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April 29, 2016

Texas Commission on Environmental Quality
12100 Park 35 Circle
Austin, Texas 78753

Attention: Ms. Jennifer Evangelista (Mail Code 156)
Districts Review Team
Utilities & Districts Section
Water Supply Division

Re: Galveston County Municipal Utility District No. 46
Bond Issue No. 10 - \$8,760,000
LJA Job No. 1285-0011 (13.0)

Dear Ms. Evangelista:

We are submitting the enclosed report for Galveston County Municipal Utility District No. 46 (District) Bond Issue No. 10 for review and approval by the Texas Commission on Environmental Quality. Additionally, we are including the District's Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds, Certificate for Resolution, and a \$500 check for the filing fee.

Only those attachments specifically applicable to this bond application have been included. The specifications and construction documents are bound separately from the report and are enclosed along with the construction plans. The recorded final plats are included in the construction plans along with the Engineer's Certificate of Completion for streets in completed sections where utilities are being funded in this bond issue.

If you require additional information, please call me at 713.953.5016.

Sincerely,

Edmund D. Rucker, PE
Senior Project Manager

EDR/ab

Attachments

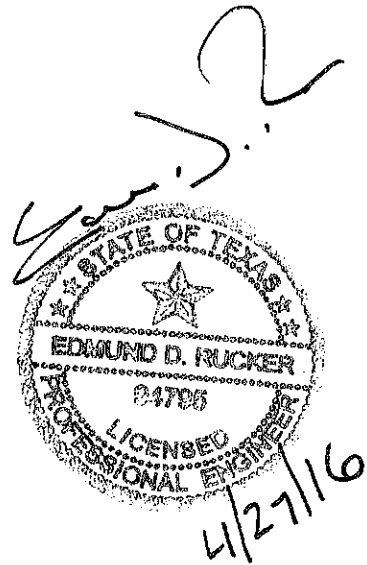
FRN F-1386
LJA Engineering, Inc.

**ENGINEERING REPORT
FOR
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 46
BOND ISSUE NO. 10
\$8,760,000**

JOB NO. 1285-0011

March 2016

**LJA ENGINEERING, INC.
2929 BRIARPARK
SUITE 600
HOUSTON, TEXAS 77042-3703
(713) 953-5200**



BOND APPLICATION REPORT FORMAT

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GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT 46
GALVESTON COUNTY
\$8,760,000
BOND ISSUE NO. 10

SECTION 1 — GENERAL INFORMATION

A Laws, Elections, and Acreage:

- i Authority Creating District:** Created by Order of the Texas Commission on Environmental Quality dated October 28, 2004.
- ii Governing Law:** The District operates under Chapters 49 and 54 of the Texas Water Code pursuant to Article XVI, Section 59 of the Texas Constitution.
- iii Confirmation Election:** The voters of the District confirmed the creation of the District and authorized the District to issue \$86.5 million in bonds at the May 13, 2006 confirmation and bond election. Refer to the District's first bond application for a copy of the Notice of Election and Canvass of Returns for the Confirmation of Creation of District and Bonds.
- iv Acreage:** GCMUD No. 46 consisted of 482.54 acres at the time of creation on October 28, 2004. The boundaries of the district have not changed since the time of creation.
- v Boundary Map:** See Attachment 3.

B Location:

GCMUD No. 46 is located in northern Galveston County and falls within the corporate limits of the City of League City (the "City"), approximately 30 miles southeast of downtown Houston. The district is bounded on the east by State Highway 146, on the north by State Highway 96, and on the east by Galveston County Municipal Utility District No. 45. The district is located in the Rafael Basquez Survey, Abstract 32 and the Nathan Fuller Survey, Abstract 67, City of League City, Galveston County, Texas. All of the property is in the Clear Creek Independent School District. See Attachment 4.

SECTION 2 — PROPOSED BOND ISSUE

A Purpose:

The purpose of Bond Issue No. 10 is to fully reimburse the developer for construction of water, sanitary sewer, and drainage facilities to serve Isla Vista Drive Extension; construction of water, sanitary sewer, and drainage facilities to serve Mar Bella Section 11B; construction of water, sanitary sewer, and drainage facilities to serve Mar Bella Section 13B; construction of water, sanitary sewer, and drainage facilities to serve Mar Bella Section 15C; construction of water, sanitary sewer, and drainage facilities to serve Mar Bella Section 16A; and 171 Capital Recovery Fees (CRFs).

B Bond and Maintenance Tax Authorization:

i Bond Authorization:

| Date of Election | Purpose | Amount Approved | Amount Canceled |
|------------------|-----------------------------|-----------------|-----------------|
| 5-13-06 | Water, Wastewater, Drainage | \$86,500,000 | None |
| 5-13-06 | Parks & Recreational | \$12,000,000 | None |
| 5-13-06 | Refunding | \$56,000,000 | None |

ii Maintenance Tax:

On May 13, 2006 the voters within GCMUD No. 46 authorized the District to levy and collect an operation and maintenance tax not to exceed \$1.50 per \$100 valuation on all taxable property within the District. Refer to the District's first bond application for a copy of the Notice of Election and Canvass of Returns for the Confirmation of Creation of District and Bonds.

| Date of Election | Purpose | Maximum Tax Approved (per each \$100 of AV) | Cancelled Prior Authorization |
|------------------|--|--|----------------------------------|
| 5-13-06 | General Operating (Including Park & Recreational) | \$1.50 | None |

C Prior Bond Issues:

| Type of Bonds—Water, Wastewater and Drainage Total Amount Authorized: \$86,500,000 | | | |
|---|-------------------------|-----------------------------|-------------|
| Bond Issue No. | TCEQ Amount Approved | TCEQ Order Date Approved | Amount Sold |
| 10 (Proposed) | \$8,760,000 | N/A | \$8,760,000 |
| 9 | \$4,200,000 | Oct. 1, 2015 | \$4,200,000 |

| | | | |
|--|-------------|---------------|--------------|
| 7 | \$4,810,000 | Nov. 11, 2014 | \$4,810,000 |
| 6 | \$2,175,000 | May 14, 2013 | \$2,175,000 |
| 5 | \$3,900,000 | Nov. 13, 2012 | \$3,900,000 |
| 4 | \$4,120,000 | Oct. 19, 2011 | \$4,120,000 |
| 3 | \$3,000,000 | Sep. 11, 2010 | \$3,000,000 |
| 2 | \$2,100,000 | Nov. 18, 2009 | \$2,100,000 |
| 1 | \$4,100,000 | Jan. 14, 2009 | \$4,100,000 |
| Total Bonds Sold: | | | \$37,165,000 |
| Remaining Authorized Bonds⁽¹⁾: | | | \$49,335,000 |

| Type of Bonds—Parks & Recreational | | | |
|--|---------------------------------|-------------------------------------|--------------------|
| Total Amount Authorized: \$12,000,000 | | | |
| Bond Issue No. | TCEQ Amount Approved | TCEQ Order Date Approved | Amount Sold |
| 8 ⁽²⁾ | \$2,280,000 | Oct. 1, 2015 | \$2,280,000 |
| Total Bonds Sold: | | | \$2,280,000 |
| Remaining Authorized Bonds⁽¹⁾: | | | \$9,720,000 |

Note: (1) It is the opinion of the District's engineer the remaining authorized but unissued bonds is sufficient to complete the development within the District.

