



Capital
Markets

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January 31, 2020

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

Ms. Kristine Polian

City of League City

300 West Walker

League City, Texas 77573

Re: Galveston County Municipal Utility District No. 44
\$3,250,000 Unlimited Tax Bonds, Series 2020

Dear Ms. Polian:

The Board of Directors of the Galveston County Municipal Utility District No. 44 (the "District") has authorized submission to the Texas Commission on Environmental Quality ("TCEQ") for the approval of the sale of Bonds to reimburse the developer in the District for the construction of underground utilities pursuant to an agreement between the District and the developer. The District will meet on February 4, 2020 to authorize its consultants to proceed with the issuance of its Unlimited Tax Bonds, Series 2020, subject to receipt of the Order and Staff Memo from the TCEQ. The TCEQ completed their review process, and provided their Order and Staff Memo on January 21, 2020. The Bonds are the eighth installment of bonds issued by the District.

Under the terms of Utility Agreement between the District and the City dated April 8, 2003, Bonds may be sold by the District only with the approval of the City Council. The terms and conditions of the Bonds and expenditure of funds are in compliance with the Utility Agreement. Therefore, the District respectfully requests Council consideration and approval at the earliest possible Council Meeting.

The following information has been included for staff review:

1. Draft of the Preliminary Official Statement
2. Debt service schedule on the proposed Series 2020 Bonds;
3. Cash flow showing economic feasibility – all debt;
4. Schedule of Events.

Proceeds of the sale of the Bonds will be used for:

1. Water, Sewer, and Drainage Projects ("WSD") to serve Tuscan Lakes Section 50-5
2. WSD to serve the Village at Tuscan Lakes Section 3-2
3. WSD to serve Tuscan Lakes Section 55-1
4. WSD to serve Tuscan Lakes Section 60-1

5. Engineering for Items No. 1-4
6. Geotechnical for Items No. 1-4
7. Surveying for Items No. 1-4
8. Stormwater Consulting for Items No. 1-4
9. Water and wastewater impact fees (Capital Recovery Fees)
10. Certain financing, legal and other costs related to the issuance of the Bonds.

It is anticipated that the issuance of the Bonds will result in no increase to the District's adopted 2019 tax rate of \$0.80 per \$100 of taxable assessed valuation, split into \$0.73 for debt service and \$0.07 for maintenance. The District's 2019 Certified Assessed Valuation as provided by the Galveston Central Appraisal District is \$240,640,960 as of January 1, 2019, and the District's Estimate of Value as of January 1, 2020, as provided by the Galveston Central Appraisal District is \$273,818,004.

Thank you very much for your consideration of our request. If you have any questions, please do not hesitate to call me at 713-651-3342.

Sincerely yours,



Mr. Loren Morales
Director

cc: Mr. Davis Bonham Smith Murdaugh Little & Bonham, LLP
Mr. John Pickens LJA Engineering, Inc.

Enclosure