



September 13, 2023

President and Board of Directors  
Harris County Water Control & Improvement District No. 110  
Harris County, Texas

Re: Levy of 2023 Tax Rate

Dear Board Members:

The Harris County Appraisal District has recently certified the 2023 value for your district at \$1,168,917,713 and an additional \$69,094,393 remains uncertified. The uncertified value is the Appraisal District's estimated minimum amount of value that will be ultimately certified by the Harris County Appraisal District. For the 2023 tax year, we anticipate the District will be classified as a Developing District for the purposes of determining the rollback tax rate. Last year, the District's value was certified at \$1,066,094,392 and the Board of Directors levied a total tax rate of \$0.33 per \$100 of assessed valuation. The tax rate was composed of a maintenance tax rate of \$0.15 per \$100 of assessed valuation and a debt service tax rate of \$0.18 per \$100 of assessed valuation. For illustration purposes, we have enclosed the cash flow analysis based upon our 2023 recommended debt service tax rate. This analysis is based upon the following assumptions:

- 1) A 2023 net taxable value of \$1,238,012,106 (an increase of approximately 16.13%);
- 2) 98% tax collections;
- 3) No growth beyond January 1, 2023;
- 4) Debt Service Fund balance of \$3,679,223 as of August 9, 2023;
- 5) Interest earnings of 2.50% on surplus funds; and
- 6) Adequate ending debt service coverage balances.

Based on this analysis, we are recommending the Board of Directors consider levying a 2023 total tax rate of \$0.305 per \$100 of assessed valuation composed of a maintenance tax rate of \$0.15 per \$100 of assessed valuation and a debt service tax rate of \$0.155 per \$100 of assessed valuation.

Sincerely,  
Robert W. Baird & Co. Incorporated

A handwritten signature in black ink, appearing to read "S. M. Eustis", with a long horizontal flourish extending to the right.

Stephen M. Eustis  
Managing Director

Enclosure(s)

## Harris County Water Control & Improvement District No. 110

### 2023 Debt Service Tax Rate Analysis

Year Ending 12/31	Beginning Fund Balance as of 08/09/2023	Fund Interest Earnings @ 2.500%	Other Income	Other Income	Prior Year AV	AV Growth Percentage	Tax Rate / \$100 of AV	Tax Collections @ 98.00%	Total Funds Available	Current Debt Service	Total Debt Service	Ending Balance	Debt Service Coverage %
2023	3,679,223	36,288	-	-	1,066,094,392		-	-	3,715,512	1,894,350	1,894,350	1,821,162	87.379%
2024	1,821,162	45,529	-	-	1,238,012,106	16.126%	0.155000	1,880,540	3,747,231	2,084,200	2,084,200	1,663,031	79.497%
2025	1,663,031	41,576	-	-	1,238,012,106		0.155000	1,880,540	3,585,147	2,091,950	2,091,950	1,493,197	71.059%
2026	1,493,197	37,330	-	-	1,238,012,106		0.155000	1,880,540	3,411,067	2,101,350	2,101,350	1,309,717	62.242%
2027	1,309,717	32,743	-	-	1,238,012,106		0.155000	1,880,540	3,223,001	2,104,250	2,104,250	1,118,751	53.197%
2028	1,118,751	27,969	-	-	1,238,012,106		0.155000	1,880,540	3,027,260	2,103,050	2,103,050	924,210	43.887%
2029	924,210	23,105	-	-	1,238,012,106		0.155000	1,880,540	2,827,856	2,105,900	2,105,900	721,956	44.943%
2030	721,956	18,049	-	-	1,238,012,106		0.155000	1,880,540	2,620,545	1,606,375	1,606,375	1,014,170	47.926%
2031	1,014,170	25,354	-	-	1,238,012,106		0.155000	1,880,540	2,920,065	2,116,125	2,116,125	803,940	
<b>Totals</b>		<b>287,943</b>	-	-			<b>Average Tax Rate:</b>	<b>0.155000</b>	<b>15,044,323</b>	<b>18,207,550</b>	<b>18,207,550</b>		

Maintenance taxes are levied at the discretion of the Board of Directors of the District. Should the Board determine that a maintenance tax is necessary, we estimate the following:

<b>2022 M&amp;O Tax Rate</b>	\$	0.15000	@ a 98.00% collections rate generated \$1,567,159.
<b>Proposed 2023 M&amp;O Tax Rate</b>	\$	0.15000	@ a 98.00% collections rate generates \$1,819,878.
<b>Parity M&amp;O Tax Rate</b>	\$	0.12920	@ a 98.00% collections rate generates \$1,567,521.
<b>M&amp;O Tax Rate to Balance Budget</b>	\$	0.22500	@ a 98.00% collections rate generates \$2,729,817.
<b>Maximum Authorized M&amp;O Tax Rate</b>	\$	0.15000	
<b>Value of One Penny</b>	\$	121,325	@ a 98.00% collections rate.

<b>Last Year's Average Homestead Value</b>	\$	227,655
<b>Last Year's Average Tax Bill</b>	\$	751
<b>This Year's Average Homestead Value</b>	\$	252,101
<b>This Year's Proposed Average Tax Bill</b>	\$	769
<b>Percentage Change</b>		2.35%
<b>Value of One Penny on This Year's Average Tax Bill</b>	\$	25

<b>Proposed 2023 Total Tax Rate</b>	\$	0.30500
<b>Parity Tax Rate</b>	\$	0.29800
<b>Type of District</b>		Developing District
<b>Total Rate to Avoid a Rollback Election</b>	\$	0.32180
<b>2023 M&amp;O Rollback Rate</b>	\$	0.14620 @ a 98.00% collections rate generates \$1,773,774.