fiscal years 2023 and 2024. The District is currently preparing for future demands by expanding transmission system infrastructure and developing new sources of supply.

Note that the timing for new water supply sources and transmission system expansion is based on projections for dry-year usage to ensure adequate system capacity for all customers during those years. In the graph below, the years 2006, 2011, and 2022 are examples of dry years with higher water usage. The data from these types of years is considered and provides valuable input for the models that project future dry-year water supply needs.



System Rate Calculation

The sale of water revenues are estimated using the budgeted raw water rate multiplied by the estimated water usage for fiscal year 2024. This budgeted rate, expressed in dollars per 1,000 gallons, is calculated by taking the budgeted expenditures for fiscal year 2024, subtracting other income sources, and dividing that number by the estimated usage in gallons. Each fiscal year, the four primary customers provide their estimated usage for the year. The other customers' estimated usage is based on historical data combined with overall customer trends.

| Net System Revenue Requirements | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|--|---------------------------------|---------------------------------|----------------------|
| Total Expenditures | \$ 158,074,893 | \$ 171,763,691 | \$ 13,688,798 |
| Less: Other Revenues Not Through Sale of Water | \$ (6,279,574) | \$ (7,672,317) | \$ (1,392,743) |
| Net System Revenue Requirement | \$ 151,795,320 | \$ 164,091,374 | \$ 12,296,054 |

| Projected Usage Gallonage (000's) | FY23 Budgeted Water Sales | FY24 Budgeted Water Sales | Variance |
|--|--------------------------------------|--------------------------------------|------------------|
| Fort Worth | 70,262,163 | 72,796,920 | 2,534,757 |
| Arlington | 19,206,381 | 19,064,016 | (142,365) |
| Trinity River Authority | 10,958,419 | 11,670,485 | 712,065 |
| Mansfield | 5,869,707 | 6,163,193 | 293,486 |
| Other Customers | 11,200,000 | 11,425,000 | 225,000 |
| Total Gallonage (000's) | 117,496,671 | 121,119,614 | 3,622,943 |

| Calculated System Rate | FY23 Budgeted Approved Rate | FY24 Budgeted Proposed Rate | % Change |
|-------------------------------|--|--|-----------------|
| District Rate | \$1.29191 | \$1.35479 | 4.87% |

System Rate Model

The District utilizes a rate model to project future water rates. The District's estimated water supply expenses are combined with projections for raw water usage to calculate a projected water rate for future years. Projected Operations and Maintenance expenses are estimated to increase 10% each year, while Pumping Power and Capital/System Improvements are held steady. Usage projections for fiscal year 2024 are provided by the customers. Usage for future years is the greater of customer projections or the dry-year model projections.

See below for rate projections through fiscal year 2030.

| | FY23 Approved | FY24 Proposed | FY25 Projected | FY26 Projected |
|--|--------------------|--------------------|--------------------|--------------------|
| SYSTEM OPERATIONS | | | | |
| Operations and Maintenance | 52,726,353 | 60,107,126 | 65,751,712 | 72,326,883 |
| Pumping Power | 18,000,000 | 18,000,000 | 18,000,000 | 18,000,000 |
| Capital & System Improvements | 7,447,473 | 10,451,679 | 10,000,000 | 10,000,000 |
| TOTAL SYSTEM OPERATIONS | 78,173,826 | 88,558,805 | 93,751,712 | 100,326,883 |
| CURRENT DEBT SERVICE | 74,767,437 | 72,736,159 | 71,168,640 | 71,152,612 |
| PROPOSED BOND DEBT SERVICE | | | | |
| ECP Bonds | 5,133,631 | 5,757,900 | 5,000,000 | 3,000,000 |
| 2024 Issue - \$150 mil | | 4,710,827 | 10,352,750 | 10,351,250 |
| 2025 Issue - \$100 mil | | | 3,485,854 | 7,395,600 |
| 2026 Issue - \$195 mil | | | | 6,794,929 |
| 2027 Issue - \$220 mil | | | | |
| 2028 Issue - \$170 mil | | | | |
| 2029 Issue - \$155 mil | | | | |
| 2030 Issue - \$140 mil | | | | |
| TOTAL PROPOSED BOND DEBT SERVICE | 5,133,631 | 10,468,727 | 18,838,604 | 27,541,779 |
| TOTAL DEBT SERVICE | 79,901,068 | 83,204,886 | 90,007,244 | 98,694,391 |
| TOTAL EXPENDITURES | 158,074,894 | 171,763,691 | 183,758,956 | 199,021,274 |
| LESS: OTHER INCOME | 6,279,574 | 7,672,317 | 8,677,642 | 9,891,118 |
| NET SYSTEM REQUIREMENTS | 151,795,320 | 164,091,374 | 175,081,313 | 189,130,156 |
| PROJECTED WATER USE (1000 GAL.) | 2023 | 2024 | 2025 | 2026 |
| FORT WORTH | 70,262,163 | 72,796,920 | 73,411,480 | 78,482,649 |
| ARLINGTON | 19,206,381 | 19,064,016 | 20,938,465 | 21,197,676 |
| TRINITY RIVER AUTHORITY | 10,958,419 | 11,670,485 | 11,880,227 | 11,993,598 |
| MANSFIELD | 5,869,707 | 6,163,193 | 6,409,720 | 6,670,000 |
| OTHER | 11,200,000 | 11,425,000 | 11,539,250 | 11,654,643 |
| TOTAL USAGE | 117,496,671 | 121,119,614 | 124,179,142 | 129,998,566 |
| PROJECTED SYSTEM WATER RATES (\$/1000 GAL.) | | | | |
| System Rate | 1.29191 | 1.35479 | 1.40991 | 1.45486 |
| PROJECTED SYSTEM REVENUE: (\$) | | | | |
| FORT WORTH | 90,772,508 | 98,624,379 | 103,503,520 | 114,181,534 |
| ARLINGTON | 24,812,948 | 25,827,696 | 29,521,334 | 30,839,723 |
| TRINITY RIVER AUTHORITY | 14,157,310 | 15,811,030 | 16,750,041 | 17,449,047 |
| MANSFIELD | 7,583,143 | 8,349,819 | 9,037,123 | 9,703,939 |
| OTHER | 14,469,411 | 15,478,451 | 16,269,295 | 16,955,913 |
| TOTAL SYSTEM REVENUE | 151,795,320 | 164,091,374 | 175,081,313 | 189,130,156 |

(Continued on next page)

System Rate Model

| | FY27 Projected | FY28 Projected | FY29 Projected | FY30 Projected |
|--|--------------------|--------------------|--------------------|--------------------|
| <u>SYSTEM OPERATIONS</u> | | | | |
| Operations and Maintenance | 79,559,571 | 87,515,528 | 96,267,081 | 105,893,789 |
| Pumping Power | 18,000,000 | 18,000,000 | 18,000,000 | 18,000,000 |
| Capital & System Improvements | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| TOTAL SYSTEM OPERATIONS | 107,559,571 | 115,515,528 | 124,267,081 | 133,893,789 |
| <u>CURRENT DEBT SERVICE</u> | 71,201,196 | 71,095,480 | 71,041,172 | 67,996,414 |
| <u>PROPOSED BOND DEBT SERVICE</u> | | | | |
| ECP Bonds | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| 2024 Issue - \$150 mil | 10,348,625 | 10,349,500 | 10,353,375 | 10,350,000 |
| 2025 Issue - \$100 mil | 7,397,963 | 7,395,650 | 7,393,525 | 7,396,175 |
| 2026 Issue - \$195 mil | 14,415,213 | 14,414,338 | 14,414,388 | 14,414,813 |
| 2027 Issue - \$220 mil | 7,662,623 | 16,257,650 | 16,256,150 | 16,254,475 |
| 2028 Issue - \$170 mil | | 5,923,225 | 15,045,900 | 15,185,650 |
| 2029 Issue - \$155 mil | | | 5,298,242 | 13,461,650 |
| 2030 Issue - \$140 mil | | | | 4,873,940 |
| TOTAL PROPOSED BOND DEBT SERVICE | 42,824,423 | 57,340,363 | 71,761,579 | 84,936,702 |
| TOTAL DEBT SERVICE | 114,025,619 | 128,435,843 | 142,802,751 | 152,933,116 |
| TOTAL EXPENDITURES | 221,585,190 | 243,951,371 | 267,069,832 | 286,826,905 |
| LESS: OTHER INCOME | 13,120,400 | 13,398,420 | 13,698,988 | 14,024,153 |
| NET SYSTEM REQUIREMENTS | 208,464,790 | 230,552,950 | 253,370,844 | 272,802,752 |
| PROJECTED WATER USE (1000 GAL.) | 2027 | 2028 | 2029 | 2030 |
| FORT WORTH | 79,905,342 | 81,328,036 | 82,750,729 | 84,173,422 |
| ARLINGTON | 21,456,887 | 21,716,098 | 21,975,309 | 22,234,520 |
| TRINITY RIVER AUTHORITY | 12,113,534 | 12,262,649 | 12,362,649 | 12,462,649 |
| MANSFIELD | 6,932,754 | 7,210,064 | 7,410,064 | 7,610,064 |
| OTHER | 11,771,189 | 11,888,901 | 12,007,790 | 12,127,868 |
| TOTAL USAGE | 132,179,706 | 134,405,748 | 136,506,541 | 138,608,523 |
| PROJECTED SYSTEM WATER RATES (\$/1000 GAL.) | | | | |
| System Rate | 1.57713 | 1.71535 | 1.85611 | 1.96815 |
| PROJECTED SYSTEM REVENUE: (\$) | | | | |
| FORT WORTH | 126,021,239 | 139,506,077 | 153,594,267 | 165,666,156 |
| ARLINGTON | 33,840,334 | 37,250,717 | 40,788,541 | 43,760,933 |
| TRINITY RIVER AUTHORITY | 19,104,637 | 21,034,740 | 22,946,408 | 24,528,397 |
| MANSFIELD | 10,933,865 | 12,367,786 | 13,753,877 | 14,977,769 |
| OTHER | 18,564,714 | 20,393,630 | 22,287,751 | 23,869,497 |
| TOTAL SYSTEM REVENUE | 208,464,790 | 230,552,950 | 253,370,844 | 272,802,752 |

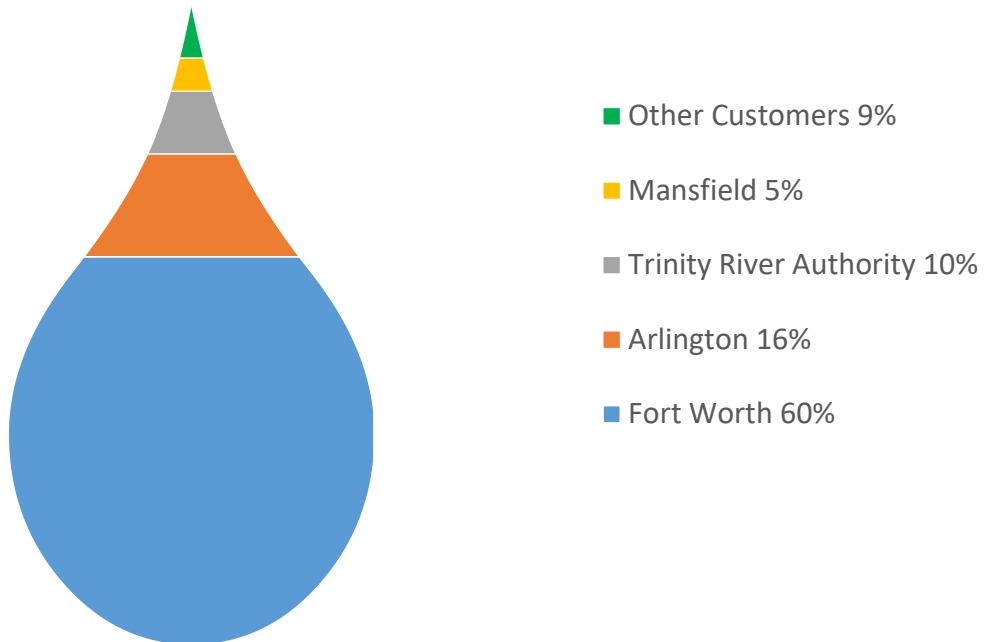
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Water Usage Projections

The District's four primary customers, the cities of Fort Worth, Arlington, Mansfield, and the Trinity River Authority, provide an estimate of their usage to the District each year. The usage for other customers is estimated using historical data of reported usage.

| Gallage (000'S) | FY22 Actual Water Sales | FY23 Budgeted Water Sales | FY24 Budgeted Water Sales | Variance |
|------------------------------|----------------------------|------------------------------|------------------------------|------------------|
| Fort Worth | 81,796,970 | 70,262,163 | 72,796,920 | 2,534,757 |
| Arlington | 21,478,401 | 19,206,381 | 19,064,016 | (142,365) |
| Trinity River Authority | 13,263,982 | 10,958,419 | 11,670,485 | 712,065 |
| Mansfield | 6,615,422 | 5,869,707 | 6,163,193 | 293,486 |
| Other Customers | 12,739,432 | 11,200,000 | 11,425,000 | 225,000 |
| Total Gallage (000's) | 135,894,207 | 117,496,671 | 121,119,614 | 3,622,943 |

FY24 Budgeted Water Usage



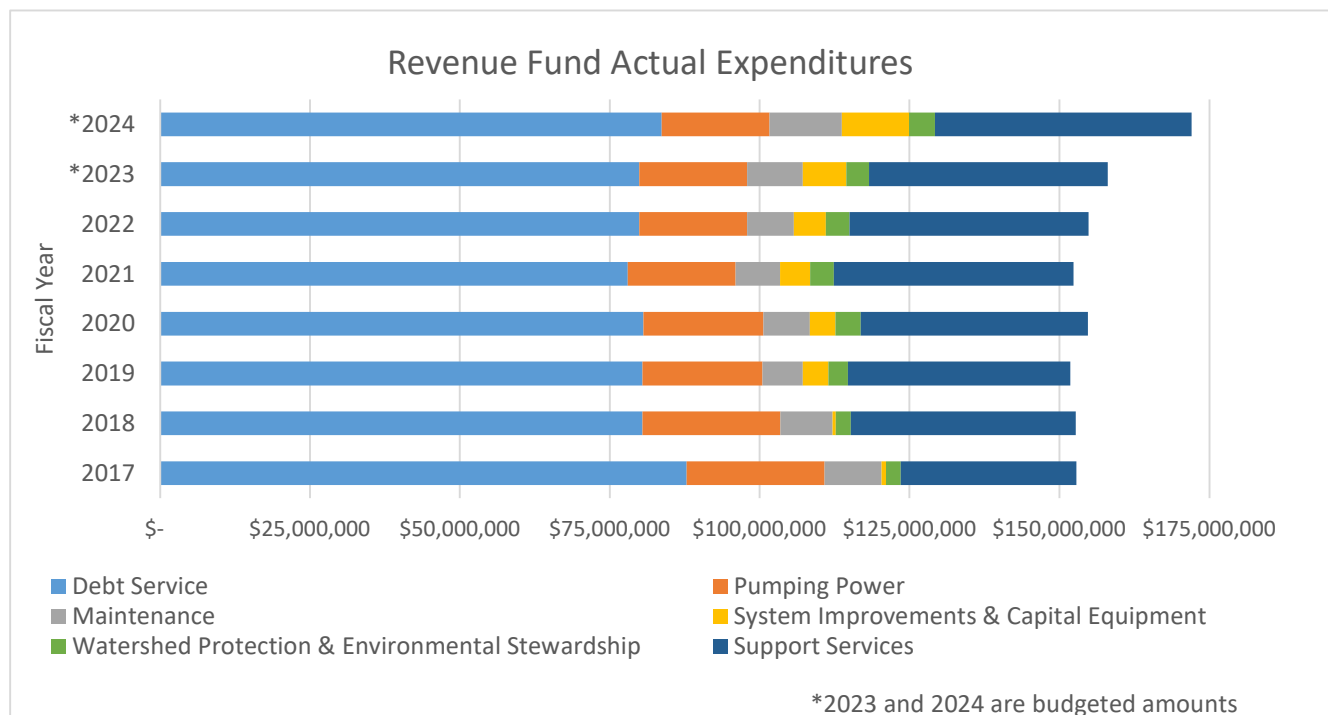
Revenue Fund: Expenditures

Expenditures Summary

Delivering a reliable and resilient water supply to over 2 million customers requires a combination of long-term planning and constant evaluation of the current system needs. Pumping power and maintenance provide a consistent supply of water through the existing system, while debt issuances for large capital projects, system improvements, and capital equipment allow the District to continue building the system needed to meet the rapid growth in the community. In fiscal year 2024, all of these areas, except pumping power, are budgeted to increase due to large capital projects, aging infrastructure, and system studies for long-term planning and efficiencies.

The system is supported through administrative and professional services, information technology, and a diverse, well-trained workforce committed to being ready when the public needs them the most. The fiscal year 2024 budget includes increases in headcount and technology to match the increasing system size.

| Budget Categories | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|---|-----------------------|-------------------------|-------------------------|----------------------|
| Debt Service | \$ 72,740,016 | \$ 79,901,067 | \$ 83,204,886 | \$ 3,303,819 |
| Pumping Power | \$ 21,007,947 | \$ 18,000,000 | \$ 18,000,000 | \$ - |
| Maintenance | \$ 7,532,940 | \$ 9,304,243 | \$ 12,495,336 | \$ 3,191,093 |
| System Improvements & Capital Equipment | \$ 11,225,724 | \$ 7,227,474 | \$ 10,451,679 | \$ 3,224,205 |
| Watershed Protection & Environmental Stewardship | \$ 3,147,924 | \$ 3,841,147 | \$ 4,024,455 | \$ 183,308 |
| Support Services | \$ 33,671,708 | \$ 39,800,962 | \$ 43,587,335 | \$ 3,786,373 |
| Total | \$ 149,326,259 | \$ 158,074,893 | \$ 171,763,691 | \$ 13,688,798 |

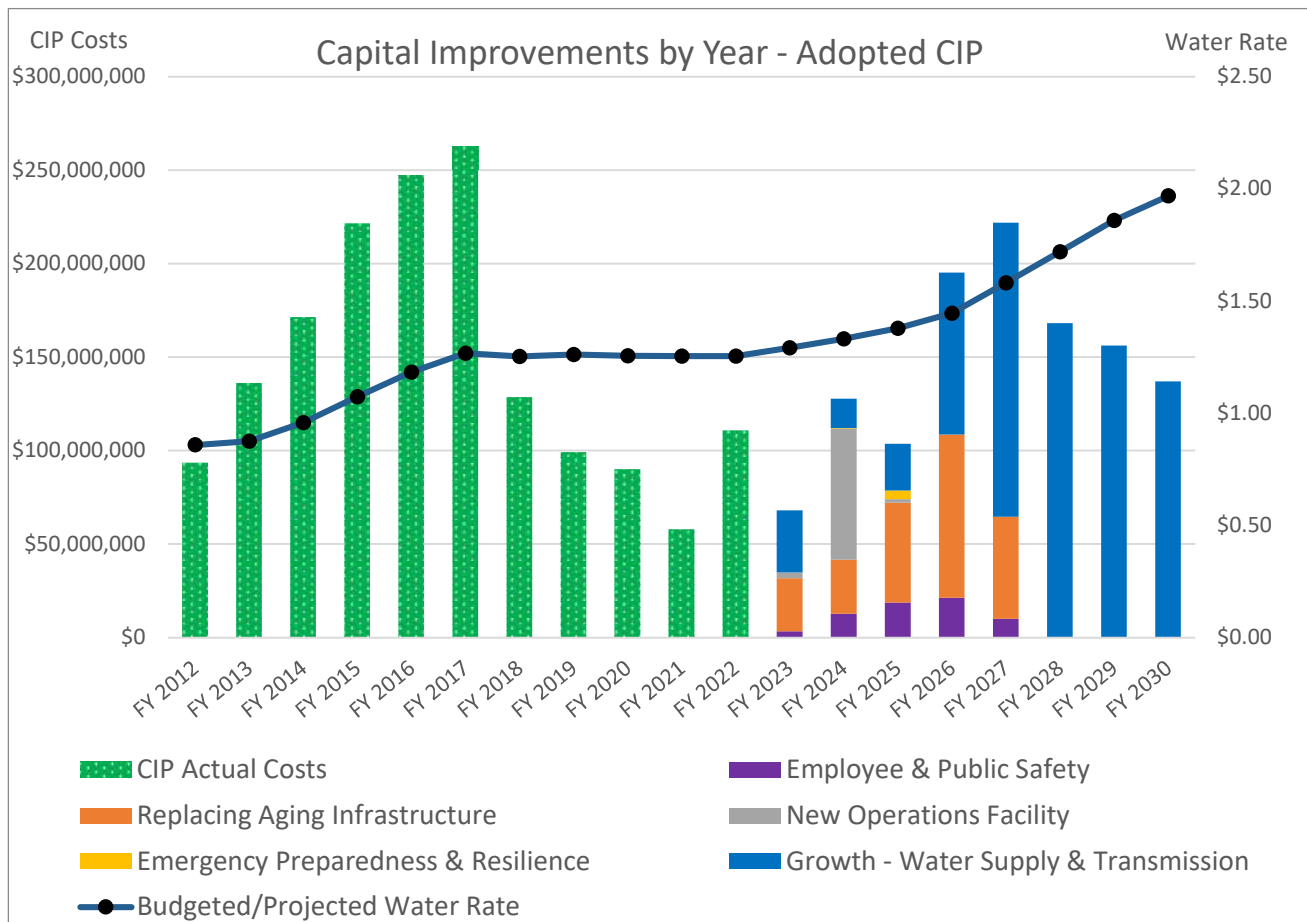


Debt Service Expenditures

The District is sensitive to the tension always present in providing reliable water supply service at the most affordable level. One key factor in keeping the water supply rate low is the issuance of debt, which distributes costs between current and future rate payers.

