

Jon Niermann, *Chairman*
Bobby Janecka, *Commissioner*
Catarina R. Gonzales, *Commissioner*
Kelly Keel, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 17, 2024

Maria Morales, President
Board of Directors
Westwood Management District
P.O. Box 22167
Houston, Texas 77227

Mark Arnold
Hunton Andrews Kurth, LLP
600 Travis Street, Suite 4200
Houston, Texas 77002

RE: Westwood Management District

This letter is your notice that the Texas Commission on Environmental Quality (TCEQ) executive director (ED) has acted on the above-named application. According to 30 Texas Administrative Code (TAC) Section 50.135 the ED's action became effective on the date the ED signed the permit or other action. A copy of the final action is enclosed and cites the effective date.

For certain matters, a **motion to overturn**, which is a request that the commission review the ED's action on an application, may be filed with the chief clerk. Whether a motion to overturn is procedurally available for a specific matter is determined by Title 30 of the Texas Administrative Code Chapter 50. According to 30 TAC Section 50.139, an action by the ED is not affected by a motion to overturn filed under this section unless expressly ordered by the commission.

If a motion to overturn is filed, the motion must be received by the chief clerk within 23 days after the date of this letter. An original and 7 copies of a motion must be filed with the chief clerk in person or by mail. The Chief Clerk's mailing address is Office of the Chief Clerk (MC 105), TCEQ, P.O. Box 13087, Austin, Texas 78711-3087. On the same day the motion is transmitted to the chief clerk, please provide copies to the Environmental Law Deputy Director (MC 173), and the Public Interest Counsel (MC 103), both at the same TCEQ address listed above. If a motion is not acted on by the commission within 45 days after the date of this letter, then the motion shall be deemed overruled.

You may also request **judicial review** of the ED's action. The procedure and timelines for seeking judicial review of a commission or ED action are governed by Texas Water Code Section 5.351.

Individual members of the public may seek further information by calling the TCEQ Public Education Program, toll free, at 1-800-687-4040.

Sincerely,

A handwritten signature in cursive script that reads "Laurie Gharis".

Laurie Gharis
Chief Clerk

LG/cb

cc: Garrett T. Arthur, TCEQ Public Interest Counsel (MC 103)

Jon Niermann, *Chairman*
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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 17, 2024

Ms. Maria Morales, President
Board of Directors
Westwood Management District
P. O. Box 22167
Houston, Texas 77277

Re: Issuance of bonds by Westwood Management District (District) in the amount of \$8,015,000 at a maximum net effective interest rate of 5.39%.

Dear Ms. Morales:

Enclosed are certified copies of an order of the Texas Commission on Environmental Quality (TCEQ) approving your district's project and the issuance of bonds in the amount of \$8,015,000 at a maximum net effective interest rate of 5.39% to finance the District's projects, all being more fully set out in the order.

Your attention is directed to Texas Water Code Section 54.601, which reads as follows:

At the time bonds payable in whole or in part from taxes are issued, the board shall levy a continuing direct annual ad valorem tax for each year while all or part of the bonds are outstanding on all taxable property within the District in sufficient amount to pay the interest on the bonds as it becomes due and to create a sinking fund for the payment of the principle of the bonds when due or the redemption price at any earlier required redemption date and to pay the expenses of assessing and collecting the taxes.

Based on the projected taxable assessed valuation discussed in the TCEQ memorandum associated with the District's application, we have concluded that initially a tax of at most \$0.45 per \$100 valuation should be levied to pay interest, principal, and the cost of assessing and collecting such taxes. Application of the recommended tax rate should provide sufficient funds to satisfy the average annual debt service requirement of \$1,677,981.

You should read the enclosed order carefully. This action is taken under authority delegated by the Executive Director of the TCEQ. Please take particular note of the provision that no substantial alterations in the approved plans and specifications shall be made without prior TCEQ approval. This is a requirement of Texas Water Code Section 49.182.

Ms. Maria Morales, President
Page 2

A copy of the TCEQ's order and this letter are being sent to the Attorney General's Office, Public Finance Division, Austin, Texas. Additional copies are being provided to your attorney, engineer, and fiscal agent of record.

Sincerely,

A handwritten signature in black ink, appearing to read "Michele Risko". The signature is fluid and cursive, with a large, stylized "M" and "R".

