

RESOLUTION ADOPTING OPERATIONS BUDGET

THE STATE OF TEXAS

§

COUNTY OF HAYS

§

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HAYS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2 THAT:

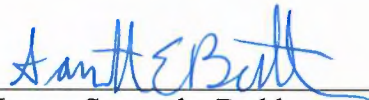
WHEREAS, the Board of Directors of Hays County Water Control and Improvement District No. 2 (the "District") has reviewed the projected operating and maintenance expenses and revenues for the district for the period of October 1, 2024 through September 30, 2025 and desires to adopt an operations budget consistent therewith;

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS;

Section 1. That the Operations Budget attached hereto as Exhibit "A" is hereby adopted.

Section 2. That the Secretary of the Board of Directors is hereby directed to file a copy of this Resolution Adopting Operations Budget in the official records of the District.

ADOPTED this 19th day of September 2024.



Name: Samantha Bethke
President, Board of Directors

ATTEST:



Name: Sean McGillicuddy
Secretary, Board of Directors



Exhibit "A"

[Final Version as adopted to be attached]

**Approved
Budget**

October 1, 2024 - September 30, 2025

	Projected Actuals FY2024	Budget FY2024	Approved Budget FY2025	Projected Budget FY2026	Projected Budget FY2027	Projected Budget FY2028
<u>Water Related Income</u>						
4000 • Water Service Fees	567,045	745,000	570,000	570,000	570,000	570,000
4002 • PUA Surcharge	104,801	104,400	104,400	104,400	104,400	104,400
4300 • Water Tap Fee	0	0	0	0	0	0
Total Water Related Income	671,846	849,400	674,400	674,400	674,400	674,400
<u>Water Related Expense</u>						
6000 • PUA Bulk Water Purchases	259,247	318,935	265,250	278,513	292,438	292,438
6001 • LCRA Raw Water Purchase	27,712	43,126	30,150	34,673	39,873	39,873
6010 • Water Base Fee PUA	287,196	287,196	287,196	324,284	324,284	324,284
6070 • Raw Water Reservation Fee	53,043	53,040	53,040	53,040	53,040	53,040
6980 • Water Maintenance	68,502	58,000	58,000 *	59,500	59,500	0
7020 • Laboratory - Water	80	500	500	500	500	500
8650 • TCEQ Fees	2,761	3,500	3,500	3,500	3,500	3,500
Total Water Related Expense	698,541	764,297	697,636	754,009	773,135	713,635
Net Water Related	(26,695)	85,103	(23,236)	(79,609)	(98,735)	(39,235)

**Approved
Budget**

October 1, 2024 - September 30, 2025

	Projected Actuals FY2024	Budget FY2024	Approved Budget FY2025	Projected Budget FY2026	Projected Budget FY2027	Projected Budget FY2028
<u>Sewer Related Income</u>						
4100 - Wastewater Services Fees	283,164	294,240	282,240	293,530	305,271	305,271
4205 - Reclaimed Revenue	0	0	0	0	0	0
4400 - Wastewater Tap Fee	0	0	0	0	0	0
Total Sewer Related Income	283,164	294,240	282,240	293,530	305,271	305,271
<u>Sewer Related Expense</u>						
6100 - Electricity	9,403	10,000	10,500	10,710	10,924	10,924
6105 - Gas	1,774	2,500	2,500	2,550	2,601	2,601
6150 - Telephone	16,815	14,000	17,500	17,850	18,207	18,207
6920 - Sewer Televising Reserve	20,000	20,000	20,000	20,000	20,000	20,000
6980 - Operator Maintenance						
Lift Station	14,251	25,000	45,000 *	25,000	25,000	0
Sewer Maintenance	5,428	30,000	30,000 *	8,000	8,000	0
6981 - Joint Expenses						
6990 - Joint WWTP Expense	1,116,546	664,956	874,072 *	900,295	927,303	955,122
Total Sewer Related Expense	1,184,217	766,456	999,572	984,405	1,012,036	1,006,855
Net Sewer Related	(901,053)	(472,216)	(717,332)	(690,875)	(706,765)	(701,584)