The \$2.6 million increase in interest expense for fiscal year 2024 is due to the anticipated issuance of \$150 million in bonds in fiscal year 2024 to support large capital projects, including the new Cedar Creek wetlands, replacement of aging infrastructure, expanded balancing reservoir capacity, a new operations facility, and the start of the IPL connection to Richland Chambers.

| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|---------------------------|----------------------|-------------------------|-------------------------|---------------------|
| Bonds Payable | \$ 40,560,000 | \$ 40,395,000 | \$ 41,150,000 | \$ 755,000 |
| Interest Expense | \$ 32,114,716 | \$ 39,480,767 | \$ 42,029,236 | \$ 2,548,469 |
| Bond Issuance Expense | \$ 60,000 | \$ 20,000 | \$ 20,000 | \$ - |
| Paying Agent Fees | \$ 5,300 | \$ 5,300 | \$ 5,650 | \$ 350 |
| Total Debt Service | \$ 72,740,016 | \$ 79,901,067 | \$ 83,204,886 | \$ 3,303,819 |



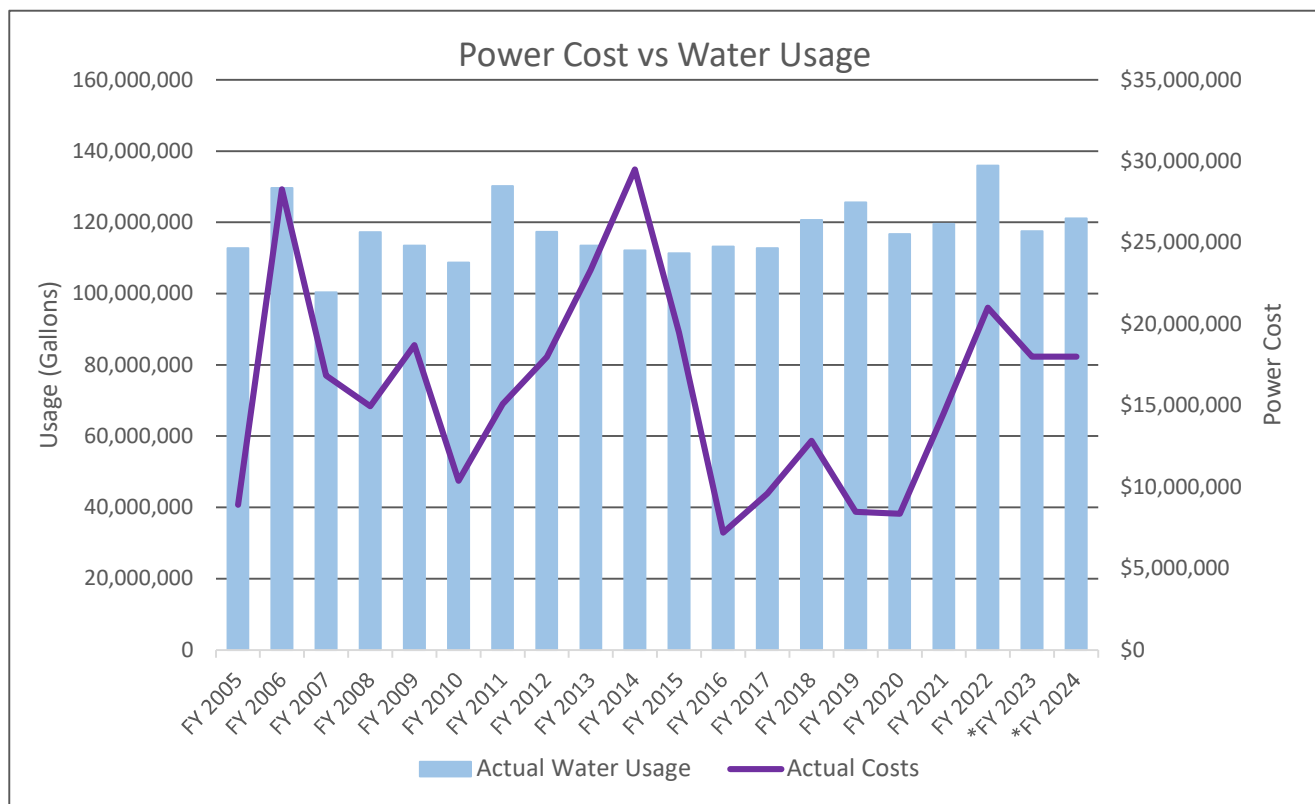
Pumping Power Expenditures

Pumping power is the cost of electricity needed to deliver water to the District's customers. Water usage and costs do not always have a direct correlation. From fiscal year 2014 to fiscal year 2016 the actual water usage stayed fairly level, but the cost of power dropped from \$30 million to \$10 million. The greater impact on actual costs is the amount of rainfall leading into the fiscal year and the overall cost of power per unit.

Due to the unpredictability of rainfall and power costs, the Customer Advisory Committee agreed in fiscal year 2016 to set the annual pumping power budget at \$23 million per year. The budget was reduced to \$20 million in fiscal year 2019 and again to \$18 million in fiscal year 2021.

Since the customers approved a Pumping Power contingency fund of \$5 million to help offset costs in years where pumping power is higher than budget, the District is currently holding the pumping power budget at \$18 million until the impact of the IPL, the increased population growth, and the weather patterns have more data on which to build future expectations.

| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|---------------|-----------------|-------------------------|-------------------------|----------|
| Pumping Power | \$ 21,007,947 | \$ 18,000,000 | \$ 18,000,000 | \$ - |



*Budgeted Water Usage and Pumping Power costs for FY 2023 and FY 2024

Maintenance Expenditures

The water supply maintenance budget consists of the costs needed to keep the existing water supply system functioning as intended. More than half of the District's maintenance costs are for maintaining the pipeline and pump stations that move water from the reservoirs to the customers.

Pipeline and pump station maintenance increases for fiscal year 2024 are due mostly to an additional \$660 thousand for general maintenance on all pump stations and pipeline sections, \$400 thousand to purchase additional pipeline segments for the replacement project, \$250 thousand in valve upgrades, and \$225 thousand for pump unit rebuilding based on efficiency testing. The condition of the Cedar Creek transmission system requires significant investment and will continue requiring repairs and replacements for the next several years. Phase 1 and 2 of the IPL were completed and online in fiscal year 2022 and are now included in the full pipeline system preventative maintenance program.

Pipeline chemical costs are estimated by evaluating pumping demand projections and projected market costs for chemicals driven by industry demands. The budget increase is due primarily to increases in market costs (for example, the price of chlorine has more than doubled in the past 10 months), with higher projected pumping also increasing the overall budget.

| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|----------------------------------|-------------------------|---------------------------------|---------------------------------|---------------------|
| Pipeline & Pump Station | \$ 2,516,393 | \$ 3,536,015 | \$ 5,335,000 | \$ 1,798,985 |
| Pipeline Chemicals | \$ 1,054,298 | \$ 1,060,000 | \$ 2,210,000 | \$ 1,150,000 |
| Facilities & Grounds Maintenance | \$ 1,571,879 | \$ 2,227,204 | \$ 2,162,105 | \$ (65,099) |
| Equipment & Fleet | \$ 708,583 | \$ 807,319 | \$ 978,266 | \$ 170,947 |
| Maintenance Support | \$ 693,857 | \$ 874,340 | \$ 964,965 | \$ 90,625 |
| USACE Benbrook Reservoir O&M | \$ 802,536 | \$ 604,365 | \$ 650,000 | \$ 45,635 |
| Stream Gauging Stations | \$ 185,394 | \$ 195,000 | \$ 195,000 | \$ - |
| Total | \$ 7,532,940 | \$ 9,304,243 | \$ 12,495,336 | \$ 3,191,093 |



The Joint Cedar Creek (JCC1) pump station came online in fiscal year 2023, increasing pumping capacity and the need for additional chemicals.

System Improvements and Capital Equipment Expenditures

The Revenue Fund system improvements budget consists of shorter-term projects that enhance and rehabilitate the current system.

The two largest System Study and Design Projects are the Integrated Water Supply Plan (IWSP) and the System Operating Permit Evaluation. The IWSP will develop a comprehensive approach to provide a reliable supply to all water customers and the System Operating Permit Evaluation will evaluate the feasibility of pursuing a system operations permit for the overall TRWD system.

Now that the Integrated Pipeline Project is online, the District is able to begin projects that had been postponed because they required taking portions of the existing pipeline offline for more extensive system improvements, such as valve replacement, pump refurbishment, and variable frequency drive upgrades.

Construction and repair projects experienced the greatest increase in the fiscal year 2024 budget, the majority of which is the silt removal at Shannon Wetlands, which is vital to the proper function of the wetlands area. Additional improvements and restorations are also planned for the Benbrook pump stations, Cedar Creek dam, Richland Chambers water quality building, and JB3 cooling tower.

The water supply contract budget is a potential contract with the Trinity River Authority (TRA) to secure the rights to additional water supply when it comes available in the future. This contract is still in development.

Additional details are shown on the following page.

| | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|--------------------------------|---------------------------------|---------------------------------|---------------------|
| System Study & Design Projects | \$ 2,191,600 | \$ 3,280,429 | \$ 1,088,829 |
| Pump & Valve Projects | \$ 2,567,000 | \$ 2,535,000 | \$ (32,000) |
| Construction & Repair Projects | \$ 1,775,000 | \$ 3,128,250 | \$ 1,353,250 |
| Water Supply Contract | \$ - | \$ 570,000 | \$ 570,000 |
| Capital Equipment* | \$ 693,873 | \$ 938,000 | \$ 244,127 |
| Total | \$ 7,227,473 | \$ 10,451,679 | \$ 3,224,206 |

*The District considers machinery or equipment purchases of \$10 thousand or more capital equipment.

Revenue Fund

System Study & Design Projects:

| | FY24 Budget Proposed |
|--|----------------------|
| Integrated Water Supply Plan | \$ 800,000 |
| System Operating Permit Evaluation | \$ 725,000 |
| IPL Phase 1 and 2 Operating Manuals | \$ 319,429 |
| Cedar Creek Wetlands Collaboration with NTMWD Study | \$ 200,000 |
| Arc Flash Requirements Monitoring | \$ 214,000 |
| CEQUAL-W2 Modeling | \$ 155,000 |
| Sulphur River Basin Study | \$ 150,000 |
| Aviso planning for Incorporation of RC and CC into the Flood Model | \$ 125,000 |
| Miscellaneous System Study & Design Projects* | \$ 592,000 |
| | \$ 3,280,429 |

Pump & Valve Projects:

| | |
|--|---------------------|
| Variable Frequency Drive Upgrades | \$ 865,000 |
| Refurbish BB1 Pump | \$ 500,000 |
| Control Valve Actuator Conversion at RC3L | \$ 450,000 |
| Comprehensive Industrial Control System Upgrade at BB1/BB2 | \$ 350,000 |
| Replace WL2 Pump | \$ 260,000 |
| Miscellaneous Pump & Valve Projects* | \$ 110,000 |
| | \$ 2,535,000 |

Construction & Repair Projects:

| | |
|---|---------------------|
| Silt Removal at Shannon Wetlands | \$ 750,000 |
| Benbrook Pump Stations Backup Power and HVAC | \$ 375,000 |
| Cedar Creek Dam Relief Well Restoration | \$ 350,000 |
| New Richland Chambers Water Quality Building | \$ 300,000 |
| JB3 Cooling Tower Improvements | \$ 305,000 |
| Richland Chambers Embankment Phase 1 | \$ 250,000 |
| Building Improvements | \$ 262,500 |
| Grounds Improvements | \$ 185,000 |
| Miscellaneous Construction & Repair Projects* | \$ 350,750 |
| | \$ 3,128,250 |

Water Supply Contract:

\$ 570,000

Capital Equipment:

| | |
|--|-------------------|
| Pickup Trucks | \$ 411,000 |
| Heavy Equipment | \$ 110,000 |
| Dedicated Microwave Building & Generator at Waxahachie Tower | \$ 200,000 |
| Other Pump Station and Environmental Equipment | \$ 217,000 |
| | \$ 938,000 |

*Any project under miscellaneous projects is budgeted at \$100,000 or less.

Environmental Stewardship Expenditures

TRWD is committed to providing the public it serves with a clean, plentiful water supply and being a good steward of our watersheds and the environment. The Water Conservation Program has enabled TRWD to defer capital costs as people use less water than initially projected. The program has also expanded services and participation has steadily grown year over year. The proposed expenditure increase will provide additional customer city classes, workshops and events, residential sprinkler system evaluations and landscape consultations, and outreach resources.

The District also forms relationships with residents and businesses in the TRWD watersheds in order to improve the quality of water before it enters the District's water supply.

| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|-----------------------------|-------------------------|---------------------------------|---------------------------------|-------------------|
| Water Conservation Program* | \$ 2,470,914 | \$ 2,895,502 | \$ 3,096,002 | \$ 200,500 |
| Watershed Protection | \$ 329,989 | \$ 395,484 | \$ 409,890 | \$ 14,406 |
| Environmental Stewardship | \$ 288,765 | \$ 442,460 | \$ 437,960 | \$ (4,500) |
| Public Outreach | \$ 58,256 | \$ 107,701 | \$ 80,603 | \$ (27,098) |
| Total | \$ 3,147,924 | \$ 3,841,147 | \$ 4,024,455 | \$ 183,308 |

* See next page for Water Conservation Program details.



TRWD actively participates in an average of 60 events per year with the TRWD Stream Trailer.

Water Conservation Program Revenues and Expenditures:

| Program Area | FY23 Budgeted Expenditures | FY24 Budgeted Expenditures | FY24 Budgeted Contributions | TRWD Portion |
|--|----------------------------|----------------------------|-----------------------------|---------------------|
| "Water is Awesome" Campaign | \$ 2,050,002 | \$ 2,035,002 | \$ 1,166,668 | \$ 868,334 |
| Program Support (evaluations, watering advice, etc.) | \$ 416,000 | \$ 570,500 | \$ 20,000 | \$ 550,500 |
| School Education Program | \$ 313,000 | \$ 313,000 | \$ - | \$ 313,000 |
| Video and Promotional Items | \$ 50,000 | \$ 88,500 | \$ - | \$ 88,500 |
| Rain Barrel & Customer City Workshops | \$ 36,500 | \$ 65,000 | \$ 24,100 | \$ 40,900 |
| Regional Symposiums | \$ 24,000 | \$ 24,000 | \$ 19,000 | \$ 5,000 |
| Program Exhibits | \$ 6,000 | \$ - | \$ - | \$ - |
| Total | \$ 2,895,502 | \$ 3,096,002 | \$ 1,229,768 | \$ 1,866,234 |

Water Conservation has successfully developed and managed effective outreach and education programs. Conservation is focused on customer city and community support to help build resilient and reliable long-term water supplies and advance the importance of water and related infrastructure. They strive to create relationships, partnerships and processes to accomplish impactful progress in local communities. Water Conservation outreach efforts emphasize the importance of customer city support, adult education, youth education, reducing waste from sprinklers, direct connections with residential water users and regional coordination.



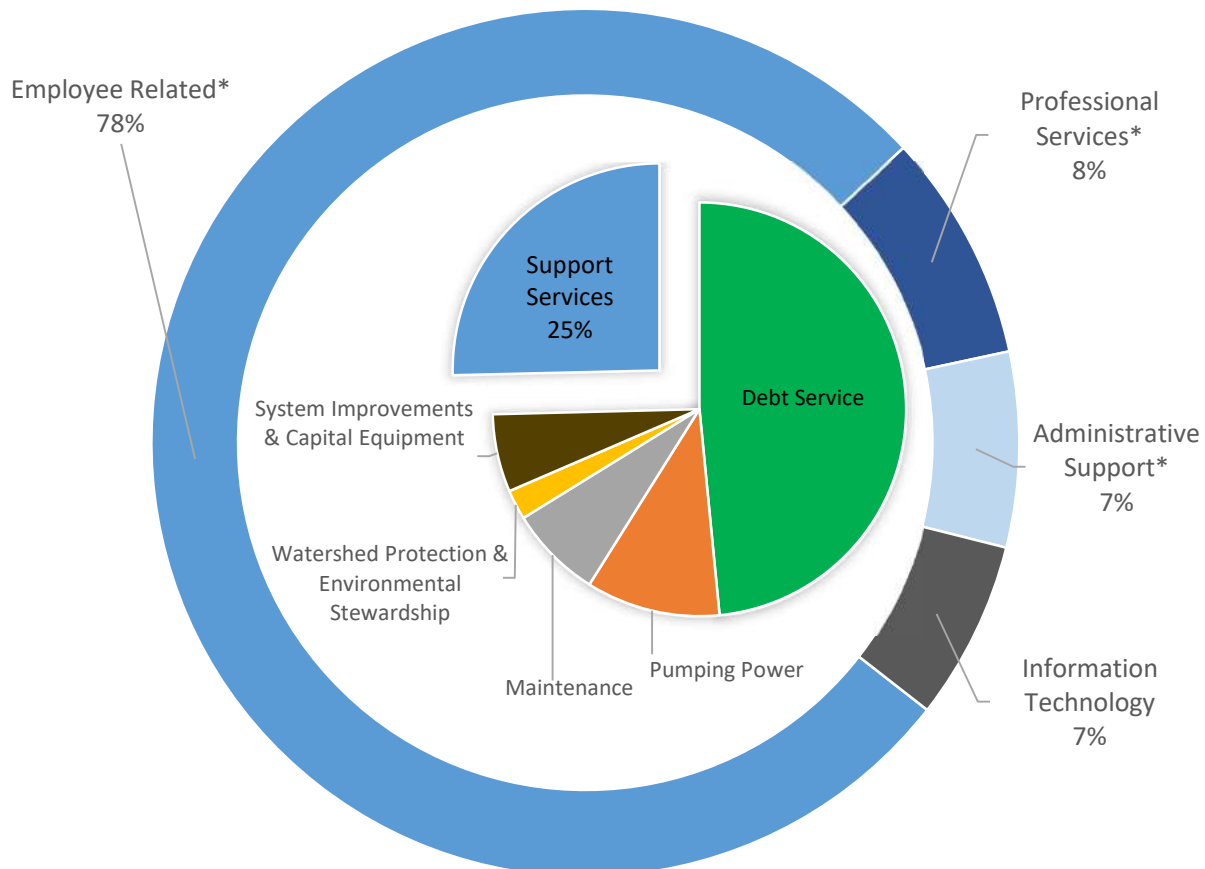
Support Services Summary

Support services make up 25% of the overall Revenue Fund budget and serve to support the District's efforts in supplying water to customers. The largest portion of this cost is the District's investment in its people, resulting in strong employee retention, low turnover rates, high employee engagement, and a stable culture. Additional details are given on the following pages.

| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|-------------------------------|-------------------------|---------------------------------|---------------------------------|---------------------|
| Employee Related* | \$ 26,290,227 | \$ 30,769,144 | \$ 33,801,466 | \$ 3,032,322 |
| Professional Services* | \$ 2,677,607 | \$ 3,403,783 | \$ 3,712,153 | \$ 308,370 |
| Administrative Support* | \$ 2,638,355 | \$ 2,927,803 | \$ 3,167,783 | \$ 239,980 |
| Information Technology | \$ 2,065,519 | \$ 2,700,232 | \$ 2,905,933 | \$ 205,701 |
| Total Support Services | \$ 33,671,708 | \$ 39,800,962 | \$ 43,587,335 | \$ 3,786,373 |

* Additional details on following pages.