(2) Bond Application No. 8 included water, sanitary sewer and drainage bonds and park bonds.

D Type:

Voters approved unlimited tax bonds. District seeks approval of unlimited tax bonds.

E Interest Rate:

The proposed bond issue is analyzed based on an interest rate of 4.75% for the developer's interest and capitalized interest.

F Land-Use Plan:

See Attachment 6.

G Recreational Facilities:

The bond issue does not include funding for recreational facilities.

H Roads:

Does the District have authority to fund roads? No.

SECTION 3 — FACILITIES PROPOSED FOR FUNDING

A Purchase of Existing Facilities and/or Assumption of Existing Contracts:

| <u>Contracts Description</u> | <u>Contractor</u> | <u>Percent Complete/ Date</u> | <u>Total Contract Amount</u> | <u>Amount Subject to District Share</u> |
|--|------------------------------------|--|---|--|
| W,S&D to Isla Vista Drive Extension ⁽¹⁾ | Hurtado Construction Company | 100% 9/8/14 | \$2,588,211.55 | \$2,534,472.55 |
| W,S&D to Serve Mar Bella Section 11B ⁽²⁾ | Triple B Services LLP. | 100% 8/21/14 | \$ 583,286.20 | \$583,286.20 |
| W,S&D to Serve Mar Bella Section 13B ⁽³⁾ | Monarch Civil Constructors, LLC | 100% 9/17/15 | \$500,648.80 | \$500,648.80 |
| W,S&D to Serve Mar Bella Section 15C ⁽⁴⁾ | Monarch Civil Constructors, LLC | 100% 10/23/14 | \$1,054,445.70 | \$1,054,445.70 |
| W,S&D to Serve Mar Bella Section 16A ⁽⁵⁾ | 5758 Construction, L.P. | 100% 10/8/14 | \$755,915.00 | \$755,915.00 |
| TOTAL | | | \$4,962,890.25 | \$4,909,151.25 |

Notes:

- (1) The WS&D cost is based on the original contract amount \$2,591,834.55, plus change order #1 amount \$16,416.00 for additional dewatering, bore & jack sanitary sewer in order to avoid existing guy wire, plus change order #2 amount \$4,416.00 for televising storm sewer as required by City of League City, minus final quantity adjustments \$24,455.00 for a total of (\$2,588,211.55). The District used \$465,878 in surplus bond funds for a portion of this project in late 2015. The remaining reimbursable portion of the contract minus any developer share is included in this bond issue.
- (2) The WS&D cost is based on the original contract amount \$627,273.20 plus change order #1 amount \$5,638.00 to replace damaged fire hydrant, plus change order #2 amount \$3,000.00 to adjust rim elevation of existing storm manhole, minus final quantity adjustments \$52,625.00 for a total of \$583,286.20.
- (3) The WS&D cost is based on the original contract amount \$526,213.80 minus final quantity adjustments \$25,565.00 for a total of (\$500,648.80).
- (4) The WS&D cost is based on the original contract amount \$1,067,922.70 plus change order # amount \$33,600.00 to replace two large storm manholes with junction boxes, minus final quantity adjustments \$47,077.00 for a total of \$1,054,445.70.
- (5) The WS&D cost is based on the original contract amount \$807,053.25 minus final quantity adjustments \$51,138.25 for a total of \$755,915.00.

B Facilities to be Constructed:

No facilities are proposed to be funded with funds from the bond issue.

SECTION 4 - SUMMARY OF COSTS
GCMUD No. 46 Bond Application No. 9

| CONSTRUCTION COSTS | TOTAL AMOUNT | DEVELOPER SHARE | DISTRICT SHARE WS&D FACILITIES |
|--|-----------------|--------------------|---|
| A. Developer Contribution Items | | | |
| 1. Mar Bella Isla Vista Drive Extension ¹ | | | |
| a. Water Line Items | 307,066 | | 307,066 |
| b. Sanitary Sewer Items | 240,717 | | 240,717 |
| c. Storm Sewer Items | 1,449,560 | 53,739 | 1,395,821 |
| d. Misc Items | 71,252 | | 71,252 |
| Subtotal | 2,068,595 | 53,739 | 2,014,856 |
| 2. Mar Bella Section 11B ² | | | |
| a. Water Line Items | 101,457 | | 101,457 |
| b. Sanitary Sewer Items | 164,400 | | 164,400 |
| c. Storm Sewer Items | 312,304 | | 312,304 |
| d. Misc Items | 5,125 | | 5,125 |
| Subtotal | 583,286 | | 583,286 |
| 3. Mar Bella Section 13B ³ | | | |
| a. Water Line Items | 64,145 | | 64,145 |
| b. Sanitary Sewer Items | 161,810 | | 161,810 |
| c. Storm Sewer Items | 253,971 | | 253,971 |
| d. Misc Items | 20,723 | | 20,723 |
| Subtotal | 500,649 | | 500,649 |
| 4. Mar Bella Section 15C ⁴ | | | |
| a. Water Line Items | 93,605 | | 93,605 |
| b. Sanitary Sewer Items | 170,964 | | 170,964 |
| c. Storm Sewer Items | 764,632 | | 764,632 |
| d. Misc Items | 25,245 | | 25,245 |
| Subtotal | 1,054,446 | | 1,054,446 |
| 5. Mar Bella Section 16A ⁵ | | | |
| a. Water Line Items | 118,199 | | 118,199 |
| b. Sanitary Sewer Items | 206,015 | | 206,015 |
| c. Storm Sewer Items | 420,451 | | 420,451 |
| d. Misc Items | 11,250 | | 11,250 |
| Subtotal | 755,915 | | 755,915 |
| 6. Engineering Fees ⁶ | | | |
| a. Item #1 (Isla Vista Drive Extension) | 332,999 | | 332,999 |
| b. Item #2 (Section 11B) | 73,298 | | 73,298 |
| c. Item #3 (Section 13B) | 51,121 | | 51,121 |
| d. Item #4 (Section 15C) | 144,291 | | 144,291 |
| e. Item #5 (Section 16A) | 96,942 | | 96,942 |
| Subtotal | \$ 698,651 | \$ - | \$ 698,651 |
| 7. Geotechnical Fees ⁷ | | | |
| a. Item #1 (Isla Vista Drive Extension) | 32,900 | | 32,900 |
| b. Item #2 (Section 11B) | 14,900 | | 14,900 |
| c. Item #3 (Section 13B) | 8,500 | | 8,500 |
| d. Item #4 (Section 15C) | 13,500 | | 13,500 |
| e. Item #5 (Section 16A) | 15,500 | | 15,500 |
| Subtotal | \$ 85,300 | \$ - | \$ 85,300 |

