OFFICIAL STATEMENT DATED FEBRUARY 23, 2021

IN THE OPINION OF BOND COUNSEL, THE BONDS ARE VALID OBLIGATIONS OF NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 15. IN THE OPINION OF SPECIAL TAX COUNSEL, INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION UNDER STATUTES, REGULATIONS, PUBLISHED RULINGS AND COURT DECISIONS EXISTING ON THE DATE OF SUCH OPINION. SEE "LEGAL MATTERS" HEREIN FOR A DISCUSSION OF THE OPINIONS OF BOND COUNSEL AND SPECIAL TAX COUNSEL.

The Bonds have been designated as "qualified tax-exempt obligations" for financial institutions. See "LEGAL MATTERS – Qualified Tax-Exempt Obligations."

NEW ISSUE – Book-Entry-Only

S&P Global Ratings (BAM Insured) .... "AA"
S&P Global Ratings (Underlying) .... "A-"
See "MUNICIPAL BOND INSURANCE" and "RATINGS" herein.

$6,855,000

NORTHWEST HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 15

(A Political Subdivision of the State of Texas Located within Harris County)

UNLIMITED TAX REFUNDING BONDS, SERIES 2021

Interest accrues from: March 1, 2021 — Due: June 1, as shown on inside cover

The $6,855,000 Unlimited Tax Refunding Bonds, Series 2021 (the "Bonds"), are obligations of Northwest Harris County Municipal Utility District No. 15 (the "District"). Neither the faith and credit nor the taxing power of the State of Texas; Harris County, Texas; the City of Houston, Texas; nor any entity other than the District is pledged to the payment of the principal of or interest on the Bonds.

Principal of the Bonds is payable at maturity or earlier redemption by the paying agent/registrar, initially, The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar"). Interest accrues from March 1, 2021, and is payable on June 1, 2021, and on each December 1 and June 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption, and will be calculated on the basis a 360-day year consisting of twelve 30-day months. The Bonds are fully registered bonds in denominations of $5,000 or any integral multiple thereof. See "THE BONDS" herein.

The Bonds will be registered and delivered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial Owners (as defined herein under "BOOK–ENTRY ONLY SYSTEM") of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the DTC Participants. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent/Registrar, as herein defined, directly to DTC, which, in turn, will remit such principal and interest to its participants for subsequent disbursement to the Beneficial Owners. See "BOOK-ENTRY-ONLY SYSTEM."

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY.**

BAM
BUILD AMERICA MUTUAL

See "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS" on inside cover.

The Bonds, when issued, will constitute valid and legally binding obligations of the District and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District, as further described herein. The Bonds are obligations solely of the District and are not obligations of the State of Texas, Harris County, the City of Houston, or any entity other than the District. See "THE BONDS – Source and Security for Payment."

Investment in the Bonds is subject to certain investment considerations as described herein. Prospective purchasers of the Bonds should review this entire Official Statement, including particularly the section of this Official Statement entitled "INVESTMENT CONSIDERATIONS," before making an investment decision. See "INVESTMENT CONSIDERATIONS."

The Bonds are offered when, as and if issued by the District, subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Schwartz, Page & Harding, L.L.P., Houston, Texas, Bond Counsel, and McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Special Tax Counsel. Certain legal matters will be passed upon for the Underwriter by McCall, Parkhurst & Horton L.L.P., Houston, Texas, Underwriter's Counsel. Delivery of the Bonds in book-entry form through DTC is expected on or about March 31, 2021.

SAMCO CAPITAL

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS

$3,075,000 Serial Bonds

Maturity (June 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 667905 (b)	Maturity (June 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 667905 (b)
2022	$25,000	3.000%	0.250%	HC0	2027	$260,000	3.000%	1.050%	HH9
2023	220,000	3.000%	0.370%	HD8	2028	265,000	3.000%	1.200%	HJ5
2024	225,000	3.000%	0.530%	HE6	2029	280,000	3.000%	1.320%	HK2
2025	235,000	3.000%	0.750%	HF3	****	****	****	****	****
2026	245,000	3.000%	0.900%	HG1	2033 (c)	1,320,000	2.000%	1.570%	HP1

$3,780,000 Term Bonds

$3,780,000 Term Bond due June 1, 2032 (c)(d) Interest Rate 2.000% (Price: $103.672) (a) CUSIP No. 667905 HN6 (b)

(a) The initial reoffering yields on the Bonds are established by, and are the sole responsibility of, the Underwriter (defined herein) and may subsequently be changed. Accrued interest from March 1, 2021, is to be added to the price.

(b) CUSIP numbers have been assigned to the Bonds by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association and are included solely for the convenience of the owners of the Bonds.

(c) The Bonds maturing on and after June 1, 2030, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on June 1, 2029, or any date thereafter, at a price equal to the principal thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption Provisions – Optional Redemption." The yield on Bonds maturing on and after June 1, 2030, is calculated to the lower of yield to redemption or maturity.

(d) Subject to mandatory redemption as provided under "THE BONDS – Redemption Provisions – Mandatory Redemption."

USE OF INFORMATION IN OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute, and is not authorized by the District for use in connection with, an offer to sell or the solicitation of any offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

All of the summaries of the statutes, resolutions, contracts, audited financial statements, engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from the District c/o Schwartz, Page & Harding, L.L.P., 1300 Post Oak Boulevard, Suite 1400, Houston, Texas 77056 upon payment of the costs for duplication thereof.

This Official Statement contains, in part, estimates, assumptions, and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions, or matters of opinion, or that they will be realized. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof. However, the District has agreed to keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and, to the extent that information actually comes to its attention, the other matters described in the Official Statement until delivery of the Bonds to the Underwriter, and thereafter only as specified in "GENERAL CONSIDERATIONS – Updating of Official Statement."

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

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SALE AND DISTRIBUTION OF THE BONDS

Underwriting

SAMCO Capital Markets, Inc. (referred to herein as the "Underwriter") has agreed to purchase the Bonds from the District for $7,159,759.45 (being the par amount of the Bonds, plus an original issue premium on the Bonds of $359,537.95, and less an underwriter's discount of $54,778.50), plus accrued interest on the Bonds to the date of delivery. The Underwriter's obligation is to purchase all of the Bonds, if any Bonds are purchased.

Prices and Marketability

The District has no control over the reoffering yields or prices of the Bonds or over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked prices of the Bonds may be greater than the difference between the bid and asked prices of bonds of comparable maturity and quality issued by more traditional municipal entities, as bonds of such entities are more generally bought, sold or traded in the secondary market.