Approved

Budget

October 1, 2024 - September 30, 2025

	Projected Actuals FY2024	Budget FY2024	Approved Budget FY2025	Projected Budget FY2026	Projected Budget FY2027	Projected Budget FY2028
<u>Basic Services Revenues</u>						
4415 - Basic Services	1,289,243	1,288,800	1,288,800	1,288,800	1,288,800	1,288,800
	1,289,243	1,288,800	1,288,800	1,288,800	1,288,800	1,288,800
<u>Basic Services Expense</u>						
6110 - Trash Services	299,626	299,409	327,223	337,040	347,151	347,151
	299,626	299,409	327,223	337,040	347,151	347,151
Net Basic Services	989,617	989,391	961,577	951,760	941,649	941,649

**Approved
Budget**

October 1, 2024 - September 30, 2025

	Projected Actuals FY2024	Budget FY2024	Approved Budget FY2025	Projected Budget FY2026	Projected Budget FY2027	Projected Budget FY2028
<u>Overhead Related Income</u>						
4250 • Penalties	11,981	12,000	12,000	12,000	12,000	12,000
4500 • Tap Inspection Fees	0	0	0	6,900	6,000	0
4600 • Customer Service Inspection Fee	4,500	0	0	27,600	24,000	0
4700 • Park Fees	0	0	0	34,500	30,000	0
4800 • Property Taxes	1,376,307	1,382,813	1,514,634	1,514,634	1,514,634	1,514,634
4850 • Property Tax Penalties/Interest	3,850	0	0	0	0	0
4900 • Interest Income	284,520	240,000	240,000	240,000	240,000	240,000
4959 • Miscellaneous Income	0	0	0	0	0	0
4960 • Transfer In/(Out)	590,700	(100,000)	0	0	0	0
Total Overhead Related Income	2,271,858	1,534,813	1,766,634	1,835,634	1,826,634	1,766,634
<u>Overhead Related Expenses</u>						
6101 • Electricity - Street Lights	940	1,040	1,040	1,061	1,082	1,082
6115 • Security Services	6,473	36,000	0	0	0	0
6120 • Mowing Facilities	0	0	0	0	0	0
6560 • Payroll Expenses	2,603	2,880	2,880	2,880	2,880	2,880
6751 • Director's Fees	33,753	36,000	36,000	36,000	36,000	36,000
6752 • Director's Expense	500	3,000	3,000	3,000	3,000	3,000
6800 • General Legal Fees	96,000	96,000	102,720	102,720	102,720	102,720
Legal Fees - Barrett	16,560	16,560	16,560	16,560	16,560	16,560
Legal Project Review	0	0	0	0	0	0
Paralegal	67,299	65,000	69,875	69,875	69,875	69,875
6851 • Legal Notices	330	2,000	2,000	2,000	2,000	2,000
6900 • General Engineering Fees	90,779	60,000	60,000	60,000	60,000	60,000
Proposed Project Engineering Fees	0	0	300,000	0	0	0
6975 • Base Fee Operations	334,016	345,060	345,060	355,412	366,074	377,056
6980 • Park Maintenance	66,679	126,500	229,500 *	101,500	88,500	0

**Approved
Budget**

October 1, 2024 - September 30, 2025

	Projected Actuals FY2024	Budget FY2024	Approved Budget FY2025	Projected Budget FY2026	Projected Budget FY2027	Projected Budget FY2028
6980 • Detention Pond	112,886	217,000	17,000 *	10,500	10,500	0
6985 • AMI Meters	13,448	14,400	14,400	15,120	15,876	15,876
6995 • Wet Pond Maintenance	9,502	9,000	12,000	12,000	12,000	12,000
7100 • Audit Fees	18,000	17,500	18,500	18,500	18,500	18,500
7001 • Storm Cleanup	21,040	0	0	0	0	0
Contingency Reserve	0	0	50,000	75,000	100,000	125,000
7150 • Financial Advisor Fees	712	1,000	2,000	2,000	2,000	2,000
7151 • Accounting Fees	47,575	46,000	50,500	42,750	42,750	42,750
7375 • Tax Collector/Appraisal Fees	9,666	9,000	11,000	11,000	11,000	11,000
7550 • Common Area Landscape	283,172	294,034	289,432	298,115	307,058	307,058
7551 • Other Landscape Manintenance	57,552	30,000	60,000	66,000	72,600	79,860
7600 • Insurance	14,711	8,843	17,000	17,340	17,687	17,687
7875 • Election Expense	0	0	0	10,000	0	10,000
7881 • Website	170	1,000	1,000	1,000	1,000	1,000
7885 • Membership Dues	1,170	2,500	2,500	2,500	2,500	2,500
8050 • Miscellaneous Expense	10,793	9,000	12,000	12,000	12,000	12,000
8060 • Bank Service Charges	763	1,000	1,000	1,000	1,000	1,000
Park Improvements	130,388	100,000	260,000 *	150,000	0	0
Total Overhead Related Expenses	1,447,480	1,550,317	1,986,967	1,495,833	1,375,162	1,329,405
Net Overhead Related	824,378	(15,504)	(220,333)	339,801	451,471	437,229
Total Revenues	4,516,111	3,967,253	4,012,074	4,092,363	4,095,104	4,035,104
Total Expenses	3,629,864	3,380,478	4,011,398	3,571,286	3,507,484	3,397,046
Net Income / Loss	886,247	586,775	675	521,078	587,620	638,059

