



HARRIS COUNTY W.C. & I.D. NO. 110

ENGINEER'S REPORT

November 20, 2025

- A. On-going Construction Projects - None
- B. Preparation of Plans, Specifications and Advertisement Approval Request - None
- C. Contracts Approvals for Construction Projects – None.
- D. Capital Projects Plan - None
- E. Service Requests and Annexations - None
- F. Bond Applications

1. 16th Bond Application (Series 2025, \$4,160,000 Bond Issue)

Per the attached correspondence, subject bond application has been approved by the TCEQ. The District's Attorney and Financial Advisor are working towards the timely sale and closing of bonds before the end of January 2026. No further action is needed from LEI, unless requested by the Board.

OTHER BUSINESS

1. Fidelis (Cypress Forest Sec. 1, Reserve B (14.35 Ac) Tract)

LEI has released the attached Recommendation for Award for the Fidelis Cypress Oaks Sanitary Reroute Project to Fidelis for their review and approval. Upon receiving their approval, LEI will issue the Notice of Award and transmit the contract documents to the selected contractor for execution.

LEI is awaiting the final design plans from the Developer's Engineer for the proposed Civil Site Project, which will undergo final review and approval on the District's behalf.

2. Enchanted Oaks Tennis Courts – Warranty Repairs

LEI has coordinated with the Contractor regarding the tennis court crack and has requested a repair submittal for the District's review and approval. We expect to

O:\Current Projects\078_HCWCID #110\078 - Engineers Report\WORD\2025\078_Engineers Rpt_2025 11 20.docx

1080 W. Sam Houston Pkwy. N. • Suite 200 • Houston, TX 77043-5014

Phone (713) 461-3530 • Fax (713) 932-7505

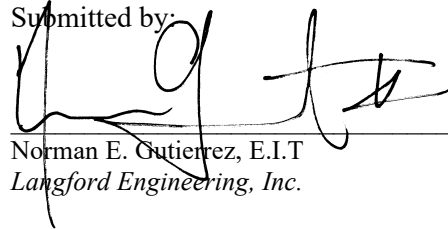
www.LangfordEng.com



receive the submittal within the next week and will present it for the Board's review and consideration at the December 10th meeting, ahead of the warranty expiration on January 8, 2026.

BOARD ACTION. – NO ACTION NEEDED

Submitted by:

A handwritten signature in black ink, appearing to read 'Norman E. Gutierrez', is written over a horizontal line. The signature is stylized with a large 'N' and 'G'.

Norman E. Gutierrez, E.I.T
Langford Engineering, Inc.



November 14, 2025

Mr. Steven Kimosh
SIF III Cypress Oaks, LLC on behalf of
Harris County W.C. & I.D. No. 110
8140 Walnut Hill Lane
Dallas, Texas 75231

Subject: Recommendation for Award, SIF III Cypress Oaks, LLC
on behalf of Harris County W.C. & I.D. No. 110,
Fidelis Cypress Oaks Sanitary Reroute
LEI Job No. 360-001, Contract No. 1

Dear Mr. Kimosh and Board of Directors:

Bids for construction of subject project were received by Langford Engineering, Inc.'s (LEI) Secretary until 11:00 a.m., Tuesday, November 11, 2025, and subsequently opened and read in public. Six (6) bids were received on the project. There was one (1) bid with a calculation discrepancy based on figures shown within the Base Items and Total Bid Amount. Additionally, after all bids were publicly opened and read, ISJ Underground Utilities, LLC., later informed LEI in writing of their intent to withdraw their bid.

The bids, in order from low to high with the total amount bid, are as follows:

Bidders	Total Amount Base Bid (Item Nos. 1 thru No. 13)	Total Amount Supplementary Items (Items a. thru b.)	Total Amount Base Bid (Item Nos. 1 thru No. 13) And Supplementary Items (a. thru b.)
ISJ Underground Utilities, LLC (BID WITHDRAWN)	\$265,973.50	\$1,250.00	267,223.50
GM Vera's Construction	\$330,452.80	\$3,115.00	\$333,567.80
V&S Construction, LLC	\$364,101.00	\$1,500.00	\$365,601.00
Wright Solutions, LLC	\$369,493.00	\$9,000.00	\$378,493.00
Sequeira Civil Construction, LLC	\$535,642.50	\$2,897.50	\$538,540.00
Stamped Utility Construction	\$140,210,383.00	\$7,500.00	\$140,217,883.00



Mr. Steven Kimosh
November 14, 2025
Page 2

A copy of the bid tabulation is attached.