Michele Risko, Deputy Director
Water Supply Division
Texas Commission on Environmental Quality

MR/cs

Enclosures

cc: Mr. Mark Arnold - Hunton Andrews Kurth, LLP - 600 Travis Street, Suite 4200 -
Houston, Texas 77002

Mr. Ken Heroy, P.E. - Jones-Heroy & Associates, Inc. - 13915 North Mopac Expressway,
Suite 200 - Austin, Texas 78728

Mr. Javier Morales, P.E. - J. Morales, Inc. - 3425 Federal Road - Houston, Texas 77504

Mr. John Howell - The GMS Group, LLC - 5075 Westheimer Road, Suite 1175 - Houston,
Texas 77056

Attorney General's Office - Public Finance Division - P.O. Box 12548 - Capitol Station -
Austin, Texas 78711-2548

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

OF THE COMMISSION, GIVEN UNDER MY HAND AND THE
SEAL OF OFFICE ON
Laurie Gharris
LAURIE GHARRIS, CHIEF CLERK
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AN ORDER APPROVING AN ENGINEERING PROJECT AND THE ISSUANCE OF \$8,015,000 IN UNLIMITED TAX BONDS FOR WESTWOOD MANAGEMENT DISTRICT

An application by Westwood Management District (the "District") of Galveston County 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 the issuance of \$8,015,000 in bonds to finance the following: utility infrastructure construction cost for the Westwood Recreation Center; engineering, testing, developer interest, and issuance expense; and water, wastewater, and drainage facilities to serve Westwood Sections 9, 10, and 12. 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 April 3, 2024, for approval of a proposed engineering project and the issuance of \$8,015,000 in bonds.
2. The Executive Director has investigated the District.
3. The application and accompanying documents have been examined. The project site was inspected by a member of the TCEQ's Districts Section on May 3, 2024. A memorandum was prepared on the project dated June 27, 2024, a copy of which is attached and made a part hereof.
4. The District's project and issuance of \$8,015,000 in bonds at a maximum net effective interest rate of 5.39% to finance the project should be approved. Further, the District should be directed that the bonds are to be sold only upon the District receiving either an acceptable credit rating or a credit enhanced rating on the bonds as defined in 30 TEX. ADMIN. CODE §293.47(b).
5. The District's request for a waiver of the 30% developer contribution requirement pursuant to either 30 TEX. ADMIN. CODE §§293.47(a)(2) or 293.47(a)(3) should be granted if the District receives either an acceptable credit rating or a credit enhanced rating on the bonds as defined in 30 TEX. ADMIN. CODE §293.47(b).
6. The District's request to reimburse developer interest for a period of more than two years pursuant to 30 TEX. ADMIN. CODE §293.50(b) should be approved.
7. The District should be directed not to purchase facilities or assume facility contracts from the developer until either (a) the TCEQ's field office staff has inspected the project, and the District has received a field office report with no deficiencies noted, for which approval is valid for 120 days from the date of the order approving the bonds; or (b) if a field office report indicates deficiencies, the TCEQ's Districts Section staff has received a request from the District and a field office report, reviewed the contract administration, and given

written authorization to finalize the purchase or assumption, either one pursuant to 30 TEX. ADMIN. CODE §293.69.

8. 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.

9. 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.

10. 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 of the TCEQ has investigated the District, and the TCEQ has found it legally organized and feasible.

3. The Districts Section memorandum dated June 27, 2024, on this engineering project and bond issue 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 June 27, 2024, 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 Westwood Management District is hereby approved together with the issuance of \$8,015,000 in bonds at a maximum net effective interest rate of 5.39%. Further, the District is directed that the bonds are to be sold only upon the District receiving either an acceptable credit rating or a credit enhanced rating on the bonds as defined in 30 TEX. ADMIN. CODE §293.47(b). The District's request for a waiver of the 30% developer contribution requirement associated with this bond issue pursuant to either 30 TEX. ADMIN. CODE §§293.47(a)(2) or 293.47(a)(3) is granted if the District receives either an acceptable credit rating or a credit enhanced rating on the bonds as defined in 30 TEX. ADMIN. CODE §293.47(b). The District's request to reimburse developer interest for a period of more than two years is granted in accordance with 30 TEX. ADMIN. CODE §293.50. The District is directed not to purchase facilities or assume facility contracts from the developer until either (a) the TCEQ's field office staff has inspected the project, and the District has received a field office report with no deficiencies noted, for which approval is valid for 120 days from the date of the order approving the bonds; or (b) if a field office report indicates deficiencies, the TCEQ's Districts Section staff has received a request from the District and a field office report, reviewed the contract administration, and given written authorization to finalize the purchase or assumption, either one pursuant to 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: July 9, 2024

A handwritten signature in black ink, appearing to read "K. Keel", is written over a horizontal line.