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time-to-time by the Underwriter after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial reoffering prices, including sales to dealers who may sell the Bonds into investment accounts. IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities acts of any other jurisdictions. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be offered, sold, or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds should not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdictions.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $505.3 million, $158.1 million and $347.2 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and "Appendix B – Specimen Municipal Bond Insurance Policy."

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit

Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

RATINGS

The Bonds are expected to receive an insured rating of "AA" from S&P solely in reliance upon the issuance of the municipal bond insurance policy by BAM at the time of delivery of the Bonds. An explanation of the ratings of S&P may only be obtained from S&P. S&P is located at 55 Water Street, New York, New York 10041, telephone number (212) 208-8000 and has engaged in providing ratings for corporate bonds since 1923 and municipal bonds since 1940. Long-term debt ratings assigned by S&P reflect its analysis of the overall level of credit risk involved in financings. At present, S&P assigns long-term debt ratings with symbols "AAA" (the highest rating) through "D" (the lowest rating). The ratings express only the view of S&P at the time the ratings are given. Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in its judgment, circumstances so warrant.

S&P has assigned an underlying credit rating of "A-" to the Bonds. An explanation of the rating may be obtained from S&P. A security rating is not a recommendation to buy, sell, or hold securities. Furthermore, there is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in its judgment, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds. The fees charged by S&P for the underlying credit rating will be paid by the District.

The District is not aware of any rating assigned the Bonds other than the ratings of S&P.

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OFFICIAL STATEMENT SUMMARY

The following material is a summary of certain information contained herein and is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement.

THE BONDS

The Issuer	Northwest Harris County Municipal Utility District No. 15 (the "District"), a political subdivision of the State of Texas, is located in Harris County, Texas. See "THE DISTRICT."
Description	The District's $6,855,000 Unlimited Tax Refunding Bonds, Series 2021 (the "Bonds"), mature on June 1 in the years and in the amounts set forth on the inside cover hereof. Interest accrues from March 1, 2021, and is payable June 1, 2021, and on each December 1 and June 1 thereafter until maturity or prior redemption. Bonds maturing on or after June 1, 2030, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on June 1, 2029, or on any date thereafter, at the principal amount thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – General" and "THE BONDS – Redemption Provisions."
Book-Entry-Only System	The Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC (hereinafter defined), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners (hereinafter defined) thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (hereinafter defined) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the Beneficial Owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM."
Authority for Issuance	The Bonds are issued pursuant to (i) an order adopted by the Board of Directors of the District (the "Bond Order"); (ii) the Constitution and general laws of the State of Texas, particularly Chapters 49 and 54, Texas Water Code, as amended, and Chapter 1207, Texas Government Code, as amended; and (iii) elections held within the District on August 12, 1978, April 4, 1981, May 4, 2002, and November 7, 2006, and in accordance with Ordinance No. 97-416 of the City of Houston, Texas relating to refunding bonds issued by certain political subdivisions within the extraterritorial jurisdiction of the City of Houston (the "Ordinance").
Source of Payment	Principal of and interest on the Bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of the State of Texas; Harris County, Texas; the City of Houston, Texas; or any entity other than the District. See "THE BONDS – Source and Security for Payment."
Remaining Outstanding Bonds	The District has previously issued eleven (11) series of bonds supported by the proceeds of a continuing direct ad valorem tax, unlimited as to rate or amount, levied annually by the District upon all taxable property located within the District. Of such series of bonds previously issued by the District (the "Previously Issued

	Bonds"), $7,165,000 principal amount of unlimited tax bonds will remain outstanding (the "Remaining Outstanding Bonds") following the refunding of the Refunded Bonds (hereinafter defined). See "PLAN OF FINANCING – Remaining Outstanding Bonds."
Payment Record	The District has never defaulted on the timely payment of principal and interest on its bonded indebtedness.
Use of Proceeds	Proceeds from the sale of the Bonds, together with other lawfully available debt service funds, will be used to achieve a debt service savings by currently refunding $6,905,000 principal amount (the "Refunded Bonds") of the District's $3,170,000 Unlimited Tax Bonds, Series 2010 and $5,310,000 Unlimited Tax Bonds, Series 2013. Proceeds from sale of the Bonds will also be used to pay costs of issuance of the Bonds. The sale of the Bonds and the refunding of the Refunded Bonds will result in an annual and net present value savings in the District's current annual debt service requirements. See "PLAN OF FINANCING."
Qualified Tax-Exempt Obligations	The District has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended. See "LEGAL MATTERS – Qualified Tax-Exempt Obligations."
Bond Insurance	Build America Mutual Assurance Company ("BAM"). See "BOND INSURANCE."
Ratings	S&P Global Ratings (BAM Insured): "AA." S&P has assigned an underlying rating of "A-" to the Bonds. See "BOND INSURANCE" and "RATINGS" above.
Legal Opinions	Schwartz, Page & Harding, L.L.P., Houston, Texas, Bond Counsel and McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Special Tax Counsel. See "LEGAL MATTERS."
Underwriter's Counsel	McCall, Parkhurst & Horton L.L.P., Houston, Texas.
Financial Advisor	Robert W. Baird & Co. Incorporated, Houston, Texas.
Paying Agent/Registrar & Escrow Agent	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas.
Verification Agent	Robert Thomas CPA, LLC, Minneapolis, Minnesota. See "THE DISTRICT – Special Consultants Related to Issuance of the Bonds" and "VERIFICATION OF MATHEMATICAL CALCULATIONS."

INFECTIOUS DISEASE OUTLOOK (COVID-19)

Infectious Disease Outlook (COVID-19)	The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (the "Pandemic"), which is currently affecting many parts of the world, including the United States and Texas. As described herein under "INVESTMENT CONSIDERATIONS – Infectious Disease Outlook (COVID-19)", federal, state and local governments have all taken actions to respond to the Pandemic, including disaster declarations by both the President of the United States and the Governor of Texas. Such actions are focused on limiting instances where the public can congregate or interact with each other, which affects economic growth within Texas. Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets locally

and globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide and within Texas.

Such adverse economic conditions, if they continue, could result in declines in the demand for residential and commercial property in the Houston area and could reduce or negatively affect property values or homebuilding activity within the District. The Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

The District continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the Pandemic upon the District. While the potential impact of the Pandemic on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's operations and financial condition. The financial and operating data contained herein are the latest available, but are as of dates and for periods partially prior to the economic impact of the Pandemic and measures instituted to slow it. Accordingly, they are not indicative of the economic impact of the Pandemic on the District's financial condition.

