



January, 2015  
RG-178

# Galveston County M.U.D. No. 45 First Bond Application Report

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Water Supply Division

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

# Galveston County M.U.D. No. 45 First Bond Application Report

Prepared by  
Dannenbaum Engineering Corp

January, 2015

4341-81

# BOND APPLICATION REPORT

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## **ABBREVIATIONS**

The following abbreviations are used in the report:

ac – acres  
Amt. – amount  
AV – assessed valuation  
BIR – bond-issue requirement  
ESFC—equivalent single-family connection.  
ETJ – extraterritorial jurisdiction  
et.seq. – and the following ones  
fps – feet per second  
gpd – gallons per day  
gpm – gallons per minute  
mgd – million gallons per day  
MUD – municipal utility district  
TAC – Texas Administrative Code  
TCEQ – Texas Commission on Environmental Quality

GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 45  
GALVESTON COUNTY  
\$9,000,000  
FIRST BOND ISSUE

**SECTION 1 — GENERAL INFORMATION**

**(A) Laws, Elections, and Acreage:**

- (i) **Authority Creating District:** Galveston County Municipal Utility District No. 45 was created by the Texas Commission on Environmental Quality on October 21, 2004.
- (ii) **Governing Law:** The District is operating under the authority of Chapters 49 and 54 of the Texas Water Code and is subjected to the jurisdiction of the Texas Commission on Environmental Quality under said chapters specifically Senate 54.024 therein.
- (iii) **Confirmation Election:** The creation of the District was confirmed in an election on November 7, 2006 by a vote of 2 to 0. (Attachment 1)
- (iv) **Acreage:** At creation, the District contained 593.48 acres. Since the District was created, additional land has been annexed into the District as reflected below:

DATE	AREA ANNEXED	RESULTING DISTRICT AREA
April 4, 2006	256.382 acres	849.862 acres
November 12, 2006	65.44 acres	915.302 acres

- (v) **Boundary Map:** A current District boundary map is included as Attachment 3.

**(B) Location:**

Attachment 4 shows the location of the District with respect to the City of Houston.

**SECTION 2 — PROPOSED BOND ISSUE**

**(A) Purpose:**

The District proposes, with the proceeds from this bond issue, to provide water distribution, sanitary sewer collection, storm drainage, detention facilities for South Shore Boulevard, Phase 1, Hidden Lakes, Sections 1, 2 and 3 (Phase 1). Proceeds of this bond issue will also be used to pay for detention land, creation expenses and operation advances and the expenses for bond issuance.

**(B) Bond and Maintenance Tax Authorization:**

**(i) Bond Authorization:**

On November 7, 2006, the voters of the District authorized issuance of \$94,000,000.00 in water, sewer and drainage bonds, \$6,500,000.00 in park bonds and \$61,000,000.00 in refunding bonds. A copy of the Order Calling and the Order Canvassing the election are included as Attachment 2.

Date of Election	Purpose	Amount Approved	Amount Cancelled
Nov. 7, 2006	Water, Wastewater, Drainage	\$94,000,000	0
	Park/Recreation	\$6,500,000	0
	Refunding	\$61,000,000	0

**(ii) Maintenance Tax:**

Date of Election	Purpose	Maximum Tax Approved (per each \$100 of AV)	Cancelled Prior Authorization
Nov. 7, 2006	General Operating	\$1.50	\$0.00

**(C) Prior Bond Issues: This is the first bond issue.**

\* Remaining bonds are sufficient to complete development in the District.

**(D) Type:**

The voters of the District have approved unlimited tax bonds. The District seeks Commission approval to issue unlimited tax bonds.

**(E) Interest Rate:**

The District petitions the Commission's approval of a 5.50% interest rate for this proposed issuance of bonds.

**(F) Land-Use Plan:**

Attachment 6 shows proposed bond projects through this bond issue.

**(G) Recreational Facilities:**

No recreational facilities are being included in this bond issue.

**(H) Roads: Does the District have authority to fund roads? \_\_\_\_\_ Yes X No.**

Not at this time.