As time of completion was specified as 45 calendar days, time of completion is not a consideration in evaluating the bids.

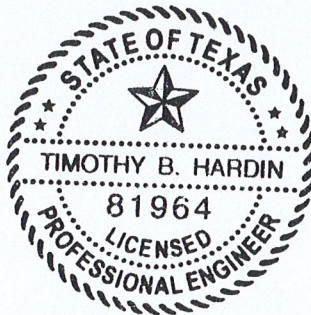
The low bidders furnished a Qualification Statement, Bid Bond, and Financial Statement as required by Section II, Article 3 and 7 of the Contract Documents. Qualification Statement and references were examined and found to be in order.

Since ISJ Underground Utilities, LLC has elected to withdraw their bid, LEI recommends that the project entitled "Fidelis Cypress Oaks Sanitary Reroute, LEI Job No. 360-001, Contract No. 1" with a contract time of 45 calendar days, be awarded to GM Vera's Construction, on the basis on having the second lowest Total Amount Bid Item Nos. 1 thru No. 13 and Supplementary Items a. thru b. in the amount of Three Hundred Thirty Three Thousand Five Hundred Sixty Seven Dollars and Eighty Cents (\$333,567.80), with a completion time of 45 calendar days.

Sincerely,

LANGFORD ENGINEERING, INC.

Timothy B. Hardin, P. E.
President



(seal)

Attachments

cc: Harris County W.C. & I.D. No. 110 Board of Directors
Maria Parker, Sanford Kuhl Hagan Kugle Parker Kahn, LLP

Brooke T. Paup, *Chairwoman*
Catarina R. Gonzales, *Commissioner*
Tonya R. Miller, *Commissioner*
Kelly Keel, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 10, 2025

Mr. James N. Williams, President
Harris County Water Control and Improvement District No. 110
19114 Joanleigh
Spring, Texas 77388

Re: Issuance of bonds by Harris County Water Control and Improvement District No. 110
(District) in the amount of \$4,160,000 at a maximum net effective interest rate of 5.39%.

Dear Mr. Williams:

Enclosed are certified copies of an Order of the Texas Commission on Environmental Quality (TCEQ) approving your District's project and the issuance of \$4,160,000 in bonds at a maximum net effective interest rate of 5.39% to finance the District's project, all being more fully set out in the Order.

Your attention is directed to Tex. Water Code Section 53.188, 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 principal 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.

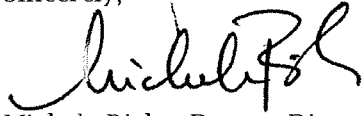
Based on the projected taxable assessed valuation discussed in the TCEQ memorandum associated with the District's application, we have concluded that initially a tax of at most \$0.185 per \$100 valuation should be levied to pay interest, principal, and the cost of assessing and collecting such taxes. Application of the recommended tax rate should provide sufficient funds to satisfy the average annual debt service requirement of \$1,057,486.

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.

Mr. James N. Williams, 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,



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

MR/rm

Enclosures

cc: Mrs. Maria Salinas Parker
Sanford Kuhl Hagan Kugle Parker Kahn, LLP
1330 Post Oak Boulevard, Suite 2650
Houston, Texas 77056

Mr. Tim Hardin, P.E., President
Langford Engineering, Inc.
1080 West Sam Houston Parkway North, Suite 200
Houston, Texas 77043-5014

Mr. Stephen M. Eustis
Robert W. Baird & Co., Inc.
4801 Woodway Drive, Suite 118-E
Houston, Texas 77056

Attorney General's Office
Public Finance Division
PO Box 12548
Austin, Texas 78711