THE DISTRICT

Description.. The District was created by order of Texas Water Commission, predecessor to the Texas Commission on Environmental Quality ("TCEQ") on March 7, 1978, and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended, and the general laws of the State of Texas applicable to municipal utility districts. Upon annexation of a 5.9885 acre tract of land which is expected to occur on February 24, 2021 the District will consist of approximately 563 acres of land. The District is located wholly within Harris County, Texas, approximately 24 miles northwest of the City of Houston Central Business District. The District's primary access is via Texas State Highway 249. See "THE DISTRICT – General" and "– Description."

Authority.. The rights, powers, privileges, authority, and functions of the District are established by Article XVI, Section 59 of the Constitution of the State of Texas and the general laws of the State of Texas pertaining to municipal utility districts, including particularly Chapters 49 and 54 of the Texas Water Code, as amended. See "THE DISTRICT – General."

Status of Development...................................... Land within the District has been developed as the single-family residential subdivisions of Westbourne, Sections 1, 2, and 3 (803 lots), Canyon Gate at Northpointe, Section One, Phases One and One B (149 lots), The Trails of Cypress Lake, Sections 1, 2, and 3 (351 lots), and Northpointe Meadows (40 lots). There are a total of 289.19 acres that have been developed within the District. As of December 1, 2020, single-family residential development within the District consisted of approximately 1,343 completed homes, approximately 0 homes under construction and approximately 0 vacant developed lots. There are approximately 194.17 acres of existing commercial and multifamily development which includes a convenience store/gas station, a mini storage facility, a car repair shop, a car wash, a CVS Pharmacy, a Chase Bank, a McDonalds, a furniture store, a medical office, a Christian Brothers automotive shop, a car dealership, a 274 unit apartment complex, a 297 unit apartment complex and a retail center within the District. In addition, Tomball Independent School District has developed a 17.2 acre site consisting of an elementary school and a middle school and a 26.5 acre site with a junior high school, none of which are subject to ad valorem taxation. The remainder of the District consists of approximately 8.77 undeveloped but developable acres and approximately 62.51 undevelopable acres. See "STATUS OF DEVELOPMENT."

Hurricane Harvey.. The Houston area, including Harris County, experienced historic levels of rainfall and widespread flooding following the landfall of Hurricane Harvey on August 25, 2017. According to the Engineer (herein defined), Hurricane Harvey caused no damage to the District's water, sanitary sewer and drainage facilities, and there was no interruption to water and sewer service in the District. Further, to the best knowledge of the Engineer, no homes in the District experienced structural flooding or other material damage. The District is located near the Texas Gulf Coast and, as it has in the past, could be impacted by high winds and flooding caused by hurricane, tornado, tropical storm, or other adverse weather event. See "INVESTMENT CONSIDERATIONS – Hurricane Harvey" and "– Potential Impact of Natural Disaster."

INVESTMENT CONSIDERATIONS

THE BONDS ARE SUBJECT TO CERTAIN INVESTMENT CONSIDERATIONS. PROSPECTIVE PURCHASERS SHOULD REVIEW THIS ENTIRE OFFICIAL STATEMENT, INCLUDING PARTICULARLY THE SECTION OF THIS OFFICIAL STATEMENT ENTITLED "INVESTMENT CONSIDERATIONS," BEFORE MAKING AN INVESTMENT DECISION.

SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2020 Taxable Assessed Valuation	$	464,185,812	(a)
Direct Debt			
The Remaining Outstanding Bonds	$	7,165,000	(b)
The Bonds	$	6,855,000	
Total	$	14,020,000	
Estimated Overlapping Debt	$	24,659,599	(c)
Total Direct and Estimated Overlapping Debt	$	38,679,599	(c)
Direct Debt Ratio:			
As a Percentage of 2020 Taxable Assessed Valuation		3.02	%
Direct and Estimated Overlapping Debt Ratio:			
As a Percentage of 2020 Taxable Assessed Valuation		8.33	%
Debt Service Fund Balance (as of January 25, 2021)	$	2,192,115	(d)
Operating Fund Balance (as of January 25, 2021)	$	10,965,637	
2020 Tax Rate			
Debt Service		$0.285	
Maintenance and Operations		$0.280	
Total		$0.565	
Average Annual Debt Service Requirement (2021–2033)	$	1,256,302	(e)
Maximum Annual Debt Service Requirement (2033)	$	1,333,200	(e)
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Estimated			
Average Annual Debt Service Requirement (2021-2033) at 95% Tax Collections			
Based on 2020 Taxable Assessed Valuation		$0.29	
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Estimated			
Maximum Annual Debt Service Requirement (2033) at 95% Tax Collections			
Based on 2020 Taxable Assessed Valuation		$0.31	

(a) Represents the assessed valuation of all taxable property in the District as of January 1, 2020, provided by the Harris County Appraisal District. See "TAX DATA" and "TAXING PROCEDURES."

(b) Excludes the Refunded Bonds.

(c) See "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement."

(d) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the debt service fund.

(e) Requirement of debt service on the Remaining Outstanding Bonds and the Bonds. See "DISTRICT DEBT – Pro-Forma Debt Service Requirements."

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Northwest Harris County Municipal Utility District No. 15 (the "District") of its $6,855,000 Unlimited Tax Refunding Bonds, Series 2021 (the "Bonds").

The Bonds are issued pursuant to (i) an order adopted by the Board of Directors of the District (the "Bond Order"); (ii) the Constitution and general laws of the State of Texas, particularly Chapters 49 and 54, Texas Water Code, as amended and Chapter 1207, Texas Government Code, as amended; and (iii) elections held within the District on August 12, 1978, April 4, 1981, May 4, 2002, and November 7, 2006, and in accordance with Ordinance No. 97-416 of the City of Houston, Texas relating to refunding bonds issued by certain political subdivisions within the extraterritorial jurisdiction of the City of Houston (the "Ordinance"). Certain capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Bond Order, except as otherwise indicated herein.

This Official Statement also includes information about the District and certain reports and other statistical data. The summaries and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive and each summary and reference is qualified in its entirety by reference to each such document, statute, report, or instrument.

PLAN OF FINANCING

Use of Proceeds

Proceeds from the sale of the Bonds, together with other lawfully available debt service funds, will be used to currently refund $6,905,000 principal amount (the "Refunded Bonds") of the District's $3,170,000 Unlimited Tax Bonds, Series 2010 ("Series 2010 Bonds") and $5,310,000 Unlimited Tax Bonds, Series 2013 ("Series 2013 Bonds). Proceeds from sale of the Bonds will also be used to pay costs of issuance of the Bonds. The sale of the Bonds and the refunding of the Refunded Bonds will result in an annual and net present value savings in the District's current annual debt service requirements.

