

**CERTIFICATE FOR SECOND AMENDED ORDER ADOPTING BUDGET
FOR FISCAL YEARENDING MARCH 31, 2023**

**THE STATE OF TEXAS
COUNTY OF HARRIS**

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 74

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We the undersigned officers of the Board of Directors (the "Board") of **HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 74** (the "District") hereby certify as follows:

The Board convened in regular session rescheduled, open to the public, on Wednesday, **January 11, 2023**, at 5:00 p.m., at the regular meeting place thereof, and the roll was called of the members of the Board, to-wit:

Ray Griggs	President
Ramiro Vasquez	Vice President
Sonia Gomez	Secretary
Jose Reyna	Treasurer/Investment Officer
Homero Campos	Director

All members of the Board were present with the exception of Griggs, thus constituting a quorum. Whereupon, among other business, the following was transacted at such meeting:


**SECOND AMENDED ORDER ADOPTING BUDGET FOR FISCAL YEAR
ENDING MARCH 31, 2023**

was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Order be adopted; and after full discussion, such motion, carrying with it the adoption of such Order prevailed, carried, and became effective by the following vote:

AYES: 4 NOES: 0

A true, full and correct copy of the aforesaid Order adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; such Order has been duly recorded in the Board's minutes of such Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such Meeting pertaining to the adoption of such Order; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board are duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of such Meeting, and that such Order would be introduced and considered for adoption at such meeting, and each of the officers and members consented, in advance, to the holding of such meeting for such purpose; and such Meeting was open to the public and public notice of the time, place, and purpose of such Meeting was given, all as required by Chapter 551 of the Texas Government Code and Section 49.063 of the Texas Water Code, as amended.

SIGNED this 11th day of January 11, 2023.


Secretary, Board of Directors


President, Board of Directors

WITNESS OUR HANDS AND THE SEAL OF THE DISTRICT this **11th day of January 2023**.

ATTEST:

Lorin Doman
Secretary, Board of Directors

(DISTRICT SEAL)

Ray Griggs
President, Board of Directors



**SECOND AMENDED ORDER ADOPTING BUDGET FOR FISCAL YEAR
ENDING MARCH 31, 2023**

**THE STATE OF TEXAS
COUNTIES OF HARRIS**

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 74

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WHEREAS, the Board of Directors (the "Board") of the **HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 74** (the "District") at its regularly meeting rescheduled to **January 11, 2023**, came to be heard a motion to adopt this Order Adopting Budget for Fiscal Year Ending **March 31, 2023**; and

WHEREAS, the Board having found it to be in the best interest of the residents of the District to do everything in its power to prepare and approve an annual budget; and

WHEREAS, the District shall contain a complete financial statement including a statement of:

- a. Outstanding obligations of the District;
 - b. The amount on hand to the credit of each fund of the District;
 - c. Amount of money received by the District for the previous year;
 - d. The amount of money available to the District from the previous year;
 - e. The amount of balances expected at the end of the year in which the budget is prepared;
 - f. The estimated amount of revenues and balances available to cover the proposed budget;
- and
- g. The estimated tax rate or fee revenues that will be required.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 74 THAT:

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Effective **January 11, 2023**, the District approves and adopts the proposed Revised Budget prepared by Sheryl Dodge the District's Bookkeeper which is attached hereto as **Exhibit A**; and

II.

The District's Bookkeeper shall prepare updated budgets as is required to proposed for amendment to the Board; and

III.

Upon presentation of an amended budget, the Board may approve the same.