FY24 Revenue Fund Expenditures

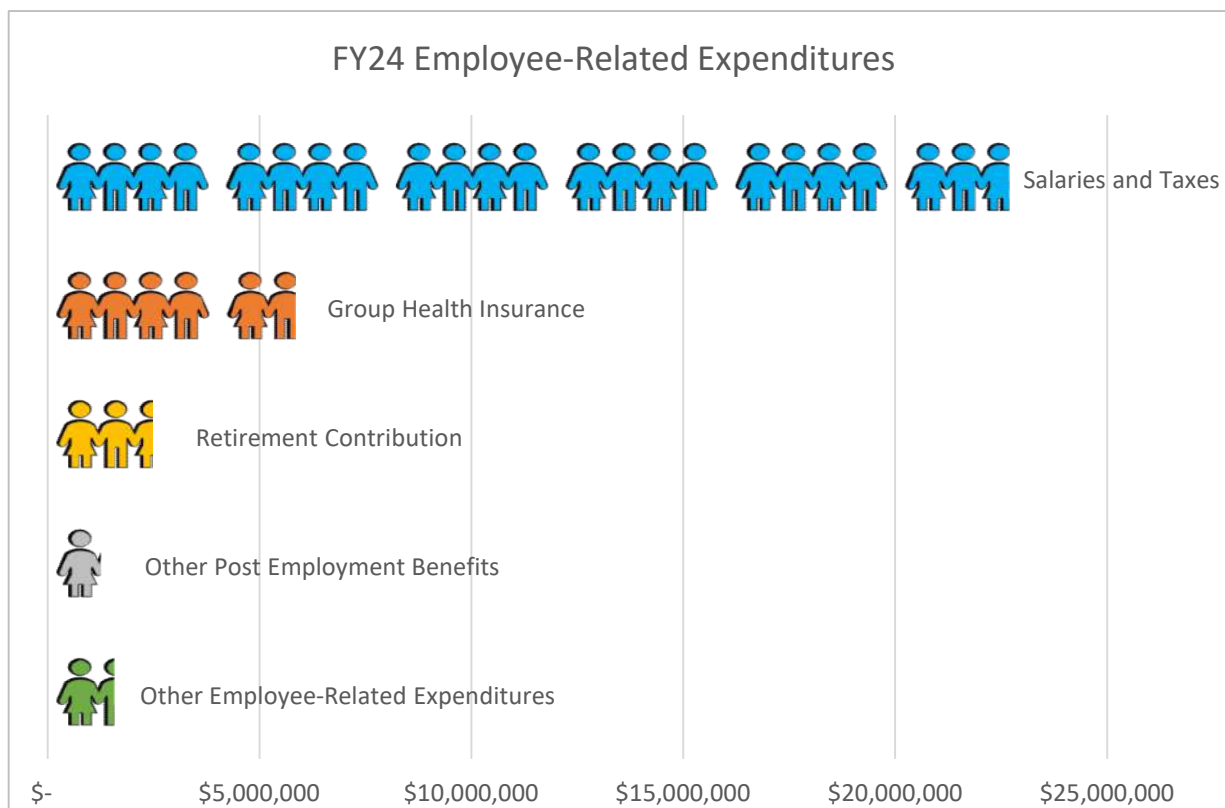


Support Services

Employee-Related Expenditures

TRWD's strategic plan includes intentional investment in its people. The District plans to invest in a diverse workforce through training, a focus on safety, and the planning and support needed to live TRWD values. The overall increase in salaries and taxes is due in part to 3 full-time equivalent (FTE) personnel additions, but the majority of the fiscal year 2024 investment is in the current workforce through raises, promotions, and an increase in the minimum hourly rate at the District. This growth was anticipated and included in the 10-year rate model as a part of operating and maintenance expenditures.

| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|-------------------------------------|-------------------------|---------------------------------|---------------------------------|---------------------|
| Salaries and Taxes | \$ 18,588,583 | \$ 20,837,175 | \$ 22,672,585 | \$ 1,835,410 |
| Group Health Insurance | \$ 3,591,475 | \$ 5,319,896 | \$ 5,828,647 | \$ 508,751 |
| Retirement Contribution | \$ 2,100,407 | \$ 2,111,748 | \$ 2,484,989 | \$ 373,241 |
| Other Post Employment Benefits | \$ 1,110,769 | \$ 1,136,102 | \$ 1,249,712 | \$ 113,610 |
| Other Employee-Related Expenditures | \$ 898,993 | \$ 1,364,225 | \$ 1,565,533 | \$ 201,308 |
| Total | \$ 26,290,227 | \$ 30,769,145 | \$ 33,801,466 | \$ 3,032,321 |

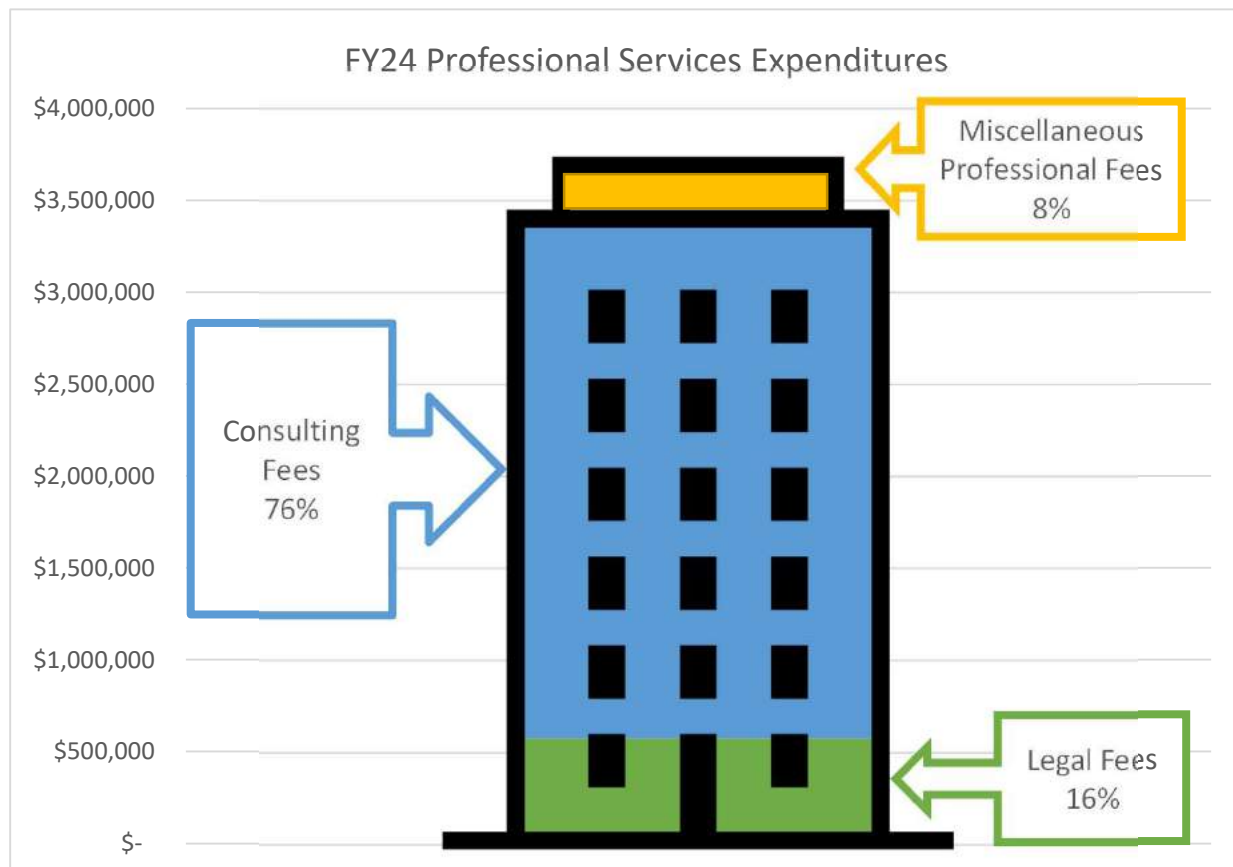


Support Services

Professional Services Expenditures

Professional services are provided by external vendors to support District efforts. The largest portion of this budget is consulting fees, the bulk of which provides support to the Information Technology, Infrastructure Engineering, Human Resources, and Water Resources departments through various analysis and assessment services.

| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|---------------------------------|---------------------|-------------------------|-------------------------|-------------------|
| Consulting Fees | \$ 1,642,872 | \$ 2,523,757 | \$ 2,823,292 | \$ 299,535 |
| Legal Fees | \$ 800,134 | \$ 581,800 | \$ 576,500 | \$ (5,300) |
| Miscellaneous Professional Fees | \$ 234,601 | \$ 298,226 | \$ 312,361 | \$ 14,135 |
| Total | \$ 2,677,607 | \$ 3,403,783 | \$ 3,712,153 | \$ 308,370 |

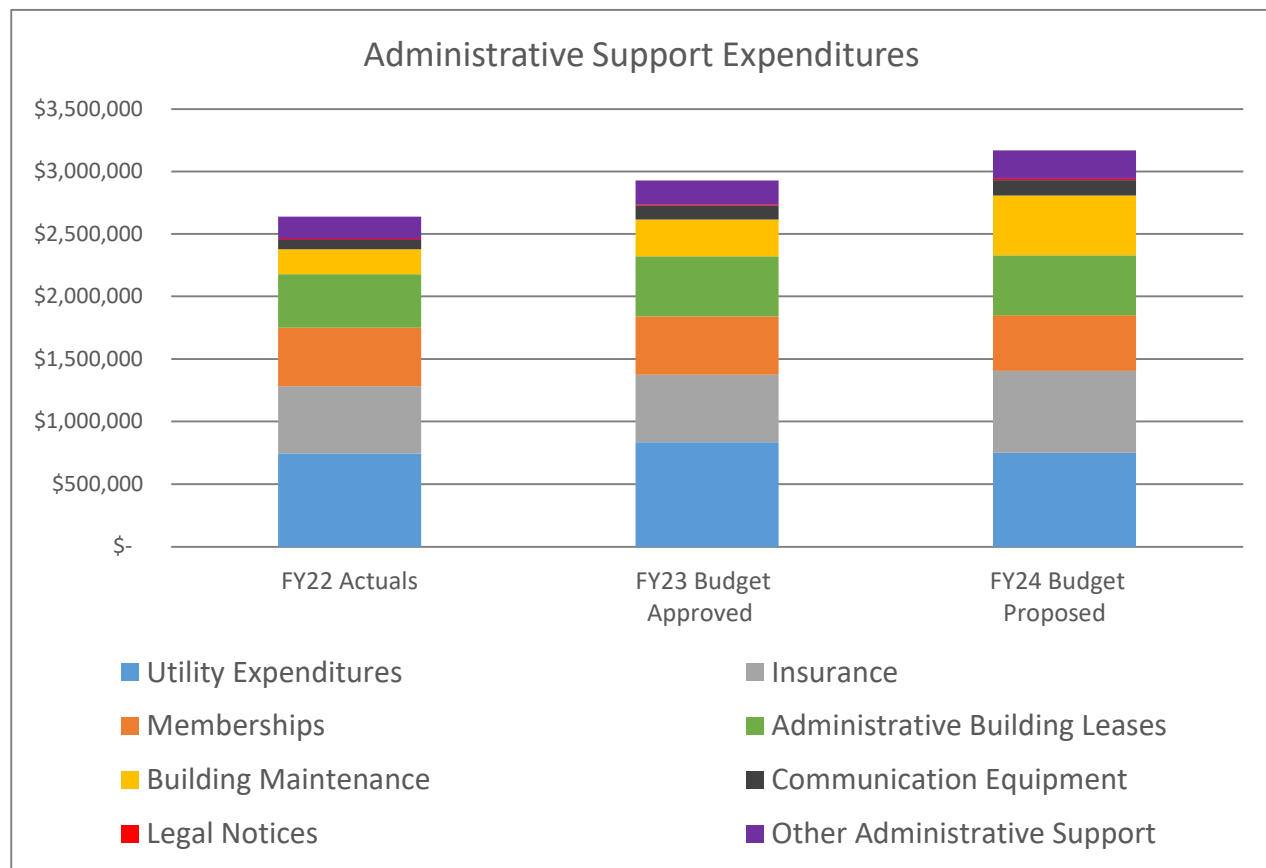


Support Services

Administrative Support Expenditures

Administrative support services consist of a variety of overhead expenditures that support the District's water supply system as a whole. These categories tend to remain relatively stable from year to year. The greatest increase for fiscal year 2024 is in building maintenance, which is due to the replacement and maintenance of the HVAC system in all administrative buildings. Insurance costs have also increased due to the District's need to protect additional capital assets.

| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|--------------------------------|---------------------|-------------------------|-------------------------|-------------------|
| Utility Expenditures | \$ 745,083 | \$ 835,776 | \$ 750,980 | \$ (84,796) |
| Insurance | \$ 536,047 | \$ 538,413 | \$ 653,850 | \$ 115,437 |
| Memberships | \$ 469,708 | \$ 466,645 | \$ 444,631 | \$ (22,014) |
| Administrative Building Leases | \$ 427,698 | \$ 479,796 | \$ 479,796 | \$ - |
| Building Maintenance | \$ 199,646 | \$ 295,178 | \$ 476,751 | \$ 181,573 |
| Communication Equipment | \$ 73,139 | \$ 109,945 | \$ 125,010 | \$ 15,065 |
| Legal Notices | \$ 8,456 | \$ 6,860 | \$ 8,450 | \$ 1,590 |
| Other Administrative Support | \$ 178,578 | \$ 195,190 | \$ 228,315 | \$ 33,126 |
| Total | \$ 2,638,355 | \$ 2,927,803 | \$ 3,167,783 | \$ 239,980 |



Revenue Fund: Revenues

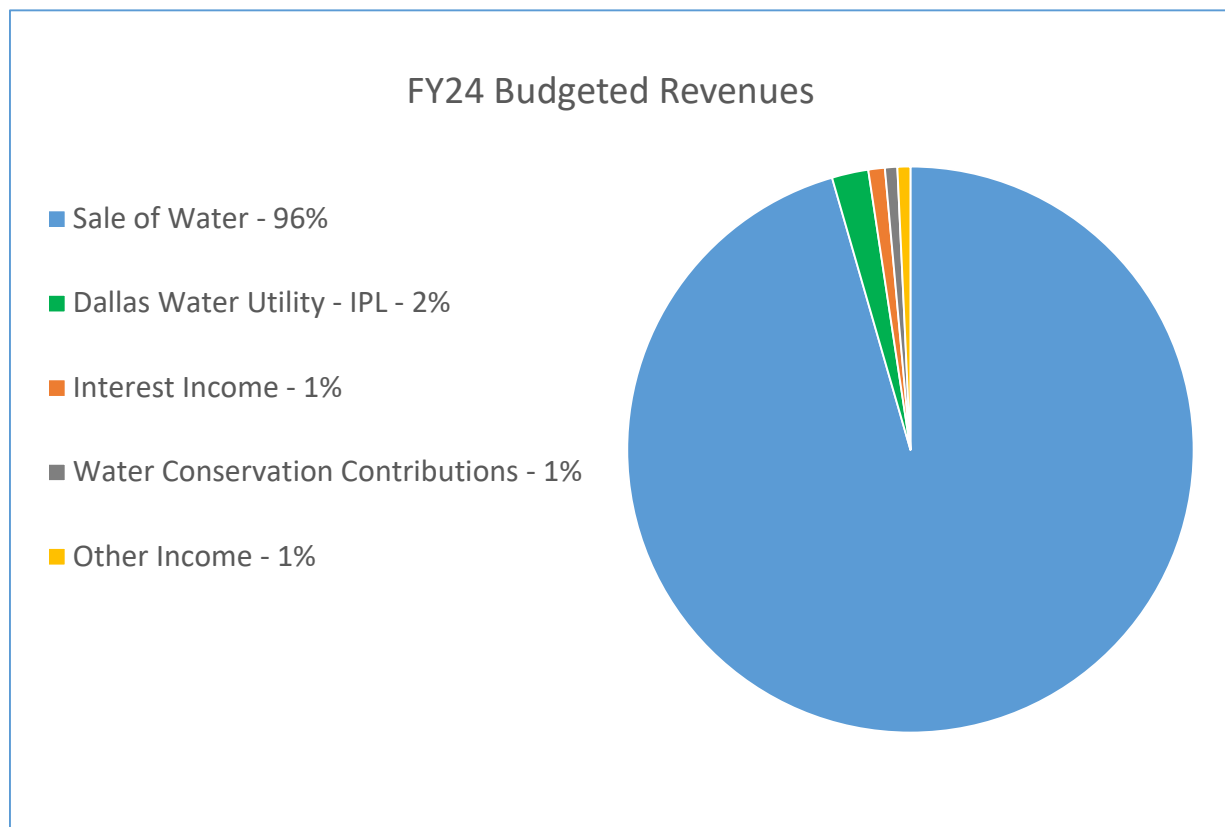
Sources of Revenue

Summary

The primary source and largest single component of income to the Revenue Fund is the sale of water, which makes up 95% of the total budgeted revenues for fiscal year 2024. Interest earned on investments, contributions to the water conservation program, and other income (leases, permit revenues, and other water sales) comprise approximately 3% of the budgeted revenues for fiscal year 2024. The remaining 2% consists of maintenance costs shared with Dallas Water Utilities on the Integrated Pipeline (IPL) project.

| Sources | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|-----------------------------------|-----------------------|-------------------------|-------------------------|----------------------|
| Sale of Water* | \$ 137,885,560 | \$ 151,795,320 | \$ 164,091,374 | \$ 12,296,054 |
| Dallas Water Utility - IPL* | \$ 1,521,954 | \$ 2,798,048 | \$ 3,590,578 | \$ 792,530 |
| Interest Income* | \$ 895,175 | \$ 1,125,000 | \$ 1,600,000 | \$ 475,000 |
| Water Conservation Contributions* | \$ 1,102,988 | \$ 1,205,668 | \$ 1,229,768 | \$ 24,100 |
| Other Income | \$ 5,116,011 | \$ 1,150,858 | \$ 1,251,971 | \$ 101,113 |
| Total | \$ 146,521,688 | \$ 158,074,894 | \$ 171,763,691 | \$ 13,688,797 |

