CERTIFICATE OF ORDER

THE STATE OF TEXAS	§
COUNTY OF HARRIS	§
SUNBELT FRESH WATER SUPPLY DISTRICT	§

We, the undersigned officers of the Board of Directors (the "Board") of Sunbelt Fresh Water Supply District (the "District"), hereby certify as follows:

The Board convened in regular session, open to the public, on Tuesday, June 25, 2024, at 9:00 a.m., at 410 W. Gulf Bank Road, Houston, Texas 77037; and the roll was called of the members of the Board, to-wit:

Nathan Wade	President
Sandra Jaramillo	Vice President
Elizabeth Santiago	Secretary
Lynda Powell	Assistant Secretary
Ruben Salazar	Director

All members of the Board were present, thus constituting a quorum. Whereupon other business, the following was transacted at such meeting: A written

ORDER ADOPTING BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2025

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: 5 **NOES:** 0 **ABSTENTIONS:** 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 25 day of June, 2024.

Secretary, Board of Directors	President, Board of Directors

(DISTRICT SEAL)

{00436633 }

ORDER ADOPTING BUDGET FOR FISCAL YEAR ENDING JUNE 30, 2025

STATE OF TEXAS	§
COUNTY OF HARRIS	§
SUNBELT FRESH WATER SUPPLY DISTRICT	§

WHEREAS, SUNBELT FRESH WATER SUPPLY DISTRICT (the "District") is a political subdivision of the State of Texas, created pursuant to Article XVI, Section 59, Texas Constitution, and operating under the provisions of Chapters 49 and 54, Texas Water Code; and

WHEREAS, pursuant to Section 49.199(a) of the Texas Water Code and the rules and regulations of the Texas Commission on Environmental Quality, the District is required to adopt an annual budget for each fiscal year; and

WHEREAS, the Board of Directors of the District has previously determined that the District's fiscal year will be July 1 through June 30 of each year.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF SUNBELT FRESH WATER SUPPLY DISTRICT:

1. That the recitals contained hereinabove are found to be true and correct.

2. That the District hereby adopts the budget set forth on the attached Exhibit "A" as its annual budget for the fiscal year ending June 30, 2025.

3. That this Order shall be effective immediately upon its adoption.

(EXECUTION PAGE FOLLOWS)

WITNESS OUR HANDS AND THE SEAL OF THE DISTRICT this 25 day of June, 2024.

N. Wade
President, Board of Directors

ATTEST:

Elizabeth Santiago
Secretary, Board of Directors

Exhibit "A"

