

AUG 23 2021

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

OF THE COMMISSION, GIVEN UNDER MY HAND AND THE
SEAL OF OFFICE ON
Lauree Gharis
LAUREE GHARIS, CHIEF CLERK
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AN ORDER APPROVING (1) AN ENGINEERING PROJECT AND
THE ISSUANCE OF \$4,650,000 IN UNLIMITED TAX BONDS
AND (2) USE OF \$1,000,000 IN SURPLUS FUNDS FOR
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 44

An application by Galveston County Municipal Utility District No. 44 (the "District") was presented to the Executive Director of the Texas Commission on Environmental Quality (TCEQ) for consideration of approval pursuant to TEX. WATER CODE §§ 5.122 and 49.181. The District requests approval of an engineering project and issuance of \$4,650,000 in bonds and the use of \$1,000,000 in surplus funds to finance: water, wastewater and drainage facilities serving the Villages at Tuscan Lakes entry road; water and wastewater capital recovery fees; and water, wastewater and drainage facilities to serve residential development within Tuscan Lakes Sections SF 50-6 SE, 55-2 SE, 55-3 SE, 60-2 SE and 60-3 SE. The TCEQ has jurisdiction to consider this matter, and the following Findings of Fact and Conclusions of Law are appropriate after examining the application and supporting documentation.

FINDINGS OF FACT

1. The District filed an application with the TCEQ on May 4, 2021 for approval of a proposed engineering project and the issuance of \$4,650,000 in bonds and the use of \$1,000,000 in surplus funds.

2. The Executive Director of the TCEQ has investigated the District.

3. The application and accompanying documents have been examined. The District was inspected by a member of the Districts Section on May 17, 2021. A memorandum was prepared on the project dated July 3, 2021, a copy of which is attached and made a part hereof.

4. The District's project and issuance of an amount of \$4,650,000 in bonds at a maximum net effective interest rate of 3.29% to finance the project should be approved.

5. The District should be directed not to advertise for the sale of bonds pending TCEQ approval upon receipt of a certificate of assessed valuation from the Galveston Central Appraisal District evidencing a District taxable value of \$293,250,000 or greater.

6. The request for a waiver of the 30% developer contribution requirement should be granted pursuant to 30 TEX. ADMIN. CODE §§ 293.47(a)(1) and (c).

7. The request for approval to use \$1,000,000 in surplus funds as shown in the summary of costs to reduce the bond issue requirement should be granted.

8. The District should be directed that it may expend funds for the purchase of facilities conveyed to the City of League City without the need for a pre-purchase inspection pursuant to 30 TEX. ADMIN. CODE § 293.69(h).

9. The District should be directed that for facilities not conveyed to the City of League City, the District should not purchase facilities or assume facility contracts from the developer, until either (a) the TCEQ's region office has inspected the project, and the District has received a region office report with no deficiencies noted, for which approval is valid for 120 days from the date of this Order; or, if a region office report indicates deficiencies, (b) the TCEQ's Districts Section has received a request from the District and a region office report, reviewed the contract administration, and given written authorization to finalize the purchase or assumption, either one in accordance with 30 TEX. ADMIN. CODE § 293.69.

9. The District's Board of Directors should be directed to review to its satisfaction the detailed calculations of the developer's interest to ensure that the costs are authorized District expenditures and in accordance with 30 TEX. ADMIN. CODE § 293.50 before reimbursement to the developer is made.

10. The District should be advised that the legal, fiscal agent, and engineering fees have not been evaluated to determine whether these fees are reasonable or competitive. These fees are included as presented in the engineering report.

11. The District should be directed that any surplus bond proceeds resulting from the sale of bonds at a lower interest rate than that proposed shall be shown as a contingency line item in the Official Statement and the use of such funds shall be subject to approval pursuant to TCEQ rules on surplus funds.

CONCLUSIONS OF LAW

1. The TCEQ has jurisdiction to consider the engineering report and bond application pursuant to TEX. WATER CODE § 49.181.

2. The Executive Director has investigated the District, and the TCEQ has found it legally organized and feasible.

3. The Districts Section's memorandum dated July 3, 2021 on this engineering project should be adopted as the written TCEQ project report in compliance with TEX. WATER CODE § 49.181(d).

