



April, 2025  
RG-178

# Galveston County M.U.D. No. 36 Second Bond Application Report \$10,435,000



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Water Supply Division

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Galveston County M.U.D. No. 36  
Second Bond Application Report  
\$10,435,000

Prepared by  
Gannett Fleming

April, 2025

4869-92

**BOND APPLICATION REPORT**  
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## **ABBREVIATIONS**

The following abbreviations are used in the report:

ac – acres

Amt. – amount

AV – assessed valuation

BIR – bond-issue requirement

ESFC—equivalent single-family connection.

ETJ – extraterritorial jurisdiction

et.seq. – and the following ones

fps – feet per second

gpd – gallons per day

gpm – gallons per minute

mgd – million gallons per day

MUD – municipal utility district

TAC – Texas Administrative Code

TCEQ – Texas Commission on Environmental Quality

GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 36  
GALVESTON COUNTY  
\$10,435,000  
SECOND BOND APPLICATION

**SECTION 1 — GENERAL INFORMATION**

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

- (i) Authority Creating District:** Galveston County Municipal Utility District No. 36 was created by order of the Texas Commission on Environmental Quality dated August 3, 2007. The District subsequently obtained road powers in 2015 via Senate Bill 2032 approved by the Texas Legislature in the 84<sup>th</sup> legislative session.
- (ii) Governing Law:** The District is operating under the authority of Section 59, Article XVI and Section 52, Article III of the Texas Constitution, as well as Chapters 49 and 54 of the Texas Water Code and is subject to the jurisdiction of the Texas Commission on Environmental Quality under said chapters specifically Section 54.024 therein.
- (iii) Confirmation Election:** The creation of the District was confirmed in an election on May 2, 2020 by a vote of 2 to 0. (Attachment 1)
- (iv) Acreage:** At creation, the District contained 370.46 acres. There have been no annexations since the District was created.
- (v) Boundary Map:** A current District boundary map is included as Attachment 3.

**(B) Location:**

Attachment 4 shows the location of the District with respect to the City of Houston.

**SECTION 2 — PROPOSED BOND ISSUE**

**(A) Purpose:**

The District proposes that the proceeds of this bond issue will reimburse the cost of construction of: water, sewer and drainage facilities to serve Westland Ranch Sections 1, 3 and 6, Maple Leaf Drive and Muldoon Parkway. Proceeds of these bonds will also pay for engineering fees for these projects, operating expenses, and the expenses for bond issuance.

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

**(i) Bond Authorization:**

On May 2, 2020, the voters of the District authorized issuance of \$92,100,000 in water, sewer and drainage bonds, \$18,290,000 in park bonds, \$55,000,000 in road bonds and \$165,390,000 in refunding bonds. Copies of the Orders calling and canvassing the elections are included as Attachment 1.

| Date of Election | Purpose                                  | Amount Approved | Amount Cancelled |
|------------------|------------------------------------------|-----------------|------------------|
| May 2, 2020      | Water, Wastewater, Drainage              | \$92,100,000    | 0                |
|                  | Park/Recreation                          | \$18,290,000    | 0                |
|                  | Roads                                    | \$55,000,000    | 0                |
|                  | Water, Wastewater and Drainage Refunding | \$92,100,000    | 0                |
|                  | Park/Recreation Refunding                | \$18,290,000    | 0                |
|                  | Roads Refunding                          | \$55,000,000    | 0                |

**(ii) Maintenance Tax:**

| Date of Election | Purpose              | Amount Approved | Cancelled Prior Authorization |
|------------------|----------------------|-----------------|-------------------------------|
| May 2, 2020      | Maintenance Tax      | \$1.50          | \$0.00                        |
|                  | Road Maintenance Tax | \$0.25          | \$0.00                        |

**(C) Prior Bond Issues:**

**A. PRIOR BOND ISSUES**

A total of \$7,270,000 in water, sewer and drainage bonds have been issued to date leaving a balance of \$84,830,000 in authorized but unissued bonds.

| Type of Bonds – Water, Wastewater, and Drainage<br>Total Amount Authorized: \$92,100,000 |                      |                          |                            |
|------------------------------------------------------------------------------------------|----------------------|--------------------------|----------------------------|
| BOND ISSUE NO.                                                                           | TCEQ AMOUNT APPROVED | TCEQ ORDER DATE APPROVED | AMOUNT SOLD                |
| 1                                                                                        | \$ 7,270,000         | 7/3/24                   | \$ 7,270,000               |
| 2                                                                                        | \$10,435,000         | proposed                 | \$10,435,000               |
| <b>Total Bonds Sold (including proposed):</b>                                            |                      |                          | <b><u>\$17,705,000</u></b> |
| <b><i>Remaining Authorized Bonds:</i></b>                                                |                      |                          | <b><i>\$74,395,000</i></b> |

| Type of Bonds – Road                          |              |  |                            |
|-----------------------------------------------|--------------|--|----------------------------|
| Total Amount Authorized: \$55,000,000         |              |  |                            |
| BOND ISSUE NO.                                | AMOUNT       |  | AMOUNT SOLD                |
| 1                                             | \$ 4,715,000 |  | \$ 4,715,000               |
| <b>Total Bonds Sold (including proposed):</b> |              |  | <b>\$4,715,000</b>         |
| <b><i>Remaining Authorized Bonds:</i></b>     |              |  | <b><i>\$50,285,000</i></b> |