SUNBELT FWSD - OPERATING

Revenue Expenses - Budget Actual - Total District

	Jul 23 - Apr 24	Annualized	2023-2024 Budget	**2024-2025 Budget**
Operating Revenue/Expenses				
Revenue				
4200 · Water	2,805,353.19	3,366,423.83	3,095,880.00	**3,371,000.00**
4300 · Sewer	2,209,378.75	2,651,254.50	2,539,000.00	**2,657,000.00**
4350 · Industrial Waste Sampling	52,375.00	62,850.00	64,500.00	**64,400.00**
4351 · Industrial Waste Samp. Penalty	24,390.96	29,269.15	39,200.00	**35,200.00**
4460 · Grease Trap Inspection	51,988.77	62,386.52	60,800.00	**63,900.00**
4500 · Dis/Re Connect Fees	67,857.05	81,428.46	88,800.00	**80,400.00**
4600 · Penalties & Interest	158,849.10	190,618.92	185,600.00	**193,600.00**
4650 · Return Check Fees	9,702.00	11,642.40	13,000.00	**12,500.00**
4700 · Tap Fees	352,367.00	422,840.40	0.00	**0.00**
4800 · Set Up Fees	18,696.67	22,436.00	24,150.00	**23,100.00**
4900 · Door Hanger Charges	115,246.68	138,296.02	134,800.00	**142,200.00**
4950 · Write-Offs	0.00	0.00	(1,750.00)	**(1,750.00)**
4100 · Other Services Flow Through				
4110 · Republic Services Billed	1,255,799.04	1,506,958.85	1,254,000.00	**1,512,000.00**
4120 · Republic Services Expense	(1,168,078.16)	(1,401,693.79)	(1,283,228.97)	**(1,404,000.00)**
4130 · Administrative Fee Billed	120,963.81	145,156.57	271,110.00	**148,000.00**
4135 · Miscellaneous Services Billed	51,139.21	61,367.05	62,500.00	**64,500.00**
Total 4100 · Other Services Flow Through	259,823.90	311,788.68	304,381.03	**320,500.00**
4953 · Feasibility Studies	23,793.95	28,552.74	30,000.00	**30,000.00**
4953.5 · Feasibility Study Refunds	0.00	0.00	0.00	**(18,000.00)**
4954 · MUD 461 Water	7,503.79	9,004.55	18,500.00	**12,000.00**
4955 · Miscellaneous Income	0.00	0.00	15,000.00	**15,000.00**
4960 · COH GRP Revenue	2,310,388.27	2,772,465.92	2,367,000.00	**2,777,000.00**
4990 · Interest	56,803.79	68,164.55	14,000.00	**14,000.00**
Total Revenue	8,524,518.87	10,229,422.64	8,992,861.03	**9,810,050.00**
Cost of Goods Sold				
Water Operating Costs				
5200 · Operations	168,473.29	202,167.95	389,000.00	**223,000.00**
5205 · Bulk Water Purchased	957,480.81	1,148,976.97	1,065,000.00	**1,128,000.00**
5207 · COH Well Permit & Pumpage	536,206.07	643,447.28	20,500.00	**72,000.00**
5210 · Emergency Interconnect	184,312.91	221,175.49	30,000.00	**43,000.00**
5215 · Chemicals	77,800.23	93,360.28	138,600.00	**98,100.00**
5220 · Inspections	3,261.52	3,913.82	7,000.00	**4,500.00**
5225 · Laboratory Fees	65,948.24	79,137.89	45,000.00	**69,000.00**
5230 · Licenses & Permits	40,071.67	48,086.00	30,900.00	**49,400.00**
5235 · Maintenance & Repairs	1,224,320.61	1,469,184.73	1,040,250.00	**1,374,770.00**
5240 · Well Monitoring	2,700.00	3,240.00	0.00	**3,400.00**
5245 · Mowing	13,271.25	15,925.50	21,100.00	**19,600.00**
5255 · Telephone	2,862.90	3,435.48	4,000.00	**3,900.00**
5260 · Utilities	142,824.76	171,389.71	179,000.00	**176,000.00**
Total Water Operating Costs	3,419,534.26	4,103,441.11	2,970,350.00	**3,264,670.00**
Sewer Operating Costs				
5300 · Operations	156,690.97	188,029.16	159,250.00	**220,250.00**
5301 · AUC Contract Lease	100,000.00	120,000.00	120,000.00	**120,000.00**
5305 · Chemicals	129,776.92	155,732.30	128,000.00	**146,000.00**
5310 · Grease Trap Inspections	23,175.00	27,810.00	19,700.00	**23,100.00**
5325 · Laboratory Fees	82,200.50	98,640.60	146,000.00	**101,000.00**
5335 · Maintenance & Repairs	411,290.34	493,548.41	696,500.00	**969,500.00**
5345 · Mowing	14,463.75	17,356.50	21,700.00	**23,000.00**
5346 · Industrial Inspection Expense	50,842.50	61,011.00	69,050.00	**61,550.00**