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY that the Districts Section's memorandum dated July 3, 2021 on this engineering project and bond issue is adopted as the written TCEQ project report. Pursuant to TEX. WATER CODE § 49.181, the engineering project for Galveston County Municipal Utility District No. 44 is hereby approved together with the issuance of \$4,650,000 in bonds at a maximum net effective interest rate of 3.29%. The District is directed not to advertise for the sale of bonds approved herein pending TCEQ approval upon receipt of a certificate of assessed valuation from the Galveston Central Appraisal District evidencing a District taxable value of \$293,250,000 or greater. The request for a waiver of the 30% developer contribution requirement associated with this bond issue is granted pursuant to 30 TEX. ADMIN. CODE §§ 293.47(a)(1) and (c). The request to use \$1,000,000 in surplus funds as shown in the summary of costs to reduce the bond issue requirement is granted. The District is directed that it may expend funds for the purchase of facilities to be conveyed to the City of League City without the need for a pre-purchase inspection pursuant to 30 TEX. ADMIN. CODE § 293.69(h). The District is directed that for facilities not conveyed to the City of League City, the District should not purchase facilities or assume facility contracts from the developer, until either (1) the TCEQ's region office has inspected the project, and the District has received a region office report with no deficiencies noted, for which approval is valid for 120 days from the date of this Order; or, if a region office report indicates deficiencies, (2) the TCEQ's Districts Section has received a request from the

District and a region office report, reviewed the contract administration, and given written authorization to finalize the purchase or assumption; either one in accordance with 30 TEX. ADMIN. CODE § 293.69. The District's Board of Directors is directed to review to its satisfaction the detailed calculations of the developer's interest to ensure that the costs are authorized District expenditures and in accordance with 30 TEX. ADMIN. CODE § 293.50 before reimbursement to the developer is made. The District is advised that the legal, fiscal agent, and engineering fees have not been evaluated to determine whether these fees are reasonable or competitive. These fees are included as presented in the engineering report. The District is directed that any surplus bond proceeds resulting from the sale of bonds at a lower interest rate than that proposed shall be shown as a contingency line item in the Official Statement and the use of such funds shall be subject to approval pursuant to TCEQ rules on surplus funds. The approval of the sale of these bonds herein shall be valid for one year from the date of this Order unless extended by written authorization of the TCEQ.

BE IT FURTHER ORDERED that pursuant to TEX. WATER CODE § 5.701, the District shall pay to the TCEQ 0.25% of the principal amount of bonds actually issued not later than the seventh (7th) business day after receipt of the bond proceeds. The fees shall be paid by check payable to the Texas Commission on Environmental Quality.


BE IT FURTHER ORDERED that to enable the TCEQ to carry out the responsibilities imposed by TEX. WATER CODE §§ 49.181-182, the District shall: (1) furnish the TCEQ copies of all bond issue project construction documentation outlined under 30 TEX. ADMIN. CODE § 293.62, including detailed progress reports and as-built plans required by TEX. WATER CODE § 49.277(b), which have not already been submitted; (2) notify the TCEQ and obtain approval of the TCEQ for any substantial alterations in the engineering project approved herein before making such alterations; and (3) ensure, as required by TEX. WATER CODE § 49.277(b), that all construction financed with the proceeds from the sale of bonds is completed by the construction contractor according to the plans and specifications contracted.

BE IT FURTHER ORDERED that failure of said District to comply with all applicable laws and with provisions of this Order shall subject the District and its directors to all penalties that are provided by law and shall further be considered by the TCEQ as grounds for refusal to approve other bonds of the District.

The Chief Clerk of the TCEQ is directed to forward the District a copy of this Order.

If any provision, sentence, clause, or phrase of this Order is for any reason held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

Issue Date: **August 16, 2021**



for the Commission

Texas Commission on Environmental Quality

TECHNICAL MEMORANDUM

CSU 8/6/21
To: Chris S. Ulmann, P.E., Manager
Districts Section

Date: July 3, 2021

Thru: Dan Finnegan, Leader
Districts Bond Team

From: Daniel Harrison
Districts Bond Team

Subject: Galveston County Municipal Utility District No. 44; Application for Approval of \$4,650,000 Unlimited Tax Bonds, Eighth Issue, 3.29% Net Effective Interest Rate, Series 2021; Pursuant to Texas Water Code Section 49.181; and Approval to Use \$1,000,000 in Surplus Funds.
TCEQ Internal Control No. D-05042021-001 (TC)
CN: 602565715 RN: 104423165