NOV 10 2025

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



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

AN ORDER APPROVING AN ENGINEERING PROJECT AND THE ISSUANCE OF \$4,160,000 IN UNLIMITED TAX BONDS FOR HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 110

An application by Harris County Water Control and Improvement District No. 110 (the "District") was presented to the Executive Director of the Texas Commission on Environmental Quality (TCEQ) for consideration of approval pursuant to TEX. WATER CODE §§5.122 and 49.181. The District requests approval of an engineering project and issuance of \$4,160,000 in bonds to finance: land acquisition costs for Cypress Oaks Detention Basin; engineering design for Cypress Oaks Detention Basin; Wastewater Treatment Plant (WWTP) sluice gate replacement; utilities to serve 18-acre tract at Meadowedge; 2024 SCADA improvements; HC249 WWTP - headworks improvement project; and HC249 WWTP - generator & building improvement project. 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 July 22, 2025, for approval of a proposed engineering project and the issuance of \$4,160,000 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 October 8, 2025. A memorandum was prepared on the project dated October 31, 2025, a copy of which is attached and made a part hereof.
4. The District's project and issuance of \$4,160,000 in bonds at a maximum net effective interest rate of 5.39% to finance the project should be approved.
5. Direct the District not to expend \$1,109,389 until the District's Board has received plans and specifications approved by all authorities with jurisdiction, as applicable, as follows:
 - a. \$199,555 (\$173,526 for construction plus \$26,029 contingencies) for WWTP Sluice Gate Replacement;
 - b. \$544,590 (\$490,940 for construction plus \$53,650 contingencies) for Utilities to serve 18-acre Tract at Meadowedge;
 - c. \$42,000 (\$42,000 for construction plus \$0 contingencies) for 2024 SCADA Improvements;
 - d. \$109,350 (\$99,090 for construction plus \$10,260 contingencies) for HC249 WWTP - Headworks Improvements; and

- e. \$213,894 (\$190,944 for construction plus \$22,950 contingencies) for HC249 WWTP - Generator & Building Improvements.

6. 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.

7. 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's memorandum, dated October 31, 2025, 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 October 31, 2025, 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 Harris County Water Control and Improvement District No. 110 is hereby approved together with the issuance of \$4,160,000 in bonds at a maximum net effective interest rate of 5.39%. Direct the District not to expend \$1,109,389 until the District's Board has received plans and specifications approved by all authorities with jurisdiction, as applicable, as follows: \$199,555 (\$173,526 for construction plus \$26,029 contingencies) for WWTP Sluice Gate Replacement; \$544,590 (\$490,940 for construction plus \$53,650 contingencies) for Utilities to serve 18 acre Tract at Meadowedge; \$42,000 (\$42,000 for construction plus \$0 contingencies) for 2024 SCADA Improvements; \$109,350 (\$99,090 for construction plus \$10,260 contingencies) for HC249 WWTP - Headworks Improvements; and \$213,894 (\$190,944 for construction plus \$22,950 contingencies) for HC249 WWTP - Generator & Building Improvements. 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.

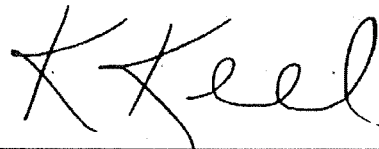
BE IT FURTHER ORDERED that to enable the TCEQ to carry out the responsibilities imposed by TEX. WATER CODE §§49.181-182, the District shall (1) furnish the TCEQ copies of all bond issue project construction documentation outlined under 30 TEX. ADMIN. CODE §293.62, including detailed progress reports 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: **November 5, 2025**

A handwritten signature in black ink, appearing to read "K. Keel". The signature is written in a cursive, flowing style. The first letter "K" is large and stylized, followed by a period and the name "Keel".

