

**The following presentation contains information compiled as of May 8, 2017. Further, the information contained herein contains certain estimates and forecasts, which are subject to change in the future. The District makes no representations or warranties regarding the matters set forth in this presentation.**

**AGENDA - TOWN HALL MEETING**

- **Introduction / MUD #264**
- **MUD 264: History / Responsibility / Structure / Boundaries / Facilities**
- **Meetings & Regulatory Oversight / Open Government**
- **Capital Projects (Current and Future)**
- **MUD Financial Overview**
- **Comparative / Historical Tax Rates**
- **Funding Future Capital Projects**
- **Questions and Answers**

## **MUD 264 HISTORY / RESPONSIBILITIES**

- **What is MUD - Municipal Utility Districts are political subdivisions of the State of Texas**
- **When & Why - MUD 264 was created in March of 1984, to develop infrastructure for Westcreek Village**
- **MUD 264 boundaries are almost identical to boundaries of Westcreek Subdivision**
- **Responsible for providing water and sewer service to Westcreek residents and adjacent businesses and schools (i.e. Langham Creek HS)**
- **MUD 264 is required to utilize surface water as provided through West Harris County Regional Water Authority (WHCRWA)**

## **MUD 264 IS GOVERNED BY A BOARD OF DIRECTORS**

### Who Are The Directors

- Russ Appelget, President
- Jose Nava, Vice President
- Donnice Hoffman, Secretary
- Chuck Brandman, Assistant Vice President
- Patty Rodriguez, Assistant Secretary

### Characteristics of All MUD 264 Directors:

- Homeowners in Westcreek
- Long-time Residents of Westcreek (10 – 25 years)
- Many years of service on HC MUD 264 and/or the Industry

## MUD 264 MAJOR FACILITIES

- **Water Treatment Plant** on Grand Terrace Ct. Includes: water well, two large water storage tanks, pumps and metering equipment, a generator, connections to WHCRWA water pipeline system
- **Off-Site** (additional) **Water Well** on Barker Cypress that is remote to the Water Plant
- Water Distribution infrastructure in Westcreek, including fire hydrants
- Wastewater pipeline infrastructure in Westcreek
- Wastewater **Lift Station** on Hudson Oaks Drive
- 1/3 Ownership interest in **Wastewater Treatment Plant** located in MUD 70
- Wastewater **Force Main** running from Lift Station to Wastewater Treatment Plant



## **MEETINGS**

- The Board of Directors is responsible for conducting the business of MUD 264.
- All Business is conducted at Board Meetings in accordance with the Texas Open Meetings Act. Key provisions:
  - Approved Meeting Location
  - Agenda Posted
  - Strict Adherence to the Agenda
  - Directors not authorized to take action outside of a meeting
- Regular Meetings: 3<sup>rd</sup> Wednesday of each month
- Special Meetings: Called as needed. Required to follow all rules that apply to Regular meetings
- Activities at Regular Meetings
  - Receive Reports from consultants and Authorize action
  - Approve Expenditures

## **MUD Regulatory Structure & Oversight**

- MUDs are created under the authority of Article XVI, Section 59 of the Texas Constitution and operate pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code
- Subject to the jurisdiction of the Texas Commission on Environmental Quality (TCEQ)
- Open Meetings Act requirements
- Public Information Act requirements
- Requirement that district books and records be audited annually by a CPA and posted on TX Comptroller's website
- MUD elections must be held in accordance with the Texas Water Code and Texas Election Code
- Public Funds Investment Act requirements \ Public Funds Collateral Act requirements
- City/County review and approval of MUD construction plans & specifications
- Public bidding and bond requirements for MUD construction contracts

## Capital Projects - Current

<b>Project</b>	<b>Budget Cost</b>	<b>Estimated Completion</b>
Wastewater Treatment Plant	\$39,832	completed
Assess Sanitary Sewer System	\$75,000	completed
Force Main Replacement	\$1,265,000	Nov. 2017
Ground Storage Tank #1 Replacement	\$1,048,500	June 2017
Electrical Switchgear Replacement	\$498,500	July 2017
Sanitary Sewer Rehabilitation	\$200,000	2019



