

# **BOND APPLICATION REPORT**



**FOR**

**GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 44  
BOND ISSUE NO. 8  
\$4,650,000**

**LJA JOB NO. 1788-0018**

**March 2021**



1904 W Grand Parkway N, Suite 100, Katy, Texas 77449  
t 713.953.5200 f 713.953.5026 LJA.com TBPE F-1386

April 22, 2021

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

Attention: Mr. James Walker (Mail Code 156)  
Districts Review Team  
Utilities & Districts Section  
Water Supply Division

Re: Galveston County Municipal Utility District No. 44  
Bond Issue No. 8 - \$4,650,000  
LJA Job No. 1788-0018 (13.0)

Dear Mr. Walker:

We are submitting the enclosed report for Galveston County Municipal Utility District No. 44 (District) Bond Issue No. 8 for expedited 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.

A letter from League City waiving the requirement for pre-purchase inspection and "Certificate Justifying 60-Day Bond Application Review" form is included in the front cover of the bond application report.

If you require additional information, please call me at 713.358.8817.

Sincerely,

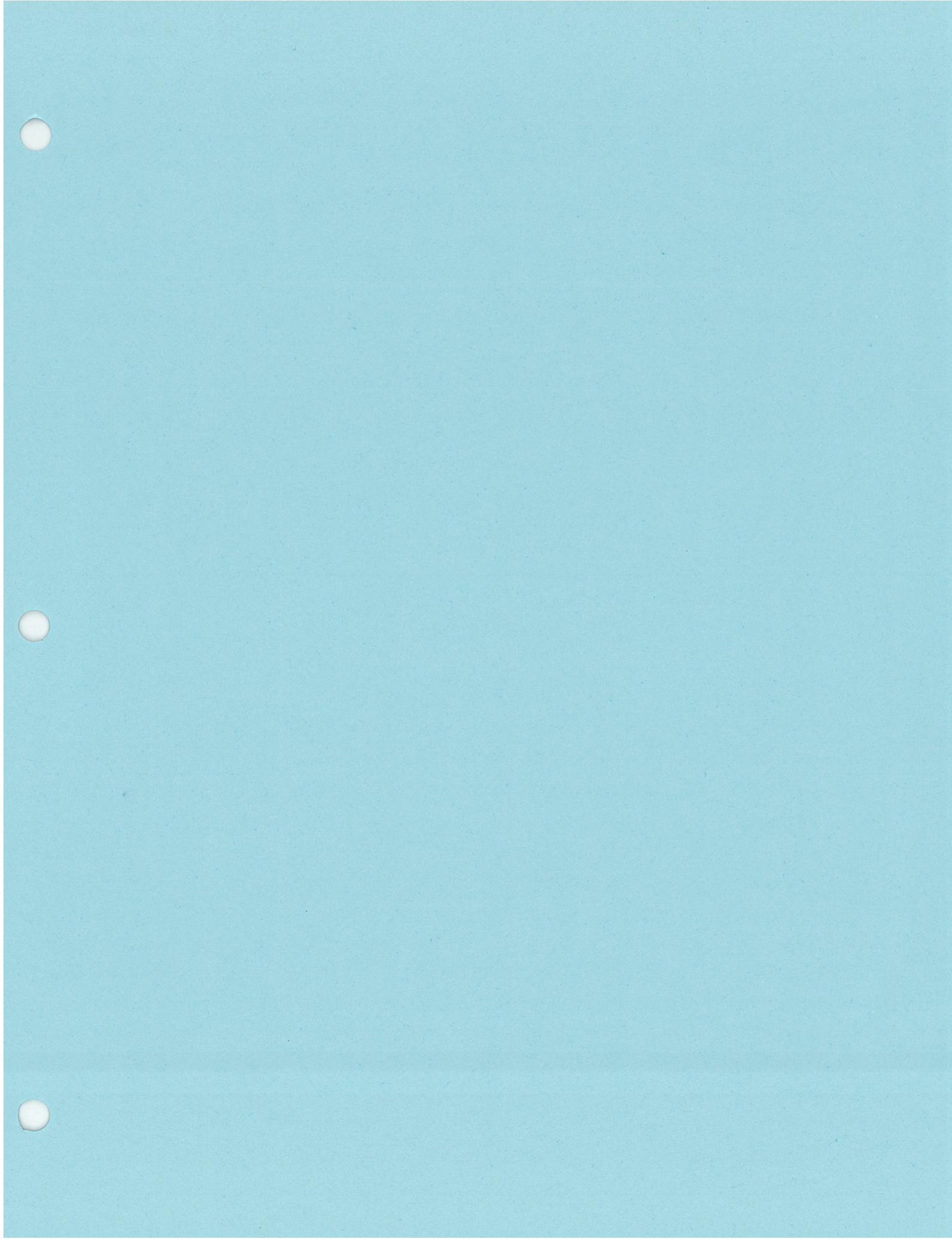
A handwritten signature in blue ink, appearing to read 'J. Pickens'.

John Pickens, Jr., PE, LEED AP  
Project Manager

JDP/jb

Attachments





**Your transaction is complete. Thank you for using TCEQ ePay.**

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#### Transaction Information

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**Date:** 04/22/2021 05:30 PM  
**Payment Method:** CC - Authorization 0000022957  
**ePay Actor:** JOHN PICKENS JR  
**Actor Email:** jpickens@lja.com  
**IP:** 208.178.9.202  
**TCEQ Amount:** \$500.00  
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#### Payment Contact Information

**Name:** MICHAEL RUSK  
**Company:** LJA ENGINEERING INC  
**Address:** 3600 W SAM HOUSTON PKWY S 600, HOUSTON, TX 77042  
**Phone:** 713-358-8817

#### Cart Items

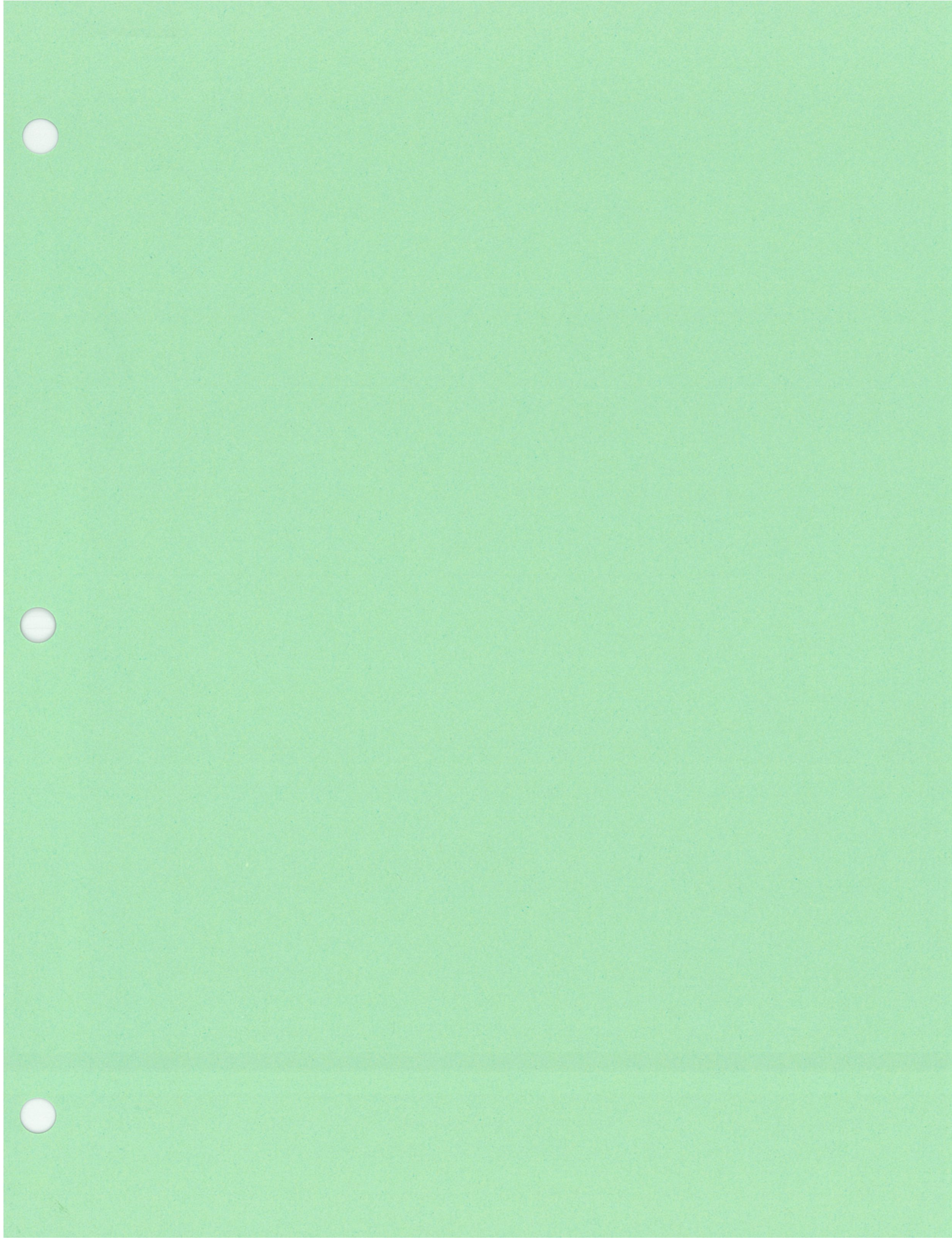
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Voucher	Fee Description	AR Number	Amount
<a href="#">510125</a>	DISTRICT BOND ISSUE FILING FEE		\$500.00
<b>TCEQ Amount:</b>			\$500.00