### SECTION 3 — FACILITIES PROPOSED FOR FUNDING

#### (A) Purchase of Existing Facilities and/or Assumption of Existing Contracts:

CONTRACT DESCRIPTION	CONTRACTOR	PERCENT COMPLETE	TOTAL CONTRACT	DISTRICT	
South Shore Boulevard – Phase 1	Vintage Contracting	100%	\$1,064,362	\$1,064,362	(1)
Hidden Lakes – Section 1	SER Construction Partners, Inc.	100%	\$665,339	\$665,339	(2)
Hidden Lakes – Section 2	SER Construction Partners, Inc.	100%	\$1,857,020	\$1,610,567	(3)
Hidden Lakes, Section 3, Phase 1	Bay Utilities	100%	\$647,252	\$647,252	(4)
Linear Detention	Bonterre Construction	100%	\$924,881	\$924,881	(5)
Sand Pit/Detention	Lindsey Construction	100%	\$358,354	\$358,354	(6)

#### NOTES:

- (1) Water, sanitary sewer and storm sewer line which served first sections of residential and commercial development.
- (2) Internal water, sanitary sewer and storm sewer line to serve residential subdivision. Wet sand construction techniques were required.
- (3) Internal water, sanitary sewer and storm sewer line to serve residential subdivision. Wet sand construction techniques were required which resulted in increased contract costs. Only sanitary sewer, storm sewer and SWPPP are to be reimbursed in this bond issue. Water distribution will be reimbursed in a future bond issue.
- (4) Internal water, sanitary sewer and storm sewer line to serve residential subdivision. Section 3, Phase 1 underground utilities was a portion of a larger contract which also included Sections 4 and 5, Phases 1a and 1b. The total final contract amount was \$1,814,983.
- (5) Linear detention basins from South Shore Boulevard to Gum Bayou connecting through the existing sand pit. The result of this lowered the water surface of the sand pit and created detention.
- (6) Sand pit detention sloped the side slopes of the sand pit to produce maintainable slopes and provided detention outfall structure, safety shelf and grassing.



**(B) Facilities to be Constructed or Facilities Under Construction:**

To be funded by Future Bond Sales.

<b>CONTRACT DESCRIPTION</b>	<b>CONTRACTOR</b>	<b>PERCENT COMPLETE</b>	<b>TOTAL CONTRACT</b>	<b>DISTRICT</b>	
South Shore Boulevard – Phase 3	Bay Utilities	100%	\$22,253.28	\$22,253.28	
South Shore Boulevard – Phase 4	Triple B Services	100%	\$9,410.00	\$9,410.00	
Bishop’s Bridge Drive	Triple B Services	95%	\$445,328.50	\$445,328.50	
Hidden Lakes, Section 3, Phase 2	Bay Utilities	90%	\$549,968.00	\$549,968.00	
Hidden Lakes, Section 4, Phase 1	Bay Utilities	100%	\$565,304.12	\$565,304.12	
Hidden Lakes, Section 5, Phase 1	Bay Utilities	100%	\$580,173.43	\$580,173.43	
Hidden Lakes, Section 6	Triple B Services	100%	\$328,288.50	\$328,288.50	
Hidden Lakes, Section 7	Triple B Services	100%	\$612,252.50	\$612,252.50	
Hidden Lakes, Section 8	Triple B Services	90%	\$931,249.00	\$931,249.00	
Hidden Lakes Detention, Rough Cut	Lindsey Construction, Inc	100%	\$917,036.80	\$917,036.80	
Hidden Lakes Detention, Final Cut	R Construction	99%	\$3,582,061.00	\$3,582,061.00	

## SECTION 4 — SUMMARY OF COSTS

ITEM	AMOUNT	
<b>A. CONSTRUCTION COSTS</b>		
1. League City Water & Sewer Impact Fee@\$5,634/ea.	\$77,240.00	(6)
2. Detention Land – Estimated		
a. Lawrence Road	\$ 128,350.00	(7)
b. Linear Detention	\$ 381,008.00	(7)
c. Sand Pit Detention	\$1,069,817.00	(7)
3. Linear Detention	\$ 924,881.00	(3)
4. South Shore Boulevard, Phase 1	\$1,064,362.00	(1)
5. Hidden Lakes, Section 1	\$ 665,339.00	(2)
6. Hidden Lakes, Section 2	\$1,610,527.00	(5)
7. Hidden Lakes, Section 3, Phase 1	\$ 647,252.00	(8)
8. Sand Pit Detention	\$ 358,354.00	(4)
<b>TOTAL CONSTRUCTION COSTS</b>	<b>\$6,927,130.00</b>	(9)
<b>B. NONCONSTRUCTION COSTS</b>		
1. Legal Fees (est. @ 2.6%)	\$ 220,000.00	
2. Fiscal Agent (2%)	\$ 180,000.00	
3. Bond Discount (3%)	\$ 270,000.00	
4. Capitalized Interest (2 years @ 5.5%)	\$ 990,000.00	
5. Operating Advances	\$ 186,356.00	(10)
6. Creation Expenses	\$ 100,000.00	
7. Bond Application	\$ 50,000.00	
8. AG/TCEQ (0.35%)	\$ 31,500.00	
9. Bond Issuance Expenses	\$ 45,014.00	
<b>TOTAL NONCONSTRUCTION COSTS</b>	<b>\$2,072,870.00</b>	
<b>TOTAL BOND ISSUE REQUIREMENT</b>	<b>\$ 9,000,000.00</b>	(9)
(23% of B.I.R.)		