The Refunded Bonds

The principal amounts and maturity dates of the Refunded Bonds are set forth as follows:

Series 2010 Bonds		Series 2013 Bonds	
Principal Amount	Maturity Date	Principal Amount	Maturity Date
$195,000	06/01/2023	$1,235,000	06/01/2030 (a)
205,000	06/01/2024	1,295,000	06/01/2031 (a)
215,000	06/01/2025	1,355,000	06/01/2032
225,000	06/01/2026	1,425,000	06/01/2033
240,000	06/01/2027	$5,310,000	
250,000	06/01/2028		
265,000	06/01/2029		
$1,595,000			
Redemption Date: March 31, 2021		Redemption Date: June 1, 2021	

Total Principal Amount of the Refunded Bonds: $6,905,000

(a) Represents a portion of a term bond in the total principal amount of $2,530,000 scheduled to mature on June 1, 2031.

Remaining Outstanding Bonds

The District has previously issued eleven (11) series of bonds supported by the proceeds of a continuing direct ad valorem tax, unlimited as to rate or amount, levied annually by the District upon all taxable property located within the District (the "Previously Issued Bonds"). Of such Previously Issued Bonds, following the refunding of the Refunded Bonds, $7,165,000 principal amount of unlimited tax bonds will remain outstanding (the "Remaining Outstanding Bonds").

The following table lists the principal amounts of the Remaining Outstanding Bonds.

Series	Original Principal Amount	Principal Currently Outstanding	Less: Refunded Bonds	Remaining Outstanding Bonds
2010	$3,170,000	$1,955,000	$1,595,000	$360,000
2013	5,310,000	5,310,000	5,310,000	-
2015	8,465,000	6,805,000	–	6,805,000
Total	$16,945,000	$14,070,000	$6,905,000	$7,165,000

Escrow Agreement

The Refunded Bonds, and the interest due thereon, are to be paid on their scheduled interest payment dates until final payment or their redemption date from funds to be deposited with The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as escrow agent (the "Escrow Agent").

The Bond Order provides that the District and the Escrow Agent will enter into an escrow agreement (the "Escrow Agreement") to be dated as of the date of the sale of the Bonds but effective on the date of delivery of the Bonds (expected to be March 31, 2021). The Bond Order further provides that from the proceeds of the sale of the Bonds, along with certain other lawfully available debt service funds of the District, if any, the District will deposit with the Escrow Agent the amount necessary to accomplish the discharge and final payment of the Refunded Bonds. Such funds will be held by the Escrow Agent in a segregated escrow account (the "Escrow Fund") and a portion of such funds will be used to purchase United States Treasury Obligations (the "Escrowed Securities") maturing at such times and amounts as will be sufficient to pay scheduled payments on the Refunded Bonds on their redemption dates. Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of principal of and interest on the Refunded Bonds and will not be available to pay principal of and interest on the Bonds or the Remaining Outstanding Bonds.

Defeasance of the Refunded Bonds

By the deposit of the Escrowed Securities and cash, if any, with the Escrow Agent pursuant to the Escrow Agreement, the District will have effected the defeasance of the Refunded Bonds pursuant to the terms of the orders authorizing the issuance of the Refunded Bonds. In the opinion of Bond Counsel, as a result of such deposit, firm banking and financial arrangements will have been made for the discharge and final payment of the Refunded Bonds pursuant to the Escrow Agreement, and such Refunded Bonds will be deemed under Texas law to be fully paid and no longer outstanding, except for the purpose of being paid from the funds provided therefor in the Escrow Fund.

Sources and Uses of Funds

The proceeds derived from the sale of the Bonds, together with lawfully available debt service funds, will be applied as follows:

SOURCES OF FUNDS:	
Principal Amount of the Bonds	$6,855,000.00
Net Premium/Discount	359,537.95
Debt Service Fund Transfer	76,000.00
Accrued Interest on the Bonds	12,887.50
Total Sources of Funds	$7,303,425.45
USES OF FUNDS:	
Deposit to Escrow Fund	$5,427,709.00
Cash Deposit	1,616,209.53
Deposit of Accrued Interest to Debt Service Fund	12,887.50
Issuance Expenses and Underwriter's Discount	229,083.50
Bond Insurance	13,940.54
Additional Proceeds	3,595.38
Total Uses of Funds	$7,303,425.45

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order, a copy of which is available from Bond Counsel upon payment of the costs of duplication therefor. The Bond Order authorizes the issuance and sale of the Bonds and prescribes the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District.

Description

The Bonds will be dated March 1, 2021, with interest payable on June 1, 2021, and on each December 1 and June 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. Interest on the Bonds initially accrues from March 1, 2021, and thereafter, from the most recent Interest Payment Date. The Bonds mature on June 1 of the years and in the amounts shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS" on the cover page hereof. The Bonds are issued in fully registered form only in denominations of $5,000 or any integral multiple of $5,000 for any one maturity. The Bonds will be registered and delivered only to The Depository Trust Company, New York, New York ("DTC"), in its nominee name of Cede & Co., pursuant to the book-entry system described herein ("Registered Owners"). No physical delivery of the Bonds will be made to the purchasers thereof. See "BOOK-ENTRY-ONLY SYSTEM." Interest calculations are based upon a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months.

Authority for Issuance

The Bonds are issued by the District pursuant to the terms and provisions of the Bond Order; Article XVI, Section 59 of the Texas Constitution; the general laws of the State of Texas applicable to municipal utility dsitricts; including Chapter 1207, Texas Government Code, as amended; Chapters 49 and 54 of the Texas Water Code, as amended; and in accordance with the Ordinance.

Source and Security for Payment

The Bonds, together with the Remaining Outstanding Bonds and any additional bonds payable from ad valorem taxes, are secured by and payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property located within the District. See "TAXING PROCEDURES". Investment in the Bonds involves certain elements of risk, and all prospective purchasers are urged to examine carefully this Official Statement with respect to the investment security of the Bonds. See "INVESTMENT CONSIDERATIONS." The Bonds are obligations solely of the District and are not obligations of the State of Texas; Harris County, Texas; the City of Houston, Texas; or any political subdivision or entity other than the District.