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# **TCEQ Expedited Review - Developer Projects**

## **“Certificate Justifying 60-Day Bond Application Review”**

We have reviewed the attached Bond Application and conclude that it is complete and request an expedited review in accordance with § 293.42. We understand that under an expedited review the TCEQ staff will assume that we have submitted all available documentation required pursuant to the Bond Application Report Format and will not request additional information. If documentation is found to be insufficient, the application will not be expedited and a review letter will be sent. Also, we understand that we may not be notified prior to completion of the TCEQ memorandum of items excluded from funding or recommended for escrow.

**A. The following executed documents are included in the attached Bond Application Report:**

1. Resolution and Certificate requesting approval of bonds and any special exemptions or waivers (such as 30% developer contribution, market study, or developer interest limitations);
2. Waiver of special tax exemptions as required by § 293.59(k)(8);
3. A current market study, unless exempt or inapplicable;
4. Any other items required by § 293.43;
5. Engineer's certificates of completion for streets in completed sections where either utilities are being funded in the bond issue or the section is included in the feasibility of the bond issue.
6. Provide a certificate stating whether the District intends for the financial feasibility of the proposed bond issue to be based on “no-growth” or “growth” projections. If based on growth, the certificate should indicate total number of ESFCs used for feasibility.

**B. I have reviewed the District's current status and to the best of my knowledge the following statements are true:**

1. All underground water, wastewater and drainage facilities and associated streets to be financed or necessary to serve the projected build-out to support the feasibility are 95% complete, or the District is exempt pursuant to § 293.59(k)(11) and applicable financial guarantees in compliance with Commission rules are provided. Financial guarantees are provided for the following:
2. Assessed Value necessary to meet tax rates shown in the no-growth cash flow table and all proposed exemptions is existing as documented by a certificate from the central appraisal district.
3. The District meets the applicable requirements of § 293.59(k)(6) A-E for all bond issues and § 293.59(l)(2)-(3) for second and subsequent bond issues related to completion of facilities and permits.
4. Any financial guarantees necessary for water, wastewater, and drainage facility capacities (based on the District engineer's design criteria) have been obtained, are included in the attached Bond Application Report Format and are in compliance with Commission rules.



5. The District meets the requirements of § 293.59(k)(7) and § 293.59(l)(4) as applicable related to vertical build-out.
6. The District meets the requirements of § 293.59(k)(3)-(4) related to acceptable tax rates.
7. The District is legally authorized to issue the bonds.
8. Sections and attachments in the attached Bond Application Report Format are separated by dividers or colored paper, tabbed, and labeled.
9. If the feasibility is based on growth, the build-out schedule:
  - a. Is consistent with the growth cash flow schedule
  - b. Specifically identifies sections where growth is projected.
  - c. Includes the number of ESFCs for non single-family projections.
  - d. Includes only projections on available lots, reserves, etc. as identified in the Land Use Table in the attached Bond Application Report Format.
10. The application meets the requirements of § 293.44 related to special considerations.
11. To the best of our knowledge and belief the bond application is complete and in substantial compliance with Commission rules except for plans and specifications for the following facilities

The District requests that the funds for these facilities be placed in escrow until such plans and specifications are complete.

Bond Counsel as to paragraph B, lines 4, 7, and 11:

Date 4/6/2021

Financial Advisor as to paragraph B, lines 2, 5, 6, 9a, and 11:

Date 4/6/2021

Engineer as to paragraph A and B, lines 1, 3, 8, 9b-d, 10 and 11

Date 4/14/2021







**GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 44**

**Resolution Authorizing Filing of Application for  
Approval of Texas Commission on Environmental Quality of  
District's Engineering Project and  
Issuance of Bonds in an Amount not to Exceed \$4,650,000**

The Board of Directors ("Board") of Galveston County Municipal Utility District No. 44 held a regular meeting on March 2, 2021, with a quorum of directors present, as follows:

W. E. White, President  
Jim Bollom, Vice President  
Terry R. Finkle, Secretary  
Glenn Carmack, Assistant Vice President  
David Foulkrod, Assistant Secretary

and the following absent:

none.

when the following business was transacted:

The resolution set out below was introduced for consideration of the board. It was then duly moved and seconded that said resolution be adopted; and, after due discussion, said motion carried by the following votes:

Ayes: All directors shown present

Noes: None.

When the following business was transacted:

Bond Authority

WHEREAS, the Board of Directors of Galveston County Municipal Utility District No. 44 intends to enter a bond order or orders, in increments as needed, providing for the issuance of bonds in an amount not to exceed \$4,650,000 voted for the purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving, extending, or paying for, inside and outside the district's boundaries, any district works, improvements, facilities plants,

equipment, appliances, and all costs associated with flood plain and wetlands regulation and endangered species and stormwater permits, including mitigation, needed to accomplish the purposes of the District authorized by the Texas Constitution, the Texas Water Code or any other law, including the works, improvements, facilities, plants, equipment and appliances to provide a waterworks system, sanitary sewer system, drainage and storm sewer system, including, but not limited to, all additions to such systems and all works, improvements, facilities, plants, equipment, appliances, interests in property, and contract rights needed therefor and administrative facilities needed in connection therewith, said bonds being the District's ninth bond issue and being the eighth approval by the Commission out of the \$67,200,000 of bonds authorized at an election held for and within the District on November 2, 2004.

Application for Commission Approval of Project and Issuance of Bonds

WHEREAS, it is proper for the District to apply to the Texas Commission on Environmental Quality to investigate, report upon and approve (1) the organization and feasibility of the District, (2) the District's Bond Application Report and data, profiles, maps, plans and specifications prepared in connection therewith, (3) the issuance of District's bonds in an amount not to exceed \$4,650,000, (4) and the District's proposed improvements and projects, and to make a full written report thereon and file same in its office and furnish a copy thereof to this board of directors; and to do all other things required of it by law and Section 49.181, Texas Water Code, as amended.

Waiver of Developer Thirty Percent Contribution

Whereas, the District wishes to request a waiver of the Commission's requirement under 30 T.A.C. §293.47 requiring that thirty percent of the cost of the District water, sewer, and drainage facilities be paid by the developer to insure the feasibility of the construction projects of the District because the District has a ratio of debt (including proposed debt) to certified assessed



valuation of ten percent (10%) or less, in accordance with 30 T.A.C. §293.47 (a)(1).

No Market Study Required

The District is not submitting herewith a current market study because the District is not using growth projections to support the feasibility of the bond issue and therefore no market study is required under 30 TAC §293.59(k)(10).

Use of Surplus Funds

WHEREAS, the District issued its Series 2012, 2014, 2017, 2018, 2019 and 2020 Bonds and there are or anticipated to be surplus, unexpended proceeds of such bonds in the amount of \$1,000,000 presently available, after withholding amounts needed to pay the District's obligations for projects underway or completed and financed from the Series 2012, 2014, 2017, 2018, 2019 and 2020 Bonds, and the District wishes to obtain Commission approval of expenditure of \$1,000,000 in surplus funds to pay for projects in this eighth bond application.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT THAT:

Section 1. The foregoing facts and recitals are true and correct.

