



FOR

**GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 73
GALVESTON COUNTY
WS&D BOND ISSUE NO. 3
\$6,000,000**

Bond Application Report

MARCH 2026

LJA Job No. 2957-0503



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04/13/26

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**ENGINEERING REPORT FOR
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 73
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SECTION 1 — GENERAL INFORMATION

(A) Laws, Elections, and Acreage:

- (i) **Authority Creating District:** Galveston County Municipal Utility District No. 73 (the “District”) was created by Order of the Texas Commission on Environmental Quality (“TCEQ”) dated July 25, 2019. A copy of which was previously included WS&D Bond Issue #1
- (ii) **Governing Law:** The District operates under Chapter 375 of the Texas Local Government Code in addition to Chapters 49 and 54 of the Texas Water Code pursuant to Article XVI, Section 59 and Article III, Section 52 and 52-a, of the Texas Constitution.
- (iii) **Confirmation Election:** The voters of the District confirmed the creation of the District on May 1, 2021. The Notice of Election and canvas of Returns for confirmation of creation of the District and authorization to sell bonds was previously included in WS&D Bond Issue #1.
- (iv) **Acreage:** The District consists of 786.55 acres. No annexations or exclusions have been performed.
- (v) **Boundary Map:** A Boundary Map was previously included in WS&D Bond Issue #1.

(B) Location:

The District is located in Galveston County and is situated wholly within the limits of the City of League City. The District is generally bounded on the south by future Grand Parkway SH 99, on the north by existing Magnolia Creek neighborhood, and on the east by Hobbs Road. Primary access to the District will be from Ervin Street. Secondary access points will be from Hobbs Road, Florence Drive, and future Grand Parkway. The District is located in the I.R. Lewis Survey, A-15, the Perry & Austin Survey, A-19, the I.&G.N.R.R. Survey, A-607, the C.W. Pressler Survey, A-649, and the J.C. League Survey, A-661, all being in Galveston County, Texas. A location map was previously included in WS&D Bond Issue #1

SECTION 2 — PROPOSED BOND ISSUE

(A) Purpose:

The purpose of this Bond Issue is to reimburse the developer for certain capital costs associated w/ the district's facilities, engineering and construction costs associated with the following projects:

1. MUD 73 Lift Station
2. Samara Detention Phase I

In addition to the projects listed above, funds in the bond issue will also be used to reimburse the developer for general operating advances, engineering and construction phase services, geotechnical investigations, materials testing services, storm water pollution prevention plan services, legal fees, financial agent fees, and interest costs related to the above-mentioned projects. All of these projects will exclusively serve areas within the District.

(B) Bond and Maintenance Tax Authorization:

(i) **Bond Authorization:**

On May 1, 2021, the voters within the District authorized the issuance of \$443,700,000 in bonds to finance the costs of the water, sanitary sewer and drainage facilities; authorized the issuance of \$113,000,000 in bonds to finance the costs of parks and recreational facilities; and authorized the issuance of \$287,000,000 in bonds to finance the cost of roads facilities. Copies of the bond election documents were previously included in WS&D Bond Issue #1

Date of Election	Purpose	Amount Approved	Amount Canceled
05/01/2021	Water, Wastewater, Drainage	\$443,700,000	None
05/01/2021	Roads	\$287,000,000	None
05/01/2021	Parks and Recreational Facilities	\$113,000,000	None

(ii) **Maintenance Tax:**

On May 1, 2021, the voters within the District authorized the levy of an operation and maintenance tax to not exceed \$1.50 per \$100 valuation for water, sanitary sewer, drainage facilities and parks; and \$0.25 per \$100 valuation for road facilities on all taxable property within the District. See **Attachment 5**

Date of Election	Purpose	Maximum Tax Approved (per each \$100 of AV)	Cancelled Prior Authorization
05/01/2021	Water, Wastewater, Drainage, Parks & Recreational Facilities	\$1.50	None
05/01/2021	Roads	\$0.25	None

(C) Prior Bond Issues:

Type of Bonds—Water, Wastewater and Drainage Total Amount Authorized: \$443,700,000			
Bond Issue No.	TCEQ Amount Approved	TCEQ Order Date Approved	Amount Sold
1	\$3,420,000	9/11/2024	\$3,420,000
2	\$6,000,000	08/13/2025	\$6,000,000
3 (Proposed)	\$6,000,000	PENDING	\$6,000,000
			Total Bonds Sold: \$15,420,000
			Remaining Authorized Bonds: \$428,280,000

It is the opinion of the District's engineer that the remaining \$428,280,000 in authorized bonds is sufficient to complete development within the District.

Type of Bonds—Road Bonds Total Amount Authorized: \$287,000,000			
Bond Issue No.	Bond Amount	Sale Date	Amount Sold
1	\$7,485,000	10/8/2024	\$7,485,000
2	\$5,000,000	10/28/2025	\$5,000,000
			Total Bonds Sold: \$12,485,000
			Remaining Authorized Bonds: \$274,515,000

It is the opinion of the District's engineer that the remaining \$274,515,000 in authorized bonds is sufficient to complete development within the District.