*Additional details on the following pages

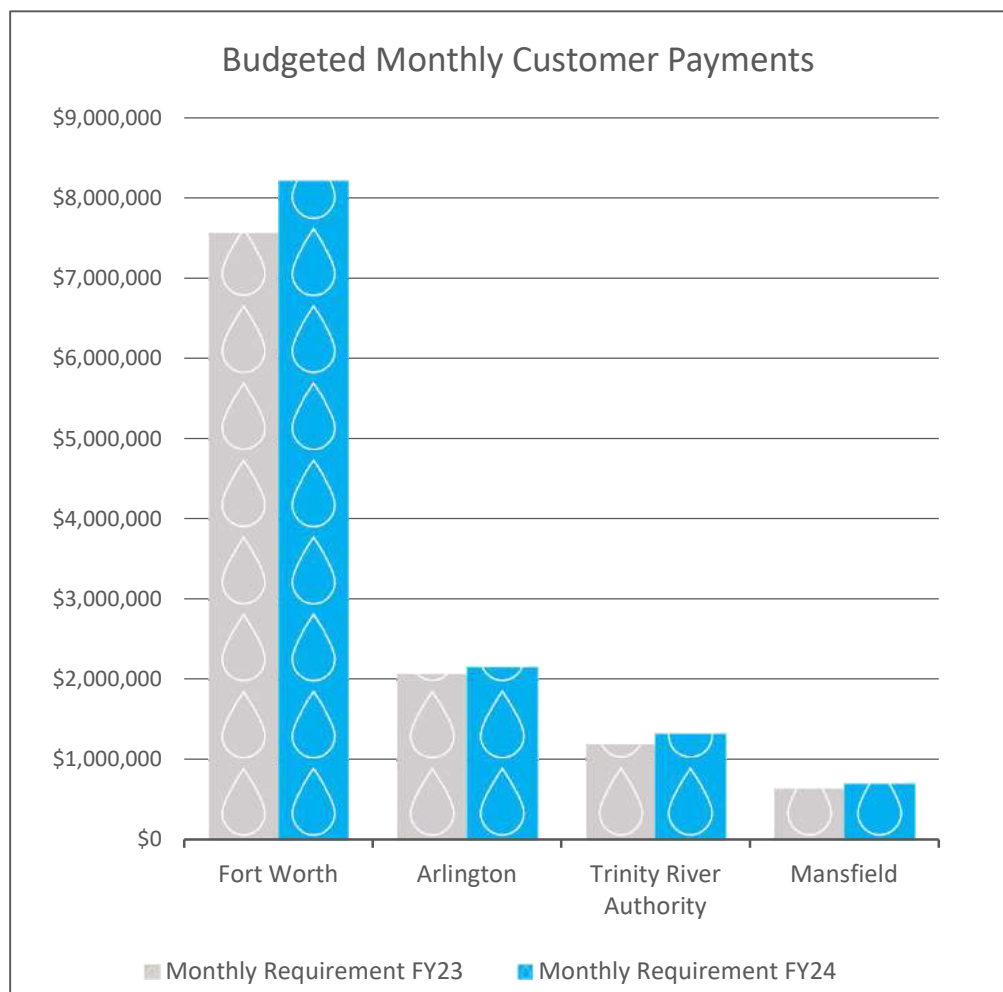


Sources of Revenue

Sale of Water

Customer Monthly Payments

| | Fort Worth | Arlington | Trinity River Authority | Mansfield |
|--|---------------------|---------------------|----------------------------|--------------------|
| FY 2024 Estimated Usage (000's) | 72,796,920 | 19,064,016 | 11,670,485 | 6,163,193 |
| FY 2024 Rate per 1,000 Gallons | \$1.35479 | \$1.35479 | \$1.35479 | \$1.35479 |
| FY24 Budgeted Revenue Requirement | \$98,624,379 | \$25,827,696 | \$15,811,030 | \$8,349,819 |
| FY23 Budgeted Revenue Requirement | \$90,772,509 | \$24,812,948 | \$14,157,310 | \$7,583,143 |
| Monthly Requirement FY24 | \$8,218,698 | \$2,152,308 | \$1,317,586 | \$695,818 |
| Monthly Requirement FY23 | \$7,564,376 | \$2,067,746 | \$1,179,776 | \$631,929 |



Sources of Revenue

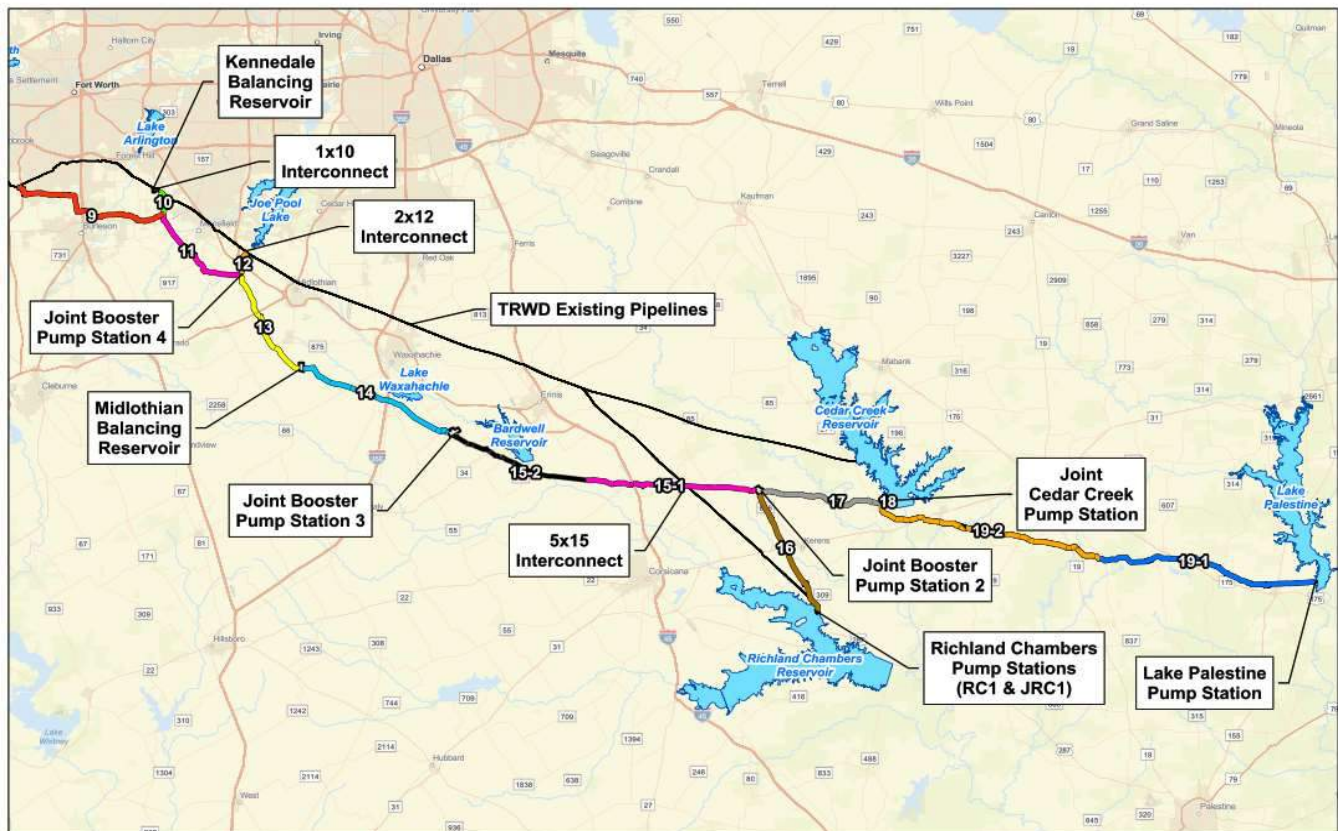
Dallas Water Utility - Integrated Pipeline Project

The District and Dallas Water Utilities (DWU) share costs on certain portions of the Integrated Pipeline project. The costs shown below are added as revenues to the Revenue Fund budget to offset a portion of current operating and maintenance (O&M) and capital replacement costs.

Direct O&M costs are incurred specifically on joint or Dallas-only sections of the pipeline system. Direct labor hours are also billed directly to specific portions of the pipeline. Indirect O&M costs and Capital Replacement costs benefit the District water supply system as a whole and are allocated between the District and DWU based on each entity's applicable share of system asset value.

Indirect labor costs similarly are for departments and personnel that provide support to the water supply system overall, and therefore their personnel costs are split based on the system asset value.

| | Dallas Portion | TRWD Portion |
|---|---------------------|---------------------|
| Direct O&M Costs | \$ 488,601 | \$ 1,060,448 |
| Direct O&M Labor | \$ 455,573 | \$ 598,319 |
| Total Direct Operating Costs | \$ 944,174 | \$ 1,658,767 |
| Indirect O&M Costs | \$ 1,274,032 | \$ 2,456,620 |
| Indirect O&M Labor | \$ 1,095,952 | \$ 3,287,469 |
| Capital Replacement Costs | \$ 276,420 | \$ 536,580 |
| Total Indirect Operating Costs | \$ 2,646,404 | \$ 6,280,670 |
| Total FY24 DWU Budgeted Revenues | \$ 3,590,578 | |



Sources of Revenue

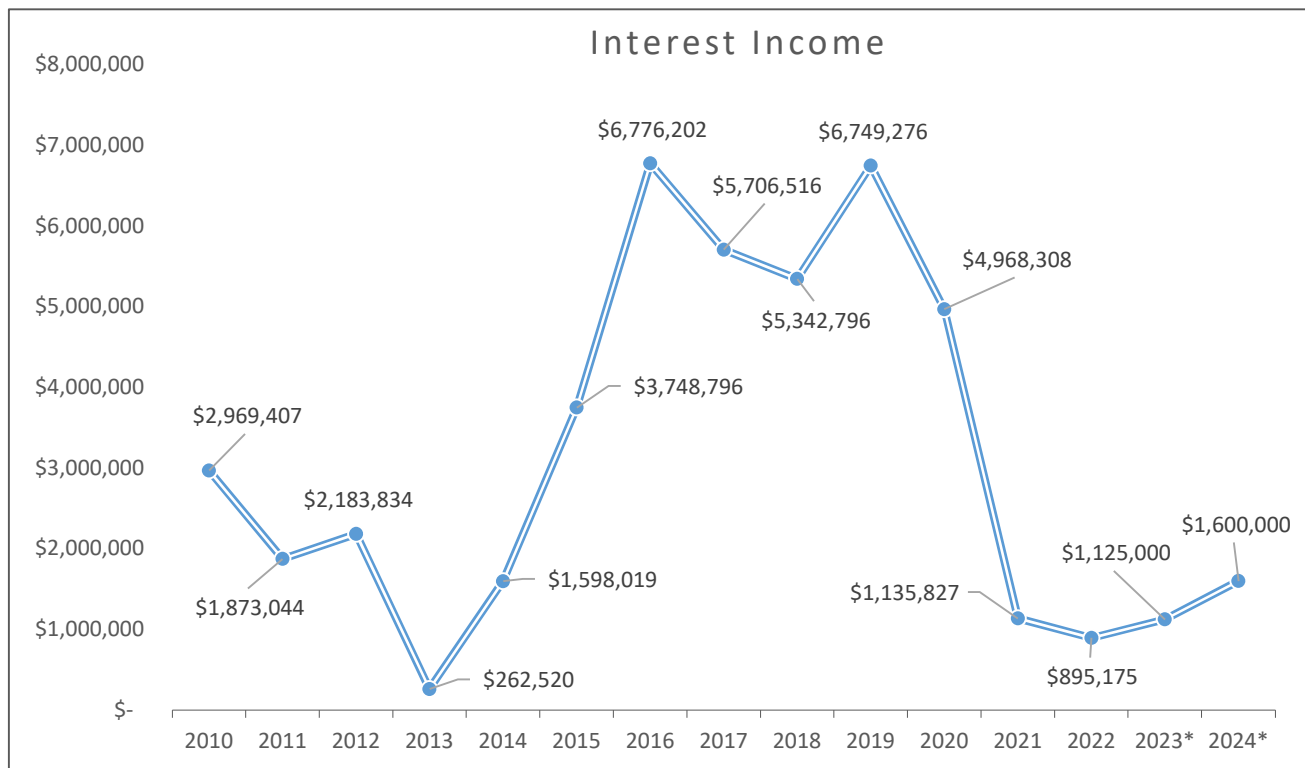
Interest Income

The Revenue Fund budgeted interest income includes interest generated from the operating Revenue Fund as well as the Bond Reserve Fund and unspent bond proceeds. The majority of the income comes from the Reserve Fund which holds a balance equal to the largest annual debt service payment, per bond covenant requirements, which can be invested in longer-term investments.

With the addition of the option to issue Extendible Commercial Paper Bonds (ECP Bonds), now the District can evaluate the market to determine whether long-term bonds should be issued once projects have known costs, or ECP Bonds should be issued as project costs are incurred. If the District only issues for project costs as incurred, funds will not be available to invest, but the offset will be lower interest expense. To be conservative, the District is assuming the issuance of ECP Bonds and fixed-rate bonds in fiscal year 2024.

Even with the issuance of ECP Bonds, interest income is still expected to increase compared to the fiscal year 2023 budget due to a rising interest rate environment. To be conservative, the District is assuming a 2% interest rate in fiscal year 2024. The District invests in US government and agency fixed income securities as well as investments in Local Government Investment Pools.

The graph below illustrates the actual interest earned on investments for the past 10 years as well as budgeted interest income for fiscal years 2023 and 2024.



*Budgeted Interest Income

Sources of Revenue

Water Conservation Contributions

Contribution revenues help off-set the District's expenses for the water conservation Program. In fiscal year 2024, these revenues will account for \$1.23 million in income for the Revenue Fund.

The five-year memorandum of understanding (MOU) for the regional Public Outreach & Education campaign with the City of Dallas (Dallas) and North Texas Municipal Water District (NTMWD) expires in fiscal year 2023. Both Dallas and NTMWD have expressed the desire to renew the Public Outreach & Education campaign, also known as "Water is Awesome," in early fiscal year 2024 at the current budget of \$583,334 each.

The new MOU with Dallas will also contain an agreement to contribute \$20,000 to Program Support for the Weekly Watering Advice service. Additionally, Dallas, NTMWD and Upper Trinity Regional Water District each contribute to the Regional Water Conservation Symposium. New this year is an expected \$24,000 from participant cost-share for Tarrant County Master Gardener Association rain barrel workshops with customer cities.

| Water Conservation Program Revenues | FY23 Budget Approved | FY24 Budget Proposed |
|--|---------------------------------|---------------------------------|
| Public Outreach & Education - City of Dallas | \$ 583,334 | \$ 583,334 |
| Public Outreach & Education - NTMWD | \$ 583,334 | \$ 583,334 |
| Program Support (evals, watering advice, etc.) | \$ 20,000 | \$ 20,000 |
| Rain Barrel & Customer City Workshops | \$ - | \$ 24,100 |
| Regional Symposiums - City of Dallas | \$ 5,000 | \$ 5,000 |
| Regional Symposiums - NTMWD | \$ 5,000 | \$ 5,000 |
| Regional Symposiums - UTWD | \$ 5,000 | \$ 5,000 |
| Regional Symposiums Registration Fees | \$ 4,000 | \$ 4,000 |
| Total Water Conservation Program Revenues | \$ 1,205,668 | \$ 1,229,768 |



Revenue Fund FY24 Budget

| Expenditures | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance | Notes* |
|---|-------------------------|---------------------------------|---------------------------------|----------------------|---------------|
| Debt Service | \$ 72,740,016 | \$ 79,901,067 | \$ 83,204,886 | \$ 3,303,819 | |
| Pumping Power | 21,007,947 | 18,000,000 | 18,000,000 | - | |
| <u>Maintenance</u> | | | | | |
| Pipeline & Pump Station | 2,516,393 | 3,536,015 | 5,335,000 | 1,798,985 | 1 |
| Pipeline Chemicals | 1,054,298 | 1,060,000 | 2,210,000 | 1,150,000 | 2 |
| Facilities & Grounds Maintenance | 1,571,879 | 2,227,204 | 2,162,105 | (65,099) | |
| Equipment & Fleet | 708,583 | 807,319 | 978,266 | 170,947 | |
| Maintenance Support | 693,857 | 874,340 | 964,965 | 90,625 | |
| Benbrook Reservoir O&M | 802,536 | 604,365 | 650,000 | 45,635 | |
| Stream Gauging Stations | 185,394 | 195,000 | 195,000 | - | |
| Total Maintenance | 7,532,940 | 9,304,243 | 12,495,336 | 3,191,093 | |
| System Improvements & Capital Equipment | 11,225,724 | 7,227,474 | 10,451,679 | 3,224,205 | 3 |
| <u>Watershed Protection & Environmental Stewardship</u> | | | | | |
| Water Conservation Program | 2,470,914 | 2,895,502 | 3,096,002 | 200,500 | |
| Watershed Protection | 329,989 | 395,484 | 409,890 | 14,406 | |
| Environmental Stewardship | 288,765 | 442,460 | 437,960 | (4,500) | |
| Public Outreach | 58,256 | 107,701 | 80,603 | (27,098) | |
| Total Watershed Protection & Environmental Stewardship | 3,147,924 | 3,841,147 | 4,024,455 | 183,308 | |
| <u>Support Services</u> | | | | | |
| Employee Related | 26,290,227 | 30,769,144 | 33,801,466 | 3,032,322 | 4 |
| Professional Services | 2,677,607 | 3,403,783 | 3,712,153 | 308,370 | |
| Administrative Support | 2,638,355 | 2,927,803 | 3,167,783 | 239,980 | |
| Information Technology | 2,065,519 | 2,700,232 | 2,905,933 | 205,701 | |
| Total Support Services | 33,671,708 | 39,800,962 | 43,587,335 | 3,786,373 | |
| Total Expenditures | \$ 149,326,259 | \$ 158,074,893 | \$ 171,763,691 | \$ 13,688,798 | |
| Revenues | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance | Notes* |
| Sale of Water | \$ 137,885,560 | \$ 151,795,320 | \$ 164,091,374 | \$ 12,296,054 | |
| Dallas Water Utility - IPL | 1,521,954 | 2,798,048 | 3,590,578 | 792,530 | 5 |
| Interest Income | 895,175 | 1,125,000 | 1,600,000 | 475,000 | 6 |
| Water Conservation Contributions | 1,102,988 | 1,205,668 | 1,229,768 | 24,100 | |
| Other Income | 789,733 | 630,858 | 731,971 | 101,113 | |
| Other Water Sales | 951,181 | 520,000 | 520,000 | - | |
| Excess Reserve Funds | 3,323,130 | - | - | - | |
| Total Revenues | \$ 143,146,591 | \$ 158,074,893 | \$ 171,763,691 | \$ 13,688,798 | |

*See explanations for significant variances on next page

Variance Explanations

1 Pipeline & Pump Station Maintenance

This increase is mostly due to an additional \$660,000 for general maintenance on all pump stations and pipeline sections, \$400,000 to purchase additional pipeline segments for the replacement project, \$250,000 in valve upgrades, and \$225,000 for pump unit rebuilding based on efficiency testing.

2 Pipeline Chemicals

The budget increase is due primarily to increases in market costs with higher projected pumping also increasing the overall budget.

3 System Improvements & Capital Equipment

The three largest projects are the Integrated Water Supply Plan (IWSP), the System Operating Permit Evaluation, and the silt removal at Shannon Wetlands. The IWSP will develop a comprehensive approach to provide a reliable supply of water to all customers. Additional improvements and restorations are also planned for the Benbrook pump stations, Cedar Creek dam, Richland Chambers water quality building, and JB3 cooling tower.

4 Employee-Related Expenditures

The overall increase in salaries and taxes is due in part to 3 FTE personnel additions, but the majority of the fiscal year 2024 investment is in the current workforce through raises, promotions, and an increase in the minimum hourly rate at the District. This growth was anticipated and included in the 10-year rate model as a part of operating and maintenance expenditures.

5 Dallas Water Utility - IPL

This increase is due to the increase in IPL sections coming online, leading to more maintenance costs shared with Dallas.

6 Interest Income

Interest income is expected to increase compared to the fiscal year 2023 budget due to a rising interest rate environment. To be conservative, the District is assuming a 2% interest rate in fiscal year 2024.

General Fund Flood Control



Trinity River

TRWD General Fund - Flood Control FY24 Budget Summary

TRWD Flood Control Purpose

Enriching communities and improving the quality of life through water supply, flood control, and recreation.

Flood Control Overview

The District has approved a strategic plan that will be implemented over the next four years that includes investing in a diverse workforce through training, safety, and the planning and support needed to live TRWD values. Additionally, the plan includes pursuing Federal and State funding to reduce costs, updating internal processes to increase efficiency, and demonstrating our values and commitment to the community.

The increase in the General Fund budget for fiscal year 2024 is mostly due to expenditures for the personnel that maintain the Fort Worth floodway and support the District overall. Additional expenditures for trailhead maintenance, lake and river trash bashes, Twin Points Park, Eagle Mountain Park, kayak launches, the recreation master plan, and additional programs have moved from the Special Projects/Contingency Fund to the General Fund.