Harris County WCID No 74

Budget Overview: FY_2022_2023 (Amended) - FY23 P&L

April 2022 - March 2023

	APR 2022	MAY 2022	JUN 2022	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022	DEC 2022	JAN 2023	FEB 2023	MAR 2023	TOTAL
Income													
14110 Water - Customer Service Revenue	46,906.08	50,309.70	51,424.63	67,685.69	51,116.53	56,729.13	50,587.71	50,676.96	51,461.25	48,950.00	52,666.01	46,466.31	\$625,000.00
14112 Pumpage Fee - COH	15,892.39	15,866.46	17,161.02	34,458.43	17,012.19	17,343.42	16,130.96	16,139.26	16,355.15	16,183.59	17,426.43	15,030.69	\$214,999.99
14130 Recompensation Fee	303.03	707.07	303.03	303.03	303.03	303.03	656.57	707.07	101.01	404.04	303.03	606.06	\$5,000.00
14140 Damage Fee	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$200.00
14145 Tag Fees	34.62	80.77	34.62	34.62	34.62	46.15	80.77	80.77	11.54	46.15	34.62	80.75	\$600.00
14150 Tap Connections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	\$2,500.00
14210 Sewer - Customer Service Fee	36,816.83	38,287.76	37,365.78	37,725.55	37,029.59	38,766.17	37,110.77	38,474.40	37,663.28	36,650.89	37,861.13	36,247.85	\$450,000.00
14220 Inspection Fees	0.00	0.00	83.33	0.00	0.00	0.00	83.33	254.90	0.00	328.44	0.00	0.00	\$750.00
14230 Grease Trap Inspection Fees	759.00	0.00	0.00	723.00	0.00	0.00	759.00	0.00	0.00	0.00	759.00	0.00	\$3,000.00
14240 Backflow Prevention Test	218.00	0.00	477.00	27.00	27.00	54.00	54.00	109.00	218.00	82.00	462.00	272.00	\$2,000.00
14310 Penalties & Interest	1,552.00	1,486.00	1,746.00	1,945.00	1,556.00	1,592.00	1,773.00	1,832.00	1,561.00	1,476.00	1,532.00	1,849.00	\$20,000.00
14330 Miscellaneous Income	0.00	0.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	500.00	0.00	0.00	\$1,000.00
14350 Tax Collections	46,850.00	11,123.00	21,933.00	5,287.00	11,651.00	9,836.00	3,052.00	30,208.00	0.00	208,081.00	373,301.00	114,528.00	\$835,850.00
14365 Interest Earned on Checking	35.00	13.00	8.00	7.00	8.00	7.00	9.00	7.00	6.00	7.00	6.00	12.00	\$125.00
14370 Interest Earned on Temp. Invest	549.00	601.00	4,225.00	531.00	526.00	500.00	499.00	457.00	5,160.00	592.00	553.00	807.00	\$15,000.00
14380 TCEQ Fees- Water	218.00	220.00	232.00	270.00	231.00	234.00	224.00	225.00	227.00	223.00	231.00	215.00	\$2,750.00
14385 TCEQ Fees- Sewer	218.00	220.00	232.00	270.00	231.00	234.00	224.00	225.00	227.00	223.00	231.00	215.00	\$2,750.00
14390 Trash Revenue-Single Residence	16,698.00	16,702.00	16,688.00	16,674.00	16,646.00	16,618.00	16,618.00	16,660.00	16,632.00	16,702.00	16,688.00	16,674.00	\$200,000.00
14400 Use of Prior Year Surplus	29,709.00	48,186.00	145,145.00	148,101.00	187,335.00	1,895,787.00	176,962.00	122,612.00	146,392.18	-165,614.00	-341,634.00	-68,324.00	\$2,324,457.18
Total Income	\$196,758.95	\$184,002.76	\$297,058.41	\$314,042.32	\$324,206.96	\$2,038,049.90	\$304,824.11	\$281,168.36	\$276,015.41	\$164,835.11	\$160,320.22	\$164,699.66	\$4,705,982.17
GROSS PROFIT	\$196,758.95	\$184,002.76	\$297,058.41	\$314,042.32	\$324,206.96	\$2,038,049.90	\$304,824.11	\$281,168.36	\$276,015.41	\$164,835.11	\$160,320.22	\$164,699.66	\$4,705,982.17
Expenses													
16100 Contract Operator	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	\$120,000.00
