



October 13, 2016

Via E-mail: 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. 44
\$3,760,000* Unlimited Tax Refunding Bonds, Series 2016

Dear Ms. Underhill:

On Tuesday, October 4, 2016, Galveston County Municipal Utility District No. 44's (the "District") Board of Directors approved the issuance of its first refunding series. The District is required to receive approval from the City of League City (the "City") prior to the sale of bonds, in compliance with Section 5.02 of the "Utility Agreement between the District and the City of League City, Texas" (the "Agreement"). The terms and conditions of the Bonds are in compliance with the Utility Agreement.

It is anticipated that the issuance of the Bonds will result in no increase to the District's adopted 2016 tax rate of \$0.80 per \$100 of taxable assessed valuation, split into \$0.64 for debt service and \$0.16 for maintenance. The District's 2016 Certified Assessed Valuation as provided by the Galveston Central Appraisal District is \$155,041,488 as of January 1, 2016.

The Bonds will advance refund a portion of the District's outstanding Unlimited Tax Bonds, Series 2009. The Bonds, structured with the same maturity schedule as the refunded bonds, will not extend the District's debt. The Bonds, as of October 11, 2016, are projected to provide the District with 17.57% (\$550,075) in net present value savings and \$772,840 in Debt Service savings.

The attached refunding numbers reflect a bond issue size of \$3,760,000.

If I may be of further assistance, please do not hesitate to contact me at 713-651-3338.

Sincerely,

Eugene B. Shepherd
Managing Director

cc:	Lonna Stein	City of League City, Texas
	Jessica Holoubek	Allen Boone Humphries Robinson LLP
	Matt Dustin	RBC Capital Markets

Enclosure