### NOTES:

- (1) Water, sanitary sewer and storm sewer line which served first sections of residential and commercial development.
- (2) Internal water, sanitary sewer and storm sewer line to serve residential subdivision. Wet sand construction techniques were required.
- (3) Linear detention basins from South Shore Boulevard to Gum Bayou connecting through the existing sand pit. The result of this lowered the water surface of the sand pit and created detention.
- (4) Sand pit detention sloped the side slopes of the sand pit to produce main table slopes and provided detention outfall structure, safety shelf and grassing.

- (5) Internal water, sanitary sewer and storm sewer line to serve residential subdivision. Wet sand construction techniques were required which resulted in increased contract costs. Only sanitary sewer, storm sewer and SWPPP are to be reimbursed in this bond issue. Water distribution will be approved in a future bond issue.
- (6) Impact Fees are not to be reimbursed for lots in Hidden Lakes, Sections 1, 2, 3 (Phase 1), Section 4 (Phase 1), Section 5 (Phase 1), but will be reimbursed for HEB Store (see Attachment 45 for impact fees for HEB Store). Future residential sections may be reimbursed for impact fee.
- (7) See Attachment 10.
- (8) Internal water, sanitary sewer and storm sewer line to serve residential subdivision. Section 3, Phase 1 underground utilities was a portion of a larger contract which also included Sections 4 and 5, Phases 1a and 1b. The total final contract amount was \$1,814,983.
- (9) Engineering and Developer interest for these projects to be reimbursed in future bond issues.
- (10) From inception through 2012

## SECTION 5 — DEVELOPMENT STATUS AND LAND USE

### (A) Land-Use Table:

The following information represents development as of November 1<sup>st</sup>, 2014

LAND USES	ACREAGE	EQUIVALENT CONNECTIONS	
		EXISTING	PROJECTED
<b>Developable Acreage:</b>			
Developed from prior bond issues	0	0	0
To be developed from the bonds	145.48	131	288
Currently developed with facilities to be funded in future bonds:	176.36	36	354
Remaining developable acreage:	402.442	-	-
Clear Creek I.S.D.	135	<b>200</b>	<b>200</b>
<b>Subtotal Developable Acreage:</b>			
<b>Undevelopable Acreage:</b>			
Streets: South Shore Boulevard, Lawrence and Bishops Bridge, Roads:	21.7	-	-
Drainage Easements:	42.15	-	-
Parks, Recreational and Open Spaces			
Other: (Water Plant and Texas/New Mexico Easement)	<u>10.23</u>	-	-
<b>Subtotal Undevelopable Acreage:</b>			
<b>Total</b>	<b>915.302</b>	<b>367</b>	<b>842</b>

### (B) Status of Development from Prior Bond Issues:

This is the first bond issue for this District.

**(C) Development from Proposed Bonds:****PROPOSED DEVELOPMENT  
(Proposed Bonds)**

<b>SECTION</b>	<b>TYPE OF DEVELOPMENT</b>	<b>NO. OF LOTS</b>	<b>ACREAGE</b>	<b>EQUIVALENT CONNECTIONS EXISTING</b>	<b>AT FULL DEVELOPMENT</b>
Hidden Lakes, Section 1	Single Family	98	28.29	34	98
Hidden Lakes, Section 2	Single Family	116	40.90	38	116
Hidden Lakes, Section 3, Phase 1	Single Family	74	16.71	59	74
South Shore* Boulevard	Road	N/A	17.43	0	0
Linear Detention	Detention	N/A	18.53	0	0
Lawrence Road Detention	Detention	N/A	1.84	0	0
Sand Pit Detention	Detention	N/A	21.78	0	0
<b>TOTALS</b>		<b>288</b>	<b>145.48</b>	<b>131</b>	<b>288</b>

\*Only Phase 1 is included in bond issue.

