RESOLUTION ADOPTING REVISED 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 amended operating and maintenance expenses and revenues for the district for the period of October 1, 2022 through September 30, 2023 and desires to adopt an amended 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 21st day of June, 2023.

Name: Samantha Bethke
President, Board of Directors

ATTEST:

Name: Sean McGillicuddy
Secretary, Board of Directors

[DISTRICT SEAL]

Exhibit "A"

[Final Version as adopted to be attached]

Hays County WCID No. 2
Approved Budget Amendment
Analysis of Approved Adjustments
Fiscal Year 2023

	Revenues	Expenses	Surplus/ (Deficit)
Adopted Budget	**3,952,366**	**3,873,961**	**78,405**
Proposed Adjustments:			
Interest Income Adjustment	210,000	-	
Hays 1 Joint Allocation	-	280,583	
Storm Cleanup	-	100,000	
Trail Adjustment	-	(115,000)	
Pinnacle Park Adjustment		(286,000)	
Legal Fees	-	20,550	
Debt Service Transfer	(200,000)	-	
Total	10,000	133	9,866
Proposed Amended Budget	**3,962,366**	**3,874,094**	**88,271**

June 21, 2023

Hays County WCID #2
Amended
Budget
October 1, 2022 - September 30, 2023

	Approved Budget FY2023	Budget Variance FY2023	Amended Budget FY2023	Projected Budget FY2024	Projected Budget FY2025	Projected Budget FY2026
Water Related Income						
4000 · Water Service Fees	745,000	0	745,000	745,000	745,000	745,000
4002 · PUA Surcharge	104,400	0	104,400	104,400	104,400	104,400
4300 · Water Tap Fee	0	0	0	0	0	0
Total Water Related Income	849,400	0	849,400	849,400	849,400	849,400
Water Related Expense						
6000 · PUA Bulk Water Purchases	318,935	0	318,935	334,882	351,626	351,626
6001 · LCRA Raw Water Purchase	43,126	0	43,126	49,595	57,034	57,034
6010 · Water Base Fee PUA	324,284	0	324,284	324,284	324,284	324,284
6070 · Raw Water Reservation Fee	49,621	0	49,621	49,621	49,621	49,621
6980 · Water Maintenance	68,000	0	68,000	49,500	49,500	0
7020 · Laboratory - Water	500	0	500	500	500	500
8650 · TCEQ Fees	2,500	0	2,500	2,500	2,500	2,500
Total Water Related Expense	806,966	0	806,966	810,882	835,065	785,565
Net Water Related	42,434	0	42,434	38,518	14,335	63,835

Hays County WCID #2

June 21, 2023

Amended

Budget

October 1, 2022 - September 30, 2023

	Approved Budget FY2023	Budget Variance FY2023	Amended Budget FY2023	Projected Budget FY2024	Projected Budget FY2025	Projected Budget FY2026
Sewer Related Income						
4100 · Wastewater Services Fees	282,240	0	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	282,240	0	282,240	293,530	305,271	305,271
Sewer Related Expense						
6100 · Electricity	9,500	0	9,500	9,690	9,884	9,884
6105 · Gas	2,500	0	2,500	2,550	2,601	2,601
6150 · Telephone	9,000	0	9,000	9,180	9,364	9,364
6920 - Sewer Televising Reserve	20,000	0	20,000	20,000	20,000	20,000
6980 · Operator Maintenance						
Lift Station	25,000	0	25,000	23,000	23,000	0
Sewer Maintenance	40,000	0	40,000	8,000	8,000	0
6981 · Joint Expenses						
6990 · Joint WWTP Expense	934,479	(280,583)	1,215,062	850,000	850,000	850,000
Total Sewer Related Expense	1,040,479	(280,583)	1,321,062	922,420	922,848	891,848
Net Sewer Related	(758,239)	(280,583)	(1,038,822)	(628,890)	(617,578)	(586,578)

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	Approved Budget FY2023	Budget Variance FY2023	Amended Budget FY2023	Projected Budget FY2024	Projected Budget FY2025	Projected Budget FY2026
Basic Services Revenues						
4415 · Basic Services	1,284,000	0	1,284,000	1,284,000	1,284,000	1,284,000
	1,284,000	0	1,284,000	1,284,000	1,284,000	1,284,000
Basic Services Expense						
6110 · Trash Services	288,421	0	288,421	302,842	317,984	317,984
	288,421	0	288,421	302,842	317,984	317,984
Net Basic Services	995,579	0	995,579	981,158	966,016	966,016

