



April 2, 2018

Via E-mail: allena.portis@leaguecity.com

Ms. Allena Portis
City of League City
300 West Walker
League City, Texas 77573

Re: Galveston County Municipal Utility District No. 44
\$3,650,000 Unlimited Tax Bonds, Series 2018

Dear Ms. Portis:

The Board of Directors of the Galveston County Municipal Utility District No. 44 (the "District") has authorized submission to the Texas Commission on Environmental Quality ("TCEQ") for the approval of the sale of Bonds to reimburse the developer in the District for the construction of underground utilities pursuant to an agreement between the District and the developer. The TCEQ completed their review process, and provided their Order and Staff Memo on February 28, 2018. The District will meet on April 3, 2018 and authorize its consultants to proceed with the issuance of its Unlimited Tax Bonds, Series 2018. The Bonds are the sixth installment of bonds issued by the District.

Under the terms of Utility Agreement between the District and the City dated April 8, 2003, Bonds may be sold by the District only with the approval of the City Council. The terms and conditions of the Bonds and expenditure of funds are in compliance with the Utility Agreement. Therefore, the District respectfully requests Council consideration and approval at the earliest possible Council Meeting.

The following information has been included for staff review:

1. Debt service schedule on the proposed Series 2018 Bonds;
2. Cash flow showing economic feasibility – all debt;
3. Tentative Schedule of Events.

Proceeds of the sale of the Bonds will be used for:

1. Remaining costs for drainage improvements to serve Tuscan Lakes Development SE Quadrant, Phase 2
2. Drainage improvements to serve Tuscan Lakes SE Quadrant, Phase 3
3. Remaining costs for The Village at Tuscan Lakes Section 1 – W, WW & D
4. The Village at Tuscan Lakes Section 3, Phase 1 – W, WW & D
5. The Village at Tuscan Lakes Section 4, Phase 1 – W, WW & D
6. Engineering for Items No. 1-5
7. Engineering for The Village at Tuscan Lakes Section 2, Phase 3 – W, WW & D

8. Geotechnical for Items No. 2, 4 & 5
9. Surveying for Items No. 1 & 2
10. Stormwater Consulting for Items No. 2-5
11. Water and wastewater impact fees
12. Land acquisition costs for drainage improvements, Phases 3 & 4;
13. Easement acquisition for electric utility to serve drainage improvements;
14. Certain financing, legal and other costs related to the issuance of the Bonds.

It is anticipated that the issuance of the Bonds will result in no increase to the District's adopted 2017 tax rate of \$0.80 per \$100 of taxable assessed valuation, split into \$0.67 for debt service and \$0.13 for maintenance. The District's 2017 Certified Assessed Valuation as provided by the Galveston Central Appraisal District is \$191,632,798 as of January 1, 2017.

Thank you very much for your consideration of our request. If you have any questions, please do not hesitate to call me at 713-853-0884.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Matthew E. Dustin". The signature is fluid and cursive, with the first name "Matthew" being more prominent than the last name "Dustin".

Matthew E. Dustin
Director

cc: Mr. Davis Bonham Smith Murdaugh Little & Bonham, LLP
Mr. John Pickens LJA Engineering, Inc.

Enclosure