



Greg Lentz

Director

August 23, 2016

Via E-mail: Kristine.Polian@leaguecitytx.gov

Ms. Kristine Polian

Director-Finance

City of League City

300 W. Walker Street

League City, Texas 77573

**Re: Galveston County Municipal Utility District No. 14 (the "District")
\$2,360,000 Combination Unlimited Tax and Revenue Bonds, Series 2019**

Dear Kristine:

The District is proposing to sell its \$2,360,000 Combination Unlimited Tax and Revenue Bonds, Series 2019 (the "Bonds") to finance water, sewer and drainage facilities. Pursuant to the attached "Restated Utility Agreement By and Between the District and the City of League City, Texas, as amended" (the "Utility Agreement"), the District is required to obtain City of League City approval prior to the sale of the Bonds. The terms and conditions of the Bonds and expenditure of funds are in compliance with the Utility Agreement, in particular, the District is in compliance with Section 6.02 of the Utility Agreement which stipulates maximum debt ratios allowed (see detail below).

The bond application and sale of the Bonds has been approved by the Texas Commission on Environmental Quality ("TCEQ"). We have attached the bond application report that includes a schedule showing the use of Bond proceeds and a no growth cash flow analysis related to the financing for your review. The District levied a 2018 tax rate of \$0.68 per \$100 of taxable assessed valuation (\$0.63 for debt service and \$0.05 maintenance) and authorized publishing its intent to levy a 2019 tax rate in the amount of \$0.590 per \$100 of taxable assessed valuation (\$0.545 for debt service and \$0.045 for maintenance). The District's 2019 Taxable Assessed Valuation as of January 1, 2019 and Estimated Taxable Assessed Valuation as of August 1, 2019, as provided by the Galveston Central Appraisal District, is \$319,986,238 (\$310,910,657 of certified value and \$9,075,581 of uncertified value) and \$329,864,034, respectively. The District's outstanding debt assuming issuance of the Bonds will be \$11,750,000. The ratios of outstanding debt to 2019 Taxable Assessed Valuation as of January 1, 2019 and Estimated Taxable Assessed Valuation as of August 1, 2019 is 3.67% and 3.56%, respectively. **There is no tax rebate associated with the District.**



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The District would like to sell the Bonds on or around Monday, October 21, 2019, and in connection therewith, the District would like to obtain League City approval as soon as possible.

Please let us know if you need any additional information.

Thank you for your assistance with this financing.

Sincerely Yours,

A handwritten signature in blue ink, appearing to read 'Greg Lentz', with a large, stylized flourish at the end.

Greg Lentz
Director

Enclosures

cc: Mr. Matthew Reed, Schwartz, Page & Harding, L.L.P.
Mr. Kevin Gieske, Schwartz, Page & Harding, L.L.P.
Ms. Julie Peak, Masterson Advisors LLC