Note:

In the opinion of the District Engineer, all remaining voter authorized but unissued bonds are sufficient to complete development in the District.

**(D) Type:**

The voters of the District have approved unlimited tax bonds. The District seeks Commission approval to issue unlimited tax bonds.

**(E) Interest Rate:**

The District petitions the Commission's approval of a 5.25% interest rate for this proposed issuance of bonds.

**(F) Land-Use Plan:**

Attachment 6 shows proposed bond projects through this bond issue.

**(G) Recreational Facilities:**

Recreational facilities are not being included in this bond issue.

**(H) Roads: Does the District have authority to fund roads? X Yes \_\_\_\_ No.**

Roads granted in 2015 legislatively. See Attachment 1.

### SECTION 3 — FACILITIES PROPOSED FOR FUNDING

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

| CONTRACT DESCRIPTION                                                                   | CONTRACTOR              | PERCENT COMPLETE (DATE) | TOTAL CONTRACT AMOUNT | AMOUNT SUBJECT TO DISTRICT CONTRIBUTION | FOOT NOTE |
|----------------------------------------------------------------------------------------|-------------------------|-------------------------|-----------------------|-----------------------------------------|-----------|
| WS&D to serve Westland Ranch Sections 1, 3 and 6, Maple Leaf Drive and Muldoon Parkway | Principal Services, LTD | 100%<br>04/1/24         | \$19,259,703.57       | \$15,264,974.49                         | (1)       |

NOTES:

- (1) Original Contract Price (\$19,178,579.05) minus (-) Change Order No. 1 for demolition and disposal of items found during the clearing operation, additional utility work on Maple Leaf Drive for incorrect as-built drawings provided by the City of League City less items not used in construction (-\$75,092.25) plus (+) Change Order No. 2 for quantity adjustments (\$253,114.60) plus (+) Change Order No. 3 for additional work to fill Maple Leaf Drive due to topographical discrepancies (\$168,320.00) plus (+) Change Order No. 4 for quantity adjustments (\$183,232.80) less (-) Change Order No. 5 for quantity adjustments (-\$701,639.43) plus (+) Change Order No. 6 for addition of a rotary fused disconnect as requested by the City of League City as well as additional work on the lift station per direction from the City during final inspection (\$79,797.15) plus final quantity adjustments (173,391.65) = \$19,259,703.57. Less (-) items associated with paving (-\$3,994,729.15) = \$15,264,974.49.

#### Facilities to be Constructed or Facilities Under Construction:

None

## SECTION 4 — SUMMARY OF COSTS

| ITEM                                                                                    | TOTAL                  | DISTRICT<br>AMOUNT                 |
|-----------------------------------------------------------------------------------------|------------------------|------------------------------------|
| <b><u>CONSTRUCTION COSTS</u></b>                                                        |                        |                                    |
| <b>A. <u>DEVELOPER CONTRIBUTION ITEMS</u></b>                                           |                        |                                    |
| 1. WS&D to serve Westland Ranch Sections 1, 3 & 6, Maple Leaf Drive and Muldoon Parkway | \$15,264,974.49        | \$6,930,298.42 <sup>(1)</sup>      |
| 2. Engineering                                                                          | <u>1,526,366.58</u>    | <u>662,330.98</u> <sup>(2)</sup>   |
| <b>SUBTOTAL DEVELOPER ITEMS</b>                                                         | <b>\$16,791,341.07</b> | <b>\$7,592,629.40</b>              |
| <b>B. <u>DISTRICT ITEMS</u></b>                                                         |                        |                                    |
| 1. Surplus Operating Funds                                                              | <u>(275,000.00)</u>    | <u>(275,000.00)</u> <sup>(3)</sup> |
| <b>SUBTOTAL DEVELOPER ITEMS</b>                                                         | <b>\$16,516,341.07</b> | <b>\$7,317,629.40</b>              |
| <b><i>TOTAL CONSTRUCTION COSTS 66.9% BIR</i></b>                                        |                        | <b><i>\$7,306,868.96</i></b>       |
| <b>C. <u>NONCONSTRUCTION COSTS</u></b>                                                  |                        |                                    |
| 1. Legal Fees                                                                           |                        | \$248,700.00 <sup>(4)</sup>        |
| 2. Fiscal Agent Fees                                                                    |                        | 189,025.00 <sup>(4)</sup>          |
| 3. Bond Discount (3%)                                                                   |                        | 313,050.00                         |
| 4. Developer Interest                                                                   |                        | 1,643,353.47 <sup>(5)</sup>        |
| 5. Capitalized Interest (1 year @ 5.25%)                                                |                        | 547,837.50                         |
| 6. Administrative and Operational Costs                                                 |                        | 34,016.23                          |
| 7. AG Fee (0.1%)                                                                        |                        | 9,500.00                           |
| 8. TCEQ Fee (0.25%)                                                                     |                        | 26,087.50                          |
| 9. Bond Application Costs                                                               |                        | 55,000.00                          |
| 10. Issuance Expenses                                                                   |                        | <u>50,800.90</u>                   |
| <b>SUBTOTAL NONCONSTRUCTION COST 33.1% BIR</b>                                          |                        | <b>\$3,117,370.60</b>              |
| <b><i>TOTAL BOND ISSUE REQUIREMENT</i></b>                                              |                        | <b><i>\$10,435,000.00</i></b>      |