**(D) Development from Future Bonds (by Section if Available):**

<b>SECTION</b>	<b>TYPE OF DEVELOPMENT</b>	<b>NO. OF LOTS</b>	<b>ACREAGE</b>	<b>EQUIVALENT CONNECTIONS EXISTING</b>	<b>AT FULL DEVELOPMENT</b>
Bishop's Bridge Drive	Street/Recreation Open Space	0	6.74	0	5
Hidden Lakes, Section 4, Phase 1	Single Family	45	35.43	7	45
Hidden Lakes, Section 5, Phase 1	Single Family	69	20.04	13	69
Hidden Lakes, Section 6	Single Family	42	12.94	0	42
Hidden Lakes, Section 7	Single Family	57	39.34	0	57
Hidden Lakes, Section 8	Single Family	43	19.75	0	43
Hidden Lakes, Section 3, Phase 2	Single Family	56	9.15	0	56
Hidden Lakes Commercial -	Commercial	0	17.39	0	15
Lawrence Road Commercial	Commercial	0	13.9	16	20
South Shore Blvd., Reserve C	Unrestricted	0	1.68	0	2
Clear Creek ISD	School Campus	0	135	200	200
<b>TOTALS</b>		<b>312</b>	<b>311.36</b>	<b>236</b>	<b>554</b>

(E) **Historical Build-Out:**

YEAR	TYPE OF DEVELOPMENT	NO. OF UNITS	ACREAGE/ RESERVES	SQUARE FOOTAGE	EQUIV. CONNECTIONS EXISTING	CONNECTIONS ULTIMATE
<b><u>2012</u></b>	Single Family	214	-	-	0	1,100
	Multi-Family	0	-	-	0	0
	Commercial	0	-	-	0	75
	Office/Schools	<u>0</u>	-	<u>500,000</u>	<u>200</u>	<u>200</u>
	TOTAL 2012	0	-	-		
<b><u>2013</u></b>	Single Family	214	-	--	20	1,100
	Multi-Family	0	-	-	0	0
	Commercial	0	-	-	0	75
	Office/Schools	<u>0</u>	-	<u>500,000</u>	<u>200</u>	<u>200</u>
	TOTAL 2013	0				
<b><u>2014</u></b>	Single Family	402	-	-	70	1,100
	Multi-Family	0	-	-	0	0
	Commercial	0	-	-	0	75
	Office/Schools	<u>0</u>	-	<u>500,000</u>	<u>200</u>	<u>200</u>
	TOTAL 2014	0				
<b><u>2015</u></b>	Single Family	642	-	-	160 (est,)	1,100
	Multi-Family	0	-	-	0	0
	Commercial	0	-	100,000	16	75
	Office/Schools	<u>0</u>	-	<u>500,000</u>	<u>200</u>	<u>200</u>
	TOTAL 2015	0				

(F) **Floodplain Information:**

A reproduction of the current Flood Insurance Rate Map (Panel Numbers 485470-0029C & 485470-0095C dated May 2, 1983 and 485488-0013D dated September 22, 1999 relevant to the District as published by the Federal Emergency Management Agency is included with this submittal as Attachment 18. The map has been modified to illustrate the District Boundary.

- (i) **What is being done (if anything) to remove the areas of the District, if any, currently in the official floodplain?** All areas for current development are out of the flood plain.
- (ii) **Are any of the improvements proposed for purchase or construction funding through the proceeds of this bond issue currently in the official floodplain?** \_\_Yes X No.
- (iii) **Are areas currently in the official floodplain used in the build-out projections used to support this bond issue?** \_\_Yes X No.
- (iv) **Who is charged with maintaining minimum floor slab elevations in the District area?** City of League City.
- (v) **Are any sites or easements to be funded in the bond issue currently in the floodplain?** \_\_Yes X No.

## **SECTION 6 — SOURCE OF WATER SUPPLY, WASTEWATER TREATMENT FACILITIES, AND STORM-WATER DRAINAGE FACILITIES**

### **(A) Water Supply:**

#### **(i) Water Supply Source**

Ground Water: The District obtains all of its water supply from League City. Therefore, there are no on-site water wells.

Surface Water: The District does use surface water through its utility agreement and amendments with League City.

