

| NEWPORT MUNICIPAL UTILITY DISTRICT      |                     |                     |                   |                   |                   |                   |                   |                   |                   |                   |                    |                   |                     |                     |
|---|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|---------------------|---------------------|
| OPERATING FUND BUDGET                   |                     |                     |                   |                   |                   |                   |                   |                   |                   |                   |                    |                   |                     |                     |
| YEAR ENDING DECEMBER 31, 2023           |                     |                     |                   |                   |                   |                   |                   |                   |                   |                   |                    |                   |                     |                     |
|   |                     |                     |                   |                   |                   |                   |                   |                   |                   |                   | Adopted 12/17/2022 |                   |                     |                     |
| Garbage Count                           | 4102                | 4111                | 4120              | 4129              | 4138              | 4147              | 4156              | 4165              | 4174              | 4183              | 4192               | 4201              |                     |                     |
| Account Name                            | Jan                 | Feb                 | Mar               | Apr               | May               | Jun               | Jul               | Aug               | Sep               | Oct               | Nov                | Dec               | TOTALS              | 2022                |
| 4100 - Water Service Revenue            | \$ 180,000          | \$ 180,000          | \$ 180,000        | \$ 180,000        | \$ 180,000        | \$ 180,000        | \$ 180,000        | \$ 180,000        | \$ 180,000        | \$ 180,000        | \$ 180,000         | \$ 180,000        | \$ 2,160,000        | \$ 1,740,000        |
| 4101 - Groundwater Credits              | 100,000             | 123,000             | 15,100            | 5,588             | -                 | -                 | -                 | -                 | 17,653            | -                 | 17,653             | -                 | 278,994             | 249,800             |
| 4102 - SJRA Fee                         | 12,000              | 12,000              | 12,000            | 12,000            | 12,000            | 12,000            | 12,000            | 12,000            | 12,000            | 12,000            | 12,000             | 12,000            | 144,000             | 132,000             |
| 4120 - Reconnection Fees                | 2,945               | 2,945               | 2,945             | 2,945             | 2,945             | 2,945             | 2,945             | 2,945             | 2,945             | 2,945             | 2,945              | 2,945             | 35,340              | 36,000              |
| 4200 - Sewer Service Revenue            | 210,000             | 210,000             | 210,000           | 210,000           | 210,000           | 210,000           | 210,000           | 210,000           | 210,000           | 210,000           | 210,000            | 210,000           | 2,520,000           | 2,400,000           |
| 4310 - Tap Connection Fees              | 35,000              | 35,000              | 35,000            | 35,000            | 35,000            | 35,000            | 35,000            | 35,000            | 35,000            | 35,000            | 35,000             | 35,000            | 420,000             | 594,960             |
| 4320.1 - Maintenance Tax Revenue        | 648,832             | 2,055,286           | 246,149           | 50,088            | 33,509            | 13,902            | 20,172            | 12,140            | 16,859            | 6,043             | 2,534              | 80,911            | 3,186,425           | 2,164,538           |
| 4320.2 - Maint Tax - DA1 Operations     | -                   | -                   | 24,302            |                   |                   |                   |                   |                   |                   |                   |                    | 654               | 24,956              | 20,003              |
| 4325 - Park Rental                      | 10                  | 10                  | 10                | 10                | 10                | 10                | 10                | 10                | 10                | 10                | 10                 | 10                | 120                 | 600                 |
| 4330 - Penalty Interest & Late Fee      | 8,300               | 8,300               | 8,300             | 8,300             | 8,300             | 8,300             | 8,300             | 8,300             | 8,300             | 8,300             | 8,300              | 8,300             | 99,600              | 75,300              |
| 4333 - Collection & Return Check Fees   | 35                  | 35                  | 35                | 35                | 35                | 35                | 35                | 35                | 35                | 35                | 35                 | 35                | 420                 | 480                 |