For the Commission

Texas Commission on Environmental Quality

TECHNICAL MEMORANDUM

To: Justin P. Taack, Manager
Districts Section

Date: October 31, 2025

Thru: Dan Finnegan, Team Leader
Districts Bond Team

From: Ruben Meza, P.E.
Districts Bond Team

Subject: Harris County Water Control and Improvement District No. 110; Application for Approval of \$4,160,000 Unlimited Tax Bonds, Sixteenth Issue, 5.39% Maximum Net Effective Interest Rate; Pursuant to Texas Water Code Section 49.181. TCEQ Internal Control No. D-07222025-050 (TC) CN: 600741508 RN: 101426476

A. GENERAL INFORMATION

The Texas Commission on Environmental Quality (TCEQ) received an application from Harris County Water Control and Improvement District No. 110 (District) for approval of the issuance of \$4,160,000 in unlimited tax bonds to finance the following:

1. Land acquisition costs for Cypress Oaks Detention Basin;
2. Engineering design for Cypress Oaks Detention Basin;
3. Wastewater Treatment Plant (WWTP) Sluice Gate Replacement;
4. Utilities to serve 18-acre Tract at Meadowedge;
5. 2024 SCADA Improvements;
6. HC249 WWTP – Headworks Improvement Project; and
7. HC249 WWTP – Generator & Building Improvement Project.

The District's previous bond issues funded utilities to serve 4,146 ESFCs on 1,232.7641 acres. This bond issue is not funding internal utilities. According to the engineering report and based on a current District area of 1318.8711 acres, the District's ultimate development is projected to serve 4,175 ESFCs.

B. ECONOMIC ANALYSIS

Tax Rate Analysis

The feasibility of this bond issue is based on no-growth to a January 1, 2024, certified taxable assessed valuation of \$1,255,908,611. A market study has not been provided and is not required since the feasibility of this bond issue is based on no-growth.

According to a Harris Central Appraisal District certificate, the District's January 1, 2024, certified taxable assessed valuation is \$1,255,908,611. The annual debt service requirement for a \$4,160,000 bond issue and existing debt averages \$1,057,486 for the 30-year life of the District's bond debt. According to the engineering report, the District levied a maintenance tax rate of \$0.15 in 2024 and is projecting to levy a maintenance tax rate of \$0.15 in the future.

The District's financial advisor submitted a cash flow schedule considering the requested \$4,160,000 bond issue, no-growth to a January 1, 2024, certified taxable assessed valuation of \$1,255,908,611, a 5.25% bond interest rate, a 2% bond discount, a 98% collection rate, no capitalized interest, and a projected tax rate of \$0.185 per \$100 assessed valuation.

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

District	Projected Tax Rate
Debt Service	\$0.185 ⁽¹⁾⁽²⁾
Maintenance Tax	<u>\$0.150</u>
Total District Taxes	\$0.335 ⁽³⁾

Notes:

- (1) Based on a proposed \$4,160,000 bond issue, existing debt, a net effective interest rate of 5.39%, a 98% tax collection rate, no-growth to a January 1, 2024, certified taxable assessed valuation of \$1,255,908,611, no capitalized interest, 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 rate of at most \$0.185 per \$100 assessed valuation.
- (3) Represents the combined projected tax rate as defined by 30 TAC Section 293.59(f).

Additional Financial Comments

The District is exempt from the 75% and 25% build-out requirements of 30 TAC Sections 293.59(l)(4) and 293.59(k)(7), respectively, based on its combined no-growth tax rate of \$0.335 not exceeding \$1.50 pursuant to 30 TAC Sections 293.59(l) and 293.59(k)(11)(C).

C. ENGINEERING ANALYSIS

Water Supply

The District's primary source of water is groundwater from three groundwater wells, located at the District's water plants. The wells, along with other wells listed on aggregate permits, have a combined permitted (Harris-Galveston Subsidence District Permit No. WP2024116513) annual withdrawal limit of 22,000 million gallons. The District is located within the boundaries of North Harris County Regional Water Authority and receives surface water from them as a participant in Harris-Galveston Subsidence District's Groundwater Reduction Plan.

The following table summarizes the existing water facilities that serve the District along with the ESFC capacity of each component based on criteria stated in 30 TAC Section 290.45.