For the Commission

Texas Commission on Environmental Quality

TECHNICAL MEMORANDUM

To: Justin P. Taack, Manager *AP*
Districts Section *for*
6/27/2024

Date: June 27, 2024

Thru: Dan Finnegan, Team Lead
Districts Bond Team

From: Clyde Sifford, P.E.
Districts Bond Team

Subject: Westwood Management District; Application for Approval of \$8,015,000 Unlimited Tax Bonds; Second Bond Issue; 5.39% Net Effective Interest Rate, Series 2024; Pursuant to Texas Water Code Section 49.181.
TCEQ Internal Control No. D-04032024-010 (TC)
CN: 604527887 RN: 107124448

A. GENERAL INFORMATION

The Texas Commission on Environmental Quality has received an application from the Westwood Management District (District) of Galveston County requesting approval for the issuance of \$8,015,000 in unlimited tax bonds to finance the District's share of the following projects:

1. Utility infrastructure construction cost for the Westwood Recreation Center;
2. Engineering, testing, developer interest, and issuance expense; and
3. Water, wastewater, and drainage facilities to serve the following development:

<u>Project</u>	<u>Type of Development</u>	<u>Acreage</u>	<u>Active ESFCs⁽¹⁾</u>	<u>Ultimate ESFCs</u>
Westwood Section 9	Single-Family	24.10	60	135
Westwood Section 10	Single-Family	39.64	0	118
Westwood Section 12	Single-Family	<u>19.79</u>	<u>0</u>	<u>89</u>
	Totals	83.53	60	342

Note:

(1) Equivalent single-family connections (ESFCs) as of July 1, 2023, as stated in the engineering report.

The District has funded 662 ESFCs in the previous bond issue on 181.62 acres (revised from previous bond issue). Including this bond issue, the District is funding 1,004 ESFC on 265.15 acres. According to the engineering report and based on the current total District area of 468.41 acres, the District is anticipated to serve 1,608 ESFCs on 384.79 developable acres at build-out (revised from previous bond issue).

B. ECONOMIC ANALYSIS

Tax Rate Analysis

The feasibility of this bond issue is based on no-growth with an estimated taxable assessed valuation of \$402,459,465 as of July 1, 2023. A market study has not been provided and is not required since this feasibility is based on no-growth.

According to a Galveston Central Appraisal District certificate, the District's July 1, 2023, estimated taxable assessed valuation was \$402,459,465. The annual debt service requirement for the bond amount of \$8,015,000 and existing debt averages \$1,677,981 for the 25-year life of the District's bond debt. According to the engineering report, the District levied a maintenance tax of \$0.60 in 2023 and intends to levy a maintenance tax of \$0.52 in the future.

The District's financial advisor has submitted a cash flow schedule considering the requested \$8,015,000 bond issue, no-growth to an estimated taxable assessed valuation of \$402,459,465, no capitalized interest, a bond interest rate of 5.20%, a 3% bond discount, a 97% collection rate, a bond management fee of 1%, and a projected tax rate of \$0.45 per \$100 assessed valuation.

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

<u>District</u>	<u>Projected Tax Rate</u>
Debt Service	\$0.4500 ⁽¹⁾⁽²⁾
Maintenance Tax	0.5200
City Tax	<u>0.3950</u> ⁽³⁾
Total District Tax	\$1.3650 ⁽⁴⁾

Notes:

- (1) Based on a bond amount of \$8,015,000, existing debt, a net effective interest rate of 5.39%, a 97.0% tax collection rate, no-growth to a July 1, 2023, estimated taxable assessed valuation of \$402,459,465, 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 \$0.45 per \$100 assessed valuation.
- (3) According to the applicant, the tax rate attributed to water, wastewater, drainage, roads, and recreational facilities is unknown; therefore, the value shown is the City of League City's (City) current tax rate.
- (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 \$1.365 being less than \$1.50 pursuant to 30 TAC Sections 293.59(l) and 293.59(k)(11)(C).

Recorded copies of an exemption agreement required by 30 TAC Section 293.59(k)(8) have been provided for the areas being funded in this bond issue.