| 4350 - Transfer Fees                    | 2,400               | 2,400               | 2,400             | 2,400             | 2,400             | 2,400             | 2,400             | 2,400             | 2,400             | 2,400             | 2,400              | 2,400             | 28,800              | 35,400              |
| 5391 - Interest on Temp Investments     | 42,000              | 42,000              | 42,000            | 42,000            | 42,000            | 42,000            | 42,000            | 42,000            | 42,000            | 42,000            | 42,000             | 42,000            | 504,000             | 8,400               |
| 5399 - Tower Site Revenue               | 29,265              | -                   | -                 | 5,493             | -                 | -                 | 5,493             | -                 | -                 | 5,493             | -                  | -                 | 45,744              | 31,602              |
| 5402 - Standby Fee Revenue              | 20                  | 20                  | 20                | 20                | 20                | 20                | 20                | 20                | 20                | 20                | 20                 | 20                | 240                 | 240                 |
| 5411 - Park FOBS                        | 390                 | 390                 | 390               | 390               | 390               | 390               | 390               | 390               | 390               | 390               | 390                | 390               | 4,680               | 4,680               |
| <b>TOTAL REVENUE</b>                    | <b>\$ 1,271,197</b> | <b>\$ 2,671,386</b> | <b>\$ 778,651</b> | <b>\$ 554,269</b> | <b>\$ 526,609</b> | <b>\$ 507,002</b> | <b>\$ 518,765</b> | <b>\$ 505,240</b> | <b>\$ 527,612</b> | <b>\$ 504,636</b> | <b>\$ 513,287</b>  | <b>\$ 574,665</b> | <b>\$ 9,453,319</b> | <b>\$ 7,494,003</b> |
| 6200 - Payroll Administration           | \$ 255              | \$ 255              | \$ 255            | \$ 255            | \$ 255            | \$ 255            | \$ 255            | \$ 255            | \$ 255            | \$ 255            | \$ 255             | \$ 255            | \$ 3,060            | \$ 1,800            |
| 6201 - Payroll Tax Expense              | 161                 | 459                 | 161               | 161               | 161               | 161               | 459               | 161               | 161               | 161               | 161                | 161               | 2,528               | 2,528               |
| 6202 - Billing & Computer Service       | 6,000               | 6,000               | 6,000             | 6,000             | 6,000             | 6,000             | 6,000             | 6,000             | 6,000             | 6,000             | 6,000              | 6,000             | 72,000              | 70,800              |
| 6203 - Computer Support (Aqua Metric)   | 2,671               | 2,671               | 2,671             | 2,671             | 2,671             | 2,671             | 2,671             | 2,671             | 2,671             | 2,671             | 2,671              | 2,671             | 32,052              | 36,000              |
| 6231 - Operations - Parks & Trails      | 26,418              | 26,418              | 26,418            | 26,418            | 26,418            | 26,418            | 26,418            | 26,418            | 26,418            | 26,418            | 26,418             | 26,418            | 317,016             | 317,016             |
| 6300 - Purchased Water Services         | 31,256              | 31,256              | 28,231            | 31,256            | 30,248            | 31,256            | 30,248            | 31,256            | 31,256            | 30,248            | 31,256             | 30,248            | 368,015             | 344,400             |
| 6310 - Director Fees                    | 2,100               | 6,000               | 2,100             | 2,100             | 2,100             | 2,100             | 6,000             | 2,100             | 2,100             | 2,100             | 2,100              | 2,100             | 33,000              | 33,000              |
| 6317 - Website Expenses                 | 1,300               | 1,300               | 1,300             | 1,300             | 1,300             | 1,300             | 1,300             | 1,300             | 1,300             | 1,300             | 1,300              | 1,300             | 15,600              | 18,000              |
| 6320 - Legal Fees                       | 11,000              | 11,000              | 11,000            | 11,000            | 11,000            | 11,000            | 11,000            | 11,000            | 11,000            | 11,000            | 11,000             | 11,000            | 132,000             | 132,000             |
| 6321 - Auditing Fees                    |                     | -                   | 15,500            | -                 | 5,500             | -                 | -                 | -                 | -                 | -                 | -                  | -                 | 21,000              | 20,000              |
| 6322 - Engineering Fees - General       | 22,500              | 22,500              | 22,500            | 22,500            | 22,500            | 22,500            | 22,500            | 22,500            | 22,500            | 22,500            | 22,500             | 22,500            | 270,000             | 210,000             |
| 6324 - Lab Supply & Equipment SWTP/WWTP | 2,000               | 2,000               | 2,000             | 2,000             | 2,000             | 2,000             | 2,000             | 2,000             | 2,000             | 2,000             | 2,000              | 2,000             | 24,000              | 24,000              |