### NOTES:

- (1) The District previously reimbursed 17.4% of the construction and engineering costs of WS&D to serve Westland Ranch Sections 1, 3 & 6, Maple Leaf Drive and Muldoon Parkway in an earlier bond application. The District is requesting to reimburse an additional 45.4% of this contract in this bond application. The remaining 37.2% will be included in a future bond application.
- (2) See Attachment 8 for a breakdown of Engineering Fees, Testing Lab Fees and SWPPP Fees.
- (3) See Attachment 61
- (4) See Attachment 11
- (5) See Attachment 13

## SECTION 5 — DEVELOPMENT STATUS AND LAND USE

### (A) Land-Use Table:

The following information represents development as of December 2024

| LAND USES                                                         | ACREAGE       | EQUIVALENT CONNECTIONS |              |
|-------------------------------------------------------------------|---------------|------------------------|--------------|
|                                                                   |               | EXISTING               | PROJECTED    |
| <b>Developable Acreage:</b>                                       |               |                        |              |
| Developed from prior bond issues                                  | 0             | 0                      | 0            |
| To be developed from the bonds                                    | 56.03         | 139                    | 165          |
| Currently developed with facilities to be funded in future bonds: | 74.5          | 87                     | 276          |
| Remaining developable acreage:                                    | <u>170.9</u>  | <u>0</u>               | <u>701</u>   |
| <b>Subtotal Developable Acreage:</b>                              | <b>301.43</b> | <b>226</b>             | <b>1,142</b> |
| <b>Undevelopable Acreage:</b>                                     |               |                        |              |
| Streets: Muldoon Parkway and Maple Leaf                           | 20.19         | 0                      | 0            |
| Drainage Easements:                                               | 48.84         | 0                      | 0            |
| Parks, Recreational and Open Spaces                               | 0.00          | 0                      | 0            |
| Other:                                                            | <u>0.00</u>   | <u>0</u>               | <u>0</u>     |
| <b>Subtotal Undevelopable Acreage:</b>                            | <b>69.03</b>  | <b>0</b>               | <b>0</b>     |
| <b>Total</b>                                                      | <b>370.46</b> | <b>226</b>             | <b>1,142</b> |

### (B) Status of Development from Prior Bond Issues:

N/A

### (C) Development from Proposed Bonds:

#### PROPOSED DEVELOPMENT (Proposed Bonds)

| SECTION                  | TYPE OF DEVELOPMENT | NO. OF LOTS | ACREAGE      | EQUIVALENT CONNECTIONS |                     |
|--------------------------|---------------------|-------------|--------------|------------------------|---------------------|
|                          |                     |             |              | EXISTING               | AT FULL DEVELOPMENT |
| Westland Ranch Section 1 | Single Family       | 12          | 3.95         | 0                      | 12                  |
| Westland Ranch Section 3 | Single Family       | 83          | 28.46        | 75                     | 83                  |
| Westland Ranch Section 6 | Single Family       | 70          | 23.62        | 64                     | 70                  |
| <b>TOTAL</b>             |                     | <b>165</b>  | <b>56.03</b> | <b>139</b>             | <b>165</b>          |