A. GENERAL INFORMATION

The Texas Commission on Environmental Quality (TCEQ) received an application from the Galveston County Municipal Utility District No. 44 (District) requesting approval for the issuance of \$4,650,000 in unlimited tax bonds and the use of \$1,000,000 in surplus funds to finance the following:

1. Water, wastewater and drainage facilities serving Villages at Tuscan Lakes entry road;
2. Water and wastewater capital recovery (impact) fees; and
3. Water, wastewater and drainage facilities serving the following development within the District:

<u>Development</u>	<u>Type of Development</u>	<u>Acreage⁽¹⁾</u>	<u>Existing ESFCs⁽²⁾</u>	<u>Ultimate ESFCs</u>
Tuscan Lakes Section SF 50-6 SE	Single-family	14.10	55	55
Tuscan Lakes Sections SF 55-2 SE & 60-2 SE	Single-family	17.60	62	62
Tuscan Lakes Sections SF 55-3 SE & 60-3 SE	Single-family	<u>23.30</u>	<u>92</u>	<u>92</u>
Totals		55.00	209	209

Notes: (1) According to the engineering report, reserves are accounted for separately, and these are developed lot acreages only.

(2) Equivalent single-family connections (ESFCs) as of January 2021, as stated in the engineering report.

The District's previous bond issues and use of surplus funds funded utilities to serve 823 ESFCs on 195.09 acres. Including this bond issue, the District will have funded utilities to serve 1,032 ESFCs on 250.09 acres. According to the engineering report, the District's ultimate development is projected to serve 1,968 ESFCs on 330.56 developable (out of 436.93 total) acres.

B. ECONOMIC ANALYSIS

Tax Rate Analysis

The financial feasibility of this bond issue is based on no-growth to an estimated taxable assessed valuation (AV) of \$289,573,026 as of January 1, 2021. A market study was not provided and is not required since the feasibility is based on no-growth.

According to a Galveston Central Appraisal District certificate, the District's January 1, 2021 estimated taxable AV is \$289,573,026. The annual debt service requirement for the bond amount of \$4,650,000 and existing debt averages \$2,132,052 for the 19-year life of the District's bond debt. The District levied a maintenance tax of \$0.06 in 2020 and, according to the engineering report, is projecting to levy a maintenance tax of \$0.06 in the future.

The District's financial advisor submitted cash flow schedules considering the requested \$4,650,000 bond issue, no-growth to an estimated taxable AV of \$289,348,698 as of January 1, 2021, 12 months of capitalized interest, a 3.0% bond interest rate, a 3% bond discount, a 98% collection rate, and a projected tax rate of \$0.725 per \$100 AV.

A Districts Section's financial analyst has reviewed the financial information submitted and concluded that the following level debt service tax rates would be sufficient.

<u>District</u>	<u>Projected Tax Rate</u>
Debt Service	\$ 0.72 ⁽¹⁾⁽²⁾
Maintenance	\$ 0.06
Total District Taxes	\$ 0.78
City of League City Taxes	\$ 0.06 ⁽³⁾
Total	\$ 0.84 ⁽⁴⁾

- Notes: (1) Based on existing debt, a proposed bond amount of \$4,650,000, a 3.29% net effective interest rate, a 98% collection rate, no-growth to an estimated taxable AV of \$289,573,026, 12 months of capitalized interest as shown in the cost summary and at least a 25% ending debt service fund balance.
- (2) The term "commission-approved tax rate" in 30 Texas Administrative Code (TAC) Section 293.85 refers to an initial ad valorem debt service tax of at most \$0.72 per \$100 AV.
- (3) Portion of the City's tax rate specifically attributable to drainage and recreation with none attributable to water or wastewater, according information provided.
- (4) Represents the combined projected tax rate as defined by 30 TAC Section 293.59(f).

Additional Financial Comments

The District is exempt from the 75% and 25% build-out requirements of 30 TAC Sections 293.59(l)(4) and 293.59(k)(7), respectively, based on its combined no-growth tax rate of \$0.84 being less than \$1.50 pursuant to 30 TAC Sections 293.59(l) and 293.59(k)(11)(C).

