

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 16

PROPOSED \$9,500,000 BOND AUTHORIZATION

The purpose of Montgomery County MUD No. 16 (the "District"), as a governmental entity, is to provide water supply and distribution system, sanitary sewer collection and treatment, and drainage facilities supporting development of 591 acres of land in Montgomery County, Texas. The District was created on December 7, 1972, by an "Order Granting Petition For Creation Montgomery County Municipal Utility District No. 16" by the Texas Water Rights Commission, presently known as the Texas Commission On Environmental Quality ("TCEQ").

Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District.

There are approximately 288 platted and developed single-family lots in White Oak Plantation Section One. As of March 1, 2020, the District contained approximately 206 completed single family homes. At full development of the District, it is estimated that there will be 1,400 equivalent single family connections.

In the original 1972 creation, the voters approved \$7,000,000 in bond authorization for water, sanitary sewer and drainage improvements for development of the District. At this time, the District has sold bonds in the amount of \$4,030,000. The remaining \$2,970,000 in bond authorization was nullified by the Attorney General after the most recent bond sale. The justification was that there was a substantial lapse of time between the last bond sales in 1974 and 1977 and the recent bond sale in 2019. This action has resulted in no remaining bond authorization that is necessary to provide future funding for development in the District and rehabilitation of the District's infrastructure system(s).

The District is proposing \$9,500,000 in bond authorization for water supply and distribution, wastewater collection and treatment, drainage and development improvements. The District is currently utilizing funds from the most bond sale in 2019 to fund certain improvements to the water plant, wastewater treatment plant, and drainage systems. But, without additional bond authorization, future infrastructure improvements projects cannot be undertaken cost effectively by the District. The anticipated projects in the authorization are as follows:

Drainage Improvements

Water Distribution and Supply Improvements

Wastewater Collection and Treatment Improvements

Development Improvements