C. ENGINEERING ANALYSIS

Water Supply

The District's source of water is supplied by the City pursuant to the "Interlocal Project Development and Financial Agreement" between the City and the District, dated September 10, 2015. This agreement provides the District a sufficient water supply to serve its ultimate requirements. The District constructs internal waterlines within the District. These lines are then conveyed to the City for operation and maintenance.

Since the District is provided water by the City, the District does not need an emergency interconnect agreement.

The District's water supply appears adequate to serve the 846 ESFCs (804 residential/commercial ESFCs, 2 amenity center ESFCs, and 40 ESFCs for an elementary school) upon which the engineering feasibility of this bond issue is based.

Wastewater Treatment

Wastewater treatment for the District is provided by the City through the agreement noted above. This agreement provides the District a sufficient wastewater treatment capacity to serve its ultimate requirement. The District constructs the internal wastewater lines within the District. These lines are then conveyed to the City for operation and maintenance. The City's Southwest Water Reclamation Facility wastewater treatment plant (WWTP) provides the District its wastewater treatment. This plant operates under Texas Pollutant Discharge Elimination System Permit No. WQ0010568008 which currently is authorized a daily maximum average flow of 4.00 million gallons per day. Based on a flow rate of 300 gpd, this WWTP is capable of serving 13,333 ESFCs.

According to the engineering report, the City's Wastewater Treatment facility appears adequate to serve the District's 846 ESFCs (804 residential/commercial ESFCs, 2 amenity center ESFCs, and 40 ESFCs for an elementary school) upon which the engineering feasibility of this bond issue is based.

Storm Water Drainage

According to the engineer's report, drainage for the District is collected through a system of underground storm sewers and inlets. Detention ponds mitigate developed runoff. All drainage is conveyed to Magnolia Creek which eventually drains into Galveston Bay. This bond issue funds storm water facilities.

Purchase of Existing Facilities/Assumption of Existing Contracts

<u>Description</u>	<u>Contractor</u>	<u>% Complete To Date</u>	<u>Final Contract Amount</u> ⁽¹⁾	<u>Amt. Subj. to Distr. Contrib.</u>
Westwood Section 9 - W, WW, D	Harris Construction Co., Ltd.	100% (4/28/2022)	\$3,421,016	\$1,655,759 ⁽²⁾
Westwood Section 10 - W, WW, D	Harris Construction Co., Ltd.	100% (3/20/2023)	\$4,326,443	\$2,622,858 ⁽³⁾
Westwood Section 12 - W, WW, D	Harris Construction Co., Ltd.	100% (7/19/2023)	\$2,273,662	\$1,302,343 ⁽⁴⁾
Westwood Recreation Center - W, WW, D	Harris Construction Co., Ltd.	100% (7/19/2018)	\$450,927	\$199,495 ⁽⁵⁾

Notes:

- (1) The original contract amount net of change orders and final quantity adjustments.
- (2) The final contract amount less \$174,602 being the financial responsibility of the developer and less \$1,590,655 associated with paving for a total of \$1,765,257.
- (3) The final contract amount less \$151,457 being the financial responsibility of the developer and less \$1,552,128 associated with paving for a total of \$1,703,585.
- (4) The final contract amount less \$127,693 being the financial responsibility of the developer and less \$843,626 associated with paving for a total of \$971,319.
- (5) The final contract amount less \$17,270 of irrigation lines, irrigation sleeves, and an irrigation meter eligible in a recreation bond issue and less \$234,162 associated with paving for a total of \$251,432.

Approved plans, 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 staff on May 1, 2024. Active home building was observed within the District. The District appeared as presented in the application. District name signs were properly posted.

D. SUMMARY OF COSTS

<u>Construction Costs</u>	District's <u>Share</u> ⁽¹⁾
A. Developer Contribution Items	
1. Westwood Section 9 - W, WW, D	\$1,655,759
2. Westwood Section 10 - W, WW, D	2,622,858
3. Westwood Section 12 - W, WW, D	1,302,343
4. Westwood Recreation Center - W, WW, D	199,495
5. Engineering and testing (Items 1- 4)	<u>833,656</u>
Total Developer Contribution Items	\$6,614,111
B. District Items	
None	
 TOTAL CONSTRUCTION COSTS (82.52% of BIR)	 \$6,614,111
 <u>Non-Construction Costs</u>	
A. Legal Fees	\$80,150 ⁽²⁾
B. Bond Management Fee	80,150 ⁽³⁾
C. Fiscal Agent Fees	80,150 ⁽⁴⁾
D. Developer Interest	760,475 ⁽⁵⁾
E. Bond Discount (3%)	240,450
F. Bond Issuance Expense	73,923
G. Bond Application Report	57,538
H. Attorney General Fee (0.1% of BIR; Maximum \$9,500)	8,015
I. TCEQ Fee (0.0025% of BIR)	<u>20,038</u>
Total Non-Construction Costs (17.47% of BIR)	\$1,400,889
 TOTAL BOND ISSUE REQUIREMENT	 \$8,015,000