8. Surveying Fees ⁸

| | | |
|---|-----------|----------------|
| a. Item #1 (Isla Vista Drive Extension) | 2,035 | 2,035 |
| b. Item #2 (Section 11B) | 2,400 | 2,400 |
| c. Item #3 (Section 13B) | 1,400 | 1,400 |
| d. Item #4 (Section 15C) | 2,320 | 2,320 |
| e. Item #5 (Section 16A) | 2,360 | 2,360 |
| Subtotal | \$ 10,515 | \$ - \$ 10,515 |

9. SWPPP Fees ⁹

| | | |
|---|------------|-----------------|
| a. Item #1 (Isla Vista Drive Extension) | 27,424 | 27,424 |
| b. Item #2 (Section 11B) | 31,131 | 31,131 |
| c. Item #3 (Section 13B) | 23,505 | 23,505 |
| d. Item #4 (Section 15C) | 14,713 | 14,713 |
| e. Item #5 (Section 16A) | 18,825 | 18,825 |
| Subtotal | \$ 115,597 | \$ - \$ 115,597 |

| | | | |
|---|---------------------|------------------|---------------------|
| Total Developer Contribution Items | \$ 5,872,953 | \$ 53,739 | \$ 5,819,214 |
|---|---------------------|------------------|---------------------|

B. District Items

| | | | |
|--|------------|------|------------|
| 1. City of League City Capital Recovery Fees ¹⁰ | \$ 963,414 | \$ - | \$ 963,414 |
|--|------------|------|------------|

| | | | |
|-----------------------------|-------------------|-------------|-------------------|
| Total District Items | \$ 963,414 | \$ - | \$ 963,414 |
|-----------------------------|-------------------|-------------|-------------------|

| | | | |
|---------------------------------|---------------------|------------------|---------------------|
| TOTAL CONSTRUCTION COSTS | \$ 6,836,367 | \$ 53,739 | \$ 6,782,628 |
|---------------------------------|---------------------|------------------|---------------------|

NET CONSTRUCTION COSTS

77.4%

NON-CONSTRUCTION COSTS

A. Non-Construction Costs

| | |
|--|-----------|
| 1. Legal Fees ¹¹ | \$215,200 |
| 2. Fiscal & Placement Agent Fees ¹² | \$151,400 |
| 3. Interest Costs | |
| a. Capitalized interest (1 Year @ 4.75%) | \$208,050 |
| b. Developer Interest (@ 4.75%) ¹³ | \$774,710 |
| c. Bond Anticipation Note (BAN) Interest (12 months @ 2.50%) | \$126,625 |
| 4. BAN Issuance Cost | \$121,675 |
| 5. Bond Discount (3%) | \$262,800 |
| 6. Bond Issuance Expenses | \$41,252 |
| 7. Bond Application Costs | \$45,000 |
| 8. Attorney General's Fee (0.10%) | \$8,760 |
| 9. TCEQ Bond Issue Fee (0.25%) | \$21,900 |

| | |
|-------------------------------------|--------------------|
| TOTAL NON-CONSTRUCTION COSTS | \$1,977,372 |
|-------------------------------------|--------------------|

PERCENT OF BIR

22.6%

TOTAL BOND ISSUE REQUIREMENT (BIR)

\$8,760,000

Notes:

⁽¹⁾ The WS&D cost is based on the original contract amount \$2,591,834.55 plus change order #1 amount \$16,416.00 for additional dewatering, bore & jack sanitary sewer in order to avoid existing guy wire, plus change order #2 amount \$4,416.00 for televising storm sewer as required by city of League City, minus final quantity adjustments \$24,455.00 for a total of \$2,588,211.55. The District used \$465,878 in surplus bond funds for a portion of this project in late 2015. The remaining reimbursable portion of the contract minus any developer share is included in this bond issue.

⁽²⁾ The WS&D cost is based on the original contract amount \$627,273.20 plus change order #1 amount \$5,638.00 to replace damaged fire hydrant, plus change order #2 amount \$3,000.00 to adjust rim elevation of existing storm manhole, minus final quantity adjustments \$52,625.00 for a total of \$583,286.20.

⁽³⁾ The WS&D cost is based on the original contract amount \$526,213.80, minus final quantity adjustments \$25,565.00 for a total of \$500,648.80.

⁽⁴⁾ The WS&D cost is based on the original contract amount \$1,067,922.70 plus change order # amount \$33,600.00 to replace two large storm manholes with junction boxes, minus final quantity adjustments \$47,077.00 for a total of \$1,054,445.70.

⁽⁵⁾ The WS&D cost is based on the original contract amount \$807,053.25 minus final quantity adjustments \$51,138.25 for a total of \$755,915.00.

⁽⁶⁾ Engineering Fees are detailed in *Attachment 8*.

⁽⁷⁾ Geotech fees were paid to Tolunay-Wong Engineers for their services.

⁽⁸⁾ Surveying fees were paid to GeoSurv for their services.

⁽⁹⁾ Fees for stormwater consultation and stormwater pollution prevention were paid to Stormwater Solutions for their services.

⁽¹⁰⁾ The Capital Recovery Fee is based on 33 water connections and 33 sanitary sewer connections in section 13B, 58 water connections and 58 sanitary sewer connections in section 15C, and 80 for section 16A. The combined rate of \$5,634.00 per single-family equivalent connection built after June 11, 2013 is based on a rate of \$3,215.00 for water and \$2,419.00 for sanitary sewer.

See Attachment 17 for CRF ordinance.

| | Water | Wastewater | Total |
|-----------------------|-------|------------|-----------|
| Mar Bella Section 13B | 33 | 33 | \$185,922 |
| Mar Bella Section 15C | 58 | 58 | \$326,772 |
| Mar Bella Section 16A | 80 | 80 | \$450,720 |
| | 171 | 171 | \$963,414 |

⁽¹¹⁾ See Attachment 11 for breakdown of legal fees.

⁽¹²⁾ See Attachment 54 for breakdown of fiscal agent fees (included in the consultant agreement with the District).

⁽¹³⁾ See Attachment 13 for breakdown of developer interest.