Funds

The Bond Order confirms the establishment of the District's Debt Service Fund (the "Bond Fund") which was created and established pursuant to the orders of the Board of Directors of the District authorizing the issuance of the Previously Issued Bonds. Accrued interest on the Bonds will be deposited from the proceeds from sale of the Bonds into the Bond Fund. The Bond Fund, which constitutes a trust fund for the benefit of the owners of the Remaining Outstanding Bonds, the Bonds, and any additional tax bonds issued by the District, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Remaining Outstanding Bonds, the Bonds, and any of the District's duly authorized additional bonds payable in whole or part from taxes. Amounts on deposit in the Bond Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Remaining Outstanding Bonds, the Bonds, and any additional bonds payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due.

Record Date

The record date for payment of the interest on any regularly scheduled Interest Payment Date is defined as the 15th day of the month (whether or not a business day) preceding such Interest Payment Date.

Redemption Provisions

Optional Redemption

The District reserves the right, at its option, to redeem the Bonds maturing on and after June 1, 2030, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000, on June 1, 2029, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. If fewer than all of the Bonds are to be redeemed, the particular maturity or maturities and the amounts thereof to be redeemed shall be determined by the District. If fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds shall be selected by DTC in accordance with its procedures. See "BOOK-ENTRY-ONLY SYSTEM." Notice of each exercise of the reserved right of optional redemption shall be given by the Paying Agent/Registrar at least thirty (30) calendar days prior to the redemption date, in the manner specified in the Bond Order.

By the redemption date, due provision shall be made with the Paying Agent/Registrar for payment of the principal of the Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

Mandatory Redemption

The Bonds maturing on June 1 in the year 2032 (the "Term Bonds") are also subject to mandatory sinking fund redemption by the District by lot or other customary method of random selection prior to scheduled maturity, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption ("Mandatory Redemption Date"), and in the principal amount set forth in the following schedule:

$3,780,000 Term Bond due June 1, 2032

Mandatory Redemption Date	Principal Amount
June 1, 2030	$1,230,000
June 1, 2031	1,260,000
June 1, 2032 (maturity)	1,290,000

On or before 30 days prior to each Mandatory Redemption Date set forth above, the Paying Agent/Registrar shall (i) determine the principal amount of such Term Bonds that must be mandatorily redeemed on such Mandatory Redemption Date, after taking into account deliveries for cancellation and optional redemptions as more fully provided for below, (ii) select, by lot or other customary random method, the Term Bonds or portions of the Term Bonds of such maturity to be mandatorily redeemed on such Mandatory Redemption Date, and (iii) give notice of such redemption as provided in the Bond Order. The principal amount of the Term Bonds to be mandatorily redeemed on such Mandatory Redemption Date, either has been purchased in the open market and delivered or tendered for cancellation by or on behalf of the District to the Paying Agent/Registrar or optionally redeemed and which, in either case, has not previously been made the basis for a reduction this sentence.

Method of Payment of Principal and Interest

The Board has appointed The Bank of New York Mellon Trust Company, N.A., having its principal corporate trust office and its principal payment office in Dallas, Texas, as the initial Paying Agent/Registrar for the Bonds (the "Paying Agent/Registrar"). The principal of and interest on the Bonds shall be paid to DTC, which will make distribution of the amounts so paid. See "BOOK-ENTRY-ONLY SYSTEM."

Registration

Section 149(a) of the Internal Revenue Code of 1986, as amended, requires that all tax exempt obligations (with certain exceptions that do not include the Bonds) be in registered form in order for the interest payable on such obligations to be excludable from a Beneficial Owner's income for federal income tax purposes. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. pursuant to the Book-Entry-Only System described herein. One fully-registered Bond will be issued for each maturity of the Bonds and will be deposited with DTC. See "BOOK-ENTRY-ONLY SYSTEM." So long as any Bonds remain outstanding, the District will maintain at least one paying agent/registrar in the State of Texas for the purpose of maintaining the Register on behalf of the District.

Replacement of Paying Agent/Registrar

Provision is made in the Bond Order for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new paying agent/registrar shall be required to accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any paying agent/registrar selected by the District shall be a duly qualified and competent trust or banking corporation or organization organized and doing business under the laws of the United States of America or of any State thereof, with a combined capital and surplus of at least $25,000,000, which is subject to supervision of or examination by federal or state banking authorities, and which is a transfer agent duly registered with the United States Securities and Exchange Commission.

Legal Investment and Eligibility to Secure Public Funds in Texas

The following is an excerpt from Section 49.186 of the Texas Water Code and is applicable to the District:

> (a) All bonds, notes, and other obligations issued by a district shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, and trustees, and for all interest and sinking funds and other public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic.
>
> (b) A district's bonds, notes, and other obligations are eligible and lawful security for all deposits of public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic, to the extent of the market value of the bonds, notes, and other obligations when accompanied by any unmatured interest coupons attached to them.

The Public Funds Collateral Act (Chapter 2257, Texas Government Code) also provides that bonds of the District (including the Bonds) are eligible as collateral for public funds.

No representation is made that the Bonds will be suitable for or acceptable to financial or public entities for investment or collateral purposes. No representation is made concerning other laws, rules, regulations, or investment criteria which apply to or which might be utilized by any of such persons or entities to limit the acceptability or suitability of the Bonds for any of the foregoing purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Bonds as to the suitability or acceptability of the Bonds for investment or collateral purposes.

Issuance of Additional Debt

The District's voters have authorized the issuance of a total of $39,660,000 unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer, and drainage facilities and could authorize additional amounts. The District currently has $14,385,000 of unlimited tax bonds authorized but unissued for said improvements and facilities.

The Bond Order imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. See "INVESTMENT CONSIDERATIONS – Future Debt."

The District also is authorized by statute to engage in fire-fighting activities, including the issuance of bonds payable from taxes for such purpose. Before the District could issue fire-fighting bonds payable from taxes, the following actions would be required: (a) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (b) approval of the master plan and issuance of bonds by the Texas Commission on Environmental Quality ("TCEQ"); and (c) approval of bonds by the Attorney General of Texas. The District does not provide fire protection service, and the Board has not considered calling such an election at this time. Issuance of bonds for fire-fighting activities could dilute the investment security for the Bonds.

Financing Road Facilities

Pursuant to Chapter 54 of the Water Code, a municipal utility district may petition the TCEQ for the power to issue bonds supported by property taxes to finance roads. Before the District could issue such bonds, the District would be required to receive a grant of such power from the TCEQ, authorization from the District's voters to issue such bonds, and approval of the bonds by the Attorney General of Texas. The District has not considered filing an application to the TCEQ for "road powers" or calling such an election at this time. Issuance of bonds for roads could dilute the investment security for the Bonds.

