



Anthea Moran
Managing Director

May 15, 2019

Via E-mail: kristine.polian@leaguecitytx.gov

Ms. Kristine Polian
Director of Finance City of League City
300 West Walker
League City, Texas 77573

**Re: Galveston County Municipal Utility District No. 39 (the “District”)
\$5,220,000* Unlimited Tax Refunding Bonds, Series 2019 (the “Bonds”)**

Dear Kristine:

At a meeting on Tuesday, May 5, 2019, the District’s Board of Directors approved proceeding with issuing its second series of refunding bonds by private placement. Pursuant to the “Restated Utility Agreement between the District and the City of League City, Texas” (the “Utility Agreement”), particularly Section 5.02, the District is required to obtain City of League City approval prior to the sale of bonds. The terms and conditions of the Bonds and expenditure of funds are in compliance with the Utility Agreement.

The purpose of the Bonds is to currently refund and defease portions of the District’s Unlimited Tax Bonds, Series 2006A, Series 2009 and Series 2011. The Bonds are structured with the same maturity schedule as the bonds being refunded (NO EXTENSION OF DEBT). This financing, as prepared May 2, 2019, is projected to provide 12.05% in present value savings (\$579,588) and \$718,746 of gross savings. We have attached a copy of the refunding analysis, including the savings report for your review. The District levied a total 2018 tax rate of \$0.61 per \$100 of taxable assessed valuation (\$0.57 for debt service and \$0.04 for maintenance). The District’s 2018 Certified Taxable Assessed Valuation is \$387,730,489 and the 2019 Preliminary Taxable Assessed Valuation is \$397,934,480, as provided by the Galveston Central Appraisal District.

**Preliminary, subject to change.*

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The attached analysis reflects a bond issue in the principal amount of \$5,220,000. **We are requesting that League City approval be for an amount “not to exceed \$5.750.000.” which allows for fluctuations resulting from changes in the market and interest rates.** The District would like to sell the Bonds as soon as possible and capture all possible savings. Please let us know if you need any additional information.

Thank you for your assistance with this financing.

Sincerely yours,

/s/

Anthea W. Moran
Managing Director

Enclosure

cc: Mr. Greer Pagan, Allen Boone Humphries Robinson LLP
Ms. Shannon Lucas, Allen Boone Humphries Robinson LLP
Ms. Anthea Moran, Masterson Advisors LLC
Mr. Spencer Day, Masterson Advisors LLC

By: _____
Name: _____
Title: _____