GCMUD No. 46 Bond Application No. 9
Bond Anticipation Note Summary of Costs

CONSTRUCTION COSTS

A. Developer Contribution Items

1. Mar Bella Isla Vista Drive Extension

| | | | | |
|-------------------------|-----------|--------|-----------|-----------|
| a. Water Line Items | 307,066 | | 307,066 | 214,946 |
| b. Sanitary Sewer Items | 240,717 | | 240,717 | 168,502 |
| c. Storm Sewer Items | 1,449,580 | 53,739 | 1,395,821 | 977,075 |
| d. Misc Items | 71,252 | | 71,252 | 49,876 |
| Subtotal | 2,068,595 | 53,739 | 2,014,856 | 1,410,399 |

2. Mar Bella Section 11B

| | | | | |
|-------------------------|---------|---|---------|---------|
| a. Water Line Items | 101,457 | | 101,457 | 71,020 |
| b. Sanitary Sewer Items | 164,400 | | 164,400 | 115,080 |
| c. Storm Sewer Items | 312,304 | | 312,304 | 218,613 |
| d. Misc Items | 5,125 | | 5,125 | 3,588 |
| Subtotal | 583,286 | - | 583,286 | 408,300 |

3. Mar Bella Section 13B

| | | | | |
|-------------------------|---------|---|---------|---------|
| a. Water Line Items | 64,145 | | 64,145 | 44,901 |
| b. Sanitary Sewer Items | 161,810 | | 161,810 | 113,267 |
| c. Storm Sewer Items | 253,971 | | 253,971 | 177,780 |
| d. Misc Items | 20,723 | | 20,723 | 14,506 |
| Subtotal | 500,649 | - | 500,649 | 350,454 |

4. Mar Bella Section 15C

| | | | | |
|-------------------------|-----------|---|-----------|---------|
| a. Water Line Items | 93,605 | | 93,605 | 65,523 |
| b. Sanitary Sewer Items | 170,964 | | 170,964 | 119,675 |
| c. Storm Sewer Items | 764,632 | | 764,632 | 535,243 |
| d. Misc Items | 25,245 | | 25,245 | 17,672 |
| Subtotal | 1,054,446 | - | 1,054,446 | 738,112 |

5. Mar Bella Section 16A

| | | | | |
|-------------------------|---------|---|---------|---------|
| a. Water Line Items | 118,199 | | 118,199 | 82,739 |
| b. Sanitary Sewer Items | 206,015 | | 206,015 | 144,211 |
| c. Storm Sewer Items | 420,451 | | 420,451 | 294,316 |
| d. Misc Items | 11,250 | | 11,250 | 7,875 |
| Subtotal | 755,915 | - | 755,915 | 529,141 |

6. Engineering Fees

| | | | | |
|---|------------|------|------------|------------|
| a. Item #1 (Isla Vista Drive Extension) | 332,999 | | 332,999 | 233,099 |
| b. Item #2 (Section 11B) | 73,298 | | 73,298 | 51,309 |
| c. Item #3 (Section 13B) | 51,121 | | 51,121 | 35,785 |
| d. Item #4 (Section 15C) | 144,291 | | 144,291 | 101,004 |
| e. Item #5 (Section 16A) | 96,942 | | 96,942 | |
| Subtotal | \$ 698,651 | \$ - | \$ 698,651 | \$ 421,196 |

7. Geotechnical Fees

| | | | | |
|---|-----------|------|-----------|-----------|
| a. Item #1 (Isla Vista Drive Extension) | 32,900 | | 32,900 | 23,030 |
| b. Item #2 (Section 11B) | 14,900 | | 14,900 | 10,430 |
| c. Item #3 (Section 13B) | 8,500 | | 8,500 | 5,950 |
| d. Item #4 (Section 15C) | 13,500 | | 13,500 | 9,450 |
| e. Item #5 (Section 16A) | 15,500 | | 15,500 | |
| Subtotal | \$ 85,300 | \$ - | \$ 85,300 | \$ 48,860 |

8. Surveying Fees

| | | | | |
|---|-----------|------|-----------|----------|
| a. Item #1 (Isla Vista Drive Extension) | 2,035 | | 2,035 | 1,425 |
| b. Item #2 (Section 11B) | 2,400 | | 2,400 | 1,680 |
| c. Item #3 (Section 13B) | 1,400 | | 1,400 | 980 |
| d. Item #4 (Section 15C) | 2,320 | | 2,320 | 1,624 |
| e. Item #5 (Section 16A) | 2,360 | | 2,360 | |
| Subtotal | \$ 10,515 | \$ - | \$ 10,515 | \$ 5,709 |

9. SWPPP Fees

| | | | | |
|---|------------|------|------------|-----------|
| a. Item #1 (Isla Vista Drive Extension) | 27,424 | | 27,424 | 19,197 |
| b. Item #2 (Section 11B) | 31,131 | | 31,131 | 21,792 |
| c. Item #3 (Section 13B) | 23,505 | | 23,505 | 16,453 |
| d. Item #4 (Section 15C) | 14,713 | | 14,713 | 10,299 |
| e. Item #5 (Section 16A) | 18,825 | | 18,825 | |
| Subtotal | \$ 115,597 | \$ - | \$ 115,597 | \$ 67,741 |

Total Developer Contribution Items

| | | | |
|--------------|-----------|--------------|--------------|
| \$ 5,872,953 | \$ 53,739 | \$ 5,819,214 | \$ 3,979,911 |
|--------------|-----------|--------------|--------------|

B. District Items

| | | | | | | | | |
|--|----|---------|----|---|----|---------|----|---------|
| 1. City of League City Capital Recovery Fees | \$ | 963,414 | \$ | - | \$ | 963,414 | \$ | 963,414 |
|--|----|---------|----|---|----|---------|----|---------|

| | | | | | | | | |
|----------------------|----|---------|----|---|----|---------|----|---------|
| Total District Items | \$ | 963,414 | \$ | - | \$ | 963,414 | \$ | 963,414 |
|----------------------|----|---------|----|---|----|---------|----|---------|

| | | | | |
|--------------------------|-------------|----------|-------------|-------------|
| TOTAL CONSTRUCTION COSTS | \$6,836,367 | \$53,739 | \$6,782,628 | \$4,943,325 |
|--------------------------|-------------|----------|-------------|-------------|

C. Note Issuance Costs

| | | |
|--------------------|----|-----------|
| 1. Legal Fees (1%) | \$ | 50,650.00 |
|--------------------|----|-----------|

| | | |
|---------------------------|----|-----------|
| 2. Fiscal Agent Fees (1%) | \$ | 50,650.00 |
|---------------------------|----|-----------|

| | | |
|-------------------------|----|-----------|
| 3. Other Issuance Costs | \$ | 20,374.62 |
|-------------------------|----|-----------|

| | | |
|----------------------|----|------------|
| Total Issuance Costs | \$ | 121,674.62 |
|----------------------|----|------------|

| | | |
|------------------------------|----|--------------|
| Total Bond Anticipation Note | \$ | 5,065,000.00 |
|------------------------------|----|--------------|

| | | |
|------------------------|----|------------|
| Twelve Months at 2.50% | \$ | 126,625.00 |
|------------------------|----|------------|