**Approved
Budget**

October 1, 2024 - September 30, 2025

	<u>Projected Actuals FY2024</u>	<u>Budget FY2024</u>	<u>Approved Budget FY2025</u>	<u>Projected Budget FY2026</u>	<u>Projected Budget FY2027</u>	<u>Projected Budget FY2028</u>
9/30/23 Audited Fund Balance	\$5,094,350		\$5,980,597	\$5,981,273	\$6,502,350	\$7,089,971
Net Income / Loss	\$886,247		\$675	\$521,078	\$587,620	\$638,059
Projected Fund Balance	<u>\$5,980,597</u>		<u>\$5,981,273</u>	<u>\$6,502,350</u>	<u>\$7,089,971</u>	<u>\$7,728,030</u>

<i>Minimum 1 Year Reserve w/out Capital</i>	\$3,499,476	#	\$3,280,478	\$3,751,398	\$3,421,286	\$3,507,484	\$3,397,046
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	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Operating Tax Collections	671,852,123	695,424,111	695,424,111	695,424,111	695,424,111
	99%	99%	99%	99%	99%
	0.2079	0.2200	0.2200	0.2200	0.2200
	<u>\$ 1,382,813</u>	<u>\$ 1,514,634</u>	<u>\$ 1,514,634</u>	<u>\$ 1,514,634</u>	<u>\$ 1,514,634</u>
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Debt Service Tax Collections	671,852,123	695,424,111	695,424,111	695,424,111	695,424,111
	99%	99%	99%	99%	99%
	0.5221	0.5100	0.5100	0.5100	0.5100
	<u>\$ 3,472,663</u>	<u>\$ 3,511,196</u>	<u>\$ 3,511,196</u>	<u>\$ 3,511,196</u>	<u>\$ 3,511,196</u>
Total Tax Rate	0.7300	0.7300	0.7300	0.7300	0.7300