**(D) Development from Future Bonds**

| SECTION                  | TYPE OF DEVELOPMENT | NUMBER OF LOTS | ACREAGE | EQUIVALENT CONNECTIONS |                     |
|--------------------------|---------------------|----------------|---------|------------------------|---------------------|
|                          |                     |                |         | EXISTING               | AT FULL DEVELOPMENT |
| Westland Ranch Section 7 | Single Family       | 130            | 30.8    | 42                     | 130                 |
| Westland Ranch Section 4 | Single Family       | 67             | 22.6    | 42                     | 67                  |
| Westland Ranch Section 2 | Single Family       | 79             | 21.1    | 3                      | 79                  |
| TOTAL                    |                     | 276            | 74.5    | 87                     | 276                 |

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

The first improvements were built on developed property in 2023.

| YEAR               | TYPE OF DEVELOPMENT | NO. OF UNITS | ACREAGE/ RESERVES | SQUARE FOOTAGE | EQUIV. CONNECTIONS EXISTING | ULTIMATE |
|--------------------|---------------------|--------------|-------------------|----------------|-----------------------------|----------|
| <b><u>2025</u></b> | Single Family       | 441          | 130.53            | -              | 226                         | 441      |
|                    | Multi-Family        | 0            | -                 | -              | 0                           | 0        |
|                    | Commercial          | 0            | -                 | -              | 0                           | 0        |
|                    | Office/Schools      | 0            | -                 | -              | 0                           | 0        |
|                    | TOTAL 2025          | 441          |                   |                | 226                         | 441      |
| <b><u>2024</u></b> | Single Family       | 362          | 109.43            | -              | 103                         | 362      |
|                    | Multi-Family        | 0            | -                 | -              | 0                           | 0        |
|                    | Commercial          | 0            | -                 | -              | 0                           | 0        |
|                    | Office/Schools      | 0            | -                 | -              | 0                           | 0        |
|                    | TOTAL 2024          | 0            |                   |                | 103                         | 362      |
| <b><u>2023</u></b> | Single Family       | 0            | -                 | -              | 0                           | 0        |
|                    | Multi-Family        | 0            | -                 | -              | 0                           | 0        |
|                    | Commercial          | 0            | -                 | -              | 0                           | 0        |
|                    | Office/Schools      | 0            | -                 | -              | 0                           | 0        |
|                    | TOTAL 2023          | 0            |                   |                | 0                           | 0        |

**(F) Floodplain Information:**

A reproduction of the current Flood Insurance Rate Maps (Panel Nos. 48167 C00 43G, 48167 C00 44G, and 48167 C00 235G) dated August 15, 2019 relevant to the District as published by the Federal Emergency Management Agency (“FEMA”) are included with this submittal as Attachment 18. The map has been modified to illustrate the District Boundary.

- (i) **What is being done (if anything) to remove the areas of the District, if any, currently in the official floodplain?** All areas for current development have been filled outside of the 100-year flood plain.
- (ii) **Are any of the improvements proposed for purchase or construction funding through the proceeds of this bond issue currently in the official floodplain?**   X   Yes      No. The areas proposed for purchase or construction funding through the proceeds of the bond issue are currently in the floodplain per the official FEMA maps. Those areas have been filled out of the floodplain, and a Letter of Map Revision (“LOMR”) reflecting said fill has been submitted to FEMA. The City of League City (“League City”) has approved said LOMR.
- (iii) **Are areas currently in the official floodplain used in the build-out projections used to support this bond issue?**      Yes   X   No.
- (iv) **Who is charged with maintaining minimum floor slab elevations in the District area?** League City.
- (v) **Are any sites or easements to be funded in the bond issue currently in the floodplain?**   X   Yes      No. See Attachment 18.

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

### **(A) Water Supply:**

#### **(i) Water Supply Source**

Ground Water: The District receives ground water from League City pursuant to the Amended and Restated Utility Agreement dated as of April 24<sup>th</sup>, 2018, by and between Forestar (USA) Real Estate Group, Inc., and League City, and assigned to the District as of March 11<sup>th</sup>, 2020 (collectively “Utility Agreement”). See Attachment 17. Therefore, there are no on-site water wells.

Surface Water: The District receives surface water pursuant to the Utility Agreement with League City.

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

No Interconnects. Water is provided by League City. See Attachment 17.

#### **(iii) Interconnects**

Water is provided by League City. See Attachment 45.

#### **(iv) Leased or Purchased Capacity NOT APPLICABLE**

#### **(v) Special Considerations League City is obligated by the Utility Agreement to meet full build out. See Attachment 17.**

(vi) Analysis of Adequacy of Water Supply Facilities:

The District's water supply, provided by League City, is capable of serving the 226 ESFC's necessary to support the feasibility of this proposed bond issue. Adequacy of water supply facilities is established by the League City's approval of the preliminary plat(s).