| 6327 - Permit Fees - WP/LS/STP          | 270                 | 6,720               | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                  | 18,500            | 200                 | 25,690              |
| 6328 - Operations - L/S & STP           | 42,414              | 42,414              | 42,414            | 42,414            | 42,414            | 42,414            | 42,414            | 42,414            | 42,414            | 42,414            | 42,414             | 42,414            | 508,968             | 508,968             |
| 6329 - Operations - Manager base        | 4,601               | 4,601               | 4,601             | 4,601             | 4,601             | 4,601             | 4,601             | 4,601             | 4,601             | 4,601             | 4,601              | 4,601             | 55,212              | 55,212              |
| 6330 - Operator Billing Fees            | 62,801              | 62,801              | 62,801            | 62,801            | 62,801            | 62,801            | 62,801            | 62,801            | 62,801            | 62,801            | 62,801             | 62,801            | 753,612             | 753,612             |
| 6332 - Operations - WP & SWTP           | 79,338              | 79,338              | 79,338            | 79,338            | 79,338            | 79,338            | 79,338            | 79,338            | 79,338            | 79,338            | 79,338             | 79,338            | 952,056             | 952,056             |
| 6333 - Bookkeeping Fees                 | 3,820               | 3,790               | 4,270             | 3,700             | 3,520             | 3,700             | 3,520             | 3,700             | 3,520             | 3,700             | 3,520              | 5,220             | 45,980              | 33,600              |
| 6334 - Repairs & Maint - SWTP           | 6,500               | 6,500               | 6,500             | 6,500             | 6,500             | 6,500             | 6,500             | 6,500             | 6,500             | 6,500             | 6,500              | 6,500             | 78,000              | 50,400              |
| 6335 - Maintenance & Repairs - STP      | 9,000               | 9,000               | 9,000             | 9,000             | 9,000             | 9,000             | 9,000             | 9,000             | 9,000             | 9,000             | 9,000              | 9,000             | 108,000             | 72,000              |
| 6336 - Sludge & Waste Disposal          | 9,000               | 9,000               | 9,000             | 9,000             | 9,000             | 9,000             | 9,000             | 9,000             | 9,000             | 9,000             | 9,000              | 9,000             | 108,000             | 96,000              |

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|--|-------------------|---------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---|---------------------|--------------------|------------------|------------------|
| OPERATING FUND BUDGET  |                   |                     |                   |                   |                    |                    |                    |                    |                    |   |                     |                    |                  |                  |
| YEAR ENDING DECEMBER 31, 2023  |                   |                     |                   |                   |                    |                    |                    |                    |                    |   |                     |                    |                  |                  |
|  |                   |                     |                   |                   |                    |                    |                    |                    |                    |   | Adopted 12/17/2022  |                    |                  |                  |
| Garbage Count  | 4102              | 4111                | 4120              | 4129              | 4138               | 4147               | 4156               | 4165               | 4174               | 4183                                    | 4192                | 4201               |                  |                  |
| Account Name   | Jan               | Feb                 | Mar               | Apr               | May                | Jun                | Jul                | Aug                | Sep                | Oct                                     | Nov                 | Dec                | TOTALS           | 2022             |
| 6338 - Legal Notices   | 250               | -                   | -                 | 250               | -                  | -                  | -                  | -                  | -                  | 250                                     | -                   | -                  | 750              | 1,500            |
| 6340 - Printing and Office Supplies  | 400               | 400                 | 400               | 400               | 400                | 400                | 400                | 400                | 400                | 400                                     | 400                 | 400                | 4,800            | 1,200            |
| 6342 - Chemicals (SWTP)  | 14,500            | 14,500              | 14,500            | 14,500            | 14,500             | 14,500             | 14,500             | 14,500             | 14,500             | 14,500                                  | 14,500              | 14,500             | 174,000          | 150,000          |
| 6343 - Chemicals - WP  | 1,500             | 1,500               | 1,500             | 1,500             | 1,500              | 1,500              | 1,500              | 1,500              | 1,500              | 1,500                                   | 1,500               | 1,500              | 18,000           | 20,040           |