(D) Type:

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

(E) Interest Rate:

An interest rate of 5.00% is proposed for analyzing the feasibility of the proposed bond issue.

(F) Land-Use Plan:

A land use plan is included as **Attachment 6**

(G) Recreational Facilities:

No recreational facilities are included in the proposed bond issue.

(H) Roads:

Does the District have authority to fund roads?

Yes. Pursuant to Chapter 54 Water Code, the District has road powers by operation of general law. **See Attachment 17**

SECTION 3 — FACILITIES PROPOSED FOR FUNDING

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

<u>Project</u>	<u>Contractor</u>	<u>% Complete Date</u>	<u>Contract Amount</u> ⁽¹⁾	<u>Amount Subject to District Contribution</u>
GC MUD 73 Lift Station	5 J Services, LLC	100% 4/15/2026	\$2,336,579.00 ⁽²⁾	\$688,111.10 ⁽³⁾
Samara Det. Phase I	Longhorn Excavators, Inc.	100% 04/13/2023	\$5,636,212.35 ⁽⁴⁾	\$2,982,197.14 ⁽⁵⁾

Notes:

- ⁽¹⁾ See **Attachment 7** for an itemized cost breakdown of each project. Supporting information for this attachment excludes information previously provided in prior bond issues.
- ⁽²⁾ Construction costs are based on the original contract amount (\$2,030,500.00) plus change order #1 (net increase) for construction of an all-weather access road due to field conditions, temporary culverts for weather access road crossing a ditch, pipeline crossing due to specialized equipment being needed to install weather access road, and City requiring a switch in pump suppliers resulting in a higher cost pump.
- ⁽³⁾ The Lift Station is 100% complete. As of the date of this bond application, the final invoices for engineering and construction have been included for 100% reimbursement. The amount shown represents the final contract amount of \$2,336,579 less \$1,648,467.90 previously funded.
- ⁽⁴⁾ Construction costs are based on the original contract amount (\$5,257,703.88) plus change order #1 (net increase) for additional clearing required for lab approval and additional requirements per pipeline companies due to field conditions; plus change order #2 (net increase) for additional requirements by pipeline companies due to field conditions; plus change order #3 (net increase) for additional requirements by pipeline companies due to field conditions; plus change order #4 (net decrease) for final quantity adjustments.
- ⁽⁵⁾ Samara Detention Phase I is 100% complete. For this issue, 62.95% of outstanding construction, engineering, testing, and SWPPP costs are included for reimbursement. Costs of \$898,806 for amenity related excavation have been excluded. 6.05% of costs were previously funded in WS&D Bond Issue #2. The remaining 31% of the costs will be included in a future bond application.

(B) Facilities to be Constructed:

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

SECTION 4 - SUMMARY OF COSTS

GCMUD No. 73 WS&D Bond Application No. 3

	AMOUNT	DISTRICT SHARE	AMOUNT IN BOND APPLICATION
CONSTRUCTION COSTS			
A. Developer Contribution Items			
1. MUD 73 Lift Station (DEC Job No. 5022-51) ⁽¹⁾			
a. Construction	\$ 2,336,579.00	\$ 2,336,579.00	\$ 688,111.10
b. Engineering	\$ 140,825.00	\$ 140,825.00	\$ 30,316.62
Subtotal	\$ 2,477,404.00	\$ 2,477,404.00	\$ 718,427.72
2. Detention Phase I (LJA Job No. 0386-3021) ⁽²⁾			
a. Construction	\$ 5,636,212.34	\$ 4,737,406.10	\$ 2,982,197.14
b. Engineering	\$ 517,000.00	\$ 517,000.00	\$ 325,451.50
c. SWPPP	\$ 41,522.00	\$ 41,522.00	\$ 26,138.10
d. Geotechnical Engineering	\$ 15,393.50	\$ 15,393.50	\$ 9,690.21
Subtotal	\$ 6,210,127.84	\$ 5,311,321.60	\$ 3,343,476.95
Total Developer Contribution Items	\$ 8,687,532	\$ 7,788,726	\$ 4,061,905
TOTAL CONSTRUCTION COSTS	\$ 8,687,532	\$ 7,788,726	\$ 4,061,905
67.7% of BIR			
NON-CONSTRUCTION COSTS			
A. Non-Construction Costs			
1. Legal Fees ⁽³⁾		\$	150,000.00
2. Fiscal Agent Fees ⁽⁴⁾		\$	75,000.00
3. Interest Costs			
a. Capitalized Interest ⁽⁵⁾		\$	300,000.00
b. Duncan Developer Interest (5 Years @ 5.00%) ⁽⁶⁾		\$	78,690.74
c. Friendswood Developer Interest (5 Years @ 5.00%) ⁽⁶⁾		\$	752,841.45
4. Bond Discount (3%)		\$	180,000.00
5. Developer Operating Advances and Interest		\$	297,553.49
6. Bond Issuance Expenses		\$	33,009.65
7. Bond Application Costs		\$	50,000.00
8. Attorney General's Fee (0.10%)		\$	6,000.00
9. TCEQ Bond Issue Fee (0.25%)		\$	15,000.00
TOTAL NON-CONSTRUCTION COSTS		\$	1,938,095.33
32.3% of BIR			
TOTAL BOND ISSUE REQUIREMENT (BIR)		\$	6,000,000.00

Notes:

*The District has requested a conditional waiver of 30% Developer contribution requirement of 30 TAC Section 293.47

(1) As of the date of this bond application, the final engineering and construction invoices have been included for 100% reimbursement. It is assumed that the remaining engineering amount will be paid prior to approval of the bond issue. The remaining engineering reimbursement amount will be reviewed and verified as part of the bond audit process.