C. ENGINEERING ANALYSIS

Water Supply

Water supply for the District is provided by the City of League City (City) in accordance with the April 10, 2003 "Utility Agreement By and Between Galveston County Municipal Utility District No. 44, the Johnson Development Corporation, and the City of League City, Texas" (Agreement), as amended. The

City's source of water is from a combination of existing wells and surface water from the City of Houston's Southeast Water Purification Plant and from the City of Dickinson's Thomas Mackey Water Purification Plant. Pursuant to the Agreement, the City agrees to supply the District with all of its requirements of potable water for which the District agrees to pay the City connection charges (impact fees) for water service.

The District is requesting funding for water impact fees for 209 ESFCs in this bond issue.

The District has no emergency or other water supply interconnect agreements.

The City's water supply capacity appears to be adequate to serve the existing 1,089 ESFCs upon which the engineering feasibility of this bond issue is based.

Wastewater Treatment

Wastewater treatment for District customers is provided by the City's 6.0 million gallons per day (MGD) Dallas-Salmon Plant pursuant to the above-referenced Agreement, as amended. The plant operates under Texas Pollutant Discharge Elimination System (TPDES) Permit No. WQ0010568005 and has a permitted interim flow of 7.5 MGD and a final flow of 12.0 MGD. Pursuant to the Agreement, the City agrees to provide the District with wastewater service for which the District is to pay the City connection charges (impact fees). At full development, the District projects a total of 1,968 ESFCs of wastewater capacity at a daily rate of 300 gallons per ESFC.

The District is requesting impact fees for 209 ESFCs in this bond issue.

The City's wastewater treatment capacity appears to be adequate to serve the existing 1,089 ESFCs upon which the engineering feasibility of this bond issue is based.

Storm Water Drainage

Storm water drainage for the District is collected by a network of underground collection lines which convey storm water into detention basins and ultimately outfall into Robinson Gully.

Purchase of Existing Facilities / Assumption of Contracts

<u>Project</u>	<u>Contractor</u>	<u>% Complete (Date)</u>	<u>Final Contract Amount⁽¹⁾</u>	<u>Amt. Subj. to Distr. Contrib.</u>
Villages at Tuscan Lakes Entry Road - W, WW & D	Pace Services, L.P.	100% (5/8/06)	\$511,610	\$511,610
Tuscan Lakes Section SF 50-6 SE - W, WW & D	Triple B Services, LLP	100% (5/9/17)	\$1,047,268	\$771,304 ⁽²⁾ \$154,260 ⁽³⁾
Tuscan Lakes Sections SF 55-2 SE & 60-2 SE - W, WW & D	R Construction Company	100% (7/26/17)	\$907,326	\$907,326
Tuscan Lakes Sections SF 55-3 SE & 60-3 SE - W, WW & D	Clearwater Utilities, Inc.	100% (1/15/18)	\$1,673,489	\$1,673,489 \$1,372,261 ⁽⁴⁾

- Notes: (1) Based on original contract amount plus/minus any change orders and quantity adjustments.
(2) Excludes \$275,964 for ineligible costs for an off-site water line, according to the engineering report.
(3) Due to bond funding limitations, the District is requesting to reimburse 20% of the costs in this bond issue, and the remaining 80% (\$617,044) may be requested in the future, according to material provided.

- (4) Due to bond funding limitations, the District is requesting to reimburse 82% of the costs in this bond issue, and the remaining 18% (\$301,228) may be requested in the future, according to material provided

Approved plans and specifications, preconstruction agreements, and various construction contract documents have been provided.

Facilities to be Constructed

None.

Inspection

The District was inspected by a member of the Districts Section on May 17, 2021. Streets and utilities appeared to be complete within Tuscan Lakes Sections SF 50-6 SE, 55-2 SE, 55-3 SE, 60-2 SE and 60-3 SE, which are being funded from the current bond issue. District name signs were properly posted.