SUNBELT FWSD - OPERATING

Revenue Expenses - Budget Actual - Total District

	Jul 23 - Apr 24	v Annualized	v 2023-2024 Budget	2024-2025 Budget
5350 · Sludge Removal	466,017.02	559,220.42	700,500.00	**567,000.00**
5355 · Telephone	1,717.74	2,061.29	2,400.00	**2,500.00**
5360 · Utilities	177,893.11	213,471.73	216,500.00	**221,500.00**
Total Sewer Operating Costs	1,614,067.85	1,936,881.42	2,279,600.00	**2,455,400.00**
Liftstation Operating Costs				
5380 · Maintenance & Repairs	43,157.61	51,789.13	70,600.00	**74,000.00**
5385 · Mowing	4,887.75	5,865.30	5,800.00	**7,400.00**
5390 · Telephone	1,717.74	2,061.29	2,400.00	**2,400.00**
5395 · Utilities	56,920.64	68,304.77	68,100.00	**69,100.00**
Total Liftstation Operating Costs	106,683.74	128,020.49	146,900.00	**152,900.00**
Total COGS	5,140,285.85	6,168,343.02	5,396,850.00	**5,872,970.00**
Gross Profit	3,384,233.02	4,061,079.62	3,596,011.03	**3,937,080.00**
Expenses				
6000 · Basic Operations	340,635.75	408,762.90	412,764.00	**410,000.00**
6005 · Billing Costs	108,507.22	130,208.66	149,800.00	**139,500.00**
6010 · Engineering	110,014.47	132,017.36	310,000.00	**310,000.00**
6015 · Administrative Costs	53,980.45	64,776.54	55,000.00	**65,000.00**
6025 · Audit	20,125.00	24,150.00	27,000.00	**27,000.00**
6030 · Automobile Expense	13,321.81	15,986.17	12,000.00	**16,000.00**
6035 · Bank Service Charges	4,261.23	5,113.48	2,500.00	**5,000.00**
6040 · Bookkeeping Fees	32,000.00	38,400.00	45,000.00	**39,000.00**
6045 · Computer Expense	40,055.09	48,066.11	50,000.00	**50,000.00**
6050 · Conferences & Seminars	11,215.74	13,458.89	15,000.00	**15,000.00**
6060 · Director Expenses of Office	3,134.45	3,761.34	2,000.00	**4,000.00**
6065 · Director Fees of Office	27,005.00	32,406.00	30,000.00	**33,000.00**
6072 · Election Expensitures	4,367.86	5,241.43	0.00	**0.00**
6075 · Employee Expenses	1,595.09	1,914.11	5,000.00	**2,500.00**
6080 · Equipment Rental	5,121.80	6,146.16	6,000.00	**6,200.00**
6085 · Gas & Electric	3,723.84	4,468.61	4,000.00	**4,500.00**
6090 · Insurance	225,484.80	270,581.76	205,000.00	**275,000.00**
6110 · Legal Services	160,213.62	192,256.34	190,000.00	**190,000.00**
6116 · Newspaper Publications	0.00	0.00	0.00	**1,000.00**
6125 · Maintenance & Repairs-Bldg	15,063.14	18,075.77	30,000.00	**25,000.00**
6130 · Maintenance & Repairs - Equip.	2,475.00	2,970.00	1,500.00	**3,000.00**
6140 · Miscellaneous	14,145.02	16,974.02	3,750.00	**7,500.00**
6145 · Mowing	1,159.25	1,391.10	2,700.00	**2,000.00**
6150 · Office Supplies	13,129.92	15,755.90	15,000.00	**16,000.00**
6155 · Payroll Expenses	25,823.78	30,988.54	30,000.00	**31,000.00**
6160 · Postage & Delivery	6,798.12	8,157.74	4,500.00	**8,200.00**
6165 · Printing & Reproduction	12,306.95	14,768.34	8,000.00	**15,000.00**
6170 · Professional Other	3,480.00	4,176.00	1,000.00	**4,200.00**
6175 · Retirement	1,023.12	1,227.74	1,800.00	**1,500.00**
6180 · Salaries - Management	41,366.96	49,640.35	50,000.00	**50,000.00**
6190 · Salaries/Wages - Cust. Service	141,451.48	169,741.78	158,000.00	**170,000.00**
6195 · Salaries/Wages - Meter Readers	93,781.07	112,537.28	75,000.00	**115,000.00**
6200 · Security	23,533.06	28,239.67	10,000.00	**5,000.00**
6205 · Telephone	4,223.01	5,067.61	12,000.00	**6,000.00**
6210 · Tools & Equipment	0.00	0.00	500.00	**500.00**
Total Expenses	1,564,523.10	1,877,427.72	1,924,814.00	**2,052,600.00**

Revenue Expenses - Budget Actual - Total District

	Jul 23 - Apr 24	v Annualized	v 2023-2024 Budget	**2024-2025 Budget**
Net Operating Revenue over Expenses/Expenses over Revenue Before Non-Operating Revenue/Expenses	1,819,709.92	2,183,651.90	1,671,197.03	**1,884,480.00**
Non-Operating Revenue/Expenses				
Non-Operating Expenses				
9003 · Capital Outlay - Meters/Boxes/Etc.	7,982.62	9,579.14	191,250.00	**30,000.00**
9004 · Capital Outlay - Engineering	161,786.56	194,143.87	568,317.00	**906,610.00**
9010 · Capital Outlay	1,273,071.74	1,527,686.09	6,846,072.00	**11,361,900.00**
9011 · Reimb. for Capital Outlay	(966,769.10)	(1,160,122.92)	(7,199,064.00)	**(11,661,395.00)**
9015 · Transfers for Debt Service	1,026,000.00	1,231,200.00	1,200,000.00	**1,231,200.00**
Total Non-Operating Expenses	1,502,071.82	1,802,486.18	1,606,575.00	**1,868,315.00**
Net Revenue over Expenses/Expenses over Revenue	317,638.10	381,165.72	64,622.03	**16,165.00**