SECTION 5 — DEVELOPMENT STATUS AND LAND USE

The following information represents development as of 2/18/16

(A) Land-Use Table:

| <u>Land Uses</u> | <u>Acreage</u> | <u>As of 2/18/16</u> <u>Equivalent Connections</u> | |
|---|----------------|---|------------------|
| | | <u>Active</u> | <u>Projected</u> |
| Total District Acreage: | | | |
| 1. Developed from the Prior Bond Issues | 237.62 | 832 | 858 |
| 2. To Be Developed from the proposed Bond | 70.29 | 149 | 232 |
| 3. Currently Developed with Facilities to be funded by Future Bonds | 61.14 | 2 | 230 |
| 4. Remaining Developable Acreage | 22.00 | 0 | 30 |
| 5. Undevelopable Acreage: | | | |
| a. Streets | 16.45 | 0 | 0 |
| b. Drainage Reserves & Easements | 71.24 | 0 | 0 |
| c. Lift Station | 0.15 | 0 | 0 |
| d. Recreation Center | 3.65 | 0 | 0 |
| TOTALS | 482.54 | 983 | 1350 |

(B) Development from Prior Bonds:

| <u>SECTION</u> | <u>TYPE OF DEVELOPMENT</u> | <u>NO. OF LOTS</u> | <u>EQUIVALENT CONNECTIONS</u> | | |
|--------------------------------|----------------------------|--------------------|-------------------------------|---------------|----------------------------|
| | | | <u>ACREAGE</u> | <u>ACTIVE</u> | <u>AT FULL DEVELOPMENT</u> |
| Section 1 to Serve Mar Bella | Single Family | 33 | 11.28 | 33 | 33 |
| Section 2 to Serve Mar Bella | Single Family | 61 | 18.41 | 61 | 61 |
| Section 3 to Serve Mar Bella | Single Family | 75 | 15.99 | 75 | 75 |
| Section 4 to Serve Mar Bella | Single Family | 59 | 14.39 | 59 | 59 |
| Section 6 to Serve Mar Bella | Single Family | 40 | 11.74 | 38 | 40 |
| Section 5 to Serve Mar Bella | Single Family | 5 | 4.29 | 2 | 5 |
| Sec 5-Ph 2 to Serve Mar Bella | Single Family | 19 | 7.64 | 19 | 19 |
| Section 7 to Serve Mar Bella | Single Family | 89 | 17.48 | 89 | 89 |
| Section 9-A to Serve Mar Bella | Single Family | 25 | 8.55 | 25 | 25 |
| Section 9-B to Serve Mar Bella | Single Family | 36 | 11.80 | 36 | 36 |

| | | | | |
|---|----|-------|----|----|
| Section 9-C to Serve Mar Bella Single Family | 23 | 9.78 | 23 | 23 |
| Section 10-A to Serve Mar Bella Single Family | 35 | 11.02 | 35 | 35 |
| Section 10-B to Serve Mar Bella Single Family | 50 | 15.95 | 50 | 50 |
| Section 10-C to Serve Mar Bella Single Family | 39 | 9.52 | 39 | 39 |
| Section 10-D to Serve Mar BellaSingle Family | 45 | 10.99 | 45 | 45 |
| Section 11 to Serve Mar Bella Single Family | 48 | 13.50 | 48 | 48 |
| Section 12-A to Serve Mar BellaSingle Family | 60 | 14.50 | 57 | 60 |
| Section 12-B to Serve Mar BellaSingle Family | 69 | 14.19 | 58 | 69 |
| Section 13-A to Serve Mar BellaSingle Family | 47 | 16.60 | 40 | 47 |

| | | | | |
|---------------|------------|---------------|------------|------------|
| Totals | 858 | 237.62 | 832 | 858 |
|---------------|------------|---------------|------------|------------|

(C) Development from Proposed Bonds:

| SECTION | TYPE OF DEVELOPMENT | NO. OF LOTS | EQUIVALENT CONNECTIONS | | |
|---|---------------------|-------------|------------------------|------------|---------------------|
| | | | ACREAGE | ACTIVE | AT FULL DEVELOPMENT |
| Section 11-B to Serve Mar Bella Single Family | | 61 | 16.50 | 44 | 61 |
| Section 13-B to Serve Mar Bella Single Family | | 33 | 21.97 | 4 | 33 |
| Section 15-C to Serve Mar Bella Single Family | | 58 | 15.28 | 45 | 58 |
| Section 16-A to Serve Mar Bella Single Family | | 80 | 16.54 | 56 | 80 |
| Totals | | 232 | 70.29 | 149 | 232 |

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

| SECTION | TYPE OF DEVELOPMENT | NO. OF LOTS | EQUIVALENT CONNECTIONS | | |
|---|---------------------|-------------|------------------------|----------|---------------------|
| | | | ACREAGE | ACTIVE | AT FULL DEVELOPMENT |
| Section 15 A&B to Serve Mar Bella Single Family | | 88 | 22.07 | 0 | 88 |
| Section 16 B&C to Serve Mar Bella Single Family | | 75 | 14.67 | 1 | 75 |
| Section 14 to Serve Mar Bella Single Family | | 67 | 24.40 | 1 | 67 |
| Totals | | 230 | 61.14 | 2 | 230 |

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

| Year | Type of Development | Number of Units | Acreage of Reserves | Square Footage | Active Connections | Ultimate Connections |
|------|--|-----------------|---------------------|----------------|--------------------|----------------------|
| 2011 | Single Family Multi – Family Commercial Office Other | | | | 495 | 643 |
| 2012 | Single Family Multi – Family Commercial Office Other | | | | 545 | 703 |
| 2013 | Single Family Multi – Family Commercial Office Other | | | | 630 | 858 |
| 2014 | Single Family Multi – Family Commercial Office Other | | | | 798 | 1057 |
| 2015 | Single Family Multi – Family Commercial Office Other | | | | 966 | 1253 |

(F) **Floodplain Information:**

- (i) **What is being done (if anything) to remove the areas of the District, if any, currently in the official floodplain?** The District is outside the 100-year flood plain according to the attached FEMA map Community Panel Numbers 4854700029 C and 4854810003 B, dated May 2, 1983 and April 4, 1983 for Galveston County (See Attachment 18).
- (ii) **Are any of the improvements proposed for purchase or construction funding through the proceeds of this bond issue currently in the official floodplain?** No.
- (iii) **Are areas currently in the official floodplain used in the build-out projections used to support this bond issue?** No.
- (iv) **Who is charged with maintaining minimum floor slab elevations in the District area?** The City of League City.
- (v) **Are any sites or easements to be funded in the bond issue currently in the floodplain?** No.