The General Fund budget is primarily supported by tax revenues. The tax rate is currently budgeted to drop to \$0.0267 from \$0.0269 per \$100 valuation.

The District enriches communities and improves the quality of life through flood control within the District boundaries, and this budget ensures that protection for the foreseeable future.

Proposed FY24 General Fund Budget

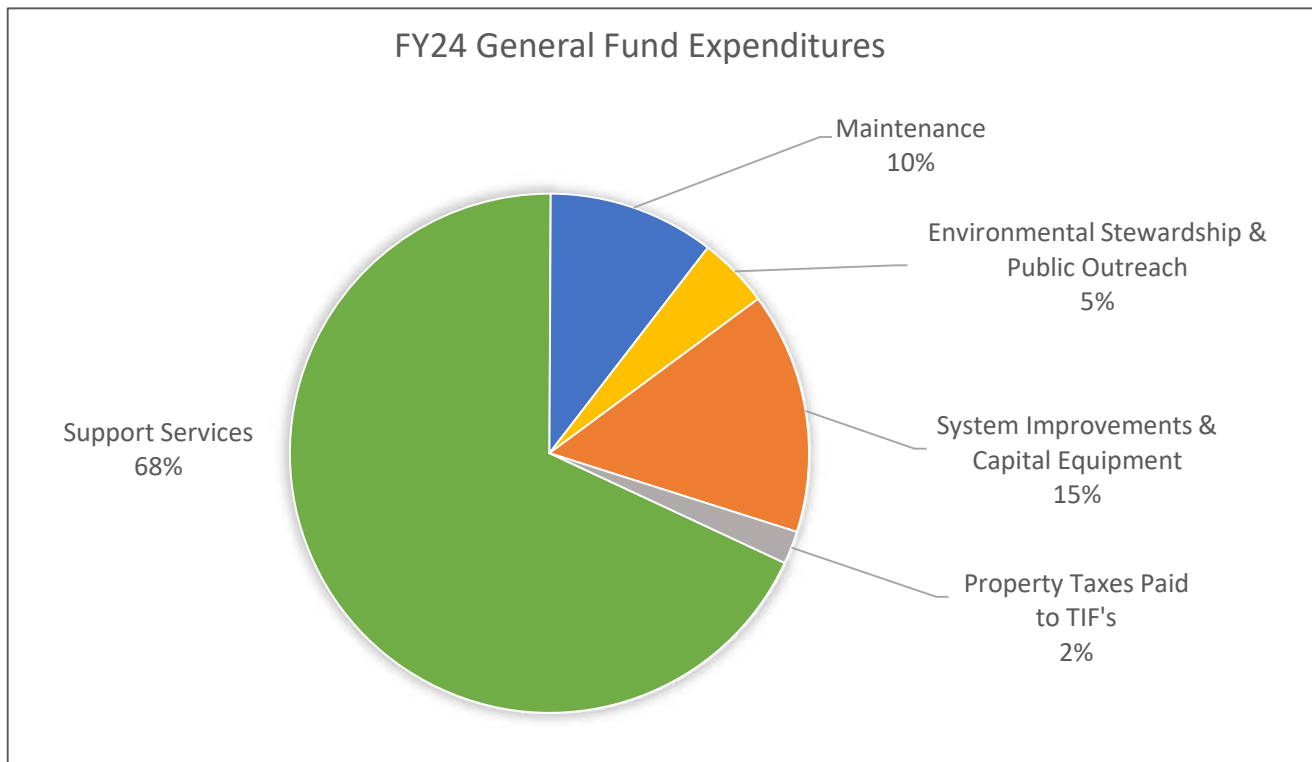
| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed |
|---|----------------------|-------------------------|-------------------------|
| Expenditures | | | |
| Operating Expenditures | \$ 15,078,686 | \$ 19,228,627 | \$ 24,150,639 |
| System Improvements & Capital Equipment | \$ 1,437,507 | \$ 3,138,736 | \$ 4,275,250 |
| Total Expenditures | \$ 16,516,193 | \$ 22,367,363 | \$ 28,425,889 |
| Revenues | | | |
| Taxes | \$ 24,689,890 | \$ 24,600,000 | \$ 28,242,000 |
| Contributions | \$ - | \$ - | \$ 310,000 |
| Interest Income | \$ 293,178 | \$ 200,000 | \$ - |
| Total Revenues | \$ 24,983,068 | \$ 24,800,000 | \$ 28,552,000 |
| Budgeted Net Increase to Equity | \$ 8,466,875 | \$ 2,432,637 | \$ 126,111 |

General Fund: Expenditures

Summary Expenditure Budget

The District's flood control mission requires a combination of long-term planning and constant evaluation of the current system needs. System improvements and capital equipment support the enhancement of the flood control infrastructure, while maintenance costs preserve the system that is already in place.

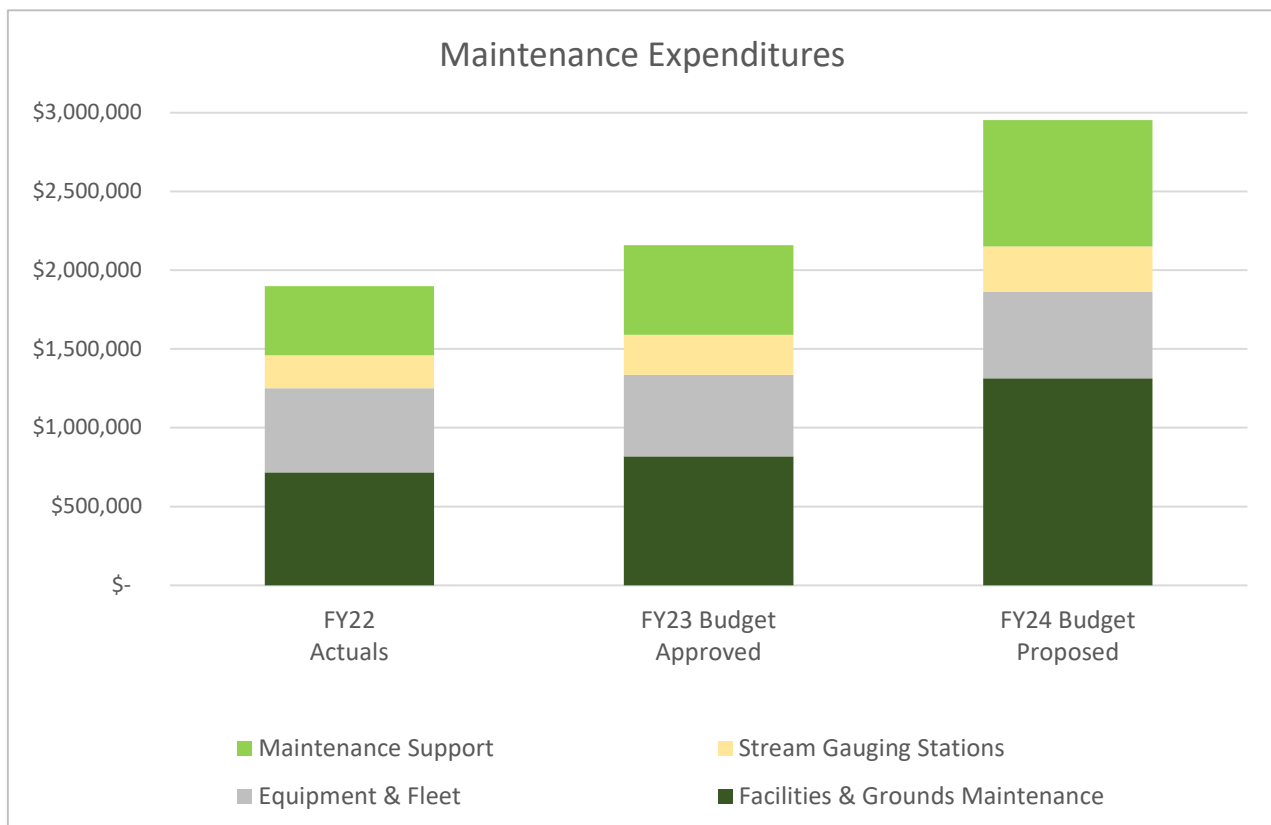
| Budget Categories | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|--|----------------------|-------------------------|-------------------------|---------------------|
| Maintenance | \$ 1,899,093 | \$ 2,158,181 | \$ 2,951,603 | \$ 793,422 |
| System Improvements & Capital Equipment | \$ 1,437,507 | \$ 3,138,736 | \$ 4,275,250 | \$ 1,136,514 |
| Environmental Stewardship & Public Outreach | \$ 165,746 | \$ 243,302 | \$ 1,254,307 | \$ 1,011,005 |
| Property Taxes Paid to TIF's | \$ 512,374 | \$ 964,000 | \$ 580,314 | \$ (383,686) |
| Support Services | \$ 13,013,847 | \$ 15,863,144 | \$ 19,364,415 | \$ 3,501,271 |
| Total | \$ 17,028,567 | \$ 22,367,363 | \$ 28,425,889 | \$ 6,058,526 |



Maintenance Expenditures

The flood control maintenance budget consists of costs needed to preserve and upkeep the currently existing infrastructure. Maintenance expenditures increased in the fiscal year 2024 budget due to rising equipment and contract labor costs as well as additional trailhead maintenance costs, which were moved from the Special Projects/Contingency Fund to the General Fund. Also, the District is adding two stream gauges along the floodway located near Bonita Drive & Deering Drive and near East 4th Street & 4th Street Dam.

| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|----------------------------------|-------------------------|---------------------------------|---------------------------------|-------------------|
| Facilities & Grounds Maintenance | \$ 715,983 | \$ 818,030 | \$ 1,313,440 | \$ 495,410 |
| Equipment & Fleet | \$ 534,039 | \$ 518,761 | \$ 549,618 | \$ 30,857 |
| Maintenance Support | \$ 440,171 | \$ 569,390 | \$ 801,545 | \$ 232,155 |
| Stream Gauging Stations | \$ 208,900 | \$ 252,000 | \$ 287,000 | \$ 35,000 |
| Total | \$ 1,899,093 | \$ 2,158,181 | \$ 2,951,603 | \$ 793,422 |



System Improvement and Capital Equipment Expenditures

System improvement and capital equipment expenditures for the General Fund serve to support the District's flood control mission by improving and repairing the existing infrastructure.

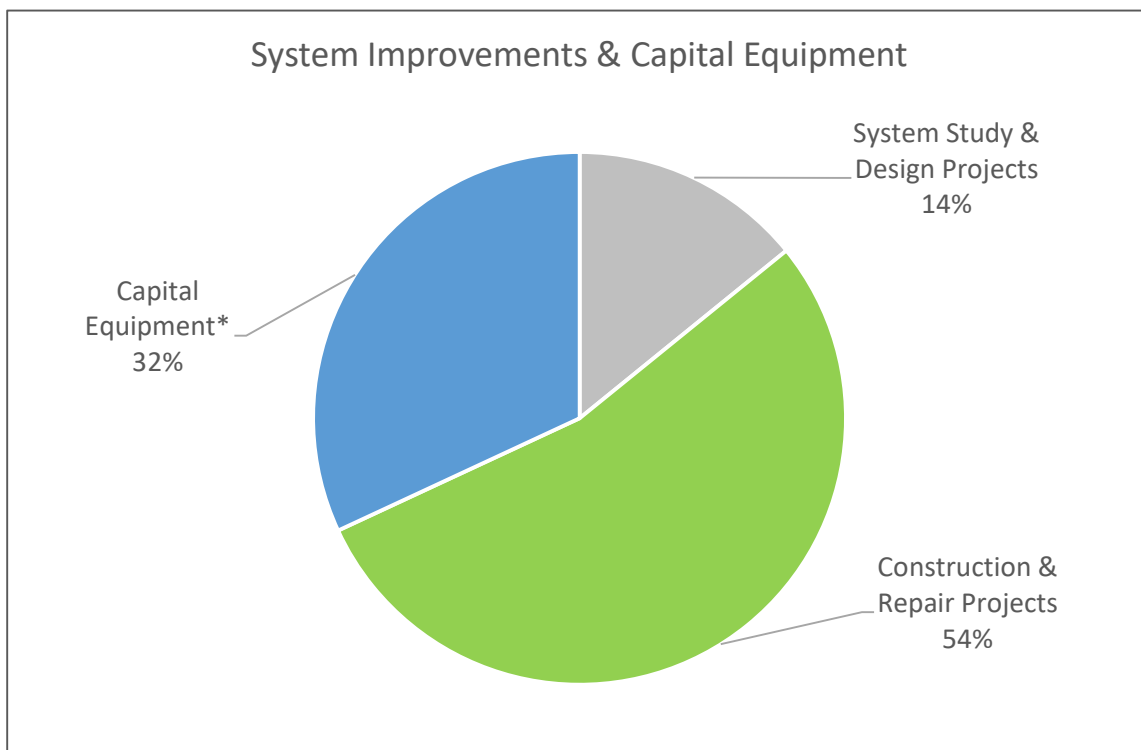
The largest System Study & Design Project is a continuing project from fiscal year 2023 to evaluate flood levels along the Fort Worth floodway. Construction & Repair projects include erosion repairs along the floodway and the repair and new construction of trails and trailheads, including the Ten Mile Trailhead and the Riverside Park kayak launch, which were moved from the Special Projects/Contingency Fund to the General Fund. All costs incurred for the Riverside Park kayak launch will be reimbursed by the City of Fort Worth.

Capital equipment purchases are asset management driven, allowing the District to own the heavy equipment needed to maintain and improve the floodway.

Additional details are shown on the following page.

| | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|--------------------------------|---------------------------------|---------------------------------|---------------------|
| System Study & Design Projects | \$ 600,000 | \$ 605,000 | \$ 5,000 |
| Construction & Repair Projects | \$ 1,175,000 | \$ 2,305,250 | \$ 1,130,250 |
| Capital Equipment* | \$ 1,363,736 | \$ 1,365,000 | \$ 1,264 |
| Total | \$ 3,138,736 | \$ 4,275,250 | \$ 1,136,514 |

*The District considers machinery or equipment purchases of \$10 thousand or more to be capital equipment.



System Improvements and Capital Equipment Expenditures

| | FY24 Budget Proposed |
|--|---------------------------------|
| <u>System Study & Design Projects:</u> | |
| Evaluations of Flood Levels for Fort Worth Floodway | \$ 355,000 |
| Design for Erosion Repair Under Handley Ederville Road | \$ 150,000 |
| Recreation Master Plan | \$ 100,000 |
| | \$ 605,000 |
| <u>Construction & Repair Projects:</u> | |
| Ten Mile Trailhead | \$ 500,000 |
| Maintenance Road/Trail Replacement | \$ 500,000 |
| Riverside Park Kayak Launch* | \$ 300,000 |
| Lower West Fork Silt Removal And Toe Erosion Repair | \$ 280,000 |
| Building Improvement at The Woodshed | \$ 263,000 |
| Repair Erosion Under Riverside Drive | \$ 100,000 |
| Perimeter Fence at Marine Creek Dam | \$ 150,000 |
| Miscellaneous Construction & Repair Projects | \$ 212,250 |
| | \$ 2,305,250 |
| <u>Capital Equipment:</u> | |
| Heavy Duty Hydraulic Excavator | \$ 550,000 |
| Heavy Duty Haul Truck | \$ 300,000 |
| Heavy Duty Grapple Truck | \$ 275,000 |
| Miscellaneous Capital Equipment | \$ 240,000 |
| | \$ 1,365,000 |
| Total | \$ 4,275,250 |

*The City of Fort Worth will reimburse the District for all costs related to the Riverside Park Kayak Launch.

Environmental Stewardship and Public Outreach Expenditures

TRWD acts as a steward of the natural environment and the communities it serves. As owners and operators of the Fort Worth floodway, protecting the quality of the water in the Trinity River is a priority of the District.

The District has realigned its public outreach events with its core mission, and has therefore moved these events from the Special Projects/Contingency Fund to the General Fund.

| Public Outreach & Events Detail* | FY24 Budget Proposed | |
|----------------------------------|-------------------------|---------|
| Fort Worth's Fourth | \$ | 275,000 |
| Rockin' The River | \$ | 118,500 |
| Trash Bash | \$ | 122,850 |
| Sponsorships | \$ | 74,052 |
| Other Public Outreach & Events | \$ | 182,505 |
| Total | \$ | 772,907 |

The District is also moving forward in a new direction when it comes to reducing the impact of trash and debris on the Trinity River in Fort Worth. In a partnership with the City of Fort Worth, a new trash wheel will be installed along the river that will gather unsightly floatables that are frequently washed into the river during heavy rain events.

| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|---------------------------|-------------------|-------------------------|-------------------------|---------------------|
| Public Outreach & Events* | \$ 79,425 | \$ 102,027 | \$ 772,907 | \$ 670,880 |
| Stormwater Program | \$ 47,771 | \$ 75,000 | \$ 75,000 | \$ - |
| Environmental Stewardship | \$ 38,550 | \$ 66,275 | \$ 56,400 | \$ (9,875) |
| Clear Fork Trash Wheel | \$ - | \$ - | \$ 350,000 | \$ 350,000 |
| Total | \$ 165,746 | \$ 243,302 | \$ 1,254,307 | \$ 1,011,005 |

*See details above.



Pictured above is a water wheel structure designed to pull trash out of the waterways.

Property Taxes Paid to TIF's

TRWD has agreed to participate in a number of tax increment financing (TIF) agreements to reinvest a portion of property taxes collected in programs that support economic development within District communities. The decrease in the overall taxes to contribute to TIF's in fiscal year 2024 is mostly due to the ending of TIF #4 Medical District/Southside programs as well as TRWD reducing their tax rate.