#### **(ii) Water Supply Facilities Inventory**

Water is provided by League City (See Attachment 22)

#### **(iii) Interconnects**

Water is provided by League City (See Attachment 22)

#### **(iv) Leased or Purchased Capacity NOT APPLICABLE**

#### **(v) Special Considerations NOT APPLICABLE**

### **(B) Wastewater Treatment Facilities:**

All wastewater is provided by the City of League City in their Dallas Salmon wastewater plant (TCEQ Permit No. 10568-05). (See Attachment 45)

#### **(i) Wastewater Flow per ESFC: 250 gpd**

#### **(ii) Leased or Purchased Capacity: All wastewater is provided by the City of League City in their Dallas Salmon wastewater plant (TCEQ Permit No. 10568-05).**

#### **(iii) Special Considerations: All wastewater is provided by the City of League City in their Dallas Salmon wastewater plant (TCEQ Permit No. 10568-05).**

### **(C) Stormwater Drainage Facilities:**

#### **(i) Natural Drainage Patterns: The natural flow is from northwest to southeast.**

#### **(ii) Drainage System Improvements: Storm drainage is collected into storm sewers. This discharges to the projects detention basins which flow to Gum Bayou, then to Dickinson Bayou and ultimately, Galveston Bay.**

- (iii) Storm Water Quality Features: Permanent storm water quality facilities are not required by regulatory agencies at this time. Temporary storm water quality measures necessary for control of storm water quality associated with construction activities are included in individual construction contracts.

## SECTION 7 — BASIS OF DESIGN

(A) **Conformity with Regulatory Requirements:**

The facilities proposed for funding in this application are designed in accordance with the applicable criteria established by regulatory authorities unless otherwise noted.

- (i) Texas Commission on Environmental Quality: Yes X No \_\_\_ N/A \_\_\_
- (ii) City of League City: Yes X No \_\_\_ N/A \_\_\_
- (iii) County of Galveston: Yes \_\_\_ No \_\_\_ N/A X
- (iv) Galveston County Drainage District: Yes \_\_\_ No \_\_\_ N/A X
- (v) Commission Permit Required by Water Code 16.236:  
Yes \_\_\_ No \_\_\_ N/A \_\_\_

(B) **Oversizing:**

Is the District constructing any facility with capacity in excess of that reasonably anticipated for future in-district uses? \_\_\_ Yes X No..

## SECTION 8 — FINANCIAL INFORMATION

The information in this section is provided by RBC Capital Markets and Assessments of the Southwest, the District's Financial Advisor and Tax Assessor/Collector, respectively.

(A) **Growth / No Growth**

The economic feasibility of this bond issue is based on growth.

The highest projected taxable value shown in the projections in the cash flow is \$108,925,000.

- (B) **Latest Certified Assessed Valuation: \$47,437,067 as of January 1, 2014.** See Attachment 34 (a) for the Certificate of Latest Certified Assessed Valuation
- (C) **Latest Certified Estimate of Assessed Valuation: \$74,312,687 as of November 1, 2014.** See Attachment 35 for the Certificate of Latest Certified Estimate of Assessed Valuation

(D) **Historical Tax Data:**

The following information is as of December 31, 2014.

YEAR COLLECTED	ASSESSED VALUATION	DEBT SERVICE TAX RATE	MAINTENANCE TAX RATE	AMOUNT COLLECTED	TOTAL
2011	\$19,716,340	0	1.00	\$197,163	100%
2012	\$18,315,836	0	1.00	\$183,158	100%
2013	\$20,151,332	0	1.00	\$201,513	99.89%
2014	\$47,437,067	0	1.00	119,826	25.26

(E) **Cash and Investment:**

CASH AND INVESTMENT BALANCES	
As of January 6, 2015	
General Operating	\$88,995
Debt Service Fund	0
Capital Projects Fund	0

(F) **Outstanding Indebtedness:**

(i) **Bond Issues:** This is the first Bond Issue – There is no debt.

Category	Outstanding Debt	Proposed Debt	Combined Debt	Debt Ratio based on Current Certified or Estimated Value
N/A	N/A	N/A	N/A	N/A
Totals				

(ii) **Bond Anticipation Notes:** NOT APPLICABLE

(iii) **Tax-Anticipation Notes:** NOT APPLICABLE

(iv) **Other Obligations:** None.

(G) **Financial Feasibility (to Be Completed by All Districts):**

Provide the following data to support the feasibility of the proposed bond issue as required by Commission Rule 293.59.

(i) **Build-Out Projections:** Is the feasibility of this bond issue based on growth?  X  Yes  
\_\_\_\_\_ No. A proposed build out schedule is included under Attachment 30.

(ii) **Debt-Service Schedule:**

See Attachment 31



**(iii) Revenue Projections:**

(a) Does the District intend to use net revenues from operations for debt service payments? \_\_\_ Yes  X  No.

(b) Does the District intend to use revenues received from a municipality through either a consent agreement or strategic partnership agreement for debt service payments? \_\_\_ Yes  X  No..