Section 2. The District, pursuant to said Section 49.181, Texas Water Code, as amended and 30 Texas Administrative Code, Sections 293.41 et seq., as amended, shall file with the Texas Commission on Environmental Quality an Application praying for the foregoing action by said Commission, for its approval of the above described project and bonds, and for any other relief needed by the District. Said Application shall contain all allegations and information required by law and by the rules of the Commission.

Section 3. The president of and the attorney for the District are, or either of them is, authorized to make and execute such Application on behalf of the District, to file same with the Commission, and to do all other things necessary or proper in connection with said

Application and the obtaining of the action by and the approval of the Commission as set forth herein.

Section 4. The president or vice president is authorized to execute and the secretary, assistant secretary or secretary pro tempore to attest this order on behalf of the board of directors and the District.



PASSED and ADOPTED by the Board of Directors of Galveston County  
Municipal Utility District No. 44, this March 2, 2021.

W.E. WHITE

\_\_\_\_\_  
President

ATTEST:

TERRY R. FINKLE

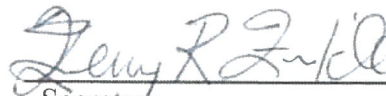
\_\_\_\_\_  
Secretary

(SEAL)

I, the undersigned Secretary of the Board of Directors of Galveston County Municipal Utility District No. 44, hereby certify that the foregoing is a true and correct copy of the Resolution Authorizing Filing of Application for Approval of Texas Commission on Environmental Quality of District's Engineering Project and Issuance of Bonds, adopted by said Board at its **regular** meeting of March 2, 2021, the original of which order and minutes are on file in the minute book of the Board, in the District's office.

I further certify that said meeting was open to the public, and that notice was given in compliance with the provisions of Tex. Gov't. Code Ann. § 551.001 et seq. as adopted, and as suspended in part by the Governor of Texas on March 16, 2020.

Witness my hand and the official seal of said District, this March 2, 2021.

  
Secretary





## **GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 44**

Application for Approval of the Texas Commission on Environmental Quality  
of District's Engineering Project and Issuance of \$4,650,000 of Bonds

TO THE HONORABLE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY:

Now comes Galveston County Municipal Utility District No. 44, hereinafter referred to as "Applicant" or "District," and files and presents this Application pursuant to Section 49.181, Texas Water Code, as amended, and 30 T.A.C. Sections 293.41-293.43, and requests the Commission to take such action thereon as provided by law.

Applicant seeks approval of the right to sell \$4,650,000 of bonds. Applicant submits in writing this Application for investigation along with a copy of its Engineer's Report and copy of data, profiles, maps, plans and specifications prepared in connection therewith, which have been filed with the Commission.

The following changes have occurred in the District's boundaries or area since its creation by order of the Texas Commission on Environmental Quality, dated August 10, 2004; 1.50 acres added by order of the Board of Directors dated February 20, 2007.

### Bond Authority

Whereas, the Board of Directors of Galveston County Municipal Utility District No. 44 intends to enter a bond order or orders, in increments as needed, providing for the issuance of bonds in an amount not to exceed \$4,650,000 voted for the purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving, extending, or paying for, inside and outside the district's boundaries, any district works, improvements, facilities plants, equipment, appliances, and all costs associated with flood plain and wetlands regulation and endangered species and stormwater permits, including mitigation, needed to accomplish the purposes of the District authorized by the Texas Constitution, the Texas Water Code or any other

law, including the works, improvements, facilities, plants, equipment and appliances to provide a waterworks system, sanitary sewer system, drainage and storm sewer system, including, but not limited to, all additions to such systems and all works, improvements, facilities, plants, equipment, appliances, interests in property, and contract rights needed therefor and administrative facilities needed in connection therewith, said bonds being the District's ninth bond issue and being the eighth approval by the Commission out of the \$67,200,000 of bonds authorized at an election held for and within the District on November 2, 2004.

Application for Commission Approval of Project and Issuance of Bonds

Whereas, it is proper for the District to apply to the Texas Commission on Environmental Quality to investigate, report upon and approve (1) the organization and feasibility of the District, (2) the District's Bond Application Report and data, profiles, maps, plans and specifications prepared in connection therewith, (3) the issuance of District's bonds in an amount not to exceed \$4,650,000, (4) and the District's proposed improvements and projects, and to make a full written report thereon and file same in its office and furnish a copy thereof to this board of directors; and to do all other things required of it by law and Section 49.181, Texas Water Code, as amended.

Waiver of Developer Thirty Percent Contribution

Whereas, the District wishes to request a waiver of the Commission's requirement under 30 T.A.C. §293.47 requiring that thirty percent of the cost of the District water, sewer, and drainage facilities be paid by the developer to insure the feasibility of the construction projects of the District because the District has a ratio of debt (including proposed debt) to certified assessed valuation of ten percent (10%) or less, in accordance with 30 T.A.C. §293.47 (a)(1).



### Waiver of Market Study

Whereas, the District wishes to request a waiver of the Commission's requirement under 30 T.A.C. §293.59(k)(10) for a current market study because no growth was projected in determining the feasibility of the bond issue.

### Use of Surplus Funds

WHEREAS, the District issued its Series 2012, 2014, 2017, 2018, 2019 and 2020 Bonds and there are or anticipated to be surplus, unexpended proceeds of such bonds in the amount of \$1,000,000 presently available, after withholding amounts needed to pay the District's obligations for projects underway or completed and financed from the Series 2012, 2014, 2017, 2018, 2019 and 2020 Bonds, and the District wishes to obtain Commission approval of expenditure of \$1,000,000 in surplus funds to pay for projects in this eighth bond application.

It is essential to the District's improvement program and progress and is in the best interest of the District that said bonds be approved by the Commission at this time.

Applicant prays as follows: that the Commission investigate, report upon and approve (1) the organization and feasibility of the District, (2) said bond application report and data, profiles, maps, plans and specifications prepared in connection therewith, (3) the issuance of the District's bonds in the amount of \$4,650,000, (4) a waiver of developer thirty percent contribution; (5) a waiver of requirement for market study; (6) the District's proposed improvements and project; and (7) use of surplus funds; that the Commission make a full written report thereon, file same in your office and furnish a copy of same to the board of directors of said District; that the Commission do all other things required of it by law and said Section 49.181, Texas Water Code, as amended, and 30 T.A.C. Sections 293.41-293.43, in connection with this Application; and that Applicant have any other relief to which it may be entitled.

Dated this March 2, 2021.

Respectfully submitted,

GALVESTON COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 44

By:

*W E White*

\_\_\_\_\_  
President

"Applicant" or "District"

ATTEST:

*Larry R Little*  
\_\_\_\_\_  
Secretary

(SEAL)



SMITH, MURDAUGH, LITTLE &  
BONHAM, L.L.P.

By:

*J. Davis Bonham, Jr.*

\_\_\_\_\_  
J. Davis Bonham, Jr.  
Attorneys for the District

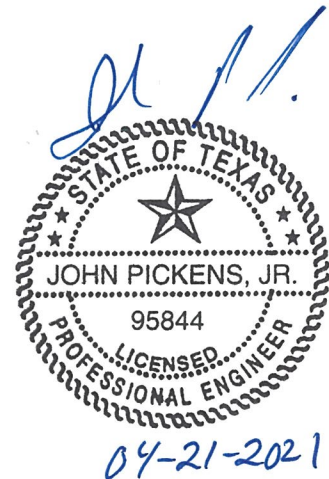




**ENGINEERING REPORT  
FOR  
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 44  
BOND ISSUE NO. 8  
\$4,650,000**

**JOB NO. 1788-0018**

**April 2021**



**LJA ENGINEERING, INC.  
1904 W GRAND PARKWAY N  
SUITE 100  
KATY, TEXAS 77449  
713.953.5200  
FRN F-1386**

**BOND APPLICATION REPORT FORMAT**  
**CONTENTS**

<b>SECTION 1 — GENERAL INFORMATION .....</b>	<b>1</b>
(A) Laws, Elections, and Acreage: .....	1
(B) Location:.....	1
<b>SECTION 2 — PROPOSED BOND ISSUE.....</b>	<b>2</b>
(A) Purpose: .....	2
(B) Bond and Maintenance Tax Authorization: .....	2
(C) Prior Bond Issues:.....	3
(D) Type: .....	3
(E) Interest Rate:.....	3
(F) Land-Use Plan:.....	3
(G) Recreational Facilities:.....	3
(H) Roads: .....	3
<b>SECTION 3 — FACILITIES PROPOSED FOR FUNDING.....</b>	<b>4</b>
(A) Purchase of Existing Facilities and/or Assumption of Existing Contracts: .....	4
(B) Facilities to be Constructed:.....	4
<b>SECTION 4 — SUMMARY OF COST .....</b>	<b>5</b>
<b>SECTION 5 — DEVELOPMENT STATUS AND LAND USE .....</b>	<b>8</b>
(A) Land-Use Table:.....	8
(B) Development from Prior Bonds:.....	9
(C) Development from Proposed Bonds: .....	11
(D) Development from Future Bonds (by Section if Available):.....	11
(E) Historical Build-Out:.....	12
(F) Floodplain Information:.....	13
<b>SECTION 6 —SOURCE OF WATER SUPPLY, WASTEWATER TREATMENT FACILITIES, AND                     STORM-WATER DRAINAGE FACILITIES .....</b>	<b>14</b>
(A) Water Supply:.....	14
(B) Wastewater Treatment: .....	15
(C) Storm-Water Drainage Facilities: .....	15
<b>SECTION 7 — BASIS OF DESIGN .....</b>	<b>16</b>
(A) Conformity with Regulatory Requirements:.....	16
(B) Oversizing: .....	16
<b>SECTION 8 — FINANCIAL INFORMATION .....</b>	<b>17</b>
(A) Growth / No Growth.....	17
(B) Latest Certified Assessed Valuation:.....	17
(C) Historical Tax Data: .....	17
(D) Cash and Investment: .....	17
(E) Outstanding Indebtedness: .....	18
(F) Financial Feasibility: .....	18

(G) Development Status: .....	20
(H) Market Information: .....	21
<b>SECTION 9 - SHARED FACILITIES .....</b>	<b>19</b>
(A) Inventory: .....	22
(B) Calculated Pro Rata Shares:.....	22
(C) Cost-Sharing Arrangements Requested for Commission Approval:.....	22
(D) Oversizing Required by a Local Government or Other Regulatory Agency:.....	22
<b>SECTION 10 — PLANS, SPECIFICATIONS, OTHER CONSTRUCTION DOCUMENTS .....</b>	<b>23</b>
(A) Plans: .....	23
(B) Contract Documents: .....	23
(C) Construction Documents:.....	23
(D) Checklist:.....	23
<b>SECTION 11 — SPECIAL CONSIDERATIONS .....</b>	<b>24</b>
(A) Developer Projects: .....	24
(B) All Projects:.....	24
<b>SECTION 12 — MISCELLANEOUS CONSIDERATIONS .....</b>	<b>26</b>
(A) Preconstruction Documents:.....	26
(B) Bid Advertisement: .....	26
(C) Developer's 30% Contribution Exemption Request: .....	26
(D) Letters of Credit, Deferment of Bond Proceeds, Other Acceptable Financial Guarantees:.....	26
(E) Developer Interest Reimbursement: .....	26
(F) Land and Easement Acquisition: .....	27
(G) District Participation in Regional Drainage Systems: .....	27
<b>SECTION 13 — MISCELLANEOUS INFORMATION .....</b>	<b>28</b>
(A) Contracts with Professional Consultants:.....	28
(B) Compliance with Commission Rule 293.111(a)(6): .....	28
(C) Key Personnel:.....	28
(D) Reporting Requirements:.....	30
(E) Name Signs: .....	30
(F) Other Information: .....	30



## Section 1

**GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT 44**  
**GALVESTON COUNTY**  
**\$4,650,000**  
**BOND ISSUE NO. 8**

**SECTION 1 — GENERAL INFORMATION**

**(A) Laws, Elections, and Acreage:**

- (i) **Authority Creating District:** Created by Order of the Texas Commission on Environmental Quality dated August 10, 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 at the November 2, 2004 confirmation and bond election.
- (iv) **Acreage:** GCMUD No. 44 consisted of 435.429 acres at the time of creation on August 10, 2004. On February 20, 2007, 1.50 acres were annexed to the district to complete a total of 436.929 acres. See Attachment 2.
- (v) **Boundary Map:** See Attachment 3.

**(B) Location:**

GCMUD No. 44 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 generally bounded on the east by Tuscan Lakes Boulevard, on the south by FM 646 and on the west by Dickinson Avenue. The district is located in the Perry and Austin Lower League, Abstract 19, City of League City, Galveston County, Texas. See Attachment 4.

## Section 2

## SECTION 2 — PROPOSED BOND ISSUE

### (A) Purpose:

The purpose of Bond Issue No. 8 is to reimburse the developer for the construction of water, sanitary sewer and drainage facilities that were constructed to serve GCMUD No. 44. These facilities include the following: water, sanitary sewer, and drainage facilities to serve Tuscan Lakes Section 55-2 and 60-2; water, sanitary sewer, and drainage facilities to serve Tuscan Lakes Section 55-3 and 60-3; water, sanitary sewer, and drainage facilities to serve Tuscan Lakes Sections 50-6; water, sanitary sewer, and drainage facilities to serve Villages at Tuscan Lakes Entry Road. In addition, a portion of the funds from the proposed bond issue will be used for capital recovery fees.

### (B) Bond and Maintenance Tax Authorization:

#### (i) Bond Authorization:

Date of Election	Purpose	Amount Approved	Amount Canceled
11-2-04	Water, Wastewater, Drainage	\$67,200,000	None
11-2-04	Parks & Recreational	\$ 4,000,000	None
11-2-04	Refunding	\$33,600,000	None

#### (ii) Maintenance Tax:

On November 2, 2004, the voters within GCMUD No. 44 authorized the issuance of \$67.2 million in bonds to finance the costs of the water, sanitary sewer, and drainage facilities; authorized the issuance of \$33.6 million in refunding bonds; authorized the issuance of \$4 million in parks and recreational bonds; and authorized the District to levy and collect an operation and maintenance tax not to exceed \$1.25 per \$100 valuation on all taxable property within the District. The order canvassing returns was provided in a prior bond issue.

Date of Election	Purpose	Maximum Tax Approved (per each \$100 of AV)	Cancelled Prior Authorization
11-2-04	General Operating/Recreational	\$1.25	None



(C) **Prior Bond Issues:**

<b>Type of Bonds—Water, Wastewater and Drainage</b>			
<b>Total Amount Authorized: \$67,200,000</b>			
<b>Bond Issue No.</b>	<b>TCEQ Amount Approved</b>	<b>TCEQ Order Date Approved</b>	<b>Amount Sold</b>
1	\$3,870,000	11/18/2009	\$3,870,000
2	\$3,150,000	03/09/2012	\$3,150,000
3	\$3,500,000	04/04/2014	\$3,500,000
4	\$3,675,000	01/24/2017	\$3,675,000
5	\$3,650,000	03/07/2018	\$3,650,000
6	\$5,600,000	01/11/2019	\$5,600,000
7	\$3,250,000	01/24/2020	\$3,250,000
8	\$4,650,000	Pending	\$4,650,000
<b>Total Bonds Sold:</b>			<b>\$31,345,000</b>
<b>Remaining Authorized Bonds:</b>			<b>\$35,855,000</b>

(D) **Type:**

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

(E) **Interest Rate:**

An interest rate of 3.50% is proposed for analyzing the feasibility of the proposed bond issue.