| 6344 - Chemicals - STP   | 7,500             | 7,500               | 7,500             | 7,500             | 7,500              | 7,500              | 7,500              | 7,500              | 7,500              | 7,500                                   | 7,500               | 7,500              | 90,000           | 90,000           |
| 6345 - Operations-Detention Ponds  | 2,982             | 2,982               | 2,982             | 2,982             | 2,982              | 2,982              | 2,982              | 2,982              | 2,982              | 2,982                                   | 2,982               | 2,982              | 35,784           | 20,064           |
| 6347 - Monitoring/Testing  | 2,500             | 2,500               | 2,500             | 2,500             | 2,500              | 2,500              | 2,500              | 2,500              | 2,500              | 2,500                                   | 2,500               | 2,500              | 30,000           | 13,200           |
| 6348 - Monitoring/Testing - STP  | 4,000             | 4,000               | 4,000             | 4,000             | 4,000              | 4,000              | 4,000              | 4,000              | 4,000              | 4,000                                   | 4,000               | 4,000              | 48,000           | 42,000           |
| 6340 - Postage   | 45                | 45                  | 45                | 45                | 45                 | 45                 | 45                 | 45                 | 45                 | 45                                      | 45                  | 45                 | 540              | 0                |
| 6342 - Chemicals (SWTP)  | 4,017             | 3,496               | 3,952             | 3,946             | 3,930              | 4,040              | 3,738              | 4,199              | 4,029              | 3,805                                   | 4,104               | 4,485              | 47,741           | 33,776           |
| 6353 - Insurance   | -                 | -                   | -                 | -                 | -                  | -                  | -                  | -                  | -                  | -                                       | 75,122              | -                  | 75,122           | 71,217           |
| 6354 - Travel Expenses   | 50                | 50                  | 50                | 50                | 50                 | 50                 | 50                 | 50                 | 50                 | 50                                      | 50                  | 50                 | 600              | 600              |
| 6355 - A W B D Expenses  | -                 | 5,000               | -                 | -                 | -                  | -                  | 5,000              | -                  | -                  | -                                       | 700                 | -                  | 10,700           | 10,700           |
| 6359 - Other Exp/Unclaimed Prop  | -                 | -                   | -                 | -                 | 6,177              | -                  | -                  | -                  | -                  | -                                       | -                   | -                  | 6,177            | 4,100            |
| 6360 - Utilities - STP   | 11,111            | 9,670               | 10,931            | 10,916            | 10,872             | 11,176             | 10,341             | 11,614             | 11,143             | 10,526                                  | 11,351              | 12,406             | 132,057          | 100,094          |
| 6361 - Telephone   | 1,945             | 1,945               | 1,945             | 1,945             | 1,945              | 1,945              | 1,945              | 1,945              | 1,945              | 1,945                                   | 1,945               | 1,945              | 23,340           | 21,600           |
| 6362 - Utilities - L/S   | 1,236             | 1,076               | 1,216             | 1,214             | 1,209              | 1,243              | 1,150              | 1,292              | 1,239              | 1,171                                   | 1,263               | 1,380              | 14,689           | 15,175           |
| 6363 - Utilities - WP  | 2,053             | 1,787               | 2,020             | 2,017             | 2,009              | 2,066              | 1,911              | 2,146              | 2,060              | 1,945                                   | 2,098               | 2,293              | 24,405           | 25,530           |
| 6370 - Tap Connection Expense  | 13,500            | 13,500              | 13,500            | 13,500            | 13,500             | 13,500             | 13,500             | 13,500             | 13,500             | 13,500                                  | 13,500              | 13,500             | 162,000          | 342,000          |
| 6382 - Arbitrage Expense   | -                 | -                   | -                 | -                 | -                  | -                  | -                  | -                  | -                  | -                                       | 4,200               | -                  | 4,200            | 5,000            |
| 6395 - Security Parks & Trails   | 3,000             | 3,000               | 3,000             | 3,000             | 3,000              | 3,000              | 3,000              | 3,000              | 3,000              | 3,000                                   | 3,000               | 3,000              | 36,000           | 36,000           |