16105 Contract Labor	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	\$6,500.04
16120 City Pumpage Fee	-4,784.00	17,269.00	17,399.00	17,196.00	17,388.00	19,168.00	18,419.00	18,035.00	17,290.00	17,746.00	17,807.00	16,865.00	\$189,998.00
16130 Maintenance & Repairs	15,769.00	12,797.00	2,229.00	3,709.00	4,045.00	2,613.00	2,786.00	4,991.00	8,946.00	4,468.00	11,130.00	6,516.00	\$79,999.00
16135 Uniforms	1,284.00	483.00	501.00	956.00	483.00	523.00	760.00	788.00	684.00	577.00	540.00	422.00	\$8,001.00
16140 Chemicals/Other - Plant	1,487.00	1,581.00	2,736.00	1,685.00	2,611.00	1,685.00	3,345.00	1,483.00	2,020.00	1,675.00	1,107.00	3,586.00	\$25,001.00
16150 Laboratory Expense	1,970.00	629.00	647.00	629.00	629.00	647.00	914.00	897.00	917.00	629.00	817.00	673.00	\$9,998.00
16160 Utilities	10,622.00	10,543.00	10,266.00	9,385.00	11,925.00	11,179.00	10,852.00	11,588.00	12,215.00	11,277.00	11,039.00	11,110.00	\$132,001.00
16210 Inspection Expense	0.00	0.00	0.00	110.00	1,390.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$1,500.00
16230 Maintenance & Repairs - Sewer	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	6,666.67	\$80,000.04
16270 Equipment Rent/Lease	456.00	1,075.00	527.00	427.00	570.00	782.00	496.00	558.00	513.00	609.00	489.00	498.00	\$7,000.00
16290 Vehicle Repairs & Maintenance	525.00	43.00	1,287.00	0.00	53.00	0.00	5.00	387.00	378.00	516.00	1,102.00	3,204.00	\$7,500.00
16295 Fuel & Lubricants	615.00	225.00	208.00	36.00	103.00	348.00	288.00	324.00	483.00	0.00	187.00	182.00	\$2,999.00
16310 Meter Replacement	7,031.00	469.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$2,999.00
16330 Legal Fees	4,085.00	2,168.00	3,582.00	5,372.00	6,480.00	4,170.00	4,670.00	1,979.00	5,066.00	4,359.00	3,723.00	4,347.00	\$50,001.00
16335 Legal Fees - Delinquent Taxes	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	208.33	\$2,499.96
16340 Auditing Fees	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	\$13,500.00
16350 Engineering Fees	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	6,250.00	\$75,000.00
16360 Financial Advisor Fees	0.00	0.00	0.00	0.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	\$3,000.00
16380 Permit & Inspection Expense	0.00	0.00	0.00	0.00	29.00	7,292.00	6,887.00	6,793.00	0.00	0.00	0.00	0.00	\$21,001.00
16390 Telephone Expense	1,392.00	1,627.00	1,900.00	1,643.00	1,514.00	1,270.00	1,800.00	1,496.00	1,458.00	1,350.00	1,577.00	1,473.00	\$18,500.00
16410 Consulting Fees	2,916.67	2,916.67	2,916.67	2,916.67	2,916.67	2,916.67	2,916.67	2,916.67	2,916.67	2,916.67	2,916.67	2,916.67	\$35,000.04
16430 Bookkeeping Fees	6,140.00	7,939.00	7,461.00	7,507.00	3,575.00	3,254.00	4,015.00	1,882.00	4,641.00	4,851.00	5,275.00	3,461.00	\$60,001.00
16440 Outside Tax Collector	1,416.67	1,416.67	1,416.67	1,416.67	1,416.67	1,416.67	1,416.67	1,416.67	1,416.67	1,416.67	1,416.67	1,416.67	\$17,000.04
16445 Staff Education	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	\$2,000.04
16450 Legal Notices & Other Publ.	25.00	49.00	25.00	74.00	74.00	98.00	0.00	25.00	98.00	1,484.00	49.00	0.00	\$2,001.00
16460 Printing & Office Supplies	1,664.00	267.00	3,112.00	614.00	961.00	1,500.00	760.00	835.00	2,073.00	1,664.00	658.00	3,391.00	\$17,499.00