(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

Section 3

### SECTION 3 — FACILITIES PROPOSED FOR FUNDING

#### (A) Purchase of Existing Facilities and/or Assumption of Existing Contracts:

<u>Contract Description</u>	<u>Contractor</u>	<u>Percent Complete/Date</u>	<u>Total Contract Amount</u>	<u>Amount Subject to District Share</u>
WS&D to Serve Tuscan Lakes Sections 55-2 & 60-2	R Construction Company	100% 7/26/2017	\$907,325.60	\$907,325.60 <sup>(1)</sup>
WSD to Serve Tuscan Lakes Sections 55-3 & 60-3	Clearwater Utilities, Inc.	100% 7/20/2017	\$1,673,489.04	\$1,673,489.04 <sup>(2)</sup>
WSD to Serve Tuscan Lakes Section 50-6	Triple B Services, LLP	100% 5/24/2017	\$771,300.40	\$771,300.40 <sup>(3)</sup>
WSD to Serve Villages at Tuscan Lakes Entry Road	Pace Services, LP	100% 5/08/2006	\$511,610.00	\$511,610.00 <sup>(4)</sup>

Notes:

- (1) The WS&D cost is based on the original contract amount (\$927,421.60) plus Change Order No. 1 in the amount of \$6,956.00 and plus Change Order No. 2 in the amount of \$37,548.00 and minus final quantity adjustments. The district is seeking 100% of construction costs and 100% of consultant fees in this bond issue.
- (2) The WS&D cost is based on the original contract amount (\$1,603,407.14) plus Change Order No. 1 in the amount of \$81,105.80 and plus Change Order No. 2 in the amount of \$10,252.80 and minus final quantity adjustments. The district is seeking 82% of construction costs and 82% of consultant fees in this bond issue. The remaining 18% of construction costs and 18% of consultant fees will be requested in a future bond issue.
- (3) The WS&D cost is based on the original contract amount (\$1,059,629.70) minus Offsite Waterline Items in the amount of \$275,964.41 and minus Change Order No. 1 in the amount of \$4,980.80 and plus Change Order No. 2 in the amount of \$5,610.91 and plus Change Order No. 3 in the amount of \$6,750.00 and minus final quantity adjustments. The district is seeking 10% of construction costs and 10% of consultant fees in this bond issue. The remaining 90% of construction costs and 90% of consultant fees will be requested in a future bond issue.
- (4) The WS&D cost is based on the original contract amount (\$487,298.00) plus final quantity adjustments. The district is seeking 100% of construction costs and 100% of consultant fees in this bond issue.

#### (B) Facilities to be Constructed:

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

#### Section 4



## **SECTION 4 - SUMMARY OF COSTS**

### **GCMUD No. 44 Bond Application No. 8**

<b>CONSTRUCTION COSTS</b>	<b>TOTAL AMOUNT</b>	<b>DEVELOPER SHARE</b>	<b>DISTRICT SHARE</b>
<b>A. Developer Contribution Items</b>			
1. WSD to Serve Tuscan Lakes Sections 55-2 and 60-2 <sup>(1)</sup>			
a. Water Items	127,309	-	127,309
b. Sanitary Sewer Items	205,982	-	205,982
c. Storm Sewer Items	546,835	-	546,835
d. Dewatering Items	18,800	-	18,800
e. Miscellaneous Items	8,400	-	8,400
Subtotal	907,326	-	907,326
2. WSD to Serve Tuscan Lakes Sections 55-3 and 60-3 <sup>(2)</sup>			
a. Water Items	123,913	-	123,913
b. Sanitary Sewer Items	245,945	-	245,945
c. Drainage Items	564,131	-	564,131
d. Dewatering Items	91,291	-	91,291
e. Bridge Items	346,367	-	346,367
f. Miscellaneous Items	615	-	615
Subtotal	1,372,261	-	1,372,261
3. WSD to Serve Tuscan Lakes Section 50-6 <sup>(3)</sup>			
a. Water Items	9,979	-	9,979
b. Sanitary Sewer Items	17,752	-	17,752
c. Drainage Items	43,367	-	43,367
d. Dewatering Items	5,508	-	5,508
e. Miscellaneous Items	524	-	524
Subtotal	77,130	-	77,130
4. WSD to Serve Villages at Tuscan Lakes Entry Road <sup>(4)</sup>			
a. Water Items	71,646	-	71,646
b. Sanitary Sewer Items	170,283	-	170,283
c. Drainage Items	178,181	-	178,181
d. Dewatering Items	91,500	-	91,500
e. Miscellaneous Items	-	-	-
Subtotal	511,610	-	511,610

5. Engineering Fees <sup>(5)</sup>

a. Item #1 (Tuscan Lakes Section 55-2 & 60-2)	142,572	-	142,572
c. Item #3 (Tuscan Lakes Sections 55-3 and 60-3)	138,223	-	138,223
d. Item #4 (Tuscan Lakes Sections 50-6)	14,456	-	14,456
d. Item #5 (Villages at Tuscan Lakes Entry Road)	79,850	-	79,850
Subtotal	375,102	-	375,102

6. Geotechnical Fees <sup>(6)</sup>

a. Item #1 (Tuscan Lakes Section 55-2 & 60-2)	18,548	-	18,548
c. Item #3 (Tuscan Lakes Sections 55-3 and 60-3)	26,289	-	26,289
d. Item #4 (Tuscan Lakes Sections 50-6)	2,119	-	2,119
Subtotal	46,956	-	46,956

7. Surveying Fees <sup>(7)</sup>

a. Item #1 (Tuscan Lakes Section 55-2 & 60-2)	7,017	-	7,017
c. Item #3 (Tuscan Lakes Sections 55-3 and 60-3)	4,465	-	4,465
d. Item #4 (Tuscan Lakes Sections 50-6)	330	-	330
Subtotal	11,812	-	11,812

8. Stormwater Consultation Fees <sup>(8)</sup>

a. Item #1 (Tuscan Lakes Section 55-2 & 60-2)	31,852	-	31,852
c. Item #3 (Tuscan Lakes Sections 55-3 and 60-3)	38,670	-	38,670
d. Item #4 (Tuscan Lakes Sections 50-6)	3,796	-	3,796
Subtotal	74,318	-	74,318

9. Miscellaneous Fees <sup>(9)</sup>

a. Item #1 (Tuscan Lakes Section 55-2 & 60-2)	54	-	54
c. Item #3 (Tuscan Lakes Sections 55-3 and 60-3)	51	-	51
d. Item #4 (Tuscan Lakes Sections 50-6)	12,109	-	12,109
Subtotal	12,213	-	12,213

**Total Developer Contribution Items**

**\$ 3,388,728 \$ - \$ 3,388,728**

**B. District Items**

1. City of League City Capital Recovery Fees <sup>(10)</sup>

**\$ 1,177,506 \$ - \$ 1,177,506**

**Total District Items**

**\$ 1,177,506 \$ 1,177,506**

**TOTAL CONSTRUCTION COSTS  
NET CONSTRUCTION COSTS**

**\$ 4,566,234 \$ - \$ 4,566,234**

**80.8% of BIR**

## NON-CONSTRUCTION COSTS

<b>A. Non-Construction Costs</b>	
1. Legal Fees <sup>(11)</sup>	\$131,250
2. Fiscal Agent Fees <sup>(12)</sup>	\$93,000
3. Interest Costs	
a. Capitalized Interest (1 Year @ 3.50%) <sup>(13)</sup>	\$162,750
b. Developer Interest (@ 3.50%) <sup>(14)</sup>	\$409,906
4. Bond Discount (3.00%)	\$139,500
5. Operating Expenses	\$0
6. Bond Issuance Expenses	\$91,085
7. Bond Application Costs	\$40,000
8. Attorney General's Fee (0.10%)	\$4,650
9. TCEQ Bond Issue Fee (0.25%)	\$11,625
<b>TOTAL NON-CONSTRUCTION COSTS</b>	<b>\$1,083,766</b>
	<b>19.2% of BIR</b>
<b>SUB-TOTAL BOND ISSUE REQUIREMENT (BIR)</b>	<b>\$5,650,000</b>
<b>LESS SURPLUS FUNDS</b>	<b>\$1,000,000</b>
<b>TOTAL BOND ISSUE REQUIREMENT (BIR)</b>	<b>\$4,650,000</b>