(2) The district is seeking reimbursement for 62.95% of the WS&D construction costs, engineering, geotechnical/testing, and SWPPP consultant fees for this project. 6.05% of costs were previously funded in Bond Issue #2. The remaining 31% will be included in a future bond application.

(3) 3% of the first \$3,000,000 principal amount of bonds issued; 2% of the next \$3,000,000 - \$10,000,000 in principal amount of bonds issued; 1.75% of the next \$10,000,000 - \$15,000,000 in principal amount of bonds issued; 1.5% of the next \$15,000,000 to \$20,000,000 in principal amount of bonds issued; and 1.25% of total amount above \$20,000,000 in principal. See **Attachment 11** for breakdown of Legal Fees.

(4) Pursuant to the contract between the District and Financial Advisor, fiscal fees are 1.25% of bonds issued.

(5) The bond issue includes 12 months of capitalized interest. See **Attachment 62** for a letter from the District's Financial Advisor.

(6) Based on an assumed interest rate of 5.00% and a funding date of September 18th, 2026, or a maximum of 5 years. The District has requested to reimburse more than two years of developer interest in accordance with 30 TAC Section 293.50(b). See **Attachment 13** for breakdown of developer interest.

SECTION 5 — DEVELOPMENT STATUS AND LAND USE

The following information represents development as of January, 2026

(A) Land-Use Table:

LAND USES	ACREAGE	EQUIVALENT CONNECTIONS	
		EXISTING (as of 1/28/2026)	PROJECTED
Total District Acreage	786.550		
Developable Acreage:			
1. Developed from prior bond issues	88.689	382	382
2. To be developed from the proposed bonds	0	0	0
3. Currently developed with facilities to be funded in future bonds	219.220	139	935
4. Remaining developable acreage ⁽¹⁾	280.487		655
Subtotal Developable Acreage:	588.396		
Undevelopable Acreage ⁽³⁾:			
1. Streets ⁽²⁾	23.853		
2. Drainage easements ⁽⁴⁾	101.800		
3. Permanent floodplain	0.0		
4. Parks and recreational and open spaces	72.312	5	5
5. Other	0.189		
Subtotal Undevelopable Acreage:	198.154		
TOTALS	786.550	526	1977

Notes:

- (1) Final development acreage is dependent on final land plan and may adjust up or down from the numbers shown in this chart.
- (2) Street acreage is GC MUD 73 Major Thoroughfares. Developable acreage includes internal residential section streets that were platted with the sections. Collector and arterial roadways are excluded from developable acreage, regardless of whether they are platted under separate street dedication plats or as part of a residential section and is therefore included in this category instead.
- (3) Undevelopable acreage is based on development thus far at the time of this issue
- (4) Drainage easements were platted within sections; therefore, all drainage easement acreage is included in the developable acreage, except for detention acreages and any unusual drainage easement(s).

(B) Development from Prior Bonds:

SECTION	TYPE OF DEVELOPMENT	NO. OF LOTS	ACREAGE	EQUIVALENT CONNECTIONS	
				EXISTING	AT FULL DEVELOPMENT
Section 1 (Road & WS&D)	Single-Family	92	23.392	92	92
Section 2 (Road & WS&D)	Single-Family	77	16.470	77	77
Section 3 (Road)	Single-Family	83	17.618	83	83

Section 4 (Road)	Single-Family	66	17.581	66	66
Section 5 (Road & WS&D)	Single-Family	64	13.628	64	64
Ervin St. Ph. 1 (Road)	Road	N/A	N/A	N/A	N/A
Rec Center & Ervin St. Ph. 2 (Road)	Road/Recreational	N/A	N/A	5	5
GC MUD 73 Lift Station (WS&D)	Facility	N/A	N/A	N/A	N/A
Detention Ponds 1 & 2 (WS&D)	Drainage	N/A	N/A	N/A	N/A
Totals		382	88.689	382	382

Notes:

⁽¹⁾ Acreage shown as "Developed from prior bond issues" represents development areas previously included in WS&D bond applications; however, inclusion in prior bond issues does not necessarily indicate reimbursement of utility facilities within those sections.