Harris County WCID No 74

Budget Overview: FY_2022_2023 (Amended) - FY23 P&L
April 2022 - March 2023

	APR 2022	MAY 2022	JUN 2022	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022	DEC 2022	JAN 2023	FEB 2023	MAR 2023	TOTAL
16465 Office Expense	458.00	458.00	1,323.00	458.00	1,388.00	619.00	458.00	916.00	458.00	549.00	458.00	458.00	\$8,001.00
16480 Delivery Expense	336.54	422.00	209.50	213.91	283.00	96.00	428.50	219.30	314.56	317.64	281.51	579.73	\$3,700.19
16510 Trash Service	18,779.00	18,763.00	18,796.00	18,786.00	18,850.00	18,834.00	19,618.00	19,615.00	19,077.00	19,614.00	19,620.00	19,648.00	\$230,000.00
16515 Waste Removal	3,709.00	2,225.00	2,225.00	1,484.00	1,582.00	3,165.00	2,225.00	1,484.00	1,484.00	2,225.00	2,225.00	2,267.00	\$27,000.00
16520 Postage	2,656.01	2,480.83	90.08	3,450.98	1,506.10	826.51	2,816.57	0.00	0.00	1,580.15	402.07	1,688.71	\$17,500.01
16530 Insurance & Surety Bond	27,907.00	0.00	0.00	0.00	0.00	0.00	0.00	2,977.00	44,116.00	0.00	0.00	0.00	\$175,000.00
16540 Travel Expense	39.00	0.00	853.00	0.00	78.00	78.00	0.00	39.00	39.00	892.00	41.00	41.00	\$2,100.00
16550 TCEQ Regulatory Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,000.00	0.00	0.00	0.00	\$7,000.00
16555 HCD Assessment Fee	941.67	941.67	941.67	941.67	941.67	941.67	941.67	941.67	941.67	941.67	941.67	941.67	\$11,300.04
16560 Miscellaneous Expense	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	\$500.04
16565 Meeting Expense	0.00	0.00	0.00	0.00	258.00	0.00	0.00	464.00	137.00	145.00	139.00	157.00	\$1,300.00
16570 AWBD Expense	0.00	2,910.00	239.00	0.00	1,157.00	0.00	582.00	0.00	0.00	2,267.00	139.00	1,366.00	\$8,500.04
16580 Bank Service Charge	856.00	706.00	558.00	609.00	573.00	579.00	563.00	549.00	575.00	644.00	669.00	618.00	\$7,499.00
16590 Dues & Subscriptions	291.67	291.67	291.67	291.67	291.67	291.67	291.67	291.67	291.67	291.67	291.67	291.67	\$3,500.04
16600 Salaries & Wages	17,186.00	17,315.00	18,015.00	25,783.00	17,487.00	18,144.00	18,210.00	18,096.00	28,690.00	18,493.00	18,793.00	18,778.00	\$235,000.00
16605 Payroll Tax Expense	2,065.00	2,078.00	2,073.00	2,944.00	2,113.00	2,179.00	2,186.00	2,110.00	3,209.00	2,085.00	2,278.00	2,179.00	\$27,499.00
16610 Unemployment Expense	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	\$12,000.00
16615 Retirement Premiums	916.67	916.67	916.67	916.67	916.67	916.67	916.67	916.67	916.67	916.67	916.67	916.67	\$11,000.04
16620 Medical/Dental/Vision Insurance	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	\$60,000.00
16630 Employee Life & STD Insurance	0.00	0.00	575.00	0.00	0.00	575.00	0.00	0.00	575.00	0.00	0.00	575.00	\$2,300.00
16640 Director Salaries	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	\$36,000.00
16645 Director Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00	0.00	0.00	\$5,000.00
16810 Bank and CC Fees	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	\$3,000.00
Total Expenses	\$163,007.91	\$145,255.19	\$137,569.94	\$143,805.25	\$137,848.46	\$140,357.87	\$146,795.43	\$139,263.66	\$203,189.92	\$145,750.15	\$141,239.94	\$145,616.80	\$1,789,700.52
NET OPERATING INCOME	\$33,751.04	\$38,747.57	\$159,488.47	\$170,237.07	\$186,358.50	\$1,897,692.03	\$158,028.68	\$141,904.70	\$72,825.49	\$19,084.96	\$19,080.28	\$19,082.86	\$2,916,281.65
Other Expenses													
17100 Capital Outlay	9,379.83	9,379.83	9,379.83	9,379.83	9,379.83	9,379.83	9,379.83	9,379.83	9,379.83	9,379.83	9,379.83	9,379.83	\$112,557.96
17130 Engineering Smoke Test Project	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	\$30,000.00
17133 Engineering AWIA R & R Assess	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$5,000.00
17141 Eng. WP #1 GST & WP #2 EST Rehab	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	16,666.67	\$100,000.02
17142 WP #1 GST & WP #2 EST Rehab	0.00	0.00	53,740.00	64,488.00	80,610.00	139,724.00	80,610.00	64,488.00	53,740.00	62,442.00	0.00	0.00	\$599,842.00
17160 Eastex Fwy Forest Sub W & S Imp	0.00	0.00	0.00	0.00	0.00	1,663,884.00	0.00	0.00	0.00	0.00	0.00	0.00	\$1,663,884.00
17161 Engineering ETX For Sub W&S Imp	0.00	0.00	41,666.67	41,666.67	41,666.67	41,666.67	41,666.67	41,666.67	0.00	0.00	0.00	0.00	\$250,000.02
17164 St. Lighting Improv. Phase 1&2	0.00	0.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	\$100,000.00
17165 Eng Hight Meadows W/L Feed Replac	0.00	0.00	11,666.67	11,666.67	11,666.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$35,000.01
17166 Permit Renewal	0.00	0.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	\$20,000.00
Total Other Expenses	\$28,546.50	\$33,546.50	\$147,619.84	\$158,367.84	\$174,489.84	\$1,885,821.17	\$146,156.50	\$130,034.50	\$77,619.83	\$86,321.83	\$23,879.83	\$23,879.83	\$2,916,284.01
NET OTHER INCOME	\$-28,546.50	\$-33,546.50	\$-147,619.84	\$-158,367.84	\$-174,489.84	\$-1,885,821.17	\$-146,156.50	\$-130,034.50	\$-77,619.83	\$-86,321.83	\$-23,879.83	\$-23,879.83	\$-2,916,284.01
NET INCOME	\$5,204.54	\$5,201.07	\$11,868.63	\$11,869.23	\$11,868.66	\$11,870.86	\$11,872.18	\$11,870.20	\$-4,794.34	\$-67,236.87	\$-4,799.55	\$-4,796.57	\$-2.36