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

(A) Water Supply:

- (i) **Water Supply Source:** The District receives water from the City of League City, which provides retail water services to customers in the District. GCMUD No. 46 will obtain water from an existing 24" water line, along State Highway 96 and an existing 8" water line from the adjacent Whispering Lake Ranch development. Furthermore, both lines are serviced by the City of League City. The City of League City currently acquires water from a combination of surface water and existing groundwater wells. The City of League City currently acquires surface water from the City of Houston (Southeast Water Purification Plant) and from the City of Dickinson (Thomas Mackey Water Purification Plant). See Attachment 17 for Utility Agreement between GCMUD No. 46 and the City of League City.

(ii) Water Supply Facilities Inventory:

Capacity: The City of League City; An Engineering Report on Water System from League City was previously provided and is on file at the TCEQ.

- a. **Total Capacity of Water Supply:**
The total capacity of water supply is 9.0 million gallons per day.
 - b. **Total Capacity of Ground Storage:**
The combined capacity of the city's ground storage tanks is 4.26 million gallons.
 - c. **Total Capacity Elevated Storage:**
1 tank at 2.0 million gallons.
1 tank at 0.4 million gallons.
 - d. **Total Capacity of Booster Pumps:**
Booster pumping stations combined capacities are 17,450 gpm.
- (iii) **Interconnects:** GCMUD No. 46 has no interconnect with any other public water supply system existing or proposed at this time. GCMUD No. 46 obtains all of its water supply from the City of League City and there are currently two separate water sources.
- (iv) See Attachment 17 - Utility Agreement between GCMUD No. 46 and the City of League City.
- (v) There are no special considerations or circumstances.
- (vi) **The District's existing, proposed and ultimate water supply is secured through the City of League City. See Section 6.03 of Attachment 17 – Utility Agreement between GCMUD No. 46 and the City of League City.**

(B) Wastewater Treatment:

- (i) **Wastewater Treatment Facilities:** The District receives wastewater services from the City of League City. The wastewater generated within the District will flow by gravity through an internal network of wastewater collection lines and outfall into Lift Station #1. It will then run through a series of existing lift station, force main and gravity lines and ultimately tie into the Dallas-Salmon Wastewater Treatment Plant. The plant has a capacity of 6.0 MGD. The plant is permitted under TPDES Permit No. WQ0010568005. At full development, the District's ultimate equivalent single family connections will be approximately 1,400. The wastewater generated by this development is estimated as 547,500 gpd (average dry weather flow) and 2,190,000 gpd (average wet weather flow).
 - (ii) **GCMUD No. 46 wastewater flows are based on 300 gpd/ESFC.**
 - (iii) **The District's existing, proposed and ultimate waste water capacity is secured through the City of League City. See Section 6.03 of Attachment 17 – Utility Agreement between GCMUD No. 46 and the City of League City**
 - (iv) **There are no special conditions or circumstances.**
 - (v) **The District's existing, proposed and ultimate wastewater capacity is secured through the City of League City. See Section 6.03 of Attachment 17 – Utility Agreement between GCMUD No. 46 and the City of League City. An Engineering Report on Wastewater System from League City was previously provided and is on file at the TCEQ.**
- (C) **Storm-Water Drainage Facilities:**
- (i) **Existing topography indicates that the site generally drains from the northeast to the southwest. Natural ground elevations vary from 18 feet to 12 feet mean sea level (msl) across the site into Gum Bayou, located just west of the site. A Drainage Study was previously provided and is on file at the TCEQ.**
 - (ii) **Storm water runoff within the District is routed through a curb and gutter street system to collector lines that outfall into detention basins and channels throughout the District and ultimately into Gum Bayou. See drainage study that was previously submitted and on file with TCEQ.**
 - (iii) **Storm water drainage facilities are proposed to be funded in this bond issue for Mar Bella Sections 11B, 13B, 15C, 16A and Isla Vista Drive Extension. No other storm water drainage facilities are proposed to funded in this bond issue.**
 - (iv) **No storm water quality facilities are proposed to be funded in this bond issue.**

SECTION 7 — BASIS OF DESIGN

(A) Conformity with Regulatory Requirements:

- (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 X No ___ N/A ___
- (iv) Galveston County Flood Control District: Yes ___ No ___ N/A X⁽¹⁾
- (v) Commission Permit Required by Water Code 16.236: Yes ___ No ___ N/A X⁽²⁾
- (vi) Others: List in the same format.

⁽¹⁾ Flood control issues are regulated by the City of League City

⁽²⁾ Commission Permit required by V.T.C.A. Water Code Section 16.236 pertains to levee districts and is not applicable for the submittal.

(B) Oversizing:

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

SECTION 8 — FINANCIAL INFORMATION

(A) Growth / No Growth

The economic feasibility of this bond issue is based on no growth.

The highest taxable value shown in the cash flow schedule is \$301,707,628.

(B) Latest Certified Assessed Valuation: \$ 244,271,694 as of January 14, 2016. See Attachment 33.

Latest Certified Estimate of Assessed Valuation: \$301,707,628 as of February 1, 2016. See Attachment 34.

(C) Historical Tax Data:

The following information is as of March 31, 2016. (This information is provided by the District's tax assessor collector)

| Year Collected | Assessed Valuation | Debt Service Tax Rate | Maintenance Tax Rate | Amount Collected | % Collected | Total |
|----------------|--------------------|-----------------------|----------------------|------------------|-------------|--------------|
| 2011 | \$102,705,268 | 0.78 | 0.22 | \$ 1,027,052 | 100% | \$ 1,027,052 |
| 2012 | \$124,547,454 | 0.81 | 0.19 | \$ 1,245,474 | 100% | \$ 1,245,800 |
| 2013 | \$146,292,690 | 0.85 | 0.15 | \$1,462,926 | 100% | \$ 1,466,128 |
| 2014 | \$179,929,537 | 0.87 | 0.13 | \$ 1,799,295 | 99.84% | \$ 1,796,416 |
| 2015 | \$244,271,694 | 0.89 | 0.09 | \$ 2,393,862 | 88.11% | \$ 2,370,880 |

(D) Cash and Investment: (This information is provided by the District's bookkeeper)

| CASH AND INVESTMENT BALANCES | |
|------------------------------|---------------------|
| As of (April 5, 2016) | |
| General Operating Fund | \$ <u>403,438</u> |
| Debt Service Fund | \$ <u>2,517,010</u> |
| Capital Projects Fund | \$ <u>476,274</u> |
| Total | \$ <u>3,396,722</u> |

(E) **Outstanding Indebtedness:** (This information is provided by the District's financial advisor)