(C) Development from Proposed Bonds:

SECTION	TYPE OF DEVELOPMENT	NO. OF LOTS	ACREAGE	EQUIVALENT CONNECTIONS	
				EXISTING	AT FULL DEVELOPMENT
GC MUD 73 Lift Station (WS&D)	Facility	N/A	N/A	N/A	N/A
Detention Ponds 1 & 2 (WS&D)	Drainage	N/A	N/A	N/A	N/A
Totals		0	0	0	0

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

SECTION	TYPE OF DEVELOPMENT	NO. OF LOTS	ACREAGE	EQUIVALENT CONNECTIONS	
				EXISTING	AT FULL DEVELOPMENT
Section 1 (WS&D)	Single-Family	92	23.392	92	92
Section 2 (WS&D)	Single-Family	77	16.470	77	77
Section 3 (WS&D)	Single-Family	83	17.618	83	83
Section 4 (WS&D)	Single-Family	66	17.581	66	66
Section 5 (WS&D)	Single-Family	64	13.628	64	64
Section 6 (Road & WS&D)	Single-Family	63	13.415	63	63
Section 7 (Road & WS&D)	Single-Family	67	16.511	10	67

Section 10 (Road & WS&D)	Single-Family	81	21.266	0	81
Section 11 (Road & WS&D)	Single-Family	61	17.149	0	61
Section 12 (Road & WS&D)	Single-Family	58	15.840	0	58
Section 15 (Road & WS&D)	Single-Family	127	33.052	0	127
Section 16 (Road & WS&D)	Single-Family	226	43.252	0	226
Section 17 (Road & WS&D)	Single-Family	62	16.189	0	62
Ervin St. Ph. 1 (WS&D)	Road	N/A	N/A	N/A	N/A
Landing Blvd. Ph. 1 & Samara Way (Road & WS&D)	Road	N/A	N/A	N/A	N/A
Rec Center & Ervin St. Ph. 2 (WS&D)	Road/Recreational	N/A	N/A	5	5
Ervin St. Ph. 3 (Road & WS&D)	Road	N/A	N/A	N/A	N/A
Detention Ponds 1 & 2 (WS&D)	Drainage	N/A	N/A	N/A	N/A
Detention Ponds 3 & 4 (WS&D)	Drainage	N/A	N/A	N/A	N/A
Totals		1317	307.909	526	1322

(E) Historical Build-Out:

Year	Type of Development	Number of Units	Acreage of Reserves	Square Footage	Existing Connections	Ultimate Connections
2021	Single Family					0
	Multi – Family					0
	Commercial					0
	Office					0
	Other					0
2022	Single Family					0
	Multi – Family					0
	Commercial					0
	Office					0
	Other					0
2023	Single Family				1	233
	Multi – Family					0
	Commercial					0
	Office					
	Other					0
2024	Single Family				233	233
	Multi – Family					0
	Commercial					0
	Office					

	Other		0
2025	Single Family	521	1317
	Multi – Family		0
	Commercial		0
	Office		
	Other	5	5

(F) Floodplain Information:

The current FEMA maps Panel 48167C0228G and 48167C0210G, dated August 15, 2019, was previously included in WS&D Bond Issue #1

(i) What is being done (if anything) to remove the areas of the District, if any, currently in the official floodplain?

None of the projects needed to support the financial feasibility of this bond application are in the floodplain. A portion of the District is located in the 500-yr floodplain. Mitigation will occur prior to future development in the area.

(ii) Are any of the improvements proposed for purchase or construction funding through the proceeds of this bond issue currently in the official floodplain?

No.

(iii) Are areas currently in the official floodplain used in the build-out projections used to support this bond issue?

Yes, however, a portion of the District falls within the 500-yr floodplain only, not the 100-yr floodplain.

(iv) Who is charged with maintaining minimum floor slab elevations in the District area?

The City of League City is charged with maintaining minimum floor slab elevations in the District area.

(v) Are any sites or easements to be funded in the bond issue currently in the floodplain?

No.

SECTION 6 — SOURCE OF WATER SUPPLY, WASTEWATER TREATMENT FACILITIES, AND STORM-WATER DRAINAGE FACILITIES⁰

(A) Water Supply:

(i) **Water Supply Source:** The District obtains water from the City of League City's existing water lines at several locations adjacent to the District. These lines include an existing 24-inch water line at the intersection of Ervin Street and Hobbs Road; an existing 12-inch line along Hobbs Road; an existing 8-inch line from Florence Drive; and an existing 18-inch line from Landing Boulevard. *Utility Agreement* between the District and the City of League City was previously provided in WS&D Bond Issue #1.

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

See the Utility Service Agreement with the City of League City, previously provided in WS&D Bond Issue #1

(iii) **Interconnects:** None.

(iv) **Leased or Purchased Capacity:** None.

(v) **Special Considerations or Circumstances:** None.

(vi) **Not applicable in proposed bond issue.**

(B) Wastewater Treatment:

(i) **Wastewater Treatment Facilities:** The wastewater generated within the District will flow by gravity through an internal network of wastewater collection lines and tie into the District's Lift Station before flowing via force main to a City of League City 54-inch sanitary trunk line located in an existing sanitary easement along Grand Parkway. The wastewater will then flow by gravity into the Southwest Wastewater Reclamation Facility located on Maple Leaf Drive approximately 2 miles west of the District. *Utility Agreement* between the District and the City of League City was previously provided in WS&D Bond Issue #1.

(ii) **GPD/ESFC:** Not Applicable.

(iii) **Leased or Purchased Capacity:** None.

(iv) **Special Conditions or Circumstances:** None.