| <b>6399 - Disposal Service - District</b>  | <b>64,565</b>     | <b>64,707</b>       | <b>64,849</b>     | <b>64,990</b>     | <b>65,132</b>      | <b>65,274</b>      | <b>68,686</b>      | <b>68,835</b>      | <b>68,984</b>      | <b>69,132</b>                           | <b>69,281</b>       | <b>69,430</b>      | <b>803,866</b>   | <b>762,085</b>   |
| 6407 - Repairs & Maint - District  | 67,800            | 67,800              | 67,800            | 67,800            | 67,800             | 67,800             | 67,800             | 67,800             | 67,800             | 67,800                                  | 67,800              | 67,800             | 813,600          | 600,000          |
| 6408 - Repairs & Maint - WP  | 4,300             | 4,300               | 4,300             | 4,300             | 4,300              | 4,300              | 4,300              | 4,300              | 4,300              | 4,300                                   | 4,300               | 4,300              | 51,600           | 24,000           |
| 6409 - Repairs & Maint - L/S   | 6,000             | 6,000               | 6,000             | 6,000             | 6,000              | 6,000              | 6,000              | 6,000              | 6,000              | 6,000                                   | 6,000               | 6,000              | 72,000           | 167,880          |
| 6410 - Repairs & Maint - Parks/Trails  | 5,700             | 5,700               | 5,700             | 5,700             | 5,700              | 5,700              | 5,700              | 5,700              | 5,700              | 5,700                                   | 5,700               | 5,700              | 68,400           | 54,000           |
| 6411 - R&M-Manholes/I&I/Valves   | 4,000             | 4,000               | 4,000             | 4,000             | 4,000              | 4,000              | 4,000              | 4,000              | 4,000              | 4,000                                   | 4,000               | 4,000              | 48,000           | 48,000           |
| 6492 - Repairs & Maint-Detention Ponds   | 6,400             | 6,400               | 6,400             | 6,400             | 6,400              | 6,400              | 6,400              | 6,400              | 6,400              | 6,400                                   | 6,400               | 6,400              | 76,800           | 76,680           |
| 6506 - Hydrant Maintenance   | 3,000             | 3,000               | 3,000             | 3,000             | 3,000              | 3,000              | 3,000              | 3,000              | 3,000              | 3,000                                   | 3,000               | 3,000              | 36,000           | 30,000           |
| 6510 - Records Management  | 250               | 250                 | 250               | 250               | 250                | 250                | 250                | 250                | 250                | 250                                     | 250                 | 250                | 3,000            | 3,000            |
| 7410 - TCEQ Assessment Fee   | -                 | -                   | -                 | -                 | -                  | -                  | -                  | -                  | -                  | -                                       | -                   | 23,400             | 23,400           | 20,700           |
| <b>TOTAL EXPENSE</b>   | <b>556,009</b>    | <b>569,131</b>      | <b>568,400</b>    | <b>555,720</b>    | <b>566,028</b>     | <b>556,186</b>     | <b>566,223</b>     | <b>560,473</b>     | <b>559,662</b>     | <b>558,208</b>                          | <b>658,826</b>      | <b>586,493</b>     | <b>6,861,360</b> | <b>6,560,908</b> |
| <b>NET REVENUE (DEFICIT)</b>   | <b>\$ 715,188</b> | <b>\$ 2,102,255</b> | <b>\$ 210,251</b> | <b>\$ (1,452)</b> | <b>\$ (39,419)</b> | <b>\$ (49,184)</b> | <b>\$ (47,458)</b> | <b>\$ (55,233)</b> | <b>\$ (32,050)</b> | <b>\$ (53,572)</b>                      | <b>\$ (145,539)</b> | <b>\$ (11,828)</b> | <b>2,591,958</b> | <b>933,096</b>   |
| Maint Tax Based on 2022 TEV \$936,209,161 X \$0.3473 /100 X 98% Collection<br>MTax-DA1 Ops Based on 2022 TEV \$=3,192,232 X \$0.7977 /100 X 98% Collection<br>Garbage Services - \$15.74 January to June 2023, \$16.53 (5% CPI-U) July to December, 2023 |                   |                     |                   |                   |                    |                    |                    |                    |                    |   |                     |                    |                  |                  |
| PRESENTED DRAFT #1: 11/17/2022   |                   |                     |                   |                   |                    |                    |                    |                    |                    | ADOPTED DRAFT #1: 11/17/2022            |                     |                    |                  |                  |
| Consolidated by:   |                   |                     |                   |                   |                    |                    |                    |                    |                    | McLennan & Associates, LP               |                     |                    |                  |                  |
| 1717 St. James Place, Suite 500, Box 45 Houston Texas 77056  |                   |                     |                   |                   |                    |                    |                    |                    |                    | Phone (281) 920-4000 Fax (281) 920-0065 |                     |                    |                  |                  |
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