<u>Facility</u>	<u>Minimum Requirements</u>	<u>Total Capacity (ESFCs)</u>
Water Wells	0.6 gpm/ESFC	3,024 gpm (5,040 ESFCs)
Pressure Tanks	20 gal/ESFC	40,000 gal (2,000 ESFCs)
Total Storage	200 gal/ESFC	1,766,000 gal ⁽¹⁾ (8,830 ESFCs)
Elevated Storage	100 gal/ESFC	400,000 gal (4,000 ESFCs)
Booster Pumps	2 gpm/ESFC or 1,000 gpm Max	5,150 gpm (4,217 ESFCs) ⁽²⁾

Notes:

- (1) Includes 1,366,000 gallons of ground storage and 400,000 gallons of elevated storage.
- (2) Application indicates that booster pumps are able to meet peak hour demand with largest pump out of service.

The District has four emergency interconnects which are usually closed with Harris County Municipal Utility District (MUD) No. 104, Harris County MUD No. 249, Harris County Water Control and Improvement District No. 99 (HCWCID 99), and Spring West MUD.

The District's existing water supply capacity appears adequate to serve the existing 3,719 ESFCs upon which the feasibility of this bond issue is based.

Wastewater Treatment

Wastewater treatment capacity for the District is provided by a 1.0 million gallons per day (MGD) WWTP owned and operated by the District. Texas Pollutant Discharge Elimination System (TPDES) Permit No. WQ0011964001 authorizes a final flow of 1.0 MGD from the plant. Pursuant to the "Waste Disposal Agreement by and Between Harris County MUD No. 249 and Harris County WCID No. 110", dated February 17, 2000, the District owns 216,000 gallons per day capacity in Harris County MUD No. 249's wastewater treatment plant (TPDES Permit No. WQ0013765001).

Based on a design criterion of 300 gpd/ESFC, the District's 1.216 MGD of wastewater treatment capacity is sufficient to serve 4,053 ESFCs, which appears adequate to serve the existing 3,719 ESFCs upon which the feasibility of this bond issue is based.

Storm Water Drainage

Storm water within the District is collected by curb and gutter to underground storm sewers and then to Cypress Creek and Senger Gully. Stormwater within newer portions of district is collected by curb and gutter to underground sewers, then to on-site detention ponds, and then to gullies which then discharge into Cypress Creek.

Purchase of Existing Facilities

None.

Facilities to be Constructed

<u>Project</u>	<u>Estimated Costs</u>	<u>District's Share</u>
WWTP Sluice Gate Replacement	\$173,526	\$173,526
Utilities to Serve 18-acre Tract at Meadowedge	\$490,940	\$490,940
2024 SCADA Improvements	\$42,000	\$42,000
HC249 WWTP - Headworks Improvements	\$367,000	\$99,090 ⁽¹⁾
HC249 WWTP - Generator & Building Improvements	\$707,200	\$190,940 ⁽²⁾

Note:

- (1) Excludes \$267,910 (73%) in ineligible costs for Harris County Municipal Utility District No. 249 (HCMUD 249) pro-rata-share of construction costs.
- (2) Excludes \$516,260 (73%) in ineligible costs for HCMUD 249 pro-rata-share of construction costs.

Approved plans and specifications and various construction contract documents have not been provided.

Inspection

The District was inspected by the TCEQ's Districts Section on October 8, 2025. The District appeared as represented in the engineering report. District name signs were properly posted.

D. SUMMARY OF COSTS

<u>Construction Costs</u>	<u>District's Share</u>
A. Developer Contribution Items - None	
B. District Items	
1. Land Acquisition Cost - Future Cypress Oaks Detention Basin	\$ 2,111,307 ⁽¹⁾
2. Engineering Design for Cypress Oaks Detention Basin	328,737
3. WWTP Sluice Gate Replacements	173,526
4. Utilities to serve 18-acre Tract at Meadowedge	490,940
5. 2024 SCADA Improvements	42,000
6. HC249 WWTP - Headworks Improvements	99,090
7. HC249 WWTP - Generator & Building Improvements	190,944
8. Contingencies (Item Nos. 3, 4, 6, & 7)	112,889 ⁽²⁾
9. Engineering (Item Nos. 3 - 7)	<u>199,381</u> ⁽³⁾
Total District Items	\$ 3,748,814
 TOTAL CONSTRUCTION COSTS (90.12% of Bond Issue)	 \$ 3,748,814
 <u>Nonconstruction Costs</u>	
A. Legal Fees	\$ 104,000 ⁽⁴⁾