(v) **Not applicable in proposed bond issue.**

(C) Storm-Water Drainage Facilities:

(i) **Natural Drainage Patterns:**

A majority of the District naturally drains south east to Magnolia Bayou which ultimately outfalls to Dickinson Bayou. A minority of the District drains southwest through a series of roadside ditches to an upstream portion of Dickinson Bayou, However, it has been redirected to flow through the ultimate outfall constructed with Detention Phase I.

(ii) Drainage System Improvements:

Detention ponds have been constructed to receive storm water runoff from the interior subdivision sections through a storm sewer system. The detention pond system outfalls into Magnolia Bayou through Bay Colony West MUD.

(iii) Drainage System Improvements to be Funded in this Bond Issue:

Detention Ponds and their necessary storm conveyance systems for the following projects are proposed to be funded with the bond proceeds:

1. Samara Detention Phase I
 - a. Detention Ponds 1 & 2 and their necessary storm water conveyance systems such as culverts, flap gates, storm pipes, and storm structures.

(iv) Storm Water Quality:

No storm water quality facilities are proposed to be funded with the bond proceeds.

SECTION 7 — BASIS OF DESIGN

(A) Conformity with Regulatory Requirements:

- (i) Texas Commission on Environmental Quality: Yes X No N/A
- (ii) City of League City: Yes X No N/A
- (iii) Galveston County: Yes No X⁽¹⁾ N/A
- (iv) Galveston County Consolidated Drainage District: Yes No N/A X⁽²⁾
- (v) Commission Permit Required by Water Code 16.236: Yes No N/A X⁽³⁾
- (vi) Others:

⁽¹⁾ The District lies within the jurisdictional limits of the City of League City, and therefore City design criteria and regulatory requirements supersede those of Galveston County.

⁽²⁾ The District does not lie within the Galveston County Consolidated Drainage District.

⁽³⁾ Commission Permit required by V.T.C.A. Water Code Section 16.236 pertains to levee districts and is not applicable for this district.

(B) Oversizing:

Is the District constructing any facility with capacity in excess of that reasonably anticipated for future in-district uses?

No.

SECTION 8 — FINANCIAL INFORMATION

The following information was supplied by the District's Tax Assessor, Bookkeeper and Financial Advisor

(A) Growth / No Growth (Financial Advisor)

The economic feasibility of this bond issue is based on NO-GROWTH.

The highest projected taxable value shown in the cash flow schedule is \$186,914,246.00.

(B) Latest Certified Assessed Valuation (Financial Advisor): \$132,489,797.00 as of January 1st, 2025.

See **Attachment 33** for the certificate indicating such valuation from the Deputy Chief Appraiser of the Galveston County Central Appraisal District.

Latest Certified Estimate of Assessed Valuation: \$186,914,246.00 as of January 1st, 2026.

See **Attachment 34** for the certificate indicating such valuation from the Deputy Chief Appraiser of the Galveston County Central Appraisal District.

(C) Historical Tax Data (Tax Assessor) :

The following information is as of February 28, 2026.

YEAR COLLECTED	ASSESSED VALUATION	WS&D DEBT SERVICE TAX RATE	ROAD DEBT SERVICE TAX RATE	MAINTENANCE TAX RATE	AMOUNT COLLECTED	TOTAL
2021	\$133,640	\$0.000	\$0.000	\$1.000	\$1,336.40	100.00%
2022	\$193,580	\$0.000	\$0.000	\$1.000	\$1,935.80	100.00%
2023	\$193,560	\$0.000	\$0.000	\$1.000	\$1,935.60	100.00%
2024	\$42,296,441	\$0.110	\$0.240	\$0.650	\$422,964.41	100.00%
2025	\$132,489,797	\$0.250	\$0.550	\$0.300	\$1,382,004.53	96.17%

(D) Cash and Investment (Bookkeeper):

CASH AND INVESTMENT BALANCES

As of (March 10, 2026)

General Operating	\$285,384.45
Debt Service Fund	\$1,112,004.92
Road Capital Projects Fund	\$52,448.14
WS&D Capital Projects Fund	\$40,157.06
Total	<u>\$1,489,994.57</u>

(E) Outstanding Indebtedness:

(i) Bond Issues:

Category	Outstanding Debt	Proposed Debt	Combined Debt	Debt Ratio based on Current Certified or Estimated Value
Water, Wastewater, and Drainage	\$9,420,000	\$6,000,000	\$15,420,000	8.250%

Roads	\$12,485,000	N/A	\$12,485,000	6.680%
Parks & Recreational	N/A	N/A	N/A	N/A
Totals	\$21,905,000	\$6,000,000	\$27,905,000	14.929%

⁽¹⁾ Debt ratio based on estimate assessed value of \$186,914,246.00

(ii) Bond-Anticipation Notes:

Original Principal Amount:	\$ N/A
Remaining Principal Amount:	\$ N/A
Original Issue Date:	N/A
Maturity Date:	N/A
Interest Rate:	N/A

Notes:

⁽¹⁾ The District does not anticipate issuing a bond anticipation note.

(iii) Were the provisions of Commission Rule 293.54 followed in the issuance of all Bond Anticipation Notes? ___Yes ___No X N/A

(iv) Tax-Anticipation Notes: None.