## GROUND STORAGE TANK #1 PROJECT UPDATE

- Project Start: Oct 16, 2016
- Work Completed:
  - Old Tank Removed
  - New Tank Constructed
- Work Remaining:
  - Reconnect Piping
  - Paint
  - Test and Commission
- Projected Completion: June 30, 2017

Project is On Schedule and On Budget

Total Cost = \$1,048,500



## **ELECTRICAL SWITCHGEAR REPLACEMENT PROJECT UPDATE**

- Project Start: Nov 3, 2016
- Work Completed:
  - Equipment Ordered and Panels Fabricated
  - New Panels installed at Lift Station
- Work Remaining:
  - Cutover new Panels at Lift Station
  - New Panels installed at Water Treatment Plant
  - Cutover new Panels at Water Treatment Plant
- Projected Completion: June 23, 2017

**Project is On Schedule and On Budget**

**Total Cost = \$498,500**



## **FORCE MAIN REPLACEMENT PROJECT UPDATE**

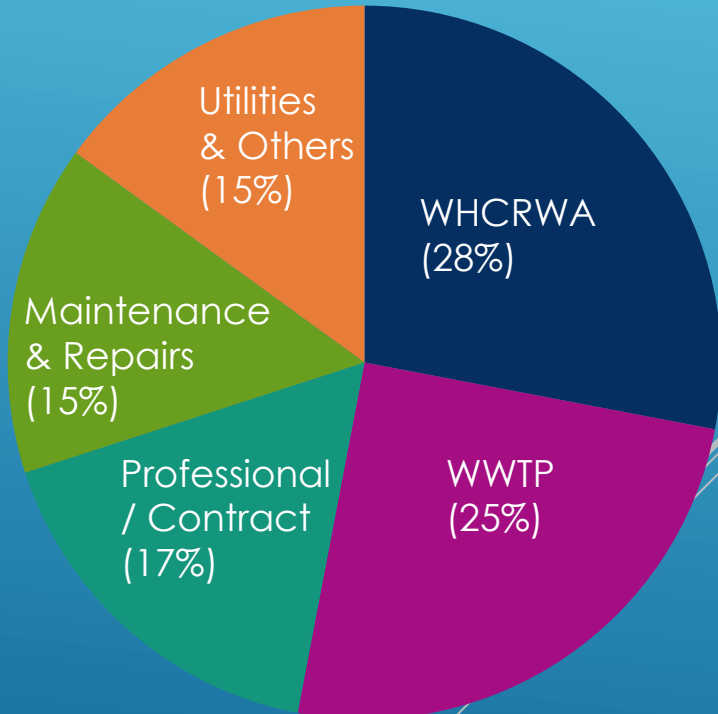
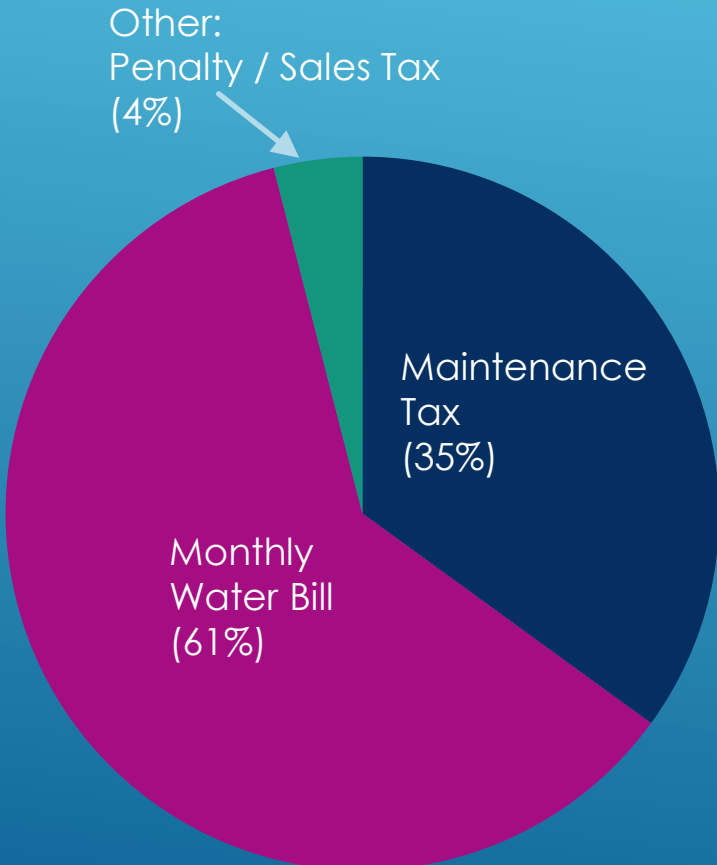
- **Contract Awarded: April 19, 2017**
- **Project Target Start Date : May 22, 2017**
- **Target Completion at Holmsley: July 28, 2017**
- **Projected Completion Date: Sept 29, 2017**
- **Projected Cost = \$1,265,000**