Financing Recreational Facilities

Conservation and reclamation districts in certain counties are authorized to develop and finance with property taxes certain recreational facilities after a district election has been successfully held to approve the issuance of bonds payable from taxes and/or a maintenance tax to support recreational facilities.

The District is authorized to issue bonds payable from an ad valorem tax to pay for the development and maintenance of recreational facilities if (i) the District duly adopts a plan for the facilities; (ii) the bonds are authorized at an election; (iii) the bonds payable from any source do not exceed 1% of the value of the taxable property in the District at the time of issuance of the bonds, or an amount greater than the estimated cost of the plan, whichever amount is smaller; (iv) the District obtains any necessary governmental consents allowing the issuance of such bonds; (v) the issuance of the bonds is approved by the TCEQ in accordance with its rules with respect to same; and (vi) the bonds are approved by the Attorney General of Texas. In addition, the District is authorized to levy an operation and maintenance tax to support recreational facilities at a rate not to exceed 10 cents per $100 of assessed valuation of taxable property in the District, after such tax is approved at an election. Said maintenance tax is in addition to any other maintenance tax authorized to be levied by the District. The District may issue bonds for such purposes payable solely from net operating revenues without an election.

The District has not considered calling an election for such purposes but could consider doing so in the future.

Issuance of bonds for recreational facilities could dilute the investment security for the Bonds.

Annexation

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston, the District may be annexed for full purposes by the City of Houston without the District's consent, subject to compliance by the City of Houston with various requirements of Chapter 43 of the Texas Local Government Code, as amended. If the District is annexed, the City of Houston must assume the District's assets and obligations (including the Bonds and the Remaining Outstanding Bonds) and abolish the District within ninety (90) days of the date of annexation. Annexation of territory by the City of Houston is a policy-making matter within the discretion of the Mayor and City Council of the City of Houston, and, therefore, the District makes no representation that the City of Houston will ever attempt to annex the District for full purposes and assume its debt. Moreover, no representation is made concerning the ability of the City of Houston to make debt service payments should annexation occur. Under the terms of the SPA (as hereinafter defined) between the District and the City of Houston, however, the City has agreed not to annex the District for full purposes (a traditional municipal annexation) for at least thirty (30) years from the effective date of the SPA. See "THE DISTRICT – Strategic Partnership Agreement."

Consolidation

The District has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its water and wastewater systems with the water and wastewater systems of the district or districts with which it is consolidating, subject to voter approval. In their consolidation agreement, the consolidating districts may agree to assume each other's bonds, notes and other obligations. If each district assumes the other's bonds, notes and other obligations, taxes may be levied uniformly on all taxable property within the consolidated district in payment of same. If the districts do not assume each other's bonds, notes and other obligations, each district's taxes are levied on property in each of the original districts to pay said debts created by the respective original district as if no consolidation had taken place. No representation is made concerning whether the District will consolidate with any other district, but the District currently has no plans to do so.

Remedies in Event of Default

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Order, or defaults in the observance or performance of any other covenants, conditions, or obligations set forth in the Bond Order, the Registered Owners have the right to seek a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Order. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Certain traditional legal remedies may also not be available. See "INVESTMENT CONSIDERATIONS – Registered Owners' Remedies and Bankruptcy."

Defeasance

The Bond Order provides that the District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State of Texas a sum of money equal to the principal of, premium, if any, and all interest to accrue on the Bonds to maturity or redemption or (ii) by depositing with any place of payment (paying agent) for obligations of the District payable from revenues or from ad valorem taxes or both, or a commercial bank or trust company designated in the proceedings authorizing such discharge, amounts sufficient to provide for the payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. The foregoing obligations may be in book entry form, and shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds. If any of such Bonds are to be redeemed prior to their respective dates of maturity, provision must have been made for giving notice of redemption as provided in the Bond Order.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the District to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Bond Order does not contractually limit such investments, Registered Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as currently permitted under Texas law.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee's name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participant, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be required by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchase of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issue as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, District or Paying Agent/Registrar, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to District or Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the book-entry form, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the book-entry system, and (ii) except as described above, notices that are to be given to registered owners under the Bond Order will be given only to DTC.

DISTRICT DEBT

General

The following tables and calculations relate to the Bonds and the Remaining Outstanding Bonds. The District and various other political subdivisions of government which overlap all or a portion of the District are empowered to incur debt to be paid from revenues raised or to be raised by taxation against all or a portion of the property.

2020 Taxable Assessed Valuation	$	464,185,812	(a)
Direct Debt			
The Remaining Outstanding Bonds	$	7,165,000	(b)
The Bonds	$	6,855,000	
Total	$	14,020,000	
Estimated Overlapping Debt	$	24,659,599	(c)
Total Direct and Estimated Overlapping Debt	$	38,679,599	(c)
Direct Debt Ratio:			
As a Percentage of 2020 Taxable Assessed Valuation		3.02	%
Direct and Estimated Overlapping Debt Ratio:			
As a Percentage of 2020 Taxable Assessed Valuation		8.33	%
Debt Service Fund Balance (as of January 25, 2021)	$	2,192,115	(d)
Operating Fund Balance (as of January 25, 2021)	$	10,965,637	
2020 Tax Rate			
Debt Service		$0.285	
Maintenance and Operations		$0.280	
Total		$0.565	
Average Annual Debt Service Requirement (2021-2033)	$	1,256,302	(e)
Maximum Annual Debt Service Requirement (2033)	$	1,333,200	(e)

(a) Represents the assessed valuation of all taxable property in the District as of January 1, 2020, provided by the Harris County Appraisal District. See "TAX DATA" and "TAXING PROCEDURES."
(b) Excludes the Refunded Bonds.
(c) See "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement."
(d) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the debt service fund.
(e) Requirement of debt service on the Remaining Outstanding Bonds and the Bonds. See "DISTRICT DEBT – Debt Service Requirements."

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Direct and Estimated Overlapping Debt Statement

The following table indicates the indebtedness, defined as outstanding bonds payable from ad valorem taxes, of governmental entities overlapping the District and the estimated percentages and amounts of such indebtedness attributable to property within the District. This information is based upon data secured from the individual jurisdictions and/or *Texas Municipal Reports* prepared by the Municipal Advisory Council of Texas. Such figures do not indicate the tax burden levied by the applicable taxing jurisdictions for operation and maintenance or for other purposes.