**(B) Wastewater Treatment Facilities:**

All wastewater is provided by League City in their Southwest wastewater plant (TCEQ Permit No. WQ0010568008). (See Attachment 29)

- (i) Wastewater Flow per ESFC: 250 gpd
- (ii) Leased or Purchased Capacity: All wastewater is provided by League City in their Southwest wastewater plant (TCEQ Permit No. WQ0010568008).
- (iii) Special Considerations: All wastewater treatment is provided by League City in its Southwest wastewater plant (TCEQ Permit No. WQ0010568008) capacity. League City is obligated by the Utility Agreement to meet full build out. See Attachment 17.
- (iv) Analysis of Adequacy of Wastewater Treatment Facilities:

The District's wastewater treatment facilities, provided by League City, are capable of serving the 226 ESFC's necessary to support the feasibility of this proposed bond issue. Adequacy of wastewater treatment facilities are established by League City's approval of the preliminary plat(s).

**(C) Stormwater Drainage Facilities:**

- (i) Natural Drainage Patterns: The natural flow is from northwest to southeast.
- (ii) Drainage System Improvements: Storm drainage is collected into storm sewers. This discharges to the projects detention basins which flow to the Dickinson Bayou bypass channel, and then to Dickinson Bayou and ultimately, Galveston Bay.
- (iii) Storm Water Quality Features: Permanent storm water quality facilities are not required by regulatory agencies at this time. Temporary storm water quality measures necessary for control of storm water quality associated with construction activities are included in individual construction contracts.

## SECTION 7 — BASIS OF DESIGN

### (A) Conformity with Regulatory Requirements:

The facilities proposed for funding in this application are designed in accordance with the applicable criteria established by regulatory authorities unless otherwise noted.

(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 \_\_\_ No \_\_\_ N/A X

(iv) Galveston County Drainage District: Yes \_\_\_ No \_\_\_ N/A X

(v) Commission Permit Required by Water Code 16.236:

Yes \_\_\_ No \_\_\_ N/A X

### (B) Oversizing:

Is the District constructing any facility with capacity in excess of that reasonably anticipated for future in-district uses? \_\_\_ Yes X No.

## SECTION 8 — FINANCIAL INFORMATION

The information in this section is provided by Masterson & Associates and Assessments of the Southwest, the District's Financial Advisor and Tax Assessor/Collector, respectively.

**(A) Growth / No Growth**

The economic feasibility of this bond issue is based on No Growth.

The highest projected taxable value shown in the projections in the cash flow is \$143,785,169 (see Attachment 33(b)).

**(B) Latest Certified Assessed Valuation: \$55,514,836 as of January 1, 2024.**

See Attachment 34 (a) for the Certificate of Latest Certified Assessed Valuation.

**(C) Latest Certified Estimate of Assessed Valuation: \$143,785,169 as of December 15, 2024.**

See Attachment 35 for the Certificate of Latest Certified Estimate of Assessed Valuation.

**(D) Historical Tax Data:**

The following information is as of March 31, 2025.

| YEAR COLLECTED      | ASSESSED VALUATION | DEBT SERVICE TAX RATE | MAINTENANCE TAX RATE | AMOUNT COLLECTED | TOTAL  |
|---------------------|--------------------|-----------------------|----------------------|------------------|--------|
| 2024                | \$55,514,836       | 0.60                  | 0.55                 | \$ 622,804       | 97.47% |
| 2023                | \$7,131,586        | 0                     | 1.15                 | \$ 82,013        | 100%   |
| 2022                | \$1,570,720        | 0                     | 1.00                 | \$ 15,707        | 100%   |
| 2021                | \$1,570,720        | 0                     | 1.00                 | \$ 15,707        | 100%   |
| 2020 <sup>(1)</sup> | \$1,819,590        | 0                     | 1.00                 | \$ 18,195        | 100%   |

(1) Initial year of tax levy

**(E) Cash and Investment:**

| CASH AND INVESTMENT BALANCES                |              |
|---------------------------------------------|--------------|
| As of April 7, 2025                         |              |
| General Operating                           | \$374,557.06 |
| Debt Service Fund – Water, Sewer & Drainage | \$409,247.35 |
| Capital Projects Fund                       | \$290,424.52 |
| Debt Service Fund – Roads                   | \$442,001.29 |
| Road Bond Funds                             | \$45,757.16  |
| Park Bond Funds                             | \$0.00       |

**(F) Outstanding Indebtedness:**

**(i) Bond Issues:**

| Category                     | Outstanding Debt    | Proposed Debt       | Combined Debt       | Debt Ratio based on Current Certified or Estimated Value |
|------------------------------|---------------------|---------------------|---------------------|----------------------------------------------------------|
| Water, Wastewater & Drainage | \$7,270,000         | \$10,435,000        | \$17,705,000        | 12.31%                                                   |
| Roads                        | \$4,715,000         | \$0                 | \$4,715,000         | 3.28%                                                    |
| Parks                        | \$0                 | \$0                 | \$0                 | 0%                                                       |
| <b>Totals</b>                | <b>\$11,985,000</b> | <b>\$10,435,000</b> | <b>\$22,420,000</b> | <b>15.59%</b>                                            |

**Bond Anticipation Notes:** NOT APPLICABLE

**(ii) Tax-Anticipation Notes:** NOT APPLICABLE

**(iii) Other Obligations:** None.

**(G) Financial Feasibility (to Be Completed by All Districts):**

Provide the following data to support the feasibility of the proposed bond issue as required by Commission Rule 293.59.