**(iv) Operating Budget:** See Attachment 58.

**(v) Projected Cash-Flow Analysis for Proposed and Existing Debt of District:**

A projected Cash-Flow Analysis is included under Attachment 33 (a).

**(vi) No-Growth Cash-Flow Analysis for Proposed and Existing Debt of District:**

See Attachment 33 (b). NOT APPLICABLE

**(vii) Cash-Flow Analysis for All Overlapping Taxing Entities Specifically Attributable to Water, Wastewater, Drainage, Firefighting, Recreation, or Roads:**

**(viii) Combined Tax Rate:**

	<b>Projected Tax Rate</b>	<b>No-Growth Tax Rate</b>
<b>District tax rate</b>		
a. Debt service as shown in cash-flow analysis	\$ 0.66	\$ 0.81
b. Maintenance Tax <sup>(1)</sup>	\$ 0.25	\$ 0.42
<b>Tax rate for overlapping entities as defined in Commission Rules 293.59(f)(2) and (f)(6) and (e)(2) and (e)(6)</b>		
a. Debt service as shown in cash-flow analysis		
1. Entity No. 1: (N/A)	\$ 0	\$ 0
2. Entity No. 2: (N/A)	\$ 0	\$ 0
b. Maintenance Tax		
1. Entity No. 1: (N/A)	\$ 0	\$ 0
2. Entity No. 2: (N/A)	\$ 0	\$ 0
<b>Equivalent surcharge for water and wastewater, if any: (N/A)</b>	\$ 0	\$ 0
<b>If District is within a city, then indicate the portion of the city's tax rate specifically attributable to water, wastewater, drainage, or recreation:</b>	\$ 0.09	\$ 0.09
<b>Less any equivalent tax rebate:</b>	\$ ( 0 )	\$ ( 0 )
<b>TOTAL COMBINED TAX RATE</b>	<b>\$ 1.00</b>	<b>\$ 1.32</b>

<sup>(1)</sup> The current District operating budget is shown in Attachment 58.

**(ix) Total Taxable Value of Area to be Taxed: \$74,312,687 as of November 1, 2014.** See Attachment 35 for Certificate of Latest Certified Estimate of Assessed Valuation.

(x) **Waiver of Special Appraisal:** See Attachment 34.

(xi) **Overlapping Tax Rates:** Provide a table indicating direct and overlapping taxes by the District and all overlapping taxing jurisdictions for the most current tax year and projected for the coming tax year if known to be different.

<b>TAXING JURISDICTIONS</b>	<b>TAX YEAR</b>	<b>CURRENT TAX RATE PER \$100 VALUATION</b>	<b>PROJECTED TAX RATE PER \$100 VALUATION</b>
Galveston County	2013	0.5898	0.5898
City of League City	2013	0.597000	0.597000
Clear Creek ISD	2013	1.400000	1.400000
Galveston County MUD No. 45	2013	1.000000 <sup>(1)</sup>	1.000000
Galveston County Road & Flood	2013	<u>0.006100</u>	<u>0.006100</u>
<b>TOTAL</b>		<b>3.5929</b>	<b>3.5929</b>

<sup>(1)</sup> \$0.00 debt service; \$1.00 maintenance

(H) **Development Status:**

Does the District have a developer as defined by Water Code Section 49.052(d)? X Yes \_\_\_ No.

(i) **Status of Construction**

Does the District meet the conditions of Commission Rule 293.59(k)(6) regarding completion of facilities prior to Commission approval necessary to serve the projected development?

1. Compliance with 293.59(k)(6)(A): X Yes \_\_\_ No \_\_\_ Exempt.

2. Compliance with 293.59(k)(6)(B): X Yes \_\_\_ No \_\_\_ Exempt.

3. Compliance with 293.59(k)(6)(C): X Yes \_\_\_ No \_\_\_ Exempt.

4. Compliance with 293.59(k)(6)(D): X Yes \_\_\_ No \_\_\_ Exempt.

5. Compliance with 293.59(k)(6)(E): X Yes \_\_\_ No \_\_\_ Exempt.

(ii) **Status of Growth Projected in Previous Bond Issue, if Applicable:**

(a) Does the District meet the conditions of Commission Rule 293.59(l)(2) and 293.59(l)(3) regarding completion of water and wastewater facilities necessary to serve the connections projected in the previous bond application? \_\_\_ Yes \_\_\_ No X N/A.

(b) Does the District meet the condition of Commission Rule 293.59(l)(4) regarding 75% completion of all prior bond issues? \_\_\_ Yes X No (First Bond Issue).