Hays County WCID No.2 Maintenance Cap Schedules

September 19, 2024

	Approved Budget FY2024	Approved Budget FY2025	Projected Budget FY2026	Projected Budget FY2027	Projected Budget FY2028
6980 - Water Maintenance					
Leak Detection	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Annual CCR Reports	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Customer Service Calls (after hours)	\$1,000	\$1,000	\$2,500	\$2,500	\$2,500
Meter Replacement & Purchase	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Master Meters	\$0	\$0	\$0	\$0	\$0
Meters	\$0	\$0	\$0	\$0	\$0
General Repairs & Maintenance	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Unanticipated Repairs	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
SUBTOTAL	\$58,000	\$58,000	\$59,500	\$59,500	\$59,500
6980 - Detention Pond Maintenance (WQP)					
General Repairs & Maintenance	\$10,000	\$10,000	\$2,500	\$2,500	\$2,500
Clean out ponds	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Gabion Repairs	\$200,000	\$0	\$0	\$0	\$0
Unanticipated Repairs	\$2,000	\$2,000	\$3,000	\$3,000	\$3,000
SUBTOTAL	\$217,000	\$17,000	\$10,500	\$10,500	\$10,500
6980 - Lift Station Maintenance					
General Repairs & Maintenance	\$10,000	\$10,000	\$15,000	\$15,000	\$15,000
Rebuild / Replace Pumps	\$0	\$0	\$0	\$0	\$0
L/S Rehab Work	\$0	\$20,000	\$0	\$0	\$0
L/S Covers	\$5,000	\$5,000	\$0	\$0	\$0
Unanticipated Repairs	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
SUBTOTAL	\$25,000	\$45,000	\$25,000	\$25,000	\$25,000
6980 - Sewer Maintenance					
General Repairs & Maintenance	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Televising / Hydro Jetting / Cleaning / Smoke Test	\$0	\$0	\$0	\$0	\$0
Collection System Repairs	\$0	\$0	\$0	\$0	\$0
Manhole Repairs	\$0	\$0	\$0	\$0	\$0
Unanticipated Repairs	\$25,000	\$25,000	\$3,000	\$3,000	\$3,000
SUBTOTAL	\$30,000	\$30,000	\$8,000	\$8,000	\$8,000
6980 - Park Maintenance					
Trails/Stream/Park General Maintenance	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Lighting Maintenance	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Sidewalk Repairs	\$30,000	\$15,000	\$15,000	\$2,000	\$2,000
Tree Work	\$0	\$43,000	\$0	\$0	\$0
Wildflowers	\$0	\$0	\$0	\$0	\$0
Annual Playground Mulching	\$0	\$14,000	\$14,000	\$14,000	\$14,000
Playground Repairs	\$0	\$20,000	\$20,000	\$20,000	\$20,000
Drinking Fountains	\$12,000	\$0	\$0	\$0	\$0
Entrance Monuments	\$0	\$78,000	\$0	\$0	\$0
Master Plan Share Hays 1	\$25,000	\$0	\$0	\$0	\$0
Graffiti Removal	\$3,000	\$3,000	\$0	\$0	\$0
Unanticipated Repairs	\$5,000	\$5,000	\$1,000	\$1,000	\$1,000
SUBTOTAL	\$126,500	\$229,500	\$101,500	\$88,500	\$88,500
TOTAL	\$456,500	\$379,500	\$204,500	\$191,500	\$191,500

	Approved Budget 2024	Approved Budget FY2025	Projected Budget FY2026	Projected Budget FY2027	Projected Budget FY2028
9000 - Capital Expenditures					
New Playground Park (Bitterroot)	\$0	\$0	\$0	\$0	\$0
Mesa Verde Parking Lot / Pavillion	\$0	\$0	\$0	\$0	\$0
Trail Engineering	\$10,000	\$10,000	\$0	\$0	\$0
Mockingbird Trail Upgrade	\$0	\$0	\$0	\$0	\$0
Pinnacle Park Design	\$90,000	\$100,000	\$0	\$0	\$0
Pinnacle Park Build	\$0	\$150,000	\$150,000	\$0	\$0
Park & Trail Master Plan	\$0	\$0	\$0	\$0	\$0
Sidewalk Extention from Prescott to Sawyer Ranch	\$0	\$0	\$0	\$0	\$0
Contingency (15%)	\$0	\$0	\$0	\$0	\$0
TOTAL	\$100,000	\$260,000	\$150,000	\$0	\$0

Hays County WCID No.2 Maintenance Cap Schedules

September 19, 2024

	Approved Budget FY2024	Approved Budget FY2025	Projected Budget FY2026	Projected Budget FY2027	Projected Budget FY2028
JOINT FACILITIES SPLIT PER CONNECTION					
Hays 1	47%	47%	47%	47%	47%
Hays 2	53%	53%	53%	53%	53%

6981 - Sewer Plant Maintenance CAP (Split per Connections)					
SCADA System Maintenance	\$30,000	\$32,000	\$32,000	\$32,000	\$32,000
Drain & Clean EQ Tank	\$0	\$75,000	\$0	\$1,500	\$1,500
Membranes Maintenance	\$100,000	\$50,000	\$50,000	\$50,000	\$50,000
Upsize Clarifier EQ Blowers	\$0	\$70,000	\$0	\$0	\$0
Clean Generator #1	\$0	\$5,000	\$0	\$0	\$0
Lab Equipment	\$0	\$3,000	\$0	\$0	\$0
Odor Control/Waste Stream Enhancement	\$0	\$171,400	\$156,000	\$156,000	\$156,000
General Repairs & Maintenance	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Unanticipated Repairs	\$62,500	\$70,000	\$75,000	\$75,000	\$75,000
SUB-TOTAL	\$400,000	\$676,400	\$513,000	\$514,500	\$514,500