Notes:

- (1) A waiver of the 30% developer contribution requirement of 30 TAC Section 293.47 has been requested.
- (2) Contract provided indicates the legal fee to be 1% of the bonds issued.
- (3) Contract provided indicates the bond management fee to be 1% of the bonds issued.
- (4) Contract provided indicates the fiscal agent fee to be 1% of the bonds issued.
- (5) Based on an estimated interest rate of 5.20% and a funding date of September 15, 2024, with bond proceeds, or at a maximum of five years in accordance with 30 TAC Section 293.50(b). The amount requested does not exceed the five-year limitation of 30 TAC Section 293.50(b)(2). Developer interest is being granted on all the construction costs and engineering/testing expenses being reimbursed in the cost summary.

E. SPECIAL CONSIDERATIONS

1. 30% Developer Contribution Requirement

The District has requested a waiver of the 30% developer contribution requirement, pursuant to either 30 TAC Sections 293.47(a)(2) or 293.47(a)(3), based on the District obtaining either an acceptable credit rating or a credit enhanced rating on the bonds. By letter dated February 9, 2024, the District's financial advisor has indicated that the District anticipates obtaining either an acceptable credit rating or a credit enhanced rating on the proposed bond issue; thereby, qualifying for the requested waiver. Accordingly, the District's request for a waiver of the 30% developer contribution should be granted pursuant to either TAC Sections 293.47(a)(2) or 293.47(a)(3).

2. Developer Interest for a Period of More Than Two Years

The District has requested approval to reimburse developer interest for a period of more than two years pursuant to 30 TAC Section 293.50(b)(2). Because the \$760,475 of developer interest in this bond issue does not exceed an amount equal to four years interest (\$1,667,120) on the total bond issue of (\$8,015,000), the request to reimburse developer interest should be approved pursuant to 30 TAC Section 293.50(b).

3. Less than One Year Capitalized Interest

In compliance with 30 TAC Section 293.50(b)(2), the District has requested authorization to sell all the bonds with less than one year of capitalized interest. By letter dated February 9, 2024, the District's financial advisor states that providing less than twelve months of capitalized interest on the bonds will have no material impact upon the feasibility or marketability of the bonds.

F. CONCLUSIONS

1. Based on \$33,110,928 in unlimited tax bonds for water, wastewater, and drainage, approved by voters on November 5, 2013, and \$11,000,000 in utility bonds previously approved by the TCEQ and issued by the District, the District has sufficient voter authorized bonds (\$22,110,928) for the proposed bond issue.
2. Based on the review of the engineering report, plans, specifications, and supporting documents, the bond issue is considered feasible and meets the criteria established by the TCEQ feasibility rules, 30 TAC Section 293.59.
3. The recommendations are made under authority delegated by the Executive Director of the Texas Commission on Environmental Quality.

G. RECOMMENDATIONS

1. Approve this bond issue in the amount of \$8,015,000 in accordance with the recommended summary of costs at a maximum net effective interest rate of 5.39%. Further, the District should be directed that the bonds are to be sold only upon the District receiving either an acceptable credit rating or a credit enhanced rating on the bonds as defined in 30 TAC Section 293.47(b).
2. The District's request for a waiver of the 30% developer contribution requirement pursuant to 30 TAC Sections 293.47(a)(2) or 293.47(a)(3) should be granted if the District receives either an acceptable credit rating or a credit enhanced rating on the bonds as defined in 30 TAC Section 293.47(b).

Justin P. Taack, Manager

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June 27, 2024

3. The District's request to reimburse developer interest for a period of more than two years in accordance with 30 TAC Section 293.50(b) should be approved.
4. Standard recommendations regarding purchase of facilities, developer interest, consultant fees, surplus proceeds, time of approval, and bond proceeds fee apply.