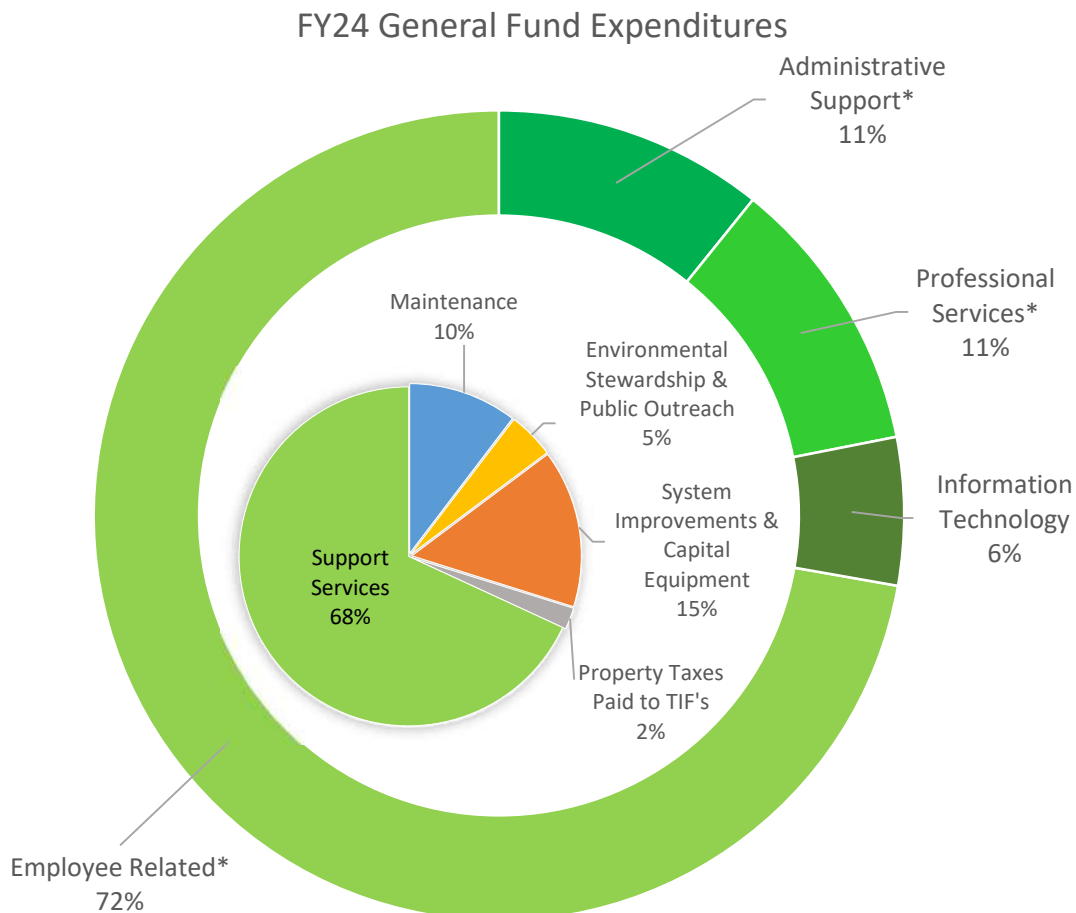
| Property Taxes Paid to TIF's | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|-----------------------------------|-------------------|-------------------------|-------------------------|---------------------|
| TIF #3 Downtown | \$ 86,550 | \$ 77,000 | \$ 102,164 | \$ 25,164 |
| TIF #4 Medical District/Southside | \$ - | \$ 340,000 | \$ - | \$ (340,000) |
| TIF #8 Lancaster | \$ 58,981 | \$ 74,000 | \$ 59,444 | \$ (14,556) |
| TIF #9 Trinity River Vision | \$ 163,369 | \$ 220,000 | \$ 173,780 | \$ (46,220) |
| TIF #10 Lone Star | \$ 12,225 | \$ 14,000 | \$ 13,067 | \$ (933) |
| TIF #12 East Berry | \$ 34,025 | \$ 34,000 | \$ 34,285 | \$ 285 |
| TIF #13 Woodway | \$ 75,029 | \$ 96,000 | \$ 99,286 | \$ 3,286 |
| TIF #14 Trinity Lakes | \$ 55,756 | \$ 65,000 | \$ 63,974 | \$ (1,026) |
| TIF #15 Stockyards | \$ 26,439 | \$ 44,000 | \$ 34,314 | \$ (9,686) |
| Total | \$ 512,374 | \$ 964,000 | \$ 580,314 | \$ (383,686) |

Support Services Summary

Support services makes up 68% of the fiscal year 2024 General Fund budget and serves to support TRWD's efforts in providing flood control to the communities served by the District. The largest portion of this cost is TRWD's investment in its people, resulting in strong employee retention, low turnover rates, high employee engagement, and a stable culture. Additional details are given on the following pages.

| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|-------------------------|-------------------------|---------------------------------|---------------------------------|---------------------|
| Employee Related* | \$ 9,646,388 | \$ 11,197,211 | \$ 13,986,296 | \$ 2,789,085 |
| Administrative Support* | \$ 1,507,719 | \$ 1,826,944 | \$ 2,086,645 | \$ 259,701 |
| Professional Services* | \$ 1,207,174 | \$ 1,999,202 | \$ 2,152,145 | \$ 152,943 |
| Information Technology | \$ 652,566 | \$ 839,786 | \$ 1,139,329 | \$ 299,543 |
| Total | \$ 13,013,847 | \$ 15,863,144 | \$ 19,364,415 | \$ 3,501,271 |

*Additional details on the following pages.



Support Services

Employee Related Expenditures

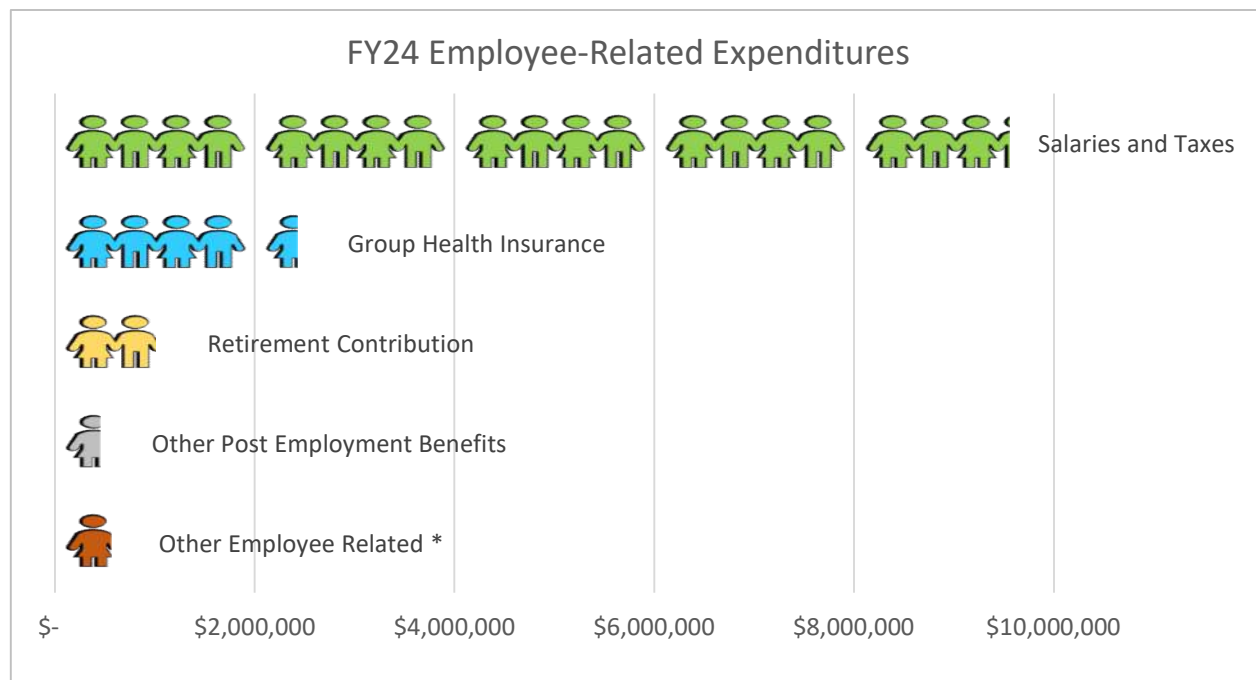
TRWD's strategic plan includes intentional investment in its people. The District plans to invest in a diverse workforce through training, a focus on safety, and the planning and support needed to live TRWD values. The overall increase in employee-related expenditures is due to an additional 11 full-time equivalent (FTE) positions to operate and maintain the floodway as well as a 6% increase in raises and promotions compounded by salary increases in fiscal year 2023 due to market conditions. The additional FTE positions are needed as the District is moving to a new level of service with increased community use and popularity of the floodway. Additionally, aging infrastructure is requiring additional maintenance.

Realignment of events and infrastructure maintenance with the District's core mission also includes bringing related personnel to the General Fund from the Special Projects/Contingency Fund.

The District has also started a new LAUNCH program that provides individuals with skills training for positions the District has struggled to fill in the past. The program provides life skills in addition to job training that will allow them to become marketable as long-term employees of the District in the future.

| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|--------------------------------|---------------------|-------------------------|-------------------------|---------------------|
| Salaries and Taxes | \$ 6,617,797 | \$ 7,551,037 | \$ 9,547,859 | \$ 1,996,822 |
| Group Health Insurance | \$ 1,612,564 | \$ 2,022,318 | \$ 2,422,518 | \$ 400,200 |
| Retirement Contribution | \$ 735,118 | \$ 754,848 | \$ 1,006,212 | \$ 251,364 |
| Other Post Employment Benefits | \$ 370,256 | \$ 385,846 | \$ 448,010 | \$ 62,164 |
| Other Employee Related * | \$ 310,653 | \$ 483,162 | \$ 561,697 | \$ 78,535 |
| Total | \$ 9,646,388 | \$ 11,197,211 | \$ 13,986,296 | \$ 2,789,085 |

*Other employee-related costs include business and travel, education, and the employee wellness program.

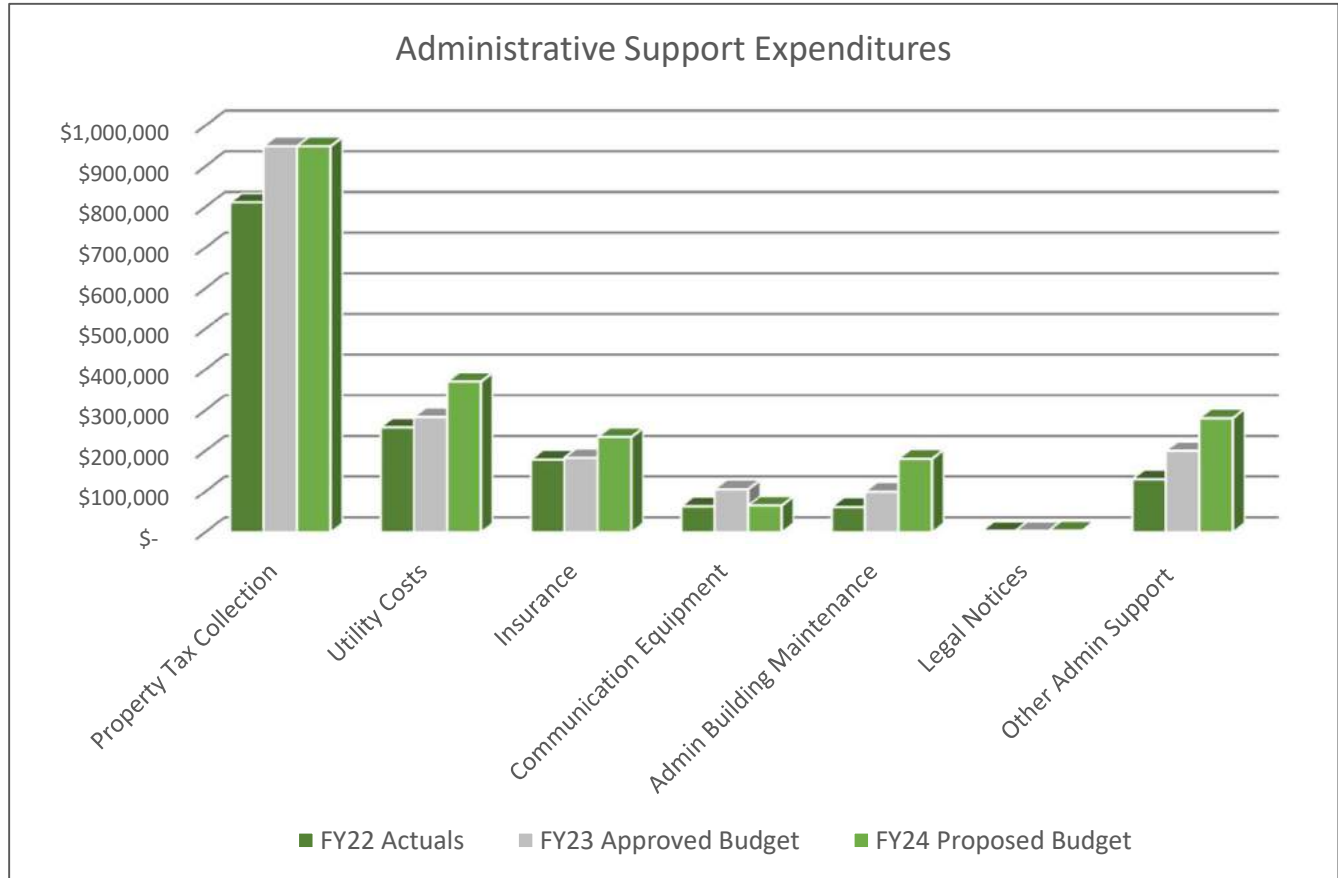


Support Services

Administrative Support Expenditures

Administrative support services consist of a variety of overhead expenditures that support the District's flood control system as a whole. Building maintenance costs have increased 80% due to the replacement and maintenance of the HVAC system in several administrative buildings. Insurance costs have also increased due to the District's need to protect additional capital assets. Increases in utility costs and other administrative support are due to bringing additional event and infrastructure expenditures from the Special Projects/Contingency Fund. The decrease in communication equipment cost is due to a reduced need for tower inspections and repair in fiscal year 2024.

| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|-------------------------------------|---------------------|-------------------------|-------------------------|-------------------|
| Property Tax Collection | \$ 811,662 | \$ 950,000 | \$ 950,000 | \$ - |
| Utility Costs | \$ 257,920 | \$ 283,756 | \$ 370,390 | \$ 86,634 |
| Insurance | \$ 178,682 | \$ 182,857 | \$ 234,400 | \$ 51,543 |
| Communication Equipment | \$ 63,976 | \$ 106,170 | \$ 65,730 | \$ (40,440) |
| Administrative Building Maintenance | \$ 62,029 | \$ 100,249 | \$ 180,911 | \$ 80,662 |
| Legal Notices | \$ 3,227 | \$ 3,410 | \$ 4,100 | \$ 690 |
| Other Administrative Support | \$ 130,223 | \$ 200,502 | \$ 281,114 | \$ 80,612 |
| Total | \$ 1,507,719 | \$ 1,826,944 | \$ 2,086,645 | \$ 259,701 |

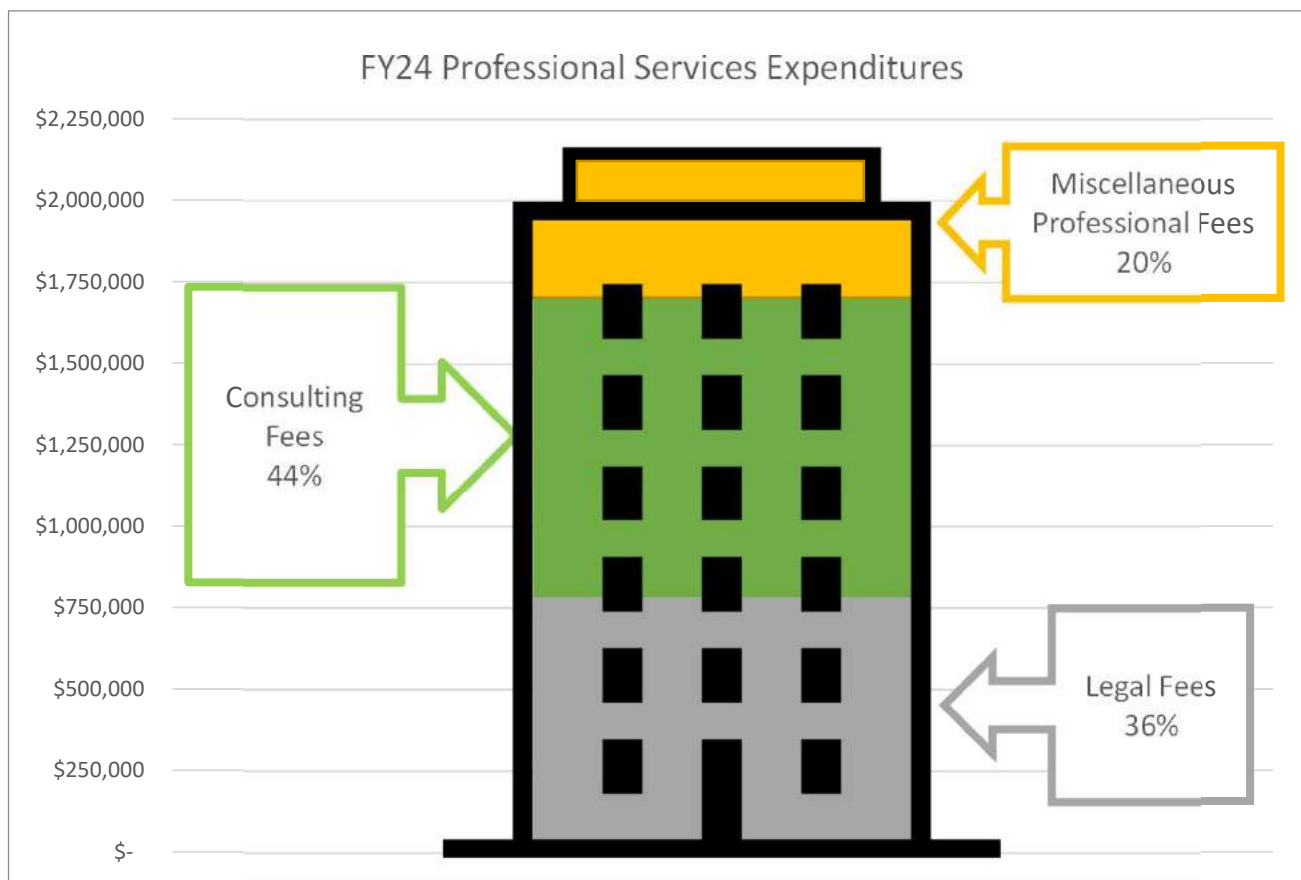


Support Services

Professional Services Expenditures

Professional services are provided by external vendors to support the District's flood control efforts. The largest portion of this budget is consulting fees, most of which provide support to the Information Technology, Finance, Water Resources, and Human Resources departments through various analysis and assessment services. The increase this year is due in part to the assessment of new technologies, including a new enterprise resource planning (ERP) system.

| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|---------------------------------|---------------------|-------------------------|-------------------------|-------------------|
| Consulting Fees | \$ 360,704 | \$ 741,942 | \$ 936,916 | \$ 194,974 |
| Legal Fees | \$ 589,430 | \$ 783,900 | \$ 782,600 | \$ (1,300) |
| Miscellaneous Professional Fees | \$ 257,040 | \$ 473,360 | \$ 432,629 | \$ (40,731) |
| Total | \$ 1,207,174 | \$ 1,999,202 | \$ 2,152,145 | \$ 152,943 |



General Fund: Revenues

Sources of Revenue

Summary

The flood control mission of the District is funded by the collection of property taxes. The District has the lowest tax rate in Tarrant county, and the fiscal year 2024 budget currently includes reducing the tax rate to \$0.0267 from \$0.269 per \$100 valuation.

| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|------------------------|-------------------------|---------------------------------|---------------------------------|---------------------|
| Taxes | \$ 24,689,890 | \$ 24,600,000 | \$ 28,242,000 | \$ 3,642,000 |
| Contribution Revenues* | \$ - | \$ - | \$ 310,000 | \$ 310,000 |
| Interest Income | \$ 293,178 | \$ 200,000 | \$ - | \$ (200,000) |
| Total Revenues | \$ 24,983,068 | \$ 24,800,000 | \$ 28,552,000 | \$ 3,752,000 |

*Contribution Revenues are reimbursements that will be received for the Riverside Park Kayak Launch and Trinity Trails Benches.

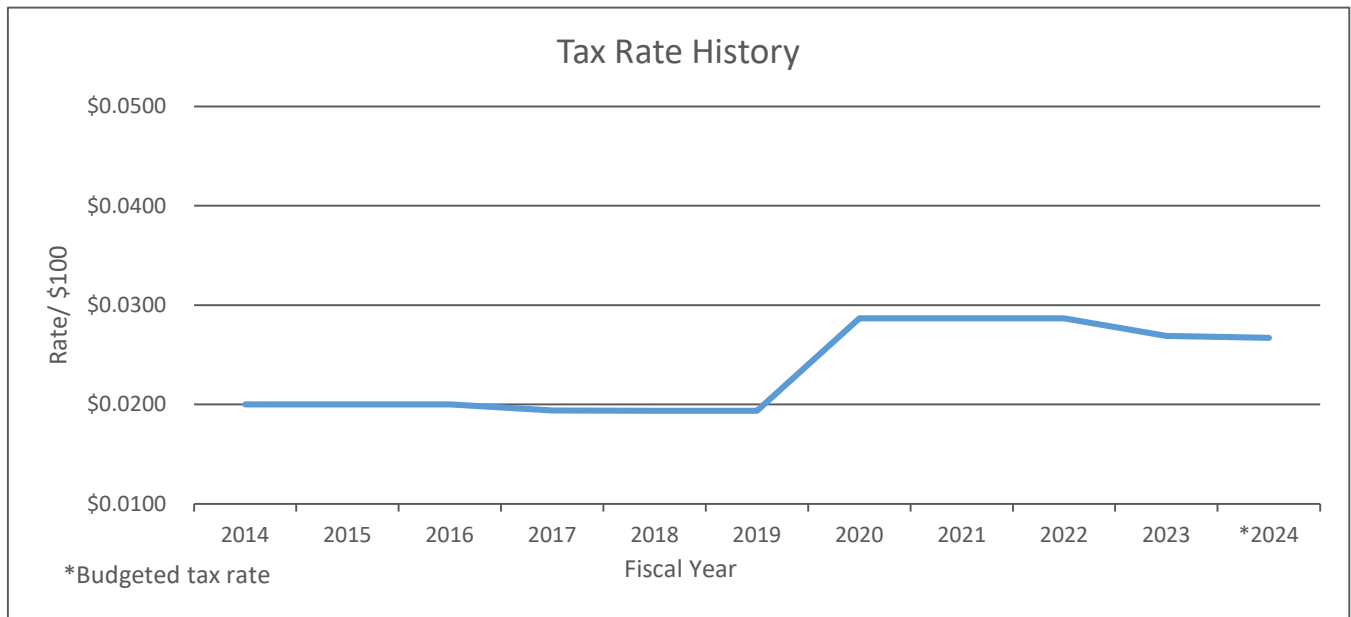
Sources of Revenue

Tax Revenues

As a governmental entity, the District is empowered to levy and collect ad valorem taxes to meet the maintenance, operations, and capital expenses of its flood control and administrative functions. The District's ad valorem property tax is currently proposed to be set at \$0.0267 per \$100 valuation and is budgeted to generate \$28 million in revenues for the District. This is based on a net taxable value of approximately \$106 billion and represents a projected tax burden of approximately \$73.43 for an estimate average home valued at \$275,012.