**(i) Build-Out Projections: Is the feasibility of this bond issue based on growth?** \_\_\_ Yes  
**X No.**

**(ii) Debt-Service Schedule:**

See Attachment 31

**(iii) Revenue Projections:**

**(a) Does the District intend to use net revenues from operations for debt service payments?** \_\_\_ Yes **X 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?**  
\_\_\_ Yes **X No.**

**(iv) Operating Budget:** The District is currently dependent on operating advances. The District anticipates that once the 2025 taxes are collected, the District's maintenance tax revenue will cover expenditures. See Attachment 58.

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

Not Applicable. Feasibility based on no growth in assessed value.

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

See Attachment 33 (b). No-Growth Cash Flow.

**(vii) Cash-Flow Analysis for All Overlapping Taxing Entities Specifically Attributable to Water,  
Wastewater, Drainage, Recreation or Roads: NOT AVAILABLE.**

**(viii) Combined Tax Rate:**

|                                                                                                                                                                        | <b>Projected<br/>Tax Rate</b> | <b>No-Growth<br/>Tax Rate</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| <b>District Tax Rate</b>                                                                                                                                               |                               |                               |
| <b>a. Debt service as shown in cash-flow analysis</b>                                                                                                                  |                               |                               |
| <b>1. Water, Sewer, Drainage, Road and Parks Tax</b>                                                                                                                   | <b>\$1.100</b>                | <b>\$1.100</b>                |
| <b>b. Maintenance Tax <sup>(1)</sup></b>                                                                                                                               | <b>\$0.242</b>                | <b>\$0.242</b>                |
| <b>Tax rate for overlapping entities as defined in<br/>Commission Rules 293.59(f)(2) and (f)(6) and (e)(2)<br/>and (e)(6)</b>                                          | <b>0</b>                      | <b>0</b>                      |
| <b>a. Debt service as shown in cash-flow analysis</b>                                                                                                                  | <b>0</b>                      | <b>0</b>                      |
| <b>1. Entity No. 1: (N/A)</b>                                                                                                                                          | <b>0</b>                      | <b>0</b>                      |
| <b>2. Entity No. 2: (N/A)</b>                                                                                                                                          | <b>0</b>                      | <b>0</b>                      |
| <b>b. Maintenance Tax</b>                                                                                                                                              | <b>0</b>                      | <b>0</b>                      |
| <b>1. Entity No. 1: (N/A)</b>                                                                                                                                          | <b>0</b>                      | <b>0</b>                      |
| <b>2. Entity No. 2: (N/A)</b>                                                                                                                                          | <b>0</b>                      | <b>0</b>                      |
| <b>Equivalent surcharge for water and wastewater, if<br/>any: (N/A)</b>                                                                                                | <b>0</b>                      | <b>0</b>                      |
| <b>If District is within a city, then indicate the portion<br/>of the city's tax rate specifically attributable to<br/>water, wastewater, drainage, or recreation:</b> | <b>0</b>                      | <b>0</b>                      |
| <b>Less any equivalent tax rebate:</b>                                                                                                                                 | <b><u>\$0.1504</u></b>        | <b><u>\$0.1504</u></b>        |
| <b>TOTAL COMBINED TAX RATE</b>                                                                                                                                         | <b>\$1.4924</b>               | <b>\$1.4924</b>               |

(1) The current District no-growth operating budget is shown in Attachment 58.

(2) See Attachment 60 for letter regarding portion of City of League City's tax rate attributable to water, wastewater, drainage and recreation facilities.

**(ix) Total Taxable Value of Area to be Taxed: \$143,785,169 as of December 15, 2024.** See Attachment 35 for Certificate of Latest Certified Estimate of Assessed Valuation.