(i) **Bond Issues:**

| Category | Outstanding Debt | Proposed Debt | Combined Debt | Debt Ratio based on Current Certified or Estimated Value |
|---------------------------------|----------------------|---------------------|----------------------|--|
| Water, Wastewater, and Drainage | \$ 27,305,000 | \$ 8,760,000 | \$ 36,065,000 | 11.95% |
| Roads | N/A | | | |
| Firefighting | N/A | | | |
| Recreational | \$ 2,280,000 | \$ 0 | \$ 2,280,000 | 0.76% |
| Totals | \$ 29,585,000 | \$ 8,760,000 | \$ 38,345,000 | 12.71% ⁽¹⁾ |

Note:

1. Based on the Latest Certified Estimate of Assessed Valuation of \$301,707,628 as of February 1, 2016.

(ii) **Bond Anticipation Note: None Outstanding**

(iii) **Were the provisions of Commission Rule 293.54 followed in the issuance of all Bond-Anticipation Notes?** N/A

(iv) **Tax-Anticipation Notes:** None

Will all tax-anticipation notes be retired out of the proceeds of taxes currently in the process of collection? N/A.

(v) **Other Obligations:** There are no other obligations.

(F) **Financial Feasibility:**

(i) **Build-Out Projections:** Is the feasibility of this bond issue based on growth? __Yes X__ No.

(ii) **Debt-Service Schedule:** See Attachment 30.

(iii) **Revenue Projections:**

(a) **Does the District intend to use net revenues from operations for debt service payments?**

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?**

No.

(iv) **Operating Budget:**

A table of revenues and expenses are included as Attachment 57.

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

Not Applicable

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

See Attachment 32

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

A letter from League City confirming the portion of the city's tax rate attributable to water, wastewater, drainage or recreation is included as Attachment 30 (b).

(viii) **Combined Tax Rate:**

| | Projected Tax Rate | No-Growth Tax Rate |
|---|-------------------------------|-------------------------------|
| District tax rate | | |
| a. Debt service as shown in cash-flow analysis | \$ 0.900 | \$ 0.900 |
| b. Maintenance Tax ⁽¹⁾ | \$ 0.075 | \$ 0.075 |
| Tax rate for overlapping entities as defined in Commission Rules 293.59(f)(2) and (f)(6) and (e)(2) and (e)(6) | | |
| a. Debt service as shown in cash-flow analysis | | |
| 1. League City: | \$ 0.07615 ⁽²⁾ | \$ 0.07615 ⁽²⁾ |
| b. Maintenance Tax | | |
| 1. League City: | \$ 0.00 | \$ 0.00 |
| Equivalent surcharge for water and wastewater, if any: | \$ N/A | \$ N/A |
| If District is within a city, then indicate the portion of the city's tax rate specifically attributable to water, wastewater, drainage, or recreation: | \$ 0.00 | \$ 0.00 |
| Less any equivalent tax rebate: | (\$ N/A) | (\$ N/A) |
| TOTAL COMBINED TAX RATE | \$ 1.05115 | \$ 1.05115 |

Notes:

(1) A no-growth operating budget is included as Attachment 57 (b).

(2) A letter from League City confirming the portion of the city's tax rate attributable to water, wastewater, drainage or recreation is included as Attachment 30 (b).

(ix) **Total Taxable Value of Area to be Taxed: \$301,707,628 as of February 1, 2016. (See Attachment 34).**

(x) **Waiver of Special Appraisal:**

This was previously provided and is on file with TCEQ.

(xi) **Overlapping Tax Rates:** (This information is provided by the District's tax assessor collector)

| <u>Taxing Jurisdictions</u> | 2015 | 2016 |
|---|---|---|
| | <u>Tax Rate Per \$100 Valuation</u> | <u>Projected Tax Rate Per \$100 Valuation</u> |
| City of League City | \$ 0.573500 | \$ 0.573500 |
| Clear Creek Independent School District | \$ 1.400000 | \$ 1.400000 |
| Galveston County | \$ 0.561247 | \$ 0.561247 |
| Galveston County Road & Flood | \$ 0.005753 | \$ 0.005753 |
| GCMUD No. 46 | <u>\$ 0.980000</u> | <u>\$ 0.980000</u> |
| Total Overlapping Tax Rate | \$ 3.520500 | \$ 3.520500 |

(G) **Development Status:**

Does the District have a developer as defined by Water Code Section 49.052(d)?

Yes, the District has a developer as defined by Water Code Section 49.052(d).

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):** At the time of Commission approval, all underground water, wastewater, and drainage facilities to be financed with proceeds from the proposed bond issue or necessary to serve the projected build-out used to support the feasibility of the bond issue, shall be at least 95% complete as certified by the district's engineer. X Yes ___ No ___ Exempt.
- 2. Compliance with 293.59(k)(6)(B):** At the time of Commission approval, all permits for groundwater, surface water, waste discharge, or other permits needed to secure capacity to support the build-out shall have been obtained. X Yes ___ No ___ Exempt.
- 3. Compliance with 293.59(k)(6)(C):** At the time of Commission approval, sufficient lift station, water plant, and wastewater treatment plant capacity, as applicable depending on the type of district, to serve the connections projected for a period of not less than 18 months shall either be 95% complete as certified by the district's engineer or available in existing plants in accordance with executed contracts for capacity in plant(s) owned by other entities (but in no event less than 50,000 gallons per day water plant and wastewater plant capacity) X Yes ___ No ___ Exempt.
- 4. Compliance with 293.59(k)(6)(D):** At the time of Commission approval, water supply, lift station and wastewater treatment capacity needed to support the projected build-out used to support the feasibility of the subject bond application must be existing or funds for that capacity must be included in the bond issue or secured by a letter of credit or other acceptable guarantee approved by the executive director. X Yes ___ No ___ Exempt.

5. **Compliance with 293.59(k)(6)(E):** At the time of Commission approval, all street and road construction to provide access to the areas provided with utilities to be financed with proceeds from the proposed bond issue, or necessary to serve the projected build-out used to support the feasibility of the subject bond issue, must be 95% complete as certified by the district's engineer. All streets and roads shall be constructed in accordance with city or county standards, as appropriate. ☒ Yes ☐ No ☐ Exempt.

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

Not Applicable. Previous bond issue based on no-growth.

- (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 ☒ 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 ☐ No ☒ N/A

(H) **Market Information:**

No growth is projected in determining the feasibility of this bond issue.

SECTION 9 — SHARED FACILITIES

(A) **Inventory:**

Not Applicable.