(I) **Market Information:**

A market study is provided in Attachment 36.

**SECTION 9 — SHARED FACILITIES**

(A) **Inventory:**

The District does not intend to finance any facilities, which were or will be designed for entities or areas that are outside the boundaries of the District.

(B) **Calculated Pro Rata Shares:** NOT APPLICABLE

(C) **Cost-Sharing Arrangements Requested for Commission Approval:** NOT APPLICABLE

(D) **Oversizing Required by a Local Government or Other Regulatory Agency:** NOT APPLICABLE

**SECTION 10 — PLANS, SPECIFICATIONS, OTHER CONSTRUCTION DOCUMENTS**

See Volumes IV - IX

(A) **Plans:**

(i) **Construction Plans:** See Volumes IV - IX

(ii) **Plat:** See Volumes IV - IX

(B) **Contract Documents:**

See Volumes IV - IX

(C) **Construction Documents:**

See Volumes IV-IX, which include the following:

- a. Agreement between developer and district for funding, reimbursement, contract award and administration, and for use of facilities prior to Commission approval.
- b. Plans approved by all entities with jurisdiction.
- c. Specifications, including proposed contract documents, bid proposal, and bonds. If executed copies are available, proposed copies are not necessary.
- d. Letter approvals by other relevant review agencies.
- e. Publisher's affidavit or bid solicitations reflecting proper notification of bidding.
- f. Letter notifying Commission field office of bidding time and date.
- g. All addenda to the specifications.
- h. Bid summary and itemized bid tabulation.
- i. Engineer's recommendation of contract award with justification if low bidder not recommended.

- j. Specifications, including executed contract documents, bid proposal, and payment and performance bonds.
- k. Notice to proceed.
- l. All pay estimates.
- m. All change orders with revised plan sheets and approvals, if necessary.
- n. Water and wastewater line pressure test results and wastewater line deflection test results.
- o. Notice to Commission field office of final inspection.
- p. Final inspection report.
- q. Engineer's certificate of completion.
- r. Contractor's affidavit of bills paid.
- s. District acceptance of facilities.

**(D) Checklist: See Volumes IV - IX**

**SECTION 11 — SPECIAL CONSIDERATIONS**

**(A) Developer Projects:**

**Are any of the projects in the proposed bond issue developer projects as defined in Commission Rule 293.44(a)(1)?   X   Yes    No.**

- (i) Clearing and Grubbing: NOT APPLICABLE**
- (ii) Spreading and Compacting of Fill: NOT APPLICABLE**
- (iii) Change in Development Plan: Do any of the projects in the proposed bond issue include the replacement or relocation of existing or designed facilities?    Yes   X   No.**
- (iv) Railroad, Pipeline, or Underground-Utility Relocations: NOT APPLICABLE**
- (v) Joint-Use Engineering Studies: NOT APPLICABLE**
- (vi) Bridges and Culverts: NOT APPLICABLE**
- (vii) Proration of Dual Lake–Detention Pond: Does the project include funds for the purchase or construction of detention pond facilities which will hold water continuously for aesthetic or recreational purposes?   X   Yes    No.**
- (viii) Floodplain Mitigation: Does the project include funds for costs associated with the mitigation of floodplain areas?    Yes   X   No.**

**(B) All Projects:**

- (i) Appraisals: NOT APPLICABLE**
- (ii) Contract Revenue bonds: Are the proposed bonds contract revenue bonds?    Yes   X   No.**

- (iii) **Impact Fees and Capital-Recovery Fees: Does the proposed bond issue include funding for fees calculated and collected under the provisions of Local Government Code 395?**  
  X   Yes      No.

## **SECTION 12 — MISCELLANEOUS CONSIDERATIONS**

(A) **Preconstruction Documents:**

See Attachment 46.

(B) **Bid Advertisement:**

Was the competitive bidding statutes complied with in each of the construction contracts executed?   X   Yes      No. See Volumes IV-IX.

(C) **Developer's 30% Contribution Exemption Request:**

- (i) **The District is requesting a conditional *exemption* from the requirement to obtain a 30% contribution from the developer on certain construction contracts for the following reason:**

  X   The District will have a ratio of debt \$0.00 existing debt as of July 1, 2014 plus the proposed bond issue \$9,000,000 for a total debt of \$9,000,000 to certified assessed valuation \$93,025,000 as of April 2, 2015 of 10% or less prior to the sale of the proposed bond issue. If a build-out schedule is provided to support that the 10% ratio will be obtained and the feasibility is based on no growth, then clearly indicate such in the build-out schedule.