Taxing Jurisdiction	Outstanding Debt January 31, 2021	Overlapping Percent	Overlapping Amount
Harris County	$ 1,698,012,471	0.09 %	$ 1,559,495
Harris County Department of Education	6,555,000	0.10	6,285
Harris County Flood Control District	76,903,734	0.09	71,991
Harris County Hospital District	86,050,000	0.09	80,556
Harris County Toll Road	-	0.09	-
Lone Star College System	555,865,221	0.21	1,147,712
Port of Houston Authority	468,828,397	0.09	438,895
Tomball Independent School District	565,582,765	3.78	21,354,666
Total Estimated Overlapping Debt			$ 24,659,599
The District (a)			$ 14,020,000
Total Direct & Estimated Overlapping			$ 38,679,599

(a) Includes the Bonds and the Remaining Outstanding Bonds.

Debt Ratios

Direct Debt Ratio:

As a Percentage of 2020 Taxable Assessed Valuation.......... 3.02 %

Direct and Estimated Overlapping Debt Ratio:

As a Percentage of 2020 Taxable Assessed Valuation.......... 8.33 %

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Debt Service Requirements

The following schedules set forth the debt service requirements of the District resulting from the refunding of the Refunded Bonds and issuance of the Bonds.

Year	Outstanding Debt Service	Less: Debt Service Refunded Bonds	Plus: The Bonds Principal	Interest	Total Debt Service
2021	$1,339,180	$299,415	–	$115,988	$1,155,752
2022	1,338,411	299,415	$25,000	154,275	1,218,271
2023	1,336,668	490,808	220,000	150,600	1,216,460
2024	1,343,788	493,305	225,000	143,925	1,219,408
2025	1,354,536	495,218	235,000	137,025	1,231,344
2026	1,353,965	496,525	245,000	129,825	1,232,265
2027	1,367,071	502,225	260,000	122,250	1,247,096
2028	1,368,703	502,238	265,000	114,375	1,245,840
2029	1,378,717	506,419	280,000	106,200	1,258,498
2030	1,443,772	1,443,772	1,230,000	89,700	1,319,700
2031	1,448,428	1,448,428	1,260,000	64,800	1,324,800
2032	1,449,613	1,449,613	1,290,000	39,300	1,329,300
2033	1,457,063	1,457,063	1,320,000	13,200	1,333,200
Total	$17,979,910	$9,884,441	$6,855,000	$1,381,463	$16,331,932

Average Annual Debt Service Requirement (2021–2033) .... $ 1,256,302

Maximum Annual Debt Service Requirement (2033) .... $ 1,333,200

TAXING PROCEDURES

Property Tax Code and County-Wide Appraisal District

The Texas Tax Code (the "Property Tax Code") requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas a single appraisal district with the responsibility for recording and appraising property for all taxing units within a county and a single appraisal review board with the responsibility for reviewing and equalizing the values established by the appraisal district. The Harris County Appraisal District (the "Appraisal District") has the responsibility for appraising property for all taxing units wholly within Harris County, including the District. Such appraisal values are subject to review and change by the Harris County Appraisal Review Board (the "Appraisal Review Board"). Under certain circumstances, taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a petition for review in State district court. In such event, the value of the property in question will be determined by the court or by a jury if requested by any party. Absent any such appeal, the appraisal roll, as prepared by the Appraisal District and approved by the Appraisal Review Board, must be used by each taxing jurisdiction in establishing its tax roll and tax rate. The District is eligible, along with all other conservation and reclamation districts within Harris County, to participate in the nomination of and vote for a member of the Board of Directors of the Appraisal District.

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property and tangible personal property in the District is subject to taxation by the District; however, it is expected that no effort will be made by the District to collect taxes on personal property other than on personal property rendered for taxation, business inventories and the property of privately owned utilities. Principal categories of exempt property include property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; farm products owned by the producer; all oil, gas and mineral interests owned by an institution of higher education; certain property owned by exclusively charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; solar and wind-powered energy devices; and most individually owned automobiles.

In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older or under a disability for purposes of payment of disability insurance benefits under the Federal Old-Age Survivors and Disability Insurance Act to the extent deemed advisable by the Board. The District would be required to call an election on such residential homestead exemption upon petition by at least twenty percent (20%) of the number of qualified voters who voted in the District's preceding election and would be required to offer such an exemption if a majority of voters approve it at such election. For the 2021 tax year, the District has granted an exemption of $20,000 of assessed valuation for persons sixty-five (65) years of age or older and to individuals who are under a disability for purposes of payment of disability insurance benefits under the Federal Old-Age, Survivors and Disability Insurance Act.

The District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between $5,000 and $12,000 of assessed valuation depending upon the disability rating of the veteran, if such rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to an exemption for the full value of the veteran's residence homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if (i) the residence homestead was donated by a charitable organization at no cost to the disabled veteran or (ii) the residence was donated by a charitable organization at some cost to the disabled veteran if such cost is less than or equal to fifty percent (50%) of the total good faith estimate of the market value of the residence as of the date the donation is made. Also, the surviving spouse of (i) a member of the armed forces or (ii) a first responder as defined under Texas law, who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

A "Freeport Exemption" applies to goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining oil or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to certain tangible personal property, as defined by the Property Tax Code, acquired in or imported into Texas for storage purposes and which is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. The exemption excludes oil, natural gas, petroleum products, aircraft, and certain special inventory including dealer's motor vehicles, dealer's vessel and outboard motor vehicle, dealer's heavy equipment and retail manufactured housing inventory. The exemption applies to covered property if it is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. However, taxing units who took official action as allowed by prior law before October 1, 2011, to tax goods-in-transit property, and who pledged such taxes for the payment of debt, may continue to impose taxes against the goods-in-transit property until the debt is discharged without further action, if cessation of the imposition would impair the obligations of the contract by which the debt was created. The District has taken official action to allow taxation of all such goods in transit personal property, but may choose to exempt some in the future by official action.

General Residential Homestead Exemptions

Texas law authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads, but not less than $5,000 if any exemption is granted, from ad valorem taxation. The law provides, however, that where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. For the 2021 tax year, the District did not grant a general residential homestead exemption.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Assessments under the Property Tax Code are to be based upon one hundred percent (100%) of market value. The appraised value of residential homestead property may be limited to the lesser of the market value of the property, or the sum of the appraised value of the property for the last year in which it was appraised, plus ten percent (10%) of such appraised value multiplied by the number of years since the last appraisal, plus the market value of all new improvements to the property. Once an appraisal roll is prepared and approved by the Appraisal Review Board, it is used by the District in establishing its tax rate. The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraised values. The plan must provide for appraisal of all real property by the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the District, may appeal orders of the Appraisal Review Board by filing a petition for review in district court within forty-five (45) days after notice is received that a final order has been entered. In such event, the property value in question may be determined by the court, or by a jury, if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to comply with the Property Tax Code. The District may challenge the exclusion of property from the appraisal rolls or the grant, in whole or in part, of an exemption.

