

CERTIFICATE FOR ORDER

PORT O'CONNOR IMPROVEMENT DISTRICT

THE STATE OF TEXAS §

COUNTY OF CALHOUN §

We, the undersigned officers of the Board of Directors (the "Board") of Port O'Connor Improvement District (the "District"), hereby certify as follows:

1. The Board convened in special session, open to the public, on September 1, 2022, at the District's established meeting place outside the boundaries of the District, and the roll was called of the members of the Board, to-wit:

Danny McGuire	President
Mike Clifton	Vice-President
Nathan O'Neill	Secretary/Treasurer
Victor Mozisek	Assistant Vice-President
John "Red" Childers	Assistant Secretary

All members of the Board were present except the following absentee(s): Mike Clifton; thus constituting a quorum. Whereupon, among other business, the following was transacted at such meeting:

ORDER LEVYING TAXES

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

AYES: 4 NOES: _____

2. 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 said 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 was 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 such officers and members consented, in advance, to the holding of such meeting for such purpose; such meeting was open to the public, as required by law, and public notice of the time, place and purpose of such meeting was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code.

ORDER LEVYING 2022 TAXES

WHEREAS, the voters of Port O'Connor Improvement District (the "District") have authorized the issuance of bonds that are payable from ad valorem taxes at an election held for such purpose; and

WHEREAS, the resolution or resolutions authorizing such bonds require a general levy of taxes for the purposes of providing for interest and principal payments on such bonds, while any part of said principal or interest remains outstanding and unpaid; and

WHEREAS, the voters of the District have authorized the levy of a tax to pay for maintenance and operation expenses of the District and also for an additional tax to pay for maintenance and operation expenses of Defined Area No. 1 at elections held for such purposes; and

WHEREAS, the Board of Directors has reviewed and approved its operating budget for its fiscal year October 1, 2022-September 30, 2023 and has concluded that a maintenance tax for such purposes should be levied for the tax year 2022; and

WHEREAS, the District has complied with the provision of Section 49.236, Texas Water Code and conducted a Public Hearing on the Tax Rate as required therein:

WHEREAS, it is necessary for the Board of Directors to fix a specific rate of tax to be levied for the tax year 2022, based on the District's tax rolls for 2022, which have been prepared; Now, Therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS FOR PORT O'CONNOR IMPROVEMENT DISTRICT THAT:

Section 1: There is hereby levied an ad valorem tax of \$0.5090 on each \$100 of taxable property within the District for the tax year 2022 consisting of the following two (2) components: \$0.2477 to pay the District's debt service; and \$0.2613 to fund the District's maintenance and operation expenditures.

Section 2: There is hereby levied an additional ad valorem tax of \$.4910 on each \$100 of taxable property within the District for the tax year 2022 only on property within the boundaries of Defined Area No. 1 in order to provide for the maintenance and operation purposes specifically related to Defined Area No. 1.

Section 3: After paying reasonable costs of levying, assessing and collecting same, \$0.2477 of all taxes collected pursuant to Section 1 above, shall be deposited in the District's Debt Service Fund and shall be used solely for the purpose of paying interest on and principal of the District's outstanding bonds and paying the registrar fees; and the remaining amounts of all taxes collected shall be deposited in the District's Operating Fund or Defined Area No. 1 Fund, as applicable, and shall be used for the purposes of which such tax was authorized.

Section 4: The taxes levied hereby shall be delinquent if not paid by January 31, 2023.

Section 5: The Order shall be effective from and after its adoption.

Section 6: The President or Vice President is authorized to execute, and the Secretary or any Assistant Secretary to attest, this order on behalf of the Board of Directors.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL BE EFFECTIVELY RAISED BY 13.68% AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$8.20.

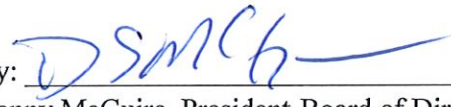
However, since the actual tax rate is decreased from the 2021 rate, the taxes on a \$100,000 home last year and the taxes on a \$100,000 home this year will decrease. A more accurate depiction is represented by the calculations of the Calhoun County Appraisal District on the Average Residential Homestead Taxable Value of \$194,561. The adopted tax rate, in that instance, will be effectively raised by 13.68% and will result in an annual increase of \$119.14 on the average residential homestead in the District.

PASSED AND APPROVED on this 1st day of September, 2022.

ATTEST:

PORT O'CONNOR IMPROVEMENT DISTRICT

By: 
Nathan O'Neill, Secretary-Board of Directors

By: 
Danny McGuire, President-Board of Directors

SIGNED this 1st day of September, 2022.

PORT O'CONNOR IMPROVEMENT DISTRICT

By: 
Nathan O'Neill, Secretary-Board of Directors

WATER DISTRICT NOTICE OF PUBLIC HEARING ON TAX RATE INCREASE

The Port O'Connor Improvement District will hold a public hearing on a proposed tax rate for the tax year 2022 on Thursday, September 1, 2022, 1:00 pm at its regular meeting site, the Port O'Connor Improvement District office, 39 Denman Drive, Port O'Connor, Texas. Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled hearings.

FOR the proposal: Danny McGuire, Nathan O'Neill, John Childers, Mike Clifton, and Victor Mozisek

ABSENT and not voting: None

Proposed Tax Rate: \$ 0.5090/\$100

No-New-Revenue Tax Rate:¹ \$0.4478/\$100a

Voter Approval Tax Rate:² \$0.4835/\$100

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year	This Year
Total Tax Rate	.5190/\$100	.5090/\$100
Difference in rates per \$100 of value		-\$0.01
Percentage increase/decrease in rates (+/-)		-1.93%
Average appraised residence homestead value	\$213,288	\$246,204
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	\$ 45,430	\$ 51,643
Average residence homestead taxable value	\$167,858	\$194,561
Tax on average residence homestead	\$ 871.18	\$ 990.32
Annual increase/decrease in taxes if proposed tax rate is adopted:		\$ +119.14
Percentage of increase (+/-):	+13.68%	

The additional Defined Area NO. 1 proposed tax rate is the difference between the adopted POCID tax rate and \$100. If the above is adopted, then the rate is: 0.4910/\$100; however, if a lower POCID rate is adopted, then this rate will rise accordingly for a total tax of \$1.00 combined.

¹ The No-New-Revenue tax rate is the tax rate for the 2022 tax year that will raise the same amount of property tax revenue for 2022 from the same properties in both the 2021 tax year and the 2022 tax year.

² The Voter Approved Tax Rate is the highest tax rate that Port O'Connor Improvement District may adopt without holding an election to seek voter approval of the rate.

NOTICE OF TAXPAYERS' RIGHT TO ELECTION TO REDUCE TAX RATE

If the District adopts a combined debt service, operation and maintenance, and contract tax rate that would result in the taxes on the average residence homestead increasing by more than eight percent, the qualified voters of the district by petition may require that an election be held to determine whether to reduce the operation and maintenance tax rate and the voter approved tax rate under Section 49.23603, Texas Water Code.

Your taxes owed under any of the tax rates mentioned above can be calculated as follows:

Property tax amount: tax rate x taxable value of your property/\$100

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.