**(x) Waiver of Special Appraisal:** See Attachment 34(b).

- (xi) **Overlapping Tax Rates:** Provide a table indicating direct and overlapping taxes by the District and all overlapping taxing jurisdictions for the most current tax year and projected for the coming tax year if known to be different.

| TAXING JURISDICTIONS          | TAX YEAR | CURRENT TAX RATE PER \$100 VALUATION | PROJECTED TAX RATE PER \$100 VALUATION |
|-------------------------------|----------|--------------------------------------|----------------------------------------|
| City of League City           | 2024     | 0.369000                             | 0.369000                               |
| Clear Creek ISD               | 2024     | 0.969000                             | 0.969000                               |
| Galveston County MUD No. 36   | 2024     | 1.150000                             | 1.150000                               |
| Galveston County              | 2024     | 0.333460                             | 0.333460                               |
| Galveston County Road & Flood | 2024     | 0.000040                             | 0.000040                               |
| GCCDD                         | 2024     | <u>0.112000</u>                      | <u>0.112000</u>                        |
| TOTAL                         |          | 2.933500                             | 2.933500                               |

(H) **Development Status:**

Does the District have a developer as defined by Water Code Section 49.052(d)? X Yes \_\_\_ No.

(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): X Yes \_\_\_ No \_\_\_ Exempt.
2. Compliance with 293.59(k)(6)(B): X Yes \_\_\_ No \_\_\_ Exempt.
3. Compliance with 293.59(k)(6)(C): X Yes \_\_\_ No \_\_\_ Exempt.
4. Compliance with 293.59(k)(6)(D): X Yes \_\_\_ No \_\_\_ Exempt.
5. Compliance with 293.59(k)(6)(E): X Yes \_\_\_ No \_\_\_ Exempt.

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

(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? \_\_\_ Yes \_\_\_ No X N/A. District served by League City's Regional Systems.

(b) Does the District meet the condition of Commission Rule 293.59(l)(4) regarding 75% completion of all prior bond issues? X Yes \_\_\_ No.

(I) **Market Information:**

**Paragraph II: A market study is not provided the reasons checked below:** Respond as required. *The District must request such a waiver in its resolution (except in no-growth situation) and cite the applicable exemption in the Commission Rules. A copy of the Board Resolution and Letter from the Financial Adviser is included in Attachment 50.*

- 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 in Attachment 50.
- 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 in Attachment 50.
- The District has a level of debt (existing and proposed) of \_\_\_\_\_, and a certified assessed valuation of \_\_\_\_\_, 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 — SHARED FACILITIES**

(A) **Inventory:**

The District does not intend to finance any facilities which were or will be designed for entities or areas that are outside the boundaries of the District.

(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

## SECTION 10 — PLANS, SPECIFICATIONS, OTHER CONSTRUCTION DOCUMENTS

See Volume IV

**(A) Plans:**

**(i) Construction Plans:** See Volume IV

**(ii) Plat:** See Volume IV

**(B) Contract Documents:**

See Volume IV

**(C) Construction Documents:**

See Volume IV, which include the following:

- a. Agreement between developer and district for funding, reimbursement, contract award and administration, and for use of facilities prior to Commission approval.
- b. Plans approved by all entities with jurisdiction.
- c. Specifications, including proposed contract documents, bid proposal, and bonds. If executed copies are available, proposed copies are not necessary.
- d. Letter approvals by other relevant review agencies.
- e. Publisher's affidavit or bid solicitations reflecting proper notification of bidding.
- f. Letter notifying Commission field office of bidding time and date.
- g. All addenda to the specifications.
- h. Bid summary and itemized bid tabulation.
- i. Engineer's recommendation of contract award with justification if low bidder not recommended.
- j. Specifications, including executed contract documents, bid proposal, and payment and performance bonds.
- k. Notice to proceed.
- l. All pay estimates.
- m. All change orders with revised plan sheets and approvals, if necessary.
- n. Water and wastewater line pressure test results and wastewater line deflection test results.
- o. Notice to Commission field office of final inspection.
- p. Final inspection report.
- q. Engineer's certificate of completion.
- r. Contractor's affidavit of bills paid.
- s. District acceptance of facilities.

**(D) Checklist:** See Volume IV

## 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)?   X   Yes    No.

- (i) Clearing and Grubbing:   Yes   X  No.
- (ii) Spreading and Compacting of Fill:   Yes   X  No.
- (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?   Yes   X  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 Bond Issue include funds for the purchase or construction of detention pond facilities which will hold water continuously for aesthetic or recreational purposes?   X   Yes    No. The dual lake-detention pond sites proposed to be reimbursed in this bond application were reasonably sized for their detention purpose, and thus the District is not required to prorate the costs of the site between the utility and recreational purpose.
- (viii) Floodplain Mitigation: Does the project include funds for costs associated with the mitigation of floodplain areas?   Yes   X  No.

### (B) All Projects:

- (i) Appraisals: NOT APPLICABLE
- (ii) Contract Revenue bonds: Are the proposed bonds contract revenue bonds?   Yes   X  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   X  No.