B. Fiscal Agent Fees	83,200 ⁽⁵⁾
C. Bond Discount (3%)	83,200
D. Bond Issuance Expenses	86,226
E. Bond Application Report Costs	40,000
F. Attorney General Fee (0.10% or \$9,500 Max.)	4,160
G. TCEQ Bond Issuance Fee (0.25%)	<u>10,400</u>
TOTAL NONCONSTRUCTION COSTS (9.88% of Bond Issue)	\$ 411,186
TOTAL BOND ISSUE REQUIREMENT	\$ 4,160,000

Notes:

- (1) Represents a land cost of \$140,071.45 per acre based on the original purchase price of \$2,035,000 for the 14.5283-acre parcel; plus \$4,424.34 for mowing maintenance; plus \$1,133.18 for property taxes; plus \$61,050 for commission fee paid to Colliers International; plus \$1,508.55 for title fees; plus \$500 for escrow fees; plus \$15 for courier fee; plus \$7.46 for title e-recording fee; plus \$82 for title recording fee; plus \$86.60 for tax information fee; plus \$5,500 for land survey; and plus \$2,000 for phase I environmental study.
- (2) Includes: \$26,029 for item no. 3; \$53,650 for item no. 4; \$10,260 for item no. 6; and \$22,950 for item no. 7.
- (3) Includes: \$35,945 for item no. 3; \$87,450 for item no. 4; \$9,000 for item no. 5; \$28,350 for item no. 6; and \$38,636 for item no. 7.
- (4) According to contract provided, legal fees are based on 2.5% of the bonds issued.
- (5) According to contract provided, fiscal agent fees are based on 2% of the bonds issued.

E. SPECIAL CONSIDERATION

Delayed Funding

The cost summary includes funds for District projects and/or facilities which are incomplete or proposed and for which plans and specifications are not available. Therefore, the District should be directed not to expend these funds until the District's board has received plans and specifications approved by all entities with jurisdiction.

F. CONCLUSIONS

1. Based on \$88,985,000 in unlimited tax bonds approved by voters for water, wastewater, and drainage facilities, and \$53,435,000 in bonds previously approved by the TCEQ and issued by the District for water, wastewater, and drainage facilities, the District has sufficient voter-authorized bonds (\$35,550,000) for the proposed bond issue.
2. Based on the review of the engineering report and supporting documents, the bond issue is considered feasible and meets the criteria established by the TCEQ's economic feasibility rules, 30 TAC Section 293.59.
3. The recommendations are made under authority delegated by the Executive Director of the TCEQ.

G. RECOMMENDATIONS

1. Approve the bond issue in the amount of \$4,160,000 in accordance with the recommended summary of costs at a maximum net effective interest rate of 5.39%.
2. Direct the District not to expend \$1,109,389 until the District's Board has received plans and specifications approved by all authorities with jurisdiction, as applicable, as follows:
 - a. \$199,555 (\$173,526 for construction plus \$26,029 contingencies) for WWTP Sluice Gate Replacement;
 - b. \$544,590 (\$490,940 for construction plus \$53,650 contingencies) for Utilities to serve 18-acre Tract at Meadowedge;
 - c. \$42,000 (\$42,000 for construction plus \$0 contingencies) for 2024 SCADA Improvements;
 - d. \$109,350 (\$99,090 for construction plus \$10,260 contingencies) for HC249 WWTP - Headworks Improvements;
 - e. \$213,894 (\$190,944 for construction plus \$22,950 contingencies) for HC249 WWTP - Generator & Building Improvements.
3. Standard recommendations regarding consultant fees, surplus proceeds, time of approval, and bond proceeds fee apply.