TRWD participates in a number of tax increment financing (TIF) agreements to reinvest a portion of property taxes collected in programs that support economic development within District communities.

| Tax Revenues | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|-----------------------------------|-------------------------|---------------------------------|---------------------------------|---------------------|
| Property Taxes Collected | \$ 24,689,890 | \$ 24,600,000 | \$ 28,242,000 | \$ 3,642,000 |
| Less Property Taxes Paid to TIF's | \$ (512,374) | \$ (964,000) | \$ (580,314) | \$ 383,686 |
| Net Property Tax Revenue | \$ 24,177,516 | \$ 23,636,000 | \$ 27,661,686 | \$ 4,025,686 |



General Fund - Flood Control FY24 Budget

| Expenditures | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance | Notes* |
|--|----------------------|-------------------------|-------------------------|-----------------------|--------|
| <u>Maintenance</u> | | | | | |
| Facilities & Grounds Maintenance | \$ 715,983 | \$ 818,030 | \$ 1,313,440 | \$ 495,410 | 1 |
| Equipment & Fleet | \$ 534,039 | \$ 518,761 | \$ 549,618 | \$ 30,857 | |
| Maintenance Support | \$ 440,171 | \$ 569,390 | \$ 801,545 | \$ 232,155 | 2 |
| Stream Gauging Stations | \$ 208,900 | \$ 252,000 | \$ 287,000 | \$ 35,000 | |
| Total Maintenance | \$ 1,899,093 | \$ 2,158,181 | \$ 2,951,603 | \$ 793,422 | |
| System Improvements & Capital Equipment | \$ 1,437,507 | \$ 3,138,736 | \$ 4,275,250 | \$ 1,136,514 | 3 |
| <u>Environmental Stewardship and Public Outreach</u> | | | | | |
| Public Outreach & Events | \$ 79,425 | \$ 102,027 | \$ 772,907 | \$ 670,880 | 4 |
| Stormwater Program | \$ 47,771 | \$ 75,000 | \$ 75,000 | \$ - | |
| Environmental Stewardship | \$ 38,550 | \$ 66,275 | \$ 56,400 | \$ (9,875) | |
| Clear Fork Trash Wheel | \$ - | \$ - | \$ 350,000 | \$ 350,000 | 5 |
| Total Environmental Stewardship and Public Outreach | \$ 165,746 | \$ 243,302 | \$ 1,254,307 | \$ 661,005 | |
| Property Taxes Paid to TIF's | \$ 512,374 | \$ 964,000 | \$ 580,314 | \$ (383,686) | 6 |
| <u>Support Services</u> | | | | | |
| Employee Related | \$ 9,646,388 | \$ 11,197,211 | \$ 13,986,296 | \$ 2,789,085 | 7 |
| Administrative Support | \$ 1,507,719 | \$ 1,826,944 | \$ 2,086,645 | \$ 259,701 | |
| Professional Services | \$ 1,207,174 | \$ 1,999,202 | \$ 2,152,145 | \$ 152,943 | |
| Information Technology | \$ 652,566 | \$ 839,786 | \$ 1,139,329 | \$ 299,543 | |
| Total Support Services | \$ 13,013,847 | \$ 15,863,144 | \$ 19,364,415 | \$ 3,501,271 | |
| Total Expenditures | \$ 17,028,567 | \$ 22,367,363 | \$ 28,425,889 | \$ 6,092,212 | |
| Revenues | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance | Notes* |
| Taxes | \$ 24,689,890 | \$ 24,600,000 | \$ 28,242,000 | \$ 3,642,000 | |
| Contributions | \$ - | \$ - | \$ 310,000 | \$ 310,000 | 8 |
| Interest Income | \$ 340,023 | \$ 200,000 | \$ - | \$ (200,000) | 9 |
| Total Revenues | \$ 25,029,913 | \$ 24,800,000 | \$ 28,552,000 | \$ 3,752,000 | |
| Net Increase to Equity | \$ 8,001,346 | \$ 2,432,637 | \$ 126,111 | \$ (2,340,212) | |

*See explanations for significant variances on next page

Variance Explanations

1 Facilities & Grounds Maintenance

The General Fund will now cover maintenance of all floodway assets and properties, some of which were previously paid in the Special Projects/Contingency Fund.

2 Maintenance Support

The increased cost of contract labor is responsible for 75% of the increase in maintenance support. The remaining 25% is due to an increase in the cost of and need for rental equipment and a slight uptick in the cost of fuel.

3 System Improvements & Capital Equipment

This increase includes erosion repair along the floodway and the maintenance and construction of new and existing trails and trailheads, including the Ten Mile Trailhead and the Riverside Park kayak launch, which were moved from the Special Projects/Contingency Fund to the General Fund.

4 Public Outreach & Events

Public outreach events, like Fort Worth's Fourth and Rockin' the River, have been moved from the Special Projects/Contingency Fund to the General Fund as part of realigning such events to the District's core mission.

5 Clear Fork Trash Wheel

The District is assisting the City of Fort Worth with the purchase of a trash-collection wheel for the Clear Fork of the Trinity River.

6 Property Taxes Paid to TIF

Decrease due to TIF #4 Medical District/Southside ending in fiscal year 2023, as well as TRWD reducing their tax rate.

7 Employee Related

The overall increase in employee related expenditures is due to an additional 11 full-time equivalent (FTE) positions to operate and maintain the floodway as well as a 6% increase in raises and promotions compounded by salary increases in fiscal year 2023 due to market conditions. The additional FTE positions are needed as the District is moving to a new level of service with increased community use and popularity of the floodway. Realignment of events and infrastructure maintenance with the District's core mission also includes bringing related personnel from the Special Projects/Contingency Fund to the General Fund.

8 Contributions

The City of Fort Worth has agreed to fully reimburse the District for their costs to build and install the Riverside Park Kayak Launch. Streams and Valleys has agreed to reimburse the District for the installation of memorial benches along the Trinity River.

9 Interest Income

Interest income has been moved to the Special Projects/Contingency Fund due to its unpredictability as a revenue source.

Special Projects/ Contingency Fund



Airfield Falls Trails

Special Projects/Contingency Fund FY24 Budget Summary

The Special Projects/Contingency Fund includes revenues from non-operating income to support special projects approved by the Board. Additionally, TIF revenues for the Central City Flood Control Project and related debt service are budgeted here. Details of the amounts below can be found on the following pages.

| Expenditures | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|------------------------------|-------------------------|---------------------------------|---------------------------------|---------------------|
| Canals | \$ - | \$ - | \$ 3,000,000 | \$ 3,000,000 |
| La Grave Stadium | \$ 185,381 | \$ 20,000 | \$ 195,000 | \$ 175,000 |
| Panther Island Land Strategy | \$ - | \$ 100,000 | \$ 100,000 | \$ - |
| Net Recreation Expense | \$ 1,016,947 | \$ 1,711,262 | \$ - | \$ (1,711,262) |
| Capital Expenditures | \$ 787,500 | \$ - | \$ - | \$ - |
| Total Expenditures | \$ 1,989,828 | \$ 1,831,262 | \$ 3,295,000 | \$ 1,463,738 |

| Revenues | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|------------------------|-------------------------|---------------------------------|---------------------------------|---------------------|
| Oil & Gas Revenues | \$ 14,570,283 | \$ 7,000,000 | \$ 8,000,000 | \$ 1,000,000 |
| Leases, Permits & Fees | \$ 747,104 | \$ 764,230 | \$ 1,965,647 | \$ 1,201,417 |
| Interest Income | \$ 304,567 | \$ 150,000 | \$ 1,600,000 | \$ 1,450,000 |
| Sales & Other Income | \$ 59,808 | \$ 122,700 | \$ 236,200 | \$ 113,500 |
| Total Revenues | \$ 15,681,762 | \$ 8,036,930 | \$ 11,801,847 | \$ 3,764,917 |

| Debt Service/ Central City Project | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|---|-------------------------|---------------------------------|---------------------------------|-----------------|
| Debt Service/Project Costs | \$ 8,023,419 | \$ 6,960,553 | \$ 7,577,446 | \$ 616,893 |
| NCTCOG Bridge Repayment | \$ - | \$ 350,000 | \$ 350,000 | \$ - |
| TIF Revenues | \$ (7,227,736) | \$ (7,310,553) | \$ (7,927,446) | \$ (616,893) |
| Net Change in Debt Services Equity | \$ (795,683) | \$ - | \$ - | \$ - |

| | | | | |
|--|----------------------|---------------------|---------------------|---------------------|
| Budgeted Net Increase to Equity | \$ 12,896,251 | \$ 6,205,668 | \$ 8,506,847 | \$ 2,301,179 |
|--|----------------------|---------------------|---------------------|---------------------|

Special Projects/Contingency Fund: Expenditures

Expenditures Summary

The Special Projects/Contingency Fund provides a funding resource to support projects approved by the Board that support the flood control and recreation missions of the District without using tax funding. As part of its flood control mission, TRWD will need to build canals just north of downtown (Panther Island) that will function as flood control and stormwater transmission. One small section has already been built, and the remaining design and construction is estimated to last over a 10-year period.

The District has realigned its event and trailhead maintenance costs with its core mission, and has therefore moved these expenses from the Special Projects/Contingency Fund to the General Fund. This includes events, like Fort Worth's Fourth and Rockin' the River, along with the maintenance and construction of new and existing trails and trailheads.

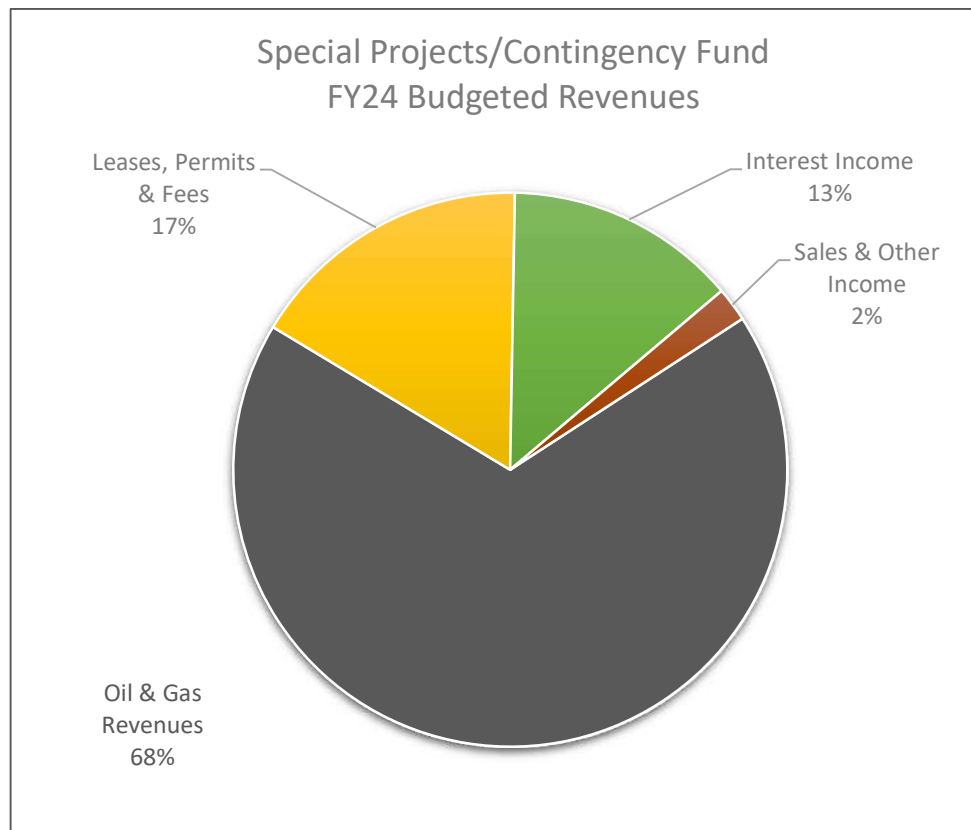
| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|------------------------------|---------------------|---------------------------------|---------------------------------|---------------------|
| Canals | \$ - | \$ - | \$ 3,000,000 | \$ 3,000,000 |
| La Grave Stadium | \$ 185,381 | \$ 20,000 | \$ 195,000 | \$ 175,000 |
| Panther Island Land Strategy | \$ - | \$ 100,000 | \$ 100,000 | \$ - |
| Net Recreation Expense | \$ 1,016,947 | \$ 1,711,262 | \$ - | \$ (1,711,262) |
| Total | \$ 1,202,328 | \$ 1,831,262 | \$ 3,295,000 | \$ 1,463,738 |

Special Projects/Contingency Fund: Revenues

Sources of Revenue Summary

The District earns revenues from oil and gas, interest income, leases, permits, fees, sales and other sources. These revenues are held in a separate Special Projects/Contingency Fund to support projects specifically approved by the Board.

| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|------------------------|-------------------------|---------------------------------|---------------------------------|---------------------|
| Oil & Gas Revenues | \$ 14,570,283 | \$ 7,000,000 | \$ 8,000,000 | \$ 1,000,000 |
| Leases, Permits & Fees | \$ 747,104 | \$ 764,230 | \$ 1,965,647 | \$ 1,201,417 |
| Interest Income | \$ 304,567 | \$ 150,000 | \$ 1,600,000 | \$ 1,450,000 |
| Sales & Other Income | \$ 59,808 | \$ 122,700 | \$ 236,200 | \$ 113,500 |
| Total Revenues | \$ 15,681,762 | \$ 8,036,930 | \$ 11,801,847 | \$ 3,764,917 |

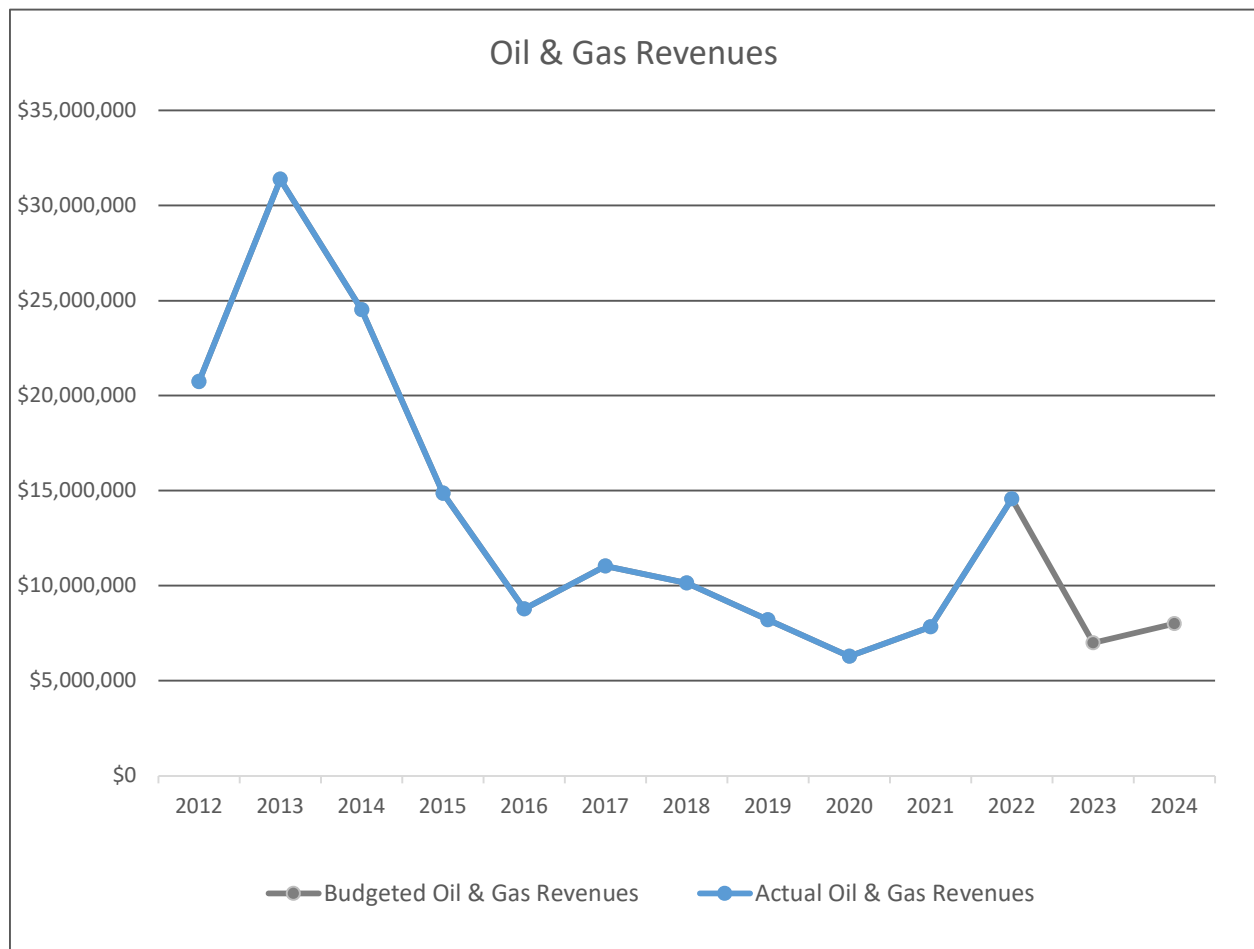


Sources of Revenue

Oil & Gas Royalties

The majority of revenue from oil and gas royalties is generated from mineral interests located in Wise, Jack and Tarrant counties under and surrounding Lake Bridgeport and Eagle Mountain Lake. Due to uncertainty of oil and gas production, these revenues are set aside as a contingency.

The chart below illustrates the actual revenues received from oil and gas royalties for the past 11 years with the budgeted revenues for fiscal year 2023 and fiscal year 2024. Prior to fiscal year 2020, oil and gas revenues were in the General Fund. In fiscal year 2020 they were moved here to the Special Projects/Contingency Fund due to the variability of these revenue sources.