(v) Other Obligations: None.

(F) Financial Feasibility (Financial Advisor):

(i) Build-Out Projections: Is the feasibility of this bond issue based on growth?

___Yes XNo

(ii) Debt-Service Schedule: See Attachment 30.

(iii) Revenue Projections:

(a) Does the District intend to use net revenues from operations for debt service payments? ___Yes XNo

(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 XNo

(iv) Operating Budget:

See Attachment 57.

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

Not applicable.

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

See **Attachment 32** for no-growth cash flow analysis and **Attachment 33** for latest Certified Assessed Valuation.

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

Not Applicable.

(viii) **Combined Tax Rate:**

	Projected Tax Rate (N/A)	No-Growth Tax Rate
District tax rate		
a. WS&D Debt service as shown in Cash-flow Analysis	N/A	\$0.5800
b. Road Debt service	N/A	\$0.4700
c. Maintenance Tax	N/A	\$0.3000
Tax rate for overlapping entities as defined in Commission Rules 293.59(f)(2) and (f)(6) and (e)(2) and (e)(6)		
a. Debt service as shown in cash-flow analysis		
1. Entity No. 1:	N/A	N/A
2. Entity No. 2:	N/A	N/A
b. Maintenance Tax		
1. Entity No. 1:	N/A	N/A
2. Entity No. 2:	N/A	N/A
Equivalent surcharge for water and wastewater, if any:		
If District is within a city, then indicate the portion of the city's tax rate specifically attributable to water, wastewater, drainage, or recreation:	N/A	\$0.0312
Less any equivalent tax rebate:	N/A	N/A
TOTAL COMBINED TAX RATE ⁽¹⁾	N/A	\$1.3812

Notes:

⁽¹⁾ See **Attachment 32** for No-Growth Cash Flow Analysis.

(ix) **Total Taxable Value of Area to be Taxed: \$186,914,546.00 as of January 1st, 2026.**

(x) **Waiver of Special Appraisal: N/A**

(xi) **Overlapping Tax Rates:**

Taxing Jurisdictions	Tax Year	Current Tax Rate Per \$100 Valuation	Projected Tax Rate Per \$100 Valuation
League City	2025	\$0.363550	\$0.363550
Galveston County	2025	\$0.322660	\$0.322660
Mainland College	2025	\$0.263800	\$0.263800
Galveston County MUD #73 (The District)	2025	\$1.10000	\$1.10000
County Road & Flood	2025	\$0.00300	\$0.00300
Santa Fe ISD	2025	\$1.10140	\$1.10140
Dickinson ISD ¹	2025	\$1.14200	\$1.14200
Clear Creek ISD ¹	2025	\$0.96900	\$0.96900
Total Overlapping Tax Rate (Santa Fe ISD)		\$3.15441	\$3.15441
Total Overlapping Tax Rate (Dickinson ISD)		\$3.19501	\$3.19501
Total Overlapping Tax Rate (Clear Creek ISD)		\$3.02201	\$3.02201

Notes: ⁽¹⁾ The District encompasses land within Dickinson ISD, Clear Creek ISD, and Santa Fe ISD

(G) Development Status:

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

☒ **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):** At the time of Commission approval, all underground water, wastewater, and drainage facilities to be financed with proceeds from the proposed bond issue or necessary to serve the projected build-out used to support the feasibility of the bond issue, shall be at least 95% complete as certified by the district's engineer.

☒ **Yes** ☐ **No** ☐ **Exempt**

- 2. Compliance with 293.59(k)(6)(B):** At the time of Commission approval, all permits for groundwater, surface water, waste discharge, or other permits needed to secure capacity to support the build-out shall have been obtained.

☒ **Yes** ☐ **No** ☐ **Exempt**

- 3. Compliance with 293.59(k)(6)(C):** At the time of Commission approval, sufficient lift station, water plant, and wastewater treatment plant capacity, as applicable depending on the type of district, to serve the connections projected for a period of not less than 18 months shall either be 95% complete as certified by the district's engineer or available in existing plants in accordance with executed contracts for capacity in plant(s) owned by other entities (but in no event less than 50,000 gallons per day water plant and wastewater plant capacity).

☒ **Yes** ☐ **No** ☐ **Exempt**

- 4. Compliance with 293.59(k)(6)(D):** At the time of Commission approval, water supply, lift station and wastewater treatment capacity needed to support the projected build-out used to support the feasibility of the subject bond application must be existing or funds for that capacity must be included in the bond issue or secured by a letter of credit or other acceptable guarantee approved by the executive director.

☒ **Yes** ☐ **No** ☐ **Exempt**

- 5. Compliance with 293.59(k)(6)(E):** At the time of Commission approval, all street and road construction to provide access to the areas provided with utilities to be financed with proceeds from the proposed bond issue, or necessary to serve the projected build-out used to support the feasibility of the subject bond issue, must be 95% complete as certified by the district's engineer. All streets and roads shall be constructed in accordance with city or county standards, as appropriate.