### Notes:

- The WS&D cost is based on the original contract amount (\$927,421.60) plus Change Order No. 1 in the amount of \$6,956.00 and plus Change Order No. 2 in the amount of \$37,548.00 and minus final quantity adjustments. The district is seeking 100% of construction costs and 100% of consultant fees in this bond issue.
- The WS&D cost is based on the original contract amount (\$1,603,407.14) plus Change Order No. 1 in the amount of \$81,105.80 and plus Change Order No. 2 in the amount of \$10,252.80 and minus final quantity adjustments. The district is seeking 82% of construction costs and 82% of consultant fees in this bond issue. The remaining 18% of construction costs and 18% of consultant fees will be requested in a future bond issue.
- The WS&D cost is based on the original contract amount (\$1,059,629.70) minus Offsite Waterline Items in the amount of \$275,964.41 and minus Change Order No. 1 in the amount of \$4,980.80 and plus Change Order No. 2 in the amount of \$5,610.91 and plus Change Order No. 3 in the amount of \$6,750.00 and minus final quantity adjustments. The district is seeking 10% of construction costs and 10% of consultant fees in this bond issue. The remaining 90% of construction costs and 90% of consultant fees will be requested in a future bond issue.
- The WS&D cost is based on the original contract amount (\$487,298.00) plus final quantity adjustments. The district is seeking 100% of construction costs and 100% of consultant fees in this bond issue.
- Engineering Fees are detailed in Attachment 8.
- Geotech fees were paid to Terracon for their services.
- Surveying fees were paid to GeoSurv for their services.
- Fees for stormwater consultation and stormwater pollution prevention were paid to Sangalang & Associates for their services.
- Miscellaneous Fees are detailed in Attachment 8.
- The Capital Recovery Fee is based on 209 total connections based on rates of \$3,215 for water and \$2,419 for wastewater per Ordinance No. 2013-20. See Attachment 44 for CRF ordinances.
- See Attachment 11 for breakdown of legal fees.
- See Attachment 54 - Financial Advisory Contract with the District.
- Adjusted Bond Interest accrued through 4/1/2021 as per DBC.
- See Attachment 13 for breakdown of developer interest.

Section 5

Section 5



## SECTION 5 — DEVELOPMENT STATUS AND LAND USE

The following information represents development as of January 2021.

### (A) Land-Use Table:

<u>Land Uses</u>	<u>Acreage</u>	<u>Active</u>	<u>As of January 2021 Equivalent Connections Projected</u>
1. Developed from the Prior Bond Issues	195.09	853	853
2. To Be Developed from the Proposed Bonds	55.00	209	209
3. Currently Developed with Facilities to Be Funded by Future Bonds	8.27	4	4
4. Remaining Developable Acreage	72.2	0	897
5. Undevelopable Acreage			
a. Streets	0.0 <sup>1</sup>	0	0
b. Drainage Easements	76.10 <sup>2</sup>	0	0
c. Reserves	2.90 <sup>3</sup>	0	0
d. Lift Station	0.07	0	0
e. Other	27.30 <sup>4</sup>	23	23
<b>TOTALS</b>	<b>436.93</b>	<b>1,089</b>	<b>1,968</b>

#### Notes:

<sup>1</sup> No street plats used. Acreage included in section plats.

<sup>2</sup> Includes all existing and proposed drainage easements.

<sup>3</sup> Nature preserve on Hewitt Street and smaller reserves from section plats.

<sup>4</sup> Includes Village at Tuscan Lakes Recreation Center (3.90 ac, 8 ESFC); Eastern Regional Park (23.40 ac, 15 ESFC).

**(B) Development from Prior Bonds:**

<u>Section</u>	<u>Type of Development</u>	<u>No. of Lots</u>	<u>Acreage</u>	<u>Active</u>	<u>Equivalent Connections at Full Development</u>
Tuscan Lakes COM 4 Lot 1 (JSC Credit Union) <sup>(2)</sup>	Commercial	N/A	1.75	3	3
Tuscan Lakes COM 4 Lots 2 & 4 (L.A. Fitness, Smoothie Factory, Tuscan Nail, Sunkissed Tan) <sup>(2)</sup>	Commercial	N/A	8.32	16	16
Tuscan Lakes COM 4 Lot 3 (Future) <sup>(2)</sup>	Commercial	N/A	1.40	-	-
Tuscan Lakes COM 3 Res B (CVS Pharmacy) <sup>(2)</sup>	Commercial	N/A	1.97	5	5
Tuscan Lakes COM 3 Res A (Children's Learning) <sup>(2)</sup>	Commercial	N/A	1.72	8	8
Tuscan Lakes COM 9-A Lot 1 (Valero) <sup>2</sup>	Commercial	N/A	2.08	10	10
Tuscan Lakes COM 9-A Lot 2 (Tuscan Lakes Family Dentistry, Nail Salon, Today's Vision, Bahama Bucks) <sup>(1)</sup>	Commercial	N/A	1.62	9	9
Villas at Tuscan Lakes MF-4 2	Multi Family	N/A	14.64	124	124
Tuscan Lakes COM 8 (Watershed Church) <sup>(2)</sup>	Commercial	N/A	11.50	8	8
SF 50-1 to Serve Tuscan Lakes Development	Single Family	84	18.49	84	84
SF 50-3-1 to Serve Tuscan Lakes Development	Single Family	31	6.21	31	31
SF 50-3-2 to Serve Tuscan Lakes Development	Single Family	19	5.79	19	19
Village at Tuscan Lakes Section 1	Single Family	93	19.29	93	93
Village at Tuscan Lakes Section 2, Phase 1 & 2	Single Family	14	5.63	14	14
Village at Tuscan Lakes Section 2, Phase 3	Single Family	53	10.25	53	53
Village at Tuscan Lakes Section 3, Phase 1	Single Family	19	6.90	19	19
Village at Tuscan Lakes Section 4, Phase 1	Single Family	42	8.02	42	42
SF 50-4-1 to Serve Tuscan Lakes Development	Single Family	24	5.39	24	24
SF 50-4-2 to Serve Tuscan Lakes Development	Single Family	24	4.60	24	24

SF 50-5 to Serve Tuscan Lakes Development	Single Family	35	8.80	35	35
Village at Tuscan Lakes Section 4, Phase 2	Single Family	51	10.38	51	51
Village at Tuscan Lakes Section 3, Phase 2	Single Family	86	22.28	86	86
SF 55-1 & 60-1 to Serve Tuscan Lakes Development	Single Family	61	16.7	61	61
SF 55-4 to Serve Tuscan Lakes Development <sup>(3)</sup>	Single Family	4	1.36	4	4

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<b>TOTALS</b>		<b>640</b>	<b>195.09 <sup>(1)</sup></b>	<b>823</b>	<b>823</b>
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Notes:

<sup>1</sup> Platted acreage for section only. Reserves are accounted for separately and are shown above in Section A.

<sup>2</sup> Project shown for accurate accounting of ESFCs. The District will reimburse trunk facilities that serve this development, but not the internal private facilities. Trunk facilities were reimbursed in a prior bond issue.

<sup>3</sup> SF 55-4 was constructed with SF 55-1 and SF 60-1.

**(C) Development from Proposed Bonds:**

<u>Section</u>	<u>Type of Development</u>	<u>No. of Lots</u>	<u>Acreage</u>	<u>Active</u>	<u>Equivalent Connections at Full Development</u>
SF 55-2 & 60-2 to Serve Tuscan Lakes Development	Single Family	62	17.60	62	62
SF 55-3 & 60-3 to Serve Tuscan Lakes Development	Single Family	92	23.30	92	92
SF 50-6 to Serve Tuscan Lakes Development	Single Family	55	14.10	55	55
Villages at Tuscan Lakes Entry Road <sup>(2)</sup>	Roadway	0	0.00	0	0
<b>TOTALS</b>		<b>209</b>	<b>55.00 <sup>(1)</sup></b>	<b>209</b>	<b>209</b>

Notes:

<sup>1</sup> Platted acreage for section only. Reserves are accounted for separately and are shown above in Section A.

<sup>2</sup> The entry road is part of the Village at Tuscan Lakes, Section One recorded plat.

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

<u>Section</u>	<u>Type of Development</u>	<u>No. of Lots</u>	<u>Acreage</u>	<u>Active</u>	<u>Equivalent Connections at Full Development</u>
SF 55-5 to Serve Tuscan Lakes Development <sup>(2)</sup>	Single Family	4	2.97	4	4
City Park II (Future)	Recreation	N/A	5.30	-	-
<b>TOTALS</b>		<b>4</b>	<b>8.27 <sup>(1)</sup></b>	<b>4</b>	<b>4</b>

Notes:

<sup>1</sup> Platted acreage for section only. Reserves are accounted for separately and are shown above in Section A.