D. SUMMARY OF COSTS

<u>Construction Costs</u>	<u>District's ⁽¹⁾ Share</u>
A. Developer Contribution Items	
1. Villages at Tuscan Lakes Entry Road - W, WW & D	\$ 511,610
2. Tuscan Lakes Section SF 50-6 SE - W, WW & D	154,260
3. Tuscan Lakes Sections SF 55-2 SE & 60-2 SE - W, WW & D	907,326
4. Tuscan Lakes Sections SF 55-3 SE & 60-3 SE - W, WW & D	1,372,261
5. Engineering for Items No. 1-4	389,558 ⁽²⁾
6. Geotechnical & Surveying for Items No. 2-4	61,218 ⁽³⁾
7. Stormwater Consulting for Items No. 2-4	78,114 ⁽⁴⁾
8. Miscellaneous Fees for Items No. 2-4	<u>24,322 ⁽⁵⁾</u>
Total Developer Contribution Items	\$3,498,669
B. District Items	
1. Water and Wastewater Impact Fees	\$1,177,506 ⁽⁶⁾
Total District Items	<u>\$1,177,506</u>
 TOTAL CONSTRUCTION COSTS	 \$4,676,175
Less Use of Surplus Funds	(\$1,000,000)
NET TOTAL CONSTRUCTION COSTS (79.1% OF BIR)	\$3,676,175

Non-Construction Costs

A. Legal Fees (2.8%)	\$ 131,250 ⁽⁷⁾
B. Fiscal Agent Fees (2.0%)	93,000 ⁽⁸⁾
C. Interest	
1. Capitalized Interest (12 months @ 3.0%)	139,500
2. Developer Interest	359,467 ⁽⁹⁾
D. Bond Discount (3.0%)	139,500
E. Bond Issuance Expenses	54,833
F. Bond Application Report	40,000

G. Attorney General Fee (0.10% or \$9,500 maximum)	4,650
H. TCEQ Bond Issuance Fee (0.25%)	<u>11,625</u>
TOTAL NON-CONSTRUCTION COSTS	\$973,825
TOTAL BOND ISSUE REQUIREMENT	\$4,650,000

- Notes:
- (1) The District has requested a waiver of the 30% developer contribution requirement.
 - (2) Includes \$79,850 for Item No. 1; plus \$28,913 for Item No. 2, which is approximately 20% of the \$144,563 in engineering costs, and the remaining portion may be requested in the future; plus \$142,572 for Item No. 3; plus \$138,223 for Item No. 4, which is approximately 82% of the \$168,565 in engineering, and the remaining portion may be requested in the future, according to material provided.
 - (3) Includes \$4,238 for geotechnical plus \$660 for surveying for Item No. 2; plus \$18,548 for geotech plus \$7,017 for surveying for Item No. 3; plus \$26,290 for geotech plus \$4,465 for surveying for Item No. 4; in addition, the amounts for Items No. 2 and No. 4 represent partial reimbursement, and the remaining portions may be requested in the future, according to material provided.
 - (4) Represents \$7,592 for Item No. 2; plus \$31,852 for Item No. 3; plus \$38,670 for Item No. 4; in addition, the amounts for Items No. 2 and No. 4 represent partial reimbursement, and the remaining portions may be requested in the future, according to material provided.
 - (5) Represents \$24,205 for a pipeline easement access fee plus \$12 for a County Clerk fee for Item No. 2, plus \$54 for County Clerk fee for Item No. 3 plus \$51 for County Clerk fee for Item No. 4; in addition, the amounts for Items No. 2 and No. 4 represent partial reimbursement, and the remaining portions may be requested in the future, according to material provided.
 - (6) Represents a payment to the City of \$671,935 for 209 ESFCs at \$3,215 each for water plus \$505,571 for 209 ESFCs at \$2,419 each for wastewater, pursuant to the Agreement with the City. See Special Consideration No. 2.
 - (7) According to the contract provided, the attorney's fees are 3% of the first \$3,000,000 of bonds issued, plus 2.5% of bonds from \$3,000,000 to \$5,000,000 and 2% of bonds above \$5,000,000.
 - (8) According to the contract provided, the fiscal agent's fees are 2% of the value of the bonds actually sold and delivered to and paid for by the purchaser(s).
 - (9) Estimated at 3.0% with a proposed bond funding date of August 1, 2021, or a maximum of two years in accordance with 30 TAC Section 293.50(a).