☒ **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(1) (2) and 293.59(1) (3) regarding the completion of water and wastewater facilities necessary to serve the connections projected in the previous bond application?**
☐ Yes ☐ No ☒ N/A

Not applicable, as the district is exempt according to Commission Rule 293.59(k)(11)(C)(i)

- (b) **Does the District meet the condition of Commission Rule 293.59(1)(4) regarding the 75% completion of all prior bond issues?** ☐ Yes ☐ No ☒ N/A

Not applicable, as the district is exempt according to Commission Rule 293.59(k)(11)(C)(i)

(H) **Market Information (Financial Advisor):**

Paragraph II: A market study is not provided for one of the reasons checked below:

☐ No growth is projected in determining the feasibility of this bond issue.

☐ The District anticipates obtaining an acceptable credit rating (as such rating is defined in Commission Rule 293.47(b)(4)) prior to the sale of the proposed bond issue. A letter from the District's financial adviser addressing the District's ability to obtain such a rating is included as a labeled Attachment.

☒ The District anticipates obtaining a credit enhanced rating (as such rating is defined in Commission Rule 293.47(b)(5)) prior to the sale of the proposed bond issue. A letter from the District's financial adviser addressing the District's ability to obtain such a rating is included as **Attachment 49**.

☐ The District will have a level of debt (existing and proposed) of \$_____, and a certified assessed valuation of at least \$_____ at the time bonds are sold, the ratio of debt to assessed value being 10% or less.

☐ The value of houses and/or buildings within the areas to be served by the proposed bond issue is 50% of the proposed value of houses and/or buildings shown in the projected tax rate calculations. The District must complete the following table: **N/A**

SECTION 9 — SHARED FACILITIES

(A) **Inventory:**

None.

(B) **Calculated Pro Rata Shares:**

None.

(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

(A) Plans:

(i) **Construction Plans:** The following is a list of plans included in this bond issue:

- (a) Samara Detention Phase I (previously included in WS&D Bond Issue #2)
- (b) GC MUD. 73 Lift Station (previously included in WS&D Bond Issue #1)

(ii) **Plat:** The following is a list of plats included in this bond issue: N/A

(B) Contract Documents:

The following is a list of contract documents included in this bond issue:

- (a) Samara Detention Phase I (previously included in WS&D Bond Issue #2)
- (b) GC MUD. 73 Lift Station (previously included in WS&D Bond Issue #1 & 2)

(C) Construction Documents:

The following is a list of construction documents included in this bond issue:

- (a) Samara Detention Phase I (previously included in WS&D Bond Issue #2)
- (b) GC MUD. 73 Lift Station
 - (a) NOTE: The majority of engineering and construction documents for the Lift Station were previously submitted as part of WS&D Bond Issue #1 & 2. The documents included herein represent the remaining supporting documentation, including final construction invoices, finalized change order, and the project completion certification.

(D) Checklist:

The construction checklists are submitted with the construction documents.

SECTION 11 — SPECIAL CONSIDERATIONS

(A) Developer Projects:

Are any of the projects in the proposed bond issue developer projects as defined in Commission Rule 293.44(a)(1)? ☒ Yes ☐ No

- (i) Clearing and Grubbing: N/A
- (ii) Spreading and Compacting of Fill: (Previously provided in WS&D Bond Issue #2)
- (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? N/A
- (iv) Railroad, Pipeline, or Underground-Utility Relocations: N/A
- (v) Joint-Use Engineering Studies: N/A
- (vi) Bridges and Culverts: N/A
- (vii) Proration of Dual Lake–Detention Pond: Does the project include funds for the purchase or construction of detention pond facilities which will hold water continuously for aesthetic or recreational purposes? ☒ Yes ☐ No
- (viii) Floodplain Mitigation: Does the project include funds for costs associated with the mitigation of floodplain areas? ☐ Yes ☒ No

(B) All Projects:

- (i) Appraisals: None of the facilities are being purchased on the basis of an appraisal as prescribed by Commission Rule 30 TAC Section 293.44(b)(1).
- (ii) Contract Revenue bonds: Are the proposed bonds contract revenue bonds? ☐ Yes ☒ 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 ☒ No

SECTION 12 — MISCELLANEOUS CONSIDERATIONS

(A) **Preconstruction Documents:**

Not Applicable

(B) **Bid Advertisement:**

Were the competitive bidding statutes complied with in each of the construction contracts executed? X Yes No (Previously provided in WS&D Bond Issue #1 & 2)

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

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

The District does not have any developers, as defined in Water Code 49.052(d).

The District has a ratio of debt [(\$amount) existing debt as of (date) plus the proposed bond issue (\$amount) for a total debt of (\$amount)] to certified assessed valuation [(\$amount) as of (date)] of 10% or less. If a build-out schedule is provided to support that the 10% ratio will be obtained and the feasibility is based on no growth, then clearly indicate such in the build-out schedule.

The District is in the city limits of the City of (name) and:

- a. The facilities were completed or under construction as of December 1, 1986, and the District is operating in an alter ego relationship with the City. (Provide documentation to certify such alter ego relationship as a labeled Attachment if such has not been previously provided.)
- b. The District was created, or had a petition for creation submitted to the Commission, before December 1, 1986, and the District is operating in an alter ego relationship with the City. (Provide documentation to certify such alter ego relationship as a labeled Attachment if such has not been previously provided.)
- c. The District is providing the services on behalf of, or in place of the City and has contracted with the City to receive rebates of 65% or more of the city taxes actually collected on property located within the District. Such contract is enclosed as a labeled Attachment.
- d. Other (explain).