## SECTION 12 — MISCELLANEOUS CONSIDERATIONS

### (A) Preconstruction Documents:

A copy of the developer financing agreement with Forestar (USA) Real Estate Group Inc. is included in this bond application. See Attachment 46.

**(B) Bid Advertisement:**

Was the competitive bidding statutes complied with in each of the construction contracts executed? X Yes \_\_\_ No. See Volume IV.

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

- (i) The District is requesting a conditional exemption from the requirement to obtain a 30% contribution from the developer on certain construction contracts for the following reason:

X 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 advisor addressing the District's ability to obtain such a rating is included as Attachment 50.

**(D) Letters of Credit, Deferment of Bond Proceeds, Other Acceptable Financial Guarantees:**

NOT APPLICABLE

**(E) Developer Interest Reimbursement**

Developer interest calculations are presented in Attachment 13. The District is not requesting to reimburse greater than two years of developer interest in its resolution.

**(F) Land and Easement Acquisition:**

- (i) Storm-Water Detention Facilities: Does the District intend to purchase easements or sites for storm-water detention facilities? \_\_\_ Yes X No.
- (ii) Easements Outside the District's Boundaries: Does the District intend to purchase easements outside the District's boundaries? \_\_\_ Yes X 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? \_\_\_ Yes X No.
- (iv) Recreational-Facility Sites: Does the District intend to purchase sites for recreational facilities? \_\_\_ Yes X 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? \_\_\_ Yes X No.

## SECTION 13 — MISCELLANEOUS INFORMATION

**(A) Contracts with Professional Consultants:**

See Attachment 55 for Attorney, Engineer and Financial Advisor contracts.

**(B) Compliance with Commission Rule 293.111(a)(6):**

See Attachment 56.

**(C) Key Personnel:**

**Name & Address**

**(i) Attorney**

Christina Miller  
Allen Boone Humphries & Robinson LLP  
3200 Southwest Freeway, Suite 2600  
Houston, Texas 77027  
(713) 860-6492  
[cmiller@abhr.com](mailto:cmiller@abhr.com)

**(ii) Fiscal Agent**

Anthea Moran  
Julie Peak  
Masterson Advisors LLC  
3 Greenway Plaza, Suite 1100  
Houston, Texas 77046  
Direct: (713) 814-0550  
[Anthea.moran@mastersonadvisors.com](mailto:Anthea.moran@mastersonadvisors.com)  
[Julie.peak@mastersonadvisors.com](mailto:Julie.peak@mastersonadvisors.com)

**(iii) Operator**

City of League City  
300 West Walker  
League City, Texas 77573

**(iv) General Manager**

NOT APPLICABLE

**(v) Tax Assessor-Collector**

Delia Yanez  
Assessments of the Southwest  
# 5 Oaktree  
Friendswood, Texas 77546  
Direct: (281) 482-0216  
Fax: (281) 482-5285

**(vi) Chief Appraiser**

Galveston Central Appraisal District  
600 Gulf Freeway  
Texas City, Texas 77591  
Direct: (713) 474-4489

**(vii) Principal Developer(s)**

Justine Klinke  
Forestar USA  
3355 W. Alabama St., Suite 210  
Houston, Texas 77098  
Office 713-457-1691

**(viii) Engineer**

Kyle Kern, P.E.  
Dannenbaum Engineering Corporation  
3100 West Alabama St.  
Houston, Texas 77098  
Direct: (713) 520-9570  
Kyle.kern@decorp.com

**(ix) Bookkeeper**

Dana Davis  
Myrtle Cruz, Inc.  
3401 Louisiana Street, Suite 400  
Houston, Texas 77002-9552  
Direct: (713) 759-1368  
Fax: (713) 759-1264

**(x) MUD Board President**

Katie Wall Lee-Faulk  
c/o Allen Boone Humphries & Robinson LLP  
3200 Southwest Freeway, Suite 2600  
Houston, Texas 77027  
Office: 713-860-6400

**(D) Reporting Requirements:**

Has the District submitted a current Directors' Registration Form?   X   Yes \_\_\_ No.

Has the District submitted a current District Information Form as required by Water Code Section 49.455?   X   Yes \_\_\_ No.

Has the District submitted a current Audit Report or Financial Dormancy Affidavit?  
  X   Yes \_\_\_ No.

**a. Name Signs:**

Has the District posted at least two name signs, at two or more principal entrances to the District?   X   Yes \_\_\_ No.

**Sign 1** Muldoon Parkway approximately 500' east of Maple Leaf Drive, facing westbound.

**Sign 2** Magnolia Bayou Drive, approximately 2,000' south of Muldoon Parkway, facing southbound.

**b. Other Information:**

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

**Notes:**

None