



**Capital
Markets**

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August 3, 2021

Via E-mail: Kristine.Polian@leaguecitytx.gov
Ms. Kristine Polian
City of League City
300 West Walker
League City, Texas 77573

Re: Galveston County Municipal Utility District No. 44
\$4,650,000 Unlimited Tax Bonds, Series 2021

Dear Ms. Polian:

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 District met on August 3, 2021 to authorize its consultants to proceed with the issuance of its Unlimited Tax Bonds, Series 2021, subject to receipt of the Order and Staff Memo from the TCEQ. The TCEQ completed their review process, and provided their Order and Staff Memo on August 23, 2021. The Bonds are the eighth installment of new money bonds issued by the District. The District has also previously issued two series of refunding bonds.

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 Data Sheet
- 2 Official Statement
- 3 Proposed Debt Service Schedule
- 4 Debt Service Cashflow worksheet
- 5 Schedule of Events
- 6 Engineering Report with Summary of Costs
- 7 Engineer Approval Letter
- 8 TCEQ Order and Staff Memo

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

1. Water, Sewer, and Drainage Projects (“WSD”) to serve Tuscan Lakes Section 55-2
2. WSD to serve Tuscan Lakes Section 60-2
3. WSD to serve Tuscan Lakes Section 55-3
4. WSD to serve Tuscan Lakes Section 60-3
5. WSD to serve Tuscan Lakes Section 50-6
6. WSD to serve the Village at Tuscan Lakes Entry Road
7. Engineering for Items No. 1-6
8. Geotechnical for Items No. 1-6
9. Surveying for Items No. 1-6
10. Stormwater Consulting for Items No. 1-6
11. Water and wastewater impact fees (Capital Recovery Fees)
12. 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 2021 tax rate of \$0.760 per \$100 of taxable assessed valuation, split into \$0.705 for debt service and \$0.055 for maintenance and operations. The District’s 2021 Certified Assessed Valuation as provided by the Galveston Central Appraisal District is \$283,914,008 as of January 1, 2021, and the District’s Estimate of Value as of March 1, 2021, as provided by the Galveston Central Appraisal District is \$339,470,692.

Thank you very much for your consideration of our request. If you have any questions, please do not hesitate to call me at 713-651-3342.

Sincerely yours,



Mr. Loren Morales

Director

cc: Mr. Davis Bonham Smith Murdaugh Little & Bonham, LLP
Mr. Patrick Newton LJA Engineering, Inc.