<sup>2</sup> SF 55-5 was constructed with SF 55-3 and SF 60-3

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

Year	Type of Development	# of Units	Acreage of Reserves	Square Footage	Active Connections	Ultimate Connections
2010	Single Family	--	--	--	154	275
	Multi Family	--	--	--	--	--
	Commercial	--	--	--	29	29
	Office	--	--	--	--	--
	Other	--	--	--	8	8
2011	Single Family	--	--	--	196	275
	Multi Family	--	--	--	124	124
	Commercial	--	--	--	32	32
	Office	--	--	--	--	--
	Other	--	--	--	--	--
2012	Single Family	--	--	--	224	275
	Multi Family	--	--	--	124	124
	Commercial	--	--	--	34	34
	Office	--	--	--	--	--
	Other	--	--	--	31	31
2013	Single Family	--	--	--	314	550
	Multi Family	--	--	--	124	124
	Commercial	--	--	--	43	67
	Office	--	--	--	--	--
	Other	--	--	--	31	31
2014	Single Family	--	--	--	406	550
	Multi Family	--	--	--	124	124
	Commercial	--	--	--	58	67
	Office	--	--	--	--	--
	Other	--	--	--	31	31
2015	Single Family	--	--	--	498	550
	Multi Family	--	--	--	124	124
	Commercial	--	--	--	67	67
	Office	--	--	--	--	--
	Other	--	--	--	31	31
2016	Single Family	--	--	--	567	575
	Multi Family	--	--	--	124	124
	Commercial	--	--	--	67	67
	Office	--	--	--	--	--
	Other	--	--	--	31	31
2017	Single Family	--	--	--	735	819
	Multi Family	--	--	--	124	124
	Commercial	--	--	--	67	67
	Office	--	--	--	--	--
	Other	--	--	--	31	31

2018	Single Family	--	--	--	824	853
	Multi Family	--	--	--	124	124
	Commercial	--	--	--	67	67
	Office	--	--	--	--	--
	Other	--	--	--	31	31
2019	Single Family	--	--	--	824	853
	Multi Family	--	--	--	124	124
	Commercial	--	--	--	67	67
	Office	--	--	--	--	--
	Other	--	--	--	31	31
2020	Single Family	--	--	--	824	853
	Multi Family	--	--	--	124	124
	Commercial	--	--	--	67	67
	Office	--	--	--	--	--
	Other	--	--	--	31	31

**(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 48167C0230G and 48167C0235G, dated August 15, 2019 for Galveston and Harris Counties. 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

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

### (A) Water Supply:

(i) **Water Supply Source:** GCMUD No. 44 obtains water from an existing 24" water line, along Louisiana Street and Hewitt Street between League City Parkway, FM 270 and Webster Street, that is 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). The Utility Agreement between GCMUD No. 44 and the City of League City was provided in a prior bond issue.

### (ii) **Water Supply Facilities Inventory:**

**Capacity: The City of League City**

Facility	Existing Capacity	Proposed Capacity	Total Capacity	Criteria	District's % Share (ESFC Capacity)
Wells	9.0 mg	0 mg	9.0 mgd	0.6 gpm/ESFC	1,968 ESFCs
Ground Storage	4.26 mg	0 mg	4.26 mg	200 gal/ESFC	1,968 ESFCs
Elevated Storage	2.4mg	0 mg	2.4mg	100 gal/ESFC	1,968 ESFCs
Booster Pump	17,450 gpm	0 mg	17,450 gpm	300 gal/ESFC	1,968 ESFCs

- (iii) **Interconnects:** GCMUD No. 44 has no interconnect with any other public water supply system existing or proposed at this time. GCMUD No. 44 obtains all of its water supply from the City of League City.
- (iv) The Utility Agreement between GCMUD No. 44 and the City of League City is included in Attachment 17.
- (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. 44 and the City of League City.

**(B) Wastewater Treatment:**

- (i) **Wastewater Treatment Facilities:** The wastewater generated within the District will flow by gravity through an internal network of wastewater collection lines and tie into an existing lift station along Hewitt Street. 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 1,968. The wastewater generated by this development is estimated as 590,400 gpd (average dry weather flow) and 2,361,600 gpd (average wet weather flow).
- (ii) GCMUD No. 44 wastewater flows are based on a daily rate of 300 gpd/ESFC.
- (iii) The Utility Agreement between GCMUD No. 44 and the City of League City is included in Attachment 17.
- (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. 44 and the City of League City.

**(C) Storm-Water Drainage Facilities:**

- (i) Prior to development, undeveloped storm runoff was conveyed over land into roadside ditches and would eventually outfall into Robinson Gully.
- (ii) Storm water runoff within the District is routed through a curb and gutter street system to collector lines that outfall into detention basins throughout the District and ultimately into Robinson Gully.
- (iii) All detention basins have been funded in prior bond issues. The Master Drainage Study was provided in a prior bond issue.
- (iv) An ordinance was passed recently in League City that requires all new development or any significant redevelopment to have some type of structural pollution prevention controls in place as part of a storm water quality feature. No storm water quality facilities are being proposed in this Bond Issue.

## Section 7

## 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<sup>(1)</sup>
- (v) Commission Permit Required by Water Code 16.236:  
Yes \_\_\_ No \_\_\_ N/A X<sup>(2)</sup>
- (vi) Others: List in the same format.

<sup>(1)</sup> Flood control issues are regulated by the City of League City.

<sup>(2)</sup> 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



## SECTION 8 — FINANCIAL INFORMATION

### (A) Growth / No Growth

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

The highest projected taxable value shown in the cash flow schedule is \$289,348,698.

(B) Latest Certified Assessed Valuation: \$264,775,672 as of January 1, 2020. See Attachment 33.

(C) Historical Tax Data: (This information is provided by the District's tax assessor)

The following information is as of March 9, 2021.

YEAR COLLECTED	ASSESSED VALUATION	DEBT SERVICE TAX RATE	MAINTENANCE TAX RATE	AMOUNT COLLECTED	TOTAL
2020	\$264,775,672	0.73	0.06	\$1,971,441.16	95.43%
2019	\$239,899,621	0.73	0.07	\$1,915,946.06	98.71%
2018	\$219,642,604	0.72	0.08	\$1,757,140.83	99.82%
2017	\$191,450,581	0.67	0.13	\$1,531,604.65	99.92%
2016	\$155,443,169	0.64	0.16	\$1,243,835.38	99.97%
2015	\$122,148,333	0.67	0.13	\$976,747.46	99.96%
2014	\$96,053,812	0.67	0.13	\$767,965.70	99.94%
2013	\$77,388,014	0.63	0.17	\$619,104.11	99.99%
2012	\$65,099,272	0.75	0.05	\$520,476.00	99.99%

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

CASH AND INVESTMENT BALANCES	
As of (April 6, 2021)	
General Operating	\$ 348,712.72
Debt Service Fund	\$ 3,447,260.20
Capital Projects Fund	\$ 1,168,687.37
Total	\$ 4,964,660.29

**(E) Outstanding Indebtedness:**

**(i) Bond Issues:**

Category	Outstanding Debt	Proposed Debt	Combined Debt	Debt Ratio based on Current Certified or Estimated Value
Water, Wastewater, and Drainage	\$24,675,000	\$4,650,000	\$29,325,000	10.14%
Roads	N/A	N/A		
Firefighting	N/A	N/A		
Recreational	N/A	N/A		
<b>Totals</b>	<b>\$24,675,000</b>	<b>\$4,650,000</b>	<b>\$29,325,000</b>	<b>10.14%</b>

**(ii) Bond-Anticipation Notes:**

This bond issue does not include a BAN.

**(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?**

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 at Attachment 57.

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

N/A

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

See Attachment 32(b).

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

The fiscal year 2021 overall tax rate for the City of League City is \$0.515 with a debt service portion of \$ 0.1366. A small percentage of the debt service can be attributed to drainage and parks projects. The City of League City does not levy a tax for water or wastewater service.

