



**Greg Lentz**

Director  
Public Finance

May 20, 2016

*Via E-mail: [rebecca.underhill@leaguecity.com](mailto:rebecca.underhill@leaguecity.com)*

Ms. Rebecca Underhill  
Finance Director  
City of League City  
300 West Walker  
League City, Texas 77573

**Re: Galveston County Municipal Utility District No. 46 (the “District”)  
\$6,425,000 Unlimited Tax Refunding Bonds, Series 2016 (the “Bonds”)**

Dear Ms. Underhill:

At a meeting on May 3, 2016, the District’s Board of Directors approved proceeding with issuing its second series of refunding bonds. Pursuant to the “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 are in compliance with the Utility Agreement.

The purpose of the Bonds is to advance refund and defease portions of the District’s Unlimited Tax Bonds, Series 2010, Unlimited Tax Bonds, Series 2010A and Unlimited Tax Bonds, Series 2011. The Bonds are structured with the same maturity schedule as the bonds being refunded (NO EXTENSION OF DEBT). This financing, as prepared April 26, 2016, is projected to provide 8.58% in present value savings (\$531,636) and \$748,450 of gross annual savings. We have attached a copy of the refunding analysis, including the savings report for your review. The District levied a total 2015 tax rate of \$0.98 per \$100 of taxable assessed valuation (\$0.89 for debt service and \$0.09 for maintenance). The District’s 2015 Certified Taxable Assessed Valuation as of January 1, 2015 and 2016 Preliminary Taxable Assessed Valuation as of January 1, 2016 as provided by the Galveston Central Appraisal District is \$244,271,694 and \$307,792,151, respectively.

The attached analysis reflects a bond issue in the principal amount of \$6,425,000. **We are requesting that League City approval be for an amount “not to exceed \$7,300,000,” 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.

Hilltop Securities Inc.  
700 Milam Street  
Suite 500  
Houston, Texas 77002

direct 713.654.8679  
toll free 800.922.9850  
fax 713.654.8658  
[greg.lentz@hilltopsecurities.com](mailto:greg.lentz@hilltopsecurities.com)  
HilltopSecurities.com

Ms. Rebecca Underhill  
City of League City  
May 20, 2016  
Page 2 of 2

Thank you for your assistance with this financing.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Greg Lentz', with a stylized, cursive script.

Greg Lentz  
Director

Enclosure

cc: Mr. Greer Pagan, Allen Boone Humphries Robinson LLP  
Ms. Julie Peak, FirstSouthwest, a Division of Hilltop Securities Inc.