## Capital Projects – Anticipated Needs

	<b>2017 - 2021</b>	<b>2022 - 2026</b>	<b>2027 - 2031</b>
Water Facilities	\$3,385,700	\$302,400	\$3,877,300
Wastewater Facilities	\$357,600	\$874,490	\$23,300
Wastewater Treatment	\$1,121,500	\$4,105,500	\$1,586,100
Sanitary Sewer	\$602,200	\$60,200	\$562,700
Project Total	\$5,467,000	\$5,342,590	\$6,049,400
Contingency	\$820,050	\$801,389	\$907,410
Total	\$6,287,050	\$6,143,979	\$6,956,810
Cumulative Total	\$6,287,050	\$12,431,029	\$19,387,839

# MUD 264 Income / Expense



# Tax Rates

## MUD #264 Historical Tax Rate

Tax Year	Tax Rate
2005-2008	\$0.68
2009	\$0.71
2010	\$0.76
2011	\$0.70
2012	\$0.26
2013	\$0.25
2014	\$0.25
2015	\$0.36
2016	\$0.35

## Comparative Tax Rates

Area MUD	Subdivision	2016 Tax Rate
HC MUD 70	Westgate	\$0.70
Langham Creek UD	Sheffield	\$0.63
HC MUD 144	Autumn Run	\$0.60
HC MUD 173	Copper Lakes	\$0.54
HC MUD 208	Southcreek	\$0.42
<b>HC MUD 264</b>	<b>Westcreek</b>	<b>\$0.35</b>
City of Houston		\$0.59

May 2017

## **AVAILABLE FUNDING SOURCES**

- **Water Rates (monthly water bill)**
  - Controlled by Board via Rate Order
- **Maintenance & Operations Tax - Funded by Property Tax**
  - Current rate \$0.235 , Current Maximum \$0.25
- **Capital Improvement Bonds – Funded by Property Tax**
  - None remaining of original \$15.7M authorized in 1984
- **Requirements related to issuance of MUD bonds:**
  - **MUD voters: Authorize bonds**
  - **TCEQ & TX Attorney General: Review and approval of MUD projects and bonds**
  - **Federal Securities Law & Federal Tax Law: At issuance and while bonds outstanding**
  - **MUD Board: Sets Tax Rate required to pay Principle and Interest on Bond**

**Authorizing the Sale of Bonds or Authorizing a Maintenance Tax does not automatically make it happen. The Board will issue bonds when projects are needed and approved by TCEQ & Tx Attorney General.**

## **SUMMARY**

- MUD 264 Directors, working with consultants, have developed a multi-year plan for rehabilitation of 30-year-old District facilities to continue to provide Water and Wastewater services to Westcreek.
- Paying for this will require one of two avenues (or both):
  - Property taxes ← requires voter approval
  - Water rates ← requires board action
- Authorizing bonds gives the board the ability to issue bonds as needed for defined projects – not all at once
- Board plans to call a Nov, 2017 election for authorization of bonds / maintenance tax



# Questions & Answers

[WWW.HCMUD264.ORG](http://WWW.HCMUD264.ORG)