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	Approved Budget FY2023	Budget Variance FY2023	Amended Budget FY2023	Projected Budget FY2024	Projected Budget FY2025	Projected Budget FY2026
Overhead Related Income						
4200 · Service Application Fee	0	0	0	0	0	0
4210 · Security Services Revenue	0	0	0	0	0	0
4250 · Penalties	15,000	0	15,000	15,000	15,000	15,000
4260 · Penalties - Builders	0	0	0	0	0	0
4500 · Tap Inspection Fees	0	0	0	6,900	6,000	0
4600 · Customer Service Inspection Fee	0	0	0	27,600	24,000	0
4700 · Park Fees	0	0	0	34,500	30,000	0
4800 · Property Taxes	1,490,726	0	1,490,726	1,490,726	1,490,726	1,490,726
4850 · Property Tax Penalties/Interest	1,000	0	1,000	1,000	1,000	1,000
4900 · Interest Income	30,000	210,000	240,000	240,000	240,000	240,000
4959 · Miscellaneous Income	0	0	0	0	0	0
4960 · Transfer In/(Out)	0	(200,000)	(200,000)	0	0	0
Total Overhead Related Income	1,536,726	10,000	1,546,726	1,815,726	1,806,726	1,746,726
Overhead Related Expenses						
6101 · Electricity - Street Lights	1,040	0	1,040	1,061	1,082	1,082
6115 · Security Services	36,000	0	36,000	36,000	36,000	36,000
6120 · Mowing Facilities	1,836	0	1,836	1,854	1,873	1,873
6560 · Payroll Expenses	2,880	0	2,880	2,880	2,880	2,880
6751 · Director's Fees	36,000	0	36,000	36,000	36,000	36,000
6752 · Director's Expense	3,000	0	3,000	3,000	3,000	3,000
6800 · General Legal Fees	78,000	(20,550)	98,550	98,550	98,550	98,550
Legal Fees - Barrett	16,560	0	16,560	16,560	16,560	16,560
Legal Project Review	18,000	0	18,000	18,000	18,000	18,000
Paralegal	60,000	0	60,000	60,000	60,000	60,000
6851 · Legal Notices	2,000	0	2,000	2,000	2,000	2,000
6900 · General Engineering Fees	60,000	0	60,000	60,000	60,000	60,000
6975 · Base Fee Operations	243,004	0	243,004	250,294	257,803	265,537
6980 · Park Maintenance	109,000	0	109,000	9,000	9,000	0

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June 21, 2023

	Approved Budget FY2023	Budget Variance FY2023	Amended Budget FY2023	Projected Budget FY2024	Projected Budget FY2025	Projected Budget FY2026
6980 · Detention Pond	9,500	0	9,500	10,500	10,500	0
6985 · AMI Meters	14,400	0	14,400	15,120	15,876	15,876
6995 · Wet Pond Maintenance	7,000	0	7,000	7,000	7,000	7,000
7002 · Pavement Repairs	20,000	0	20,000	20,000	20,000	20,000
7100 · Audit Fees	17,500	0	17,500	17,500	17,500	17,500
7150 · Financial Advisor Fees	1,000	0	1,000	1,000	1,000	1,000
7151 · Accounting Fees	46,000	0	46,000	42,750	42,750	42,750
7375 · Tax Collector/Appraisal Fees	9,000	0	9,000	9,000	9,000	9,000
7550 · Common Area Landscape	280,032	0	280,032	288,433	297,086	297,086
7551 · Other Landscape Manintenance	30,000	0	30,000	33,000	36,300	39,930
7600 · Insurance	8,843	0	8,843	9,020	9,200	9,200
7875 · Election Expense	0	0	0	0	10,000	10,000
7881 · Website	1,000	0	1,000	1,000	1,000	1,000
7885 · Membership Dues	2,500	0	2,500	2,500	2,500	2,500
8050 · Miscellaneous Expense	2,000	0	2,000	2,000	2,000	2,000
8060 · Bank Service Charges	1,000	0	1,000	1,000	1,000	1,000
Storm Cleanup	0	(100,000)	100,000	0	0	0
9000 · Capital Expenditures	0	0	0			
Park Improvements	621,000	401,000	220,000	0	0	0
Total Overhead Related Expenses	1,738,095	280,450	1,457,645	1,055,022	1,085,460	1,077,324
Net Overhead Related	(201,369)	290,451	89,082	760,704	721,267	669,402
Total Revenues	3,952,366	10,000	3,962,366	4,242,656	4,245,397	4,185,397
Total Expenses	3,873,961	(132)	3,874,093	3,091,165	3,161,357	3,072,721
Net Income / Loss	78,405	9,868	88,273	1,151,491	1,084,040	1,112,676

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9/30/21 Audited Fund Balance			$5,397,075	$5,485,348	$6,636,839	$7,720,879
Net Income / Loss			$88,273	$1,151,491	$1,084,040	$1,112,676
Projected Fund Balance			$5,485,348	$6,636,839	$7,720,879	$8,833,556
Minimum 1 Year Reserve w/out Capital #	*$3,252,961*		*$3,654,093*	*$3,091,165*	*$3,161,357*	*$3,072,721*

2021		2022	2023	2024	2025
539,434,130		628,982,466	628,982,466	628,982,466	628,982,466
99%		99%	99%	99%	99%
0.2048		0.2394	0.2394	0.2394	0.2394
$ 1,093,713		$ 1,490,726	$ 1,490,726	$ 1,490,726	$ 1,490,726
2021		2022	2023	2024	2025
539,434,130		628,982,466	628,982,466	628,982,466	628,982,466
99%		99%	99%	99%	99%
0.6356		0.5526	0.5526	0.5526	0.5526
$ 3,394,357		$ 3,441,000	$ 3,441,000	$ 3,441,000	$ 3,441,000
0.8404		0.7920	0.7920	0.7920	0.7920