E. SPECIAL CONSIDERATIONS

1. Waiver of the 30% Developer Contribution and Market Study Requirements

The District has requested a waiver of the 30% developer contribution requirement (30 TAC Section 293.47) pursuant to 30 TAC Section 293.47(a)(1), based on the District having a debt to assessed valuation ratio of 10% or less. The District's existing (\$24,675,000) and proposed (\$4,650,000) debt sum to \$29,325,000. The District has provided a Galveston Central Appraisal District certificate indicating an estimated taxable assessed valuation of \$289,573,026 as of January 1, 2021; therefore, its debt to assessed valuation ratio is 10.1%. Based on activity observed during inspection, it appears that the District should have the necessary assessed valuation to qualify for the waiver in the near future. Therefore, the District's request for a waiver of the 30% developer contribution requirement should be granted pursuant to 30 TAC Sections 293.47(a)(1) and (c). The District will be required to provide a certificate from the Galveston Central Appraisal District in the amount of \$293,250,000 or greater prior to the District being authorized to advertise for the sale of bonds.

The District has requested a waiver of the market study requirement based on the feasibility of the bonds being no-growth. The District is exempt from the market study requirement because the feasibility of the bond issue is based on no growth pursuant to 30 TAC Sections 293.59(l) and 293.59(k)(11)(C), and granting a waiver is not necessary.

2. Surplus Funds

The District's board resolution requesting approval of the \$4,650,000 bond issue also included a request for Commission approval of the use of \$1,000,000 in surplus funds to finance a portion of the projects. A letter from the District's bookkeeper has been received stating that the District has a surplus funds balance \$1,000,000 as of May 13, 2021. Commission staff recommends approval of the requested use of \$1,000,000 in surplus funds to finance a portion of the projects as presented in the cost summary.

3. Water and Wastewater Impact Fees

The District is required to make impact (capital recovery) fee payments to the City for capacity in the City's water and wastewater facilities and treatment plants, pursuant to the Agreement referenced above. Pursuant to a June 11, 2013 City ordinance, the current impact fee for water service is \$3,215 per ESFC, and the impact fee for wastewater service is \$2,419 per ESFC.

In its first seven bond issues the District funded water impact fees for 603 ESFCs and wastewater impact fees for 582 ESFCs. The District is funding water and wastewater impact fees in this bond issue for 209 ESFCs, bringing the totals to 812 ESFCs in water impact fees and 791 ESFCs in wastewater impact fees.

F. CONCLUSIONS

1. Based on \$67,200,000 in unlimited tax bonds approved by voters for water, wastewater, and drainage facilities and \$26,695,000 previously approved by the TCEQ and issued by the District for utilities, the District has sufficient voter-authorized utility bonds (\$40,505,000) for the proposed utility bond issue.
2. Based on \$4,000,000 in unlimited tax bonds approved by voters on November 2, 2004 for park and recreational facilities and no bonds previously approved by the TCEQ or issued by the District for park and recreational facilities, the District has \$4,000,000 in remaining voter-authorized bonds for recreational facilities.
3. Based on the review of the engineering report, plans, specifications, and supporting documents, the bond issue is considered feasible and meets the economic feasibility criteria established by 30 TAC Section 293.59.
4. The recommendations are made under authority delegated by the Executive Director of the TCEQ.

G. RECOMMENDATIONS

1. Approve the bond issue in the amount of \$4,650,000 in accordance with the recommended summary of costs, at a maximum net effective interest rate of 3.29%.
2. Direct the District not to advertise for the sale of bonds approved herein pending Commission staff approval, which is contingent upon Commission staff's receipt of a certificate of assessed valuation from the Galveston Central Appraisal District evidencing a District value of \$293,250,000 or greater.
3. Grant a waiver of the 30% developer contribution requirement pursuant to 30 TAC Sections 293.47(a)(1) and (c).
4. Approve the use of \$1,000,000 in surplus funds to partially fund project costs in order to reduce the bond issue requirement.

5. Direct the District that it may expend funds for the purchase of facilities to be conveyed to the City without the need for a pre-purchase inspection pursuant to 30 TAC Section 293.69(h).
6. Direct the District that for facilities not conveyed to the City of League City, the District should not purchase facilities or assume facility contracts from the developer, until TCEQ staff has inspected the project, reviewed the contract administration, and given written authorization to finalize the purchase or assumption as required by 30 TAC Section 293.69.
7. Standard recommendations regarding developer interest, consultant fees, surplus proceeds, time of approval, and bond proceeds fee apply.