(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

(A) Plans:

(i) **Construction Plans:** The following is a list of plans which are submitted with the bond issue:

- a) Water, Sanitary Sewer and Drainage Facilities to Serve Isla Vista Drive Extension
- b) Water, Sanitary Sewer and Drainage Facilities to Serve Mar Bella Section 11B
- c) Water, Sanitary Sewer and Drainage Facilities to Serve Mar Bella Section 13B
- d) Water, Sanitary Sewer and Drainage Facilities to Serve Mar Bella Section 15C
- e) Water, Sanitary Sewer and Drainage Facilities to Serve Mar Bella Section 16A

(ii) **Plat:** The following is a list of plats and recorded easements which are submitted with the bond issue:

- a) Isla Vista Street Drive Extension
- b) Mar Bella Section 11B
- c) Mar Bella Section 13B
- d) Mar Bella Section 15C
- e) Mar Bella Section 16A

(B) **Contract Documents:** The following is a list of contract documents which are submitted with the bond issue:

- a) Water, Sanitary Sewer and Drainage Facilities to Serve Isla Vista Drive Extension
- b) Water, Sanitary Sewer and Drainage Facilities to Serve Mar Bella Section 11B
- c) Water, Sanitary Sewer and Drainage Facilities to Serve Mar Bella Section 13B
- d) Water, Sanitary Sewer and Drainage Facilities to Serve Mar Bella Section 15C
- e) Water, Sanitary Sewer and Drainage Facilities to Serve Mar Bella Section 16A

(C) **Construction Documents:** The following is a list of construction documents which are submitted with the bond issue.

- a) Water, Sanitary Sewer and Drainage Facilities to Serve Isla Vista Drive Extension
- b) Water, Sanitary Sewer and Drainage Facilities to Serve Mar Bella Section 11B
- c) Water, Sanitary Sewer and Drainage Facilities to Serve Mar Bella Section 13B
- d) Water, Sanitary Sewer and Drainage Facilities to Serve Mar Bella Section 15C
- e) Water, Sanitary Sewer and Drainage Facilities to Serve Mar Bella Section 16A

(D) Checklist:

The construction checklists are submitted with the construction documents.

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)? Yes

- (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? No
- (iv) **Railroad, Pipeline, or Underground-Utility Relocations:** Not Applicable.
- (v) **Joint-Use Engineering Studies:** Not Applicable
- (vi) **Bridges and Culverts:** Yes. See sheet 24 on Isla Vista Drive Extension construction plans. There are 374' of 5' x 3' box culvert, which has been shared between the District and the developer. See pro rata share Attachment 36.
- (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? Not applicable.
- (viii) **Floodplain Mitigation:** Does the project include funds for costs associated with the mitigation of floodplain areas? No.

(B) All Projects:

- (i) **Appraisals:** None.
- (ii) **Contract Revenue bonds:** Are the proposed bonds contract revenue bonds? 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?

Yes. See footnotes in section 4 for capital recovery fees proposed to be purchased in this bond issue. The Utility Agreement between League City and the District satisfies the requirements of 293.44 (b) (3) (A) – (C). See Attachment 44 for copy of engineering report used for calculating CRF fees.

SECTION 12 — MISCELLANEOUS CONSIDERATIONS

(A) Preconstruction Documents:

Copies of the following preconstruction agreements have previously been provided to TCEQ:

- a) Water, Sanitary Sewer and Drainage Facilities to Serve Isla Vista Drive Extension
- b) Water, Sanitary Sewer and Drainage Facilities to Serve Mar Bella Section 11B
- c) Water, Sanitary Sewer and Drainage Facilities to Serve Mar Bella Section 13B
- d) Water, Sanitary Sewer and Drainage Facilities to Serve Mar Bella Section 15C
- e) Water, Sanitary Sewer and Drainage Facilities to Serve Mar Bella Section 16A

(B) Bid Advertisement:

Were the competitive bidding statutes complied with in each of the construction contracts executed?

Yes.

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

- (ii) **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:**

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 Attachment 49.

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

None.

(E) Developer Interest Reimbursement:

See Attachment 13 for a tabular breakdown of developer interests. The District has requested approval for more than 2 years interest in the bond application resolution.

(F) Land and Easement Acquisition:

- (i) **Storm-Water Detention Facilities: Does the District intend to purchase easements or sites for storm-water detention facilities?**

No.

- (ii) **Easements Outside the District's Boundaries: Does the District intend to purchase easements outside the District's boundaries?**

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?

No.

- (iv) **Recreational-Facility Sites:** Does the District intend to purchase sites for recreational facilities?

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?

No.

SECTION 13 — MISCELLANEOUS INFORMATION

(A) Contracts with Professional Consultants:

Executed copies of contracts with the following consultants are included as Attachment 54:

- a. The Attorney
- b. The District Engineer
- c. The Financial Advisor
- d. The District Bookkeeper
- e. The Tax Assessor-Collector
- f. The Stormwater Pollution Prevention Consultant

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

Not Applicable. The City of League City is responsible for all inspections of new water and wastewater connections.

(C) Key Personnel:

i) **President, Board of Directors:**

Mr. Rusty Vidrine
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027
Attention: Mr. Greer Pagan
Phone: (713) 860-6417

ii) **Attorney:**

Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027
Attention: Mr. Greer Pagan
Phone: (713) 860-6417

iii) **Financial Advisor:**

First Southwest Company, LLC
700 Milam Street, Suite 500
Houston, Texas 77002
Attention: Mr. Greg Lentz
Phone: (713) 654-8638

v) **Tax Assessor-Collector:**

Assessments of the Southwest, Inc.
P.O. Box 1368
Friendswood, Texas 77549-1368
Attention: Ms. Delia Yanez
Phone: (281) 482-0216

vi) Bookkeeper:

Myrtle Cruz, Inc.
1621 Milam, 3rd Floor
Houston, Texas 77046
Attention: Ms. Dana Davis
Phone: (713) 759-1368

vii) Principal Developer:

Taylor Woodrow Communities – League City, Ltd.
5353 West Sam Houston Parkway N. Ste. 190
Houston, Texas 77041
Attention: Mr. Bobby Skinner
Phone: (281) 598-3000

viii) Engineer:

LJA Engineering, Inc.
2929 Briarpark Drive, Suite 600
Houston, Texas 77042-3703
Attention: Mr. Edmund D. Rucker, P.E.
Phone: (713) 953-5200

(D) Reporting Requirements:

Has the District submitted a current Directors' Registration Form?

Yes.

Has the District submitted a current District Information Form as required by Water Code Section 49.455?

Yes.

Has the District submitted a current Audit Report or Financial Dormancy Affidavit?

Yes.

(E) Name Signs:

Has the District posted at least two name signs, at two or more principal entrances to the District?

Both signs are posted on SH 96 near MarBella Parkway so that both east bound and west bound motorists can see them.

(F) Other Information:

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

A letter from the city of League City waiving requirements to inspect the facilities prior to purchase by the District in accordance with 293.69(h) is enclosed in the front folder of this report.