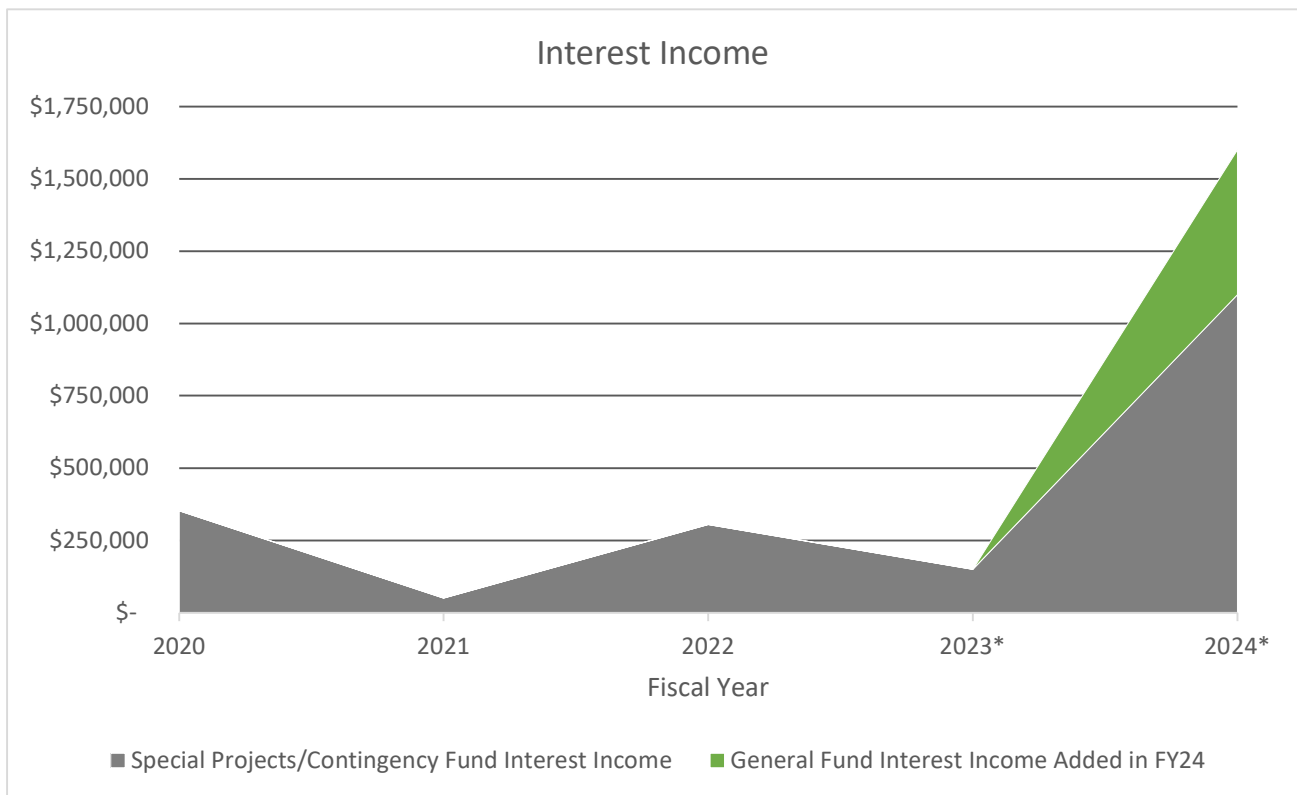


Sources of Revenue

Interest Income

The District invests in US government and agency fixed income securities as well as investments in Local Government Investment Pools. The portfolio has a maximum maturity of 3 years, but over half of the portfolio is typically invested in shorter term investments to be available if needed. To be conservative, the District is assuming a 2% interest rate in fiscal year 2024. Additionally, interest income from the General Fund was moved to the Special Projects/Contingency Fund due to its unpredictability as a revenue source.

| | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|-----------------|-------------------------|---------------------------------|---------------------------------|-----------------|
| Interest Income | \$ 304,567 | \$ 150,000 | \$ 1,600,000 | \$ 1,450,000 |



*Budgeted amounts

Sources of Revenue

Leases, Permits & Fees

The District collects revenues from leases, permits, and fees paid to use District property. Historically, the annex and floodway leases were listed in Other Income, while revenues from Twin Points, Coyote Drive-in, Woodshed Restaurant, Panther Island, and Bridgeport/Eagle Mountain Lakes were netted against their related expenditures under Recreation Infrastructure. In fiscal year 2024 these related expenditures have been moved to the General Fund to better align with the District's core mission, while their revenues remained in the Special Projects/Contingency Fund.

| Leases, Permits & Fees | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|-----------------------------------|-------------------------|---------------------------------|---------------------------------|---------------------|
| Annex East, West and Garage Lease | \$ 602,392 | \$ 602,391 | \$ 602,391 | \$ - |
| Twin Points Park Fees | \$ - | \$ - | \$ 550,000 | \$ 550,000 |
| Coyote Drive-In Theater Lease | \$ - | \$ - | \$ 175,000 | \$ 175,000 |
| Woodshed Restaurant Lease | \$ - | \$ - | \$ 175,000 | \$ 175,000 |
| Bridgeport/Eagle Mountain Leases | \$ - | \$ - | \$ 165,725 | \$ 165,725 |
| Panther Island Venue Fees | \$ - | \$ - | \$ 150,000 | \$ 150,000 |
| Other Floodway Leases & Permits | \$ 144,712 | \$ 161,839 | \$ 147,531 | \$ (14,308) |
| Total | \$ 747,104 | \$ 764,230 | \$ 1,965,647 | \$ 1,201,417 |

Sales & Other Income

The majority of the sales and other income budget consists of revenues earned on the sale of land, equipment and sand. The increase in revenues is mostly due to the inclusion of revenues earned on public outreach events. These revenues were previously shown as a net against the event expenses, which have now been moved to the General Fund, while the revenues remained in the Special Projects/Contingency Fund.

| Sales & Other Income | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|---------------------------------|-------------------------|---------------------------------|---------------------------------|-------------------|
| Land, Equipment & Sand Sales | \$ 59,808 | \$ 94,000 | \$ 113,500 | \$ 19,500 |
| Public Outreach Events | \$ - | \$ - | \$ 96,000 | \$ 96,000 |
| Miscellaneous Revenues | \$ - | \$ 28,700 | \$ 26,700 | \$ (2,000) |
| Total | \$ 59,808 | \$ 122,700 | \$ 236,200 | \$ 113,500 |

Special Projects/Contingency Fund: Debt Service/Project Costs

TIF Revenues and Debt for the Central City Flood Control Project

In May 2018 a special bond election was held and approved by the voters to issue \$250 million in bonds to finance the remaining outstanding local share of the Central City Flood Control Project. This \$250 million will be repaid by the City of Fort Worth Tax Increment Reimbursement Zone Number Nine (TIF9) in accordance with the project costs funding agreement, hence, both the TIF revenue and debt service expense are shown in the Special Projects/Contingency Fund. The table below illustrates how the TIF Revenues collected will directly offset the budgeted debt expenditures for fiscal year 2024.

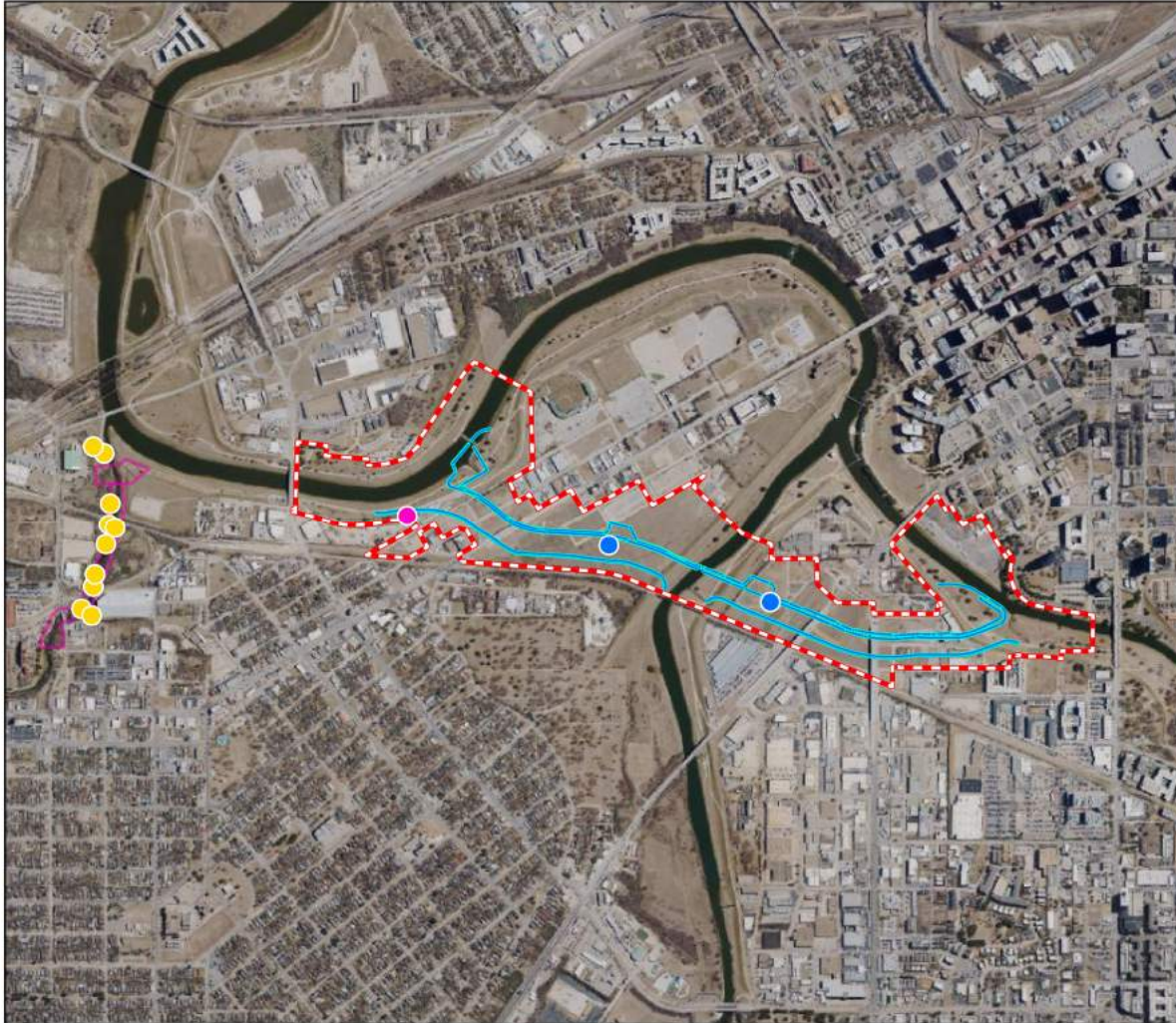
| Debt Service | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance |
|--|-------------------------|---------------------------------|---------------------------------|-----------------|
| Debt Service/ Project Costs | \$ 8,023,419 | \$ 6,960,553 | \$ 7,577,446 | \$ 616,893 |
| NCTCOG Bridge Repayment | \$ - | \$ 350,000 | \$ 350,000 | \$ - |
| TIF Revenues | \$ (7,227,736) | \$ (7,310,553) | \$ (7,927,446) | \$ (616,893) |
| Net Change in Debt Service Equity | \$ 795,683 | \$ - | \$ - | \$ - |

**Central City Flood Control Project
Proposed FY24 Budget**

| TRWD | FY24 Budget Proposed |
|---|---------------------------------|
| Cash Match | \$ 15,853,288 |
| Bypass Local Share (Pedestrian Bridge Design) | \$ 3,901,945 |
| Land Acquisition | \$ 3,609,359 |
| Program Management | \$ 1,515,441 |
| Relocation | \$ 1,156,386 |
| Demolition | \$ 1,075,500 |
| Environmental | \$ 888,277 |
| NCTCOG Bridge Repayment | \$ 350,000 |
| Bond Issuance Costs | \$ 30,000 |
| Subtotal TRWD | \$ 28,380,196 |

| City of Fort Worth | FY24 Budget Proposed |
|--|---------------------------------|
| Sewer & Water Relocation Reimbursement | \$ 53,086,738 |
| Storm Water Relocation | \$ 29,592,179 |
| Franchise Utilities | \$ 5,488,212 |
| Subtotal City of Fort Worth | \$ 88,167,129 |

| | |
|---|-----------------------|
| Total Central City Flood Control Project | \$ 116,547,325 |
|---|-----------------------|



FY24 TRWD Projects for Central City

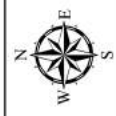
- USACE Bypass Channel Construction Limits
- USACE Bypass Channel

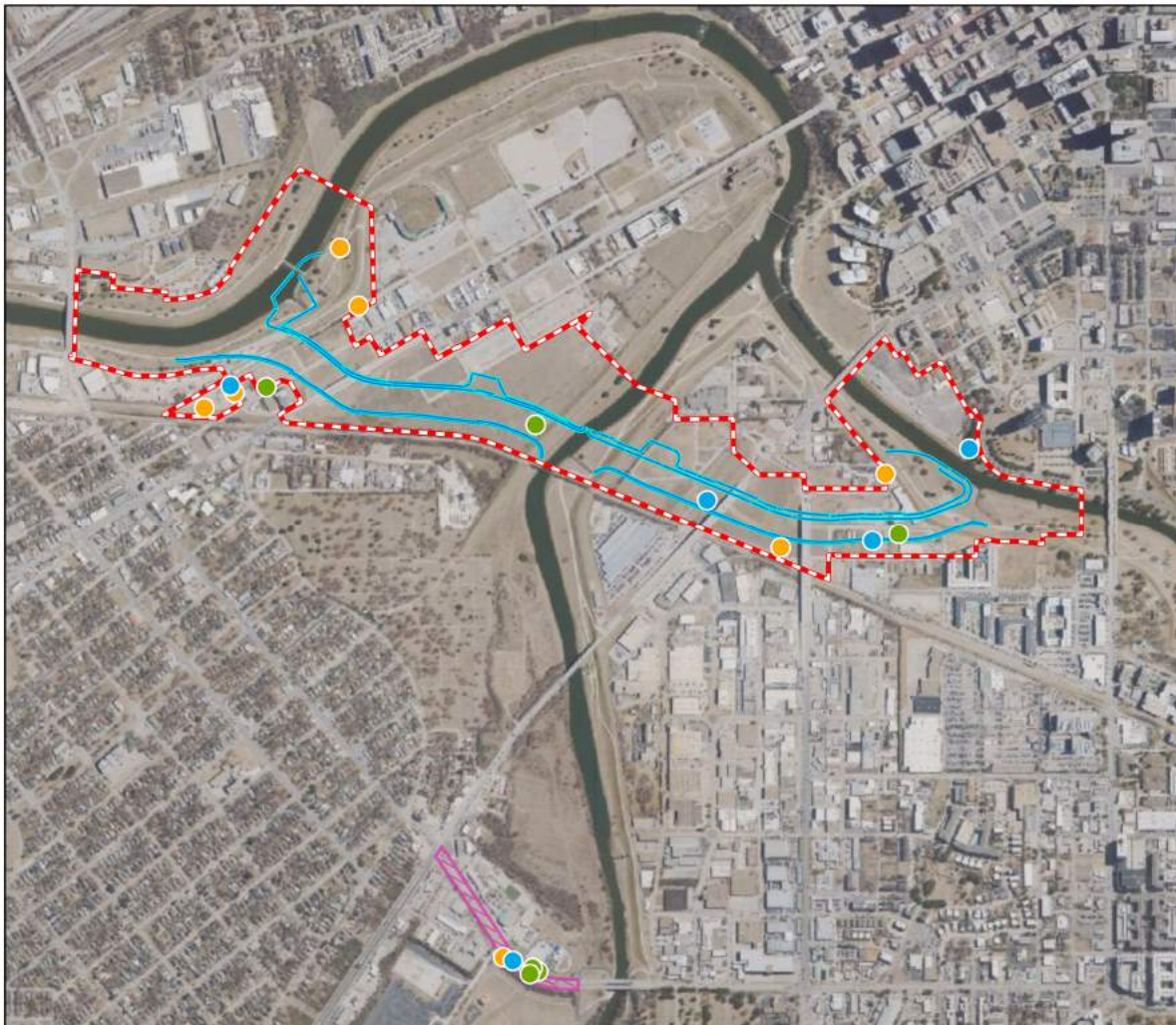
- Bypass Channel Local Share
- Demolition
- Land Acquisition

- USACE Ecosystem Area
- USACE Marine Creek

Disclaimer: This map is an approximation based upon the best information available at the time of printing. Information contained on this map is intended for general planning level use only and may not have been verified by field survey. The map is not intended for engineering purposes. It does not represent an on-the-ground survey and only represents approximate relative locations. The Tarant Regional Water District disclaims any liability for the use or misuse of this information or derivative products resulting from this map.

MAP PRODUCED ON 6/22/2023 12:13 PM BY TRWD





FY24 City of Fort Worth Projects for Central City

- USACE Bypass Channel
- USACE Bypass Channel Construction Limits
- USACE Ecosystem Area
- USACE University Drive

- Franchise Utility
- Stormwater
- Water and Sanitary Sewer



Disclaimer: This map is an approximation based upon the best information available at the time of printing. Information contained on this map is intended for general planning level use only and may not have been verified for accuracy. It does not represent an on-the-ground survey and only represents approximate relative locations. The Trarrant Regional Water District does not warrant the accuracy of this information or derivative products resulting from this map.

MAP PRODUCED ON 6/22/2023 11:37 AM BY TRWD

Special Projects/Contingency Fund - FY24 Budget

| Expenditures | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance | Notes* |
|------------------------------|-------------------------|---------------------------------|---------------------------------|---------------------|---------------|
| Canals | \$ - | \$ - | \$ 3,000,000 | \$ 3,000,000 | 1 |
| La Grave Stadium | \$ 185,381 | \$ 20,000 | \$ 195,000 | \$ 175,000 | 2 |
| Panther Island Land Strategy | \$ - | \$ 100,000 | \$ 100,000 | \$ - | |
| Net Recreation Expense | \$ 1,016,947 | \$ 1,711,262 | \$ - | \$ (1,711,262) | 3 |
| Capital Expenditures | \$ 787,500 | \$ - | \$ - | \$ - | |
| Total Expenditures | \$ 1,989,828 | \$ 1,831,262 | \$ 3,295,000 | \$ 1,463,738 | |

| Revenue | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance | Notes* |
|------------------------|-------------------------|---------------------------------|---------------------------------|---------------------|---------------|
| Oil & Gas Revenues | \$ 14,570,283 | \$ 7,000,000 | \$ 8,000,000 | \$ 1,000,000 | 4 |
| Leases, Permits & Fees | \$ 747,104 | \$ 764,230 | \$ 1,965,647 | \$ 1,201,417 | 5 |
| Interest Income | \$ 304,567 | \$ 150,000 | \$ 1,600,000 | \$ 1,450,000 | 6 |
| Sales & Other Income | \$ 59,808 | \$ 122,700 | \$ 236,200 | \$ 113,500 | 7 |
| Total Revenues | \$ 15,681,762 | \$ 8,036,930 | \$ 11,801,847 | \$ 3,764,917 | |

| Debt Service/ Central City Project | FY22 Actuals | FY23 Budget Approved | FY24 Budget Proposed | Variance | Notes* |
|---|-------------------------|---------------------------------|---------------------------------|-----------------|---------------|
| Debt Service/Project Costs | \$ 8,023,419 | \$ 6,960,553 | \$ 7,577,446 | \$ 616,893 | |
| NCTCOG Bridge Repayment | \$ - | \$ 350,000 | \$ 350,000 | \$ - | |
| TIF Revenues | \$ (7,227,736) | \$ (7,310,553) | \$ (7,927,446) | \$ (616,893) | |
| Net Project Expenses | \$ (795,683) | \$ - | \$ - | \$ - | |

| | | | | | |
|-------------------------------|----------------------|---------------------|---------------------|---------------------|--|
| Net Increase to Equity | \$ 12,896,251 | \$ 6,205,668 | \$ 8,506,847 | \$ 2,301,179 | |
|-------------------------------|----------------------|---------------------|---------------------|---------------------|--|

*See explanations for significant variances on the next page.

Variance Explanations

1 Canals

TRWD will need to build canals just north of downtown (Panther Island) that will function as flood control and stormwater transmission.

2 La Grave Stadium

The District is needing to increase funding to support the security and maintenance of La Grave Field after the previous purchaser defaulted on the contract.

3 Net Recreation Expense

The District has realigned its event and trailhead maintenance costs with its core mission, and has therefore moved these expenses from the Special Projects/Contingency Fund to the General Fund.

4 Oil & Gas Revenues

These revenues increased due to rising oil prices.

5 Leases, Permits & Fees

Historically, revenues from Twin Points, Coyote Drive-in, Woodshed Restaurant, Panther Island, and Bridgeport/Eagle Mountain Lakes were netted against their related expenditures under Recreation Infrastructure instead of being shown as separate Special Projects/Contingency Fund revenues.

6 Interest Income

With the uptake in current interest rates, the District has conservatively increased the expected interest income for fiscal year 2024, estimating a 2% average interest rate. Additionally, General Fund interest income has been moved to the Special Projects/Contingency Fund due to its unpredictability as a revenue source.

7 Sales & Other Income

This increase in revenues is due to the inclusion of revenues earned on public outreach events that were previously shown as a net against event expenses, which have now been moved to the General Fund.