(viii) **Combined Tax Rate:**

	Projected Tax Rate	No-Growth Tax Rate
<b>District tax rate</b>		
a. Debt service as shown in cash-flow analysis	\$ 0.725	\$ 0.725
b. Maintenance Tax	\$ 0.055	\$ 0.055
<b>Tax rate for overlapping entities as defined in Commission Rules 293.59(f)(2) and (f)(6) and (e)(2) and (e)(6)</b>		
a. Debt service as shown in cash-flow analysis		
1. Entity No. 1:	N/A	N/A
2. Entity No. 2:	N/A	N/A
b. Maintenance Tax		
1. Entity No. 1:	N/A	N/A
2. Entity No. 2:	N/A	N/A
<b>Equivalent surcharge for water and wastewater, if any: If District is within a city, then indicate the portion of the city's tax rate specifically attributable to water, wastewater, drainage, or recreation:</b>	\$ 0.0622	\$ 0.0622
<b>Less any equivalent tax rebate:</b>	N/A	N/A
<b>TOTAL COMBINED TAX RATE</b>	<b>\$ 0.8422</b>	<b>\$ 0.8422</b>

(ix) **Total Taxable Value of Area to be taxed: \$ 264,775,672 as of January 1, 2020.**

See Attachment 33.

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

Included as Attachment 59.

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

<u>Taxing Jurisdictions</u>	<u>2020 Tax Rate Per \$100 Valuation</u>	<u>Projected Tax Rate Per \$100 Valuation</u>
City of League City	\$ 0.515	\$ 0.515
Dickinson Independent School District	\$ 1.344	\$ 1.344
Galveston County	\$ 0.476	\$ 0.476
College of Mainland	\$ 0.242	\$ 0.242
GCMUD No. 44	<u>\$ 0.780</u>	<u>\$ 0.780</u>
<b>Total Overlapping Tax Rate</b>	<b>\$ 3.357</b>	<b>\$ 3.357</b>

**(G) Development Status:**

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

Yes.

**(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.   X   Yes      No      Exempt

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

Paragraphs (a) and (b) shown below do not apply because certain exemption criteria listed in 293.59(k)(11) have been met. Specifically, criteria listed under 293.59(k)(11)(C) has been met. The District is providing water, wastewater, and drainage facilities and the combined no-growth tax rate of all overlapping entities specifically attributable to water, sewage, drainage, recreation facilities does not exceed \$1.50 per \$100 assessed valuation.

- (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?**   N/A
- (b) **Does the District meet the condition of Commission Rule 293.59(1)(4) regarding 75% completion of all prior bond issues?**   N/A

**(H) Market Information:**

**Paragraph II: A market study is not being provided because:**

- X   No Growth is projected in determining the feasibility of this bond issue.
- 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 a labeled Attachment.
- The District anticipates obtaining a credit enhanced rating (as such rating is defined in Commission Rule 293.47(b)(5)) 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 a labeled Attachment.
- The District will have a level of debt (existing and proposed) of \$10,015,000, and a certified assessed valuation of at least \$150,402,567 at the time bonds are sold, the ratio of debt to assessed value being 10% or less.
- The value of houses and/or buildings within the areas to be served by the proposed bond issue is 50% of the proposed value of houses and/or buildings shown in the projected tax rate calculations. The District must complete the following table:

## Section 9



## 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.

Figure 1 consists of two scatter plots. The left plot shows a positive correlation between the number of children and the number of children in the household. The right plot shows a negative correlation between the number of children and the number of children in the household.

## 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) W,S&D To Serve Tuscan Lakes Sections 55-2 and 60-2
- (b) W,S&D To Serve Tuscan Lakes Sections 55-3 and 60-3
- (c) W,S&D To Serve Tuscan Lakes Sections 50-6
- (d) W,S&D To Serve Village at Tuscan Lakes Entry Road

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

- (a) W,S&D To Serve Tuscan Lakes Sections 55-2 and 60-2
- (b) W,S&D To Serve Tuscan Lakes Sections 55-3 and 60-3
- (c) W,S&D To Serve Tuscan Lakes Sections 50-6
- (d) W,S&D To Serve Village at Tuscan Lakes Section One  
*(The entry road is in the Village at Tuscan Lakes Section One Plat)*

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

- (a) W,S&D To Serve Tuscan Lakes Sections 55-2 and 60-2
- (b) W,S&D To Serve Tuscan Lakes Sections 55-3 and 60-3
- (c) W,S&D To Serve Tuscan Lakes Sections 50-6
- (d) W,S&D To Serve Village at Tuscan Lakes Entry Road

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

- (a) W,S&D To Serve Tuscan Lakes Sections 55-2 and 60-2
- (b) W,S&D To Serve Tuscan Lakes Sections 55-3 and 60-3
- (c) W,S&D To Serve Tuscan Lakes Sections 50-6
- (d) W,S&D To Serve Village at Tuscan Lakes Entry Road

### (D) Checklist:

The construction checklists are submitted with the construction documents.

## Section 11

## 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:

Not applicable.

#### (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. A copy of the Utility Agreement and most recently amended capital recovery fee ordinance is included in Attachment 44. See footnotes in Section 4 for capital recovery fees proposed to be purchased in this bond issue.

## Section 12



## SECTION 12 — MISCELLANEOUS CONSIDERATIONS

### (A) Preconstruction Documents:

Copies of the following preconstruction agreements are included in this bond issue application.

- (a) WS&D to Serve Tuscan Lakes Sections 55-2 and 60-2
- (b) WS&D to Serve Tuscan Lakes Sections 55-3 and 60-3
- (c) WS&D to Serve Tuscan Lakes Section 50-6
- (d) WS&D to Serve Villages at Tuscan Lakes Entry Road

### (B) Bid Advertisement:

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

Yes. See Attachment 46.

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

The District is requesting a *conditional exemption* from the requirement to obtain a 30% contribution from the developer on certain construction contracts on the anticipation of one of the following conditions being met:

\_\_\_\_\_ The District will have a ratio of debt [\$24,675,000 existing debt plus the proposed bond issue \$4,650,000 for a total debt of \$29,325,000] to certified assessed valuation [\$264,775,672 projected/estimated as of January 1, 2020] of 10% or less.

  X   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**.

\_\_\_\_\_ The District anticipates obtaining a credit enhanced rating [as such rating is defined in Commission Rule 293.47(b)(5)] 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 a *labeled Attachment*.

### (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.

**(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

## **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 Financial Advisor
- c. The Tax Assessor-Collector
- d. The District Bookkeeper
- e. The District Engineer

### **(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. Bill White  
2727 Allen Parkway, Suite 1100  
Houston, Texas 77019  
Phone: 713.652.6500

#### **ii) Attorney:**

Smith, Murdaugh, Little & Bonham, LLP  
2727 Allen Parkway, Suite 1100  
Houston, Texas 77019  
Attention: Mr. J. Davis Bonham, Jr.  
Phone: 713.652.6500

#### **iii) Financial Advisor:**

RBC Capital Markets, LLC  
609 Main Street, Suite 3600  
Houston, Texas 77002  
Attention: Mr. Loren Morales  
Phone: 713.651.3342

#### **iv) Tax Assessor-Collector:**

Galveston County Tax Assessor-Collector  
722 Moody Avenue  
Galveston, Texas 77550  
Attention: Ms. Cheryl Johnson  
Phone: 409.766.2260

**v) Chief Appraiser Galveston County:**

Galveston Central Appraisal District  
600 Gulf Fwy  
Texas City, Texas 77591  
Attention: Ken Wright  
Phone: 409.935.1980

**vi) Bookkeeper:**

Municipal Accounts & Consulting, LP  
1281 Brittmoore Rd  
Houston, Texas 77043  
Attention: Mr. Tyler Leggett  
Phone: 713.623.4539

**vii) Principal Developers:**

The Johnson Development Corporation  
c/o Houston Community Management Services  
17049 El Camino Real, Suite 100  
Houston, Texas 77058  
Attention: Mr. Robert B. Douglas, Jr.  
Phone: 281.332.5450

Pulte Homes  
16670 Park Row, Ste 100  
Houston, Texas 77084  
Attention: Mr. Brian Gates  
Phone: 281.749.8000

**viii) Engineer:**

LJA Engineering, Inc.  
1904 W Grand Parkway N, Suite 100  
Katy, Texas 77449  
Attention: Mr. John Pickens, Jr., PE  
Phone: 713.953.5200

**(D) Reporting Requirements:**

**Has the District submitted a current District 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?**

Yes. Located on SH 96 just east of Dickinson Ave. (eastbound) and FM 270 just north of FM 646 (northbound).

**(F) Other Information:**

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

None.