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

_____ The District will have a ratio of debt [() existing debt as of () plus the proposed bond issue () for a total debt of ()] to certified assessed valuation of at least [() as of ()] of 10% or less prior to the sale of the proposed bond issue. If a build-out schedule is provided to support that the 10% ratio will be obtained and the feasibility is based on no growth, then clearly indicate such in the build-out schedule.

_____ The District anticipates obtaining a credit enhanced rating [as such rating is defined in Commission Rule 293.47(b)(4)] prior to the sale of the proposed bond issue.

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. See **Attachment 49**

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

Not Applicable.

(E) **Developer Interest Reimbursement:**

The District is requesting to reimburse the developer for more than two years of interest. See **Attachment 13** for a tabular breakdown of developer interest and **Attachment 14** for Board 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?** **X** Yes ___ No
- (ii) **Easements Outside the District's Boundaries: Does the District intend to purchase easements outside the District's boundaries?** ___ Yes **X** No
- (a) Is the easement currently owned by a developer in the District? ___Yes ___No
- (b) Is the easement being used for other facilities, such as road, electricity cable, etc.? ___Yes ___No
- (c) Are the facilities being installed in conjunction with the easement exempt from developer contribution? ___ Yes ___ No. Does the cost summary reflect the developer contribution for the easement acquisition? ___ Yes ___ 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**

The District entered into agreements to purchase easements and share in downstream drainage improvements. The improvements permitted additional drainage depth and increased developable acreage.

- (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

- (i) **Adoption of System by Public Entity: N/A**
- (ii) **Participation Required by Public Entity: N/A**
- (iii) **Cost of participation Uniform: N/A**
- (iv) **Contract with Public Entity: N/A**

SECTION 13 — MISCELLANEOUS INFORMATION

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

Executed copies of contracts with the following consultants were previously provided in WS&D Bond Issue #1:

- a. The Attorney
- b. The Financial Advisor
- c. The District Engineer

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

Not Applicable. The City of League City is responsible for all inspections of new water and wastewater connections.

(C) **Key Personnel:**

(i) **President, Board of Directors:**

Ms. Linda Dixon
202 Century Square Boulevard
Sugar Land, Texas 77478
Attention: Ms. Nancy Carter
Phone: 281.500.6050

(ii) **Attorney:**

The Muller Law Group, PLLC
202 Century Square Boulevard
Sugar Land, Texas 77478
Attention: Ms. Nancy Carter
Phone: 281.500.6050
nancy@mullerlawgroup.com

(iii) **Fiscal Agent:**

RBC Capital Markets, LLC
609 Main Street, Suite 3600
Houston, Texas 77002
Attention: Ms. Leslie Cook
Phone: 713.853.0884
Leslie.cook@rbccm.com

(iv) **Operator:**

City of League City
1535 Dickinson Avenue
League City, Texas 77573

(v) **General Manager:**

None

(vi) Tax Assessor-Collector:

Assessments of the Southwest, Inc.
5 Oak Tree
Friendswood, Texas 77546
Attention: Emily Bourgeois
Phone: 281.482.0216
e.bourgeois@aswtax.com

(vii) Chief Appraiser Galveston County:

Galveston Central Appraisal District
9850 Emmett F Lowry Expressway, Suite A101
League City, Texas 77591
Attention: Krystal L. McKinney
Phone: 409.935.1980

(viii) Principal Developer(s):

Lennar Homes of Texas Land and Construction
5775 N Sam Houston Parkway W., Suite 900
Houston, Texas 77067
Attention: Mr. Preston Wittenburg
Phone: 281.877.1651

Richard "Kenny" Duncan
8435 Katy Freeway
Houston, Texas 77024
Phone: 713.464.6868

(ix) District Engineer:

LJA Engineering, Inc.
1904 West Grand Parkway North, Suite 100
Katy, Texas 77449
Attention: Mr. James Pottharst, PE
Phone: 713.953.5200
jpottharst@ljaengineering.com

(x) Bookkeeper:

Myrtle Cruz, Inc.
3401 Louisiana Street, Suite 400
Houston, Texas 77002
Attention: Ms. Tracey Scott
Phone: 713.759.1368
tracey_scott@mcruz.com

A. Reporting Requirements:

Has the District submitted a current Directors' Registration Form? ☒ Yes ☐ No

Has the District submitted a current District Information Form as required by Water Code Section 49.455? ☒ Yes ☐ No

Has the District submitted a current Audit Report or Financial Dormancy Affidavit?
☒ Yes ☐ No

B. Name Signs:

Has the District posted at least two name signs, at two or more principal entrances to the District? ☒ Yes ☐ No

Signs designating the District have been placed at the following locations. Pictures of the District signs are were previously included in WS&D Bond Issue #1 & 2

1. Westbound at Hobbs Road & Ervin Street.
2. Southbound along Landing Boulevard.

C. Other Information:

None.