     The District anticipates obtaining an acceptable credit rating [as such rating is defined in Commission Rule 293.47(b)(4)] prior to the sale of the proposed bond issue. A letter from the District's financial adviser addressing the District's ability to obtain such a rating is included as a *labeled Attachment*.

     The District anticipates obtaining a credit enhanced rating [as such rating is defined in Commission Rule 293.47(b)(5)] prior to the sale of the proposed bond issue. See Attachment 49.

(D) **Letters of Credit, Deferment of Bond Proceeds, Other Acceptable Financial Guarantees:**

Not APPLICABLE

(E) **Developer Interest Reimbursement:**

No developer interest is being requested in this Bond Application; however, developer interest on the submitted projects will be presented for approval in a future issue.

**(F) Land and Easement Acquisition:**

- (i) **Storm-Water Detention Facilities:** Does the District intend to purchase easements or sites for storm-water detention facilities?   X   Yes      No.
- (ii) **Easements Outside the District's Boundaries:** Does the District intend to purchase easements outside the District's boundaries?      Yes   X   No.
- (iii) **Downstream Drainage Channels:** Does the District intend to purchase easements to improve drainage channels downstream of the District that pass through other Districts?      Yes   X   No.
- (iv) **Recreational-Facility Sites:** Does the District intend to purchase sites for recreational facilities?   X   Yes      No

**(G) District Participation in Regional Drainage Systems:**

Does the proposed bond issue include funds to be paid to a regional drainage authority for capacity in a regional storm-water detention system?      Yes   X   No.

**SECTION 13 — MISCELLANEOUS INFORMATION**

**(A) Contracts with Professional Consultants:**

See Attachment 54 for Attorney, Engineer, Financial Advisor, Bookkeeper and Tax Assessor/Collector.

**(B) Compliance with Commission Rule 293.111(a)(6):**

See Attachment 56.

**(C) Key Personnel:**

**Name & Address**

**Attorney**

Mr. Greer Pagan  
Allen Boone Humphries & Robinson LLP  
3200 Southwest Freeway, Suite 2600  
Houston, Texas 77027  
(713) 860-6427

**(i) Fiscal Agent**

Jan Bartholomew  
Robert W. Baird & Co.  
700 Milam, Suite 1300  
Houston, Texas 77002  
Direct (832) 871-5295

**(ii) Operator**

City of League City  
300 West Walker  
League City, Texas 77573

**(iii) General Manager**

NOT APPLICABLE

**(iv) Tax Assessor-Collector**

Ms. Delia Yanez  
Assessments of the Southwest  
# 5 Oaktree  
P. O. Box 1368  
Friendswood, Texas 77459-1368  
Direct - (281) 482-0216  
Fax – (281) 482-5285

**(v) Chief Appraiser,**

Galveston Central Appraisal District  
600 Gulf Freeway  
Texas City, Texas 77591  
(713) 474-4489

**(vi) Principal Developer(s)**

KOWA Development  
3515 Tanglely Road  
Houston, Texas 77005

United Development Funding  
340 North Sam Houston Parkway East  
Suite 264  
Houston, Texas 77060

Sam Boyd Development  
108 Bayou Lane  
Kemah, Texas 77565  
(281) 334-2870

**(vii) Engineer**

Mr. Jack Carter, P.E.  
Dannenbaum Engineering Corporation  
3100 West Alabama St.  
Houston, Texas 77098  
(713) 520-9570  
Fax – (713) 533-4111

**(viii) Bookkeeper**

Ms. Dana Davis  
Myrtle Cruz, Inc.  
1621 Milam, 3<sup>rd</sup> Floor  
Houston, Texas 77002-8017  
(713) 759-1368  
Fax – (713) 759-1264

**(D) Reporting Requirements:**

Has the District submitted a current Directors' Registration Form?   X   Yes \_\_\_ No.

Has the District submitted a current District Information Form as required by Water Code Section 49.455?   X   Yes \_\_\_ No.

Has the District submitted a current Audit Report or Financial Dormancy Affidavit?  
  X   Yes \_\_\_ No.

**(E) Name Signs:**

Has the District posted at least two name signs, at two or more principal entrances to the District?   X   Yes \_\_\_ No.

Sign 1      SH 96 at South Shore Boulevard

Sign 2      SH 646 at South Shore Boulevard

**(F) Other Information:**

Provide any other information necessary to adequately describe or support the application.

**Note:**