Hays 1 Allocation	\$187,760	\$317,502	\$240,802	\$241,506	\$241,506
Hays 2 Allocation	\$212,240	\$358,898	\$272,198	\$272,994	\$272,994

6981 - Joint Expenses (Split per Connections)					
Base Fee Operations	\$292,320	\$302,110	\$311,173	\$320,508	\$330,124
Membrane Expense	\$0	\$0	\$0	\$0	\$0
Drum Screens	\$0	\$0	\$0	\$0	\$0
Electricity	\$77,679	\$94,760	\$94,760	\$94,760	\$94,760
Telephone	\$7,350	\$10,815	\$10,815	\$10,815	\$10,815
Sewer Plant Mowing	\$5,000	\$5,500	\$6,000	\$6,000	\$6,000
Security System Monitoring	\$600	\$0	\$0	\$0	\$0
Trash Service	\$5,000	\$27,500	\$27,500	\$27,500	\$27,500
Security Patrols	\$12,000	\$84,725	\$86,000	\$90,000	\$94,000
Website	\$3,000	\$5,265	\$4,000	\$4,000	\$4,000
Insurance	\$21,875	\$37,000	\$37,000	\$37,000	\$37,000
TCEQ Fees	\$1,500	\$1,500	\$3,000	\$3,000	\$3,000
Joint Accounting Fees	\$25,200	\$26,400	\$26,400	\$26,400	\$26,400
Joint Engineering Fees-Special	\$35,000	\$50,000	\$50,000	\$50,000	\$50,000
SUB-TOTAL	\$486,524	\$645,575	\$656,648	\$669,983	\$683,599

Hays 1 Allocation	\$228,374	\$303,033	\$308,231	\$314,490	\$320,881
Hays 2 Allocation	\$258,150	\$342,542	\$348,418	\$355,493	\$362,717

JOINT FACILITIES SPLIT BASED ON SET PERCENTAGE					
Hays 1	51%	51%	51%	51%	51%
Hays 2	49%	49%	49%	49%	49%

6981 - Drip Irrigation & Reuse Maintenance CAP					
General Repairs & Maintenance	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Flow Detection 210 Irrigation	\$0	\$0	\$0	\$0	\$0
Drip Field Cleanup	\$0	\$25,000	\$0	\$0	\$0
Pipe Liner	\$0	\$0	\$0	\$0	\$0
Drip Field Repairs	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Unanticipated Repairs	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
SUB-TOTAL	\$35,000	\$60,000	\$35,000	\$35,000	\$35,000

Hays 1 Allocation	\$17,910	\$30,702	\$17,910	\$17,910	\$17,910
Hays 2 Allocation	\$17,091	\$29,298	\$17,091	\$17,091	\$17,091

	Approved Budget FY2024	Approved Budget FY2025	Projected Budget FY2026	Projected Budget FY2027	Projected Budget FY2028
6981 - Joint Expenses					
Drip Field Mowing	\$45,000	\$72,100	\$72,100	\$72,100	\$72,100
Effluent Hydrants	\$150,000	\$0	\$0	\$0	\$0
210 Inspections & Repairs	\$160,000	\$160,000	\$145,000	\$145,000	\$145,000
SUB-TOTAL	\$355,000	\$232,100	\$217,100	\$217,100	\$217,100
Hays 1 Allocation	\$181,654	\$118,766	\$111,090	\$111,090	\$111,090
Hays 2 Allocation	\$173,347	\$113,334	\$106,010	\$106,010	\$106,010

JOINT FACILITIES SPLIT BASED ON SET PERCENTAGE					
Hays 1	50%	50%	50%	50%	50%
Hays 2	50%	50%	50%	50%	50%

6981 - Joint Expenses					
Joint Engineering Fees	\$20,000	\$60,000	\$20,000	\$20,000	\$20,000
SUB-TOTAL	\$20,000	\$60,000	\$20,000	\$20,000	\$20,000
Hays 1 Allocation	\$10,000	\$30,000	\$10,000	\$10,000	\$10,000
Hays 2 Allocation	\$10,000	\$30,000	\$10,000	\$10,000	\$10,000
Hays 1 Estimated Allocation	\$625,697	\$800,003	\$688,032	\$694,996	\$701,387
Hays 2 Estimated Allocation	\$670,827	\$874,072	\$753,716	\$761,587	\$768,812