Texas law provides for notice and hearing procedures prior to the adoption of an ad valorem tax rate by the District. Additionally, under certain circumstances, an election would be required to determine whether to approve the adopted total tax rate. See "Rollback of Operation and Maintenance Tax Rate" below. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals that are higher than renditions and appraisals of property not previously on an appraisal roll.

Agricultural, Open Space, Timberland and Inventory Deferment

The Property Tax Code permits land designated for agricultural use (including wildlife management), open space, or timberland to be appraised at its value based on the land's capacity to produce agriculture or timber products rather than at its fair market value. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of any of such designations must apply for the designation, and the Appraisal District is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions and not as to others. If a claimant receives the designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use for the three (3) years prior to the loss of the designation for agricultural, timberland or open space land. According to the District's Tax Assessor/Collector, as of January 1, 2021, no land within the District was designated for agricultural use, open space, timberland, or inventory deferment.

Tax Abatement

The City of Houston and Harris County may designate all or part of the District as a reinvestment zone, and the District, Harris County, and (if it were to annex the area) the City of Houston may thereafter enter into tax abatement agreements with the owners of property within the zone. The tax abatement agreements may exempt from ad valorem tax, by the applicable taxing jurisdictions, and by the District, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with a comprehensive plan. According to the District's Tax Assessor/Collector, to date, none of the area within the District has been designated as a reinvestment zone.

Levy and Collection of Taxes

The District is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. The District adopts its tax rate each year after it receives a tax roll certified by the Appraisal District. Taxes are due upon receipt of a bill therefor, and become delinquent after January 31 of the following year or 30 days after the date billed, whichever is later, or, if billed after January 10, they are delinquent on the first day of the month next following the 21st day after such taxes are billed. A delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid beginning the first calendar month it is delinquent. A delinquent tax also incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent plus a one percent (1%) penalty for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, a tax delinquent on July 1 incurs a total penalty of twelve percent (12%) of the amount of the delinquent tax without regard to the number of months the tax has been delinquent, which penalty remains at such rate without further increase. If the tax is not paid by July 1, an additional penalty of up to the amount of the compensation specified in the District's contract with its delinquent tax collection attorney, but not to exceed twenty percent (20%) of the total tax, penalty, and interest, may, under certain circumstances, be imposed by the District. With respect to personal property taxes that become delinquent on or after February 1 of a year and that remain delinquent sixty (60) days after the date on which they become delinquent, as an alternative to the penalty described in the foregoing sentence, an additional penalty on personal property of up to the amount specified in the District's contract with its delinquent tax attorney, but not to exceed twenty percent (20%) of the total tax, penalty and interest, may, under certain circumstances, be imposed by the District prior to July 1. The District's contract with its delinquent tax collection attorney currently specifies a twenty percent (20%) additional penalty. The District may waive penalties and interest on delinquent taxes only for the items specified in the Texas Property Tax Code. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency of taxes under certain circumstances. The owner of a residential homestead property who is (i) a person sixty-five (65) years of age or older, (ii) under a disability for purpose of payment of disability insurance benefits under the Federal Old Age Survivors and Disability Insurance Act, or (iii) qualifies as a disabled veteran under Texas law, is entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership. Additionally, a person who is delinquent on taxes for a residential homestead is entitled to an agreement with the District to pay such taxes in installments over a period of between 12 and 36 months (as determined by the District) when such person has not entered into another installment agreement with respect to delinquent taxes with the District in the preceding 24 months.

Rollback of Operation and Maintenance Tax Rate

During the 86th Regular Legislative Session, Senate Bill 2 ("SB 2") was passed and signed by the Governor, with an effective date (as to those provisions discussed herein) of January 1, 2020, and the provisions described herein are effective beginning with the 2020 tax year. See "SELECTED FINANCIAL INFORMATION" for a description of the District's current total tax rate. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

SB 2 classifies certain special purpose districts, including the District, differently based on their current operation and maintenance tax rate or on the percentage of projected build-out that a district has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per $100 of taxable value are classified herein as "Low Tax Rate Districts." Districts that have financed, completed, and issued bonds to pay for all land, improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate pursuant to SB 2 is described for each classification below.

Low Tax Rate Districts

Low Tax Rate Districts that adopt a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, subject to certain homestead exemptions, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Low Tax Rate District is the current year's debt service and contract tax rate plus the operation and maintenance tax rate that would impose 1.08 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions.

Developed Districts

Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, subject to certain homestead exemptions, plus any unused increment rates, as calculated and described in Section 26.013 of the Tax Code, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus the operation and maintenance tax rate that would impose 1.035 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions, plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Low Tax Rate District and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Low Tax Rate Districts.

Developing Districts

Districts that do not meet the classification of a Low Tax Rate District or a Developed District can be classified as Developing Districts. The qualified voters of these districts, upon the Developing District's adoption of a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, subject to certain homestead exemptions, are authorized to petition for an election to reduce the operation and maintenance tax rate. If an election is called and passes, the total tax rate for Developing Districts is the current year's debt service and contract tax rate plus the operation and maintenance tax rate that would impose 1.08 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions.

The District

A determination as to a district's status as a Low Tax Rate District, Developed District or Developing District will be made by the Board of Directors on an annual basis. For the 2020 tax year, the Board of Directors determined that the District's classification is that of a Developing District. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property against which the tax is levied. In addition, on January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of other such taxing units (see "TAX DATA – Estimated Overlapping Taxes"). A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien. Further, personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalties, and interest.

Except with respect to (i) owners of residential homestead property who are sixty-five (65) years of age or older or under a disability as described above and who have filed an affidavit as required by law and (ii) owners of residential homesteads who have entered into an installment agreement with the District for payment of delinquent taxes as described above and who are not in default under said agreement, at any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, or by taxpayer redemption rights (a taxpayer may redeem property that is a residence homestead or was designated for agricultural use within two (2) years after the deed issued at foreclosure is filed of record and may redeem all other property within six (6) months after the deed issued at foreclosure is filed of record) or by bankruptcy proceedings which restrict the collection of taxpayer debt. The District's ability to foreclose its tax lien or collect penalties and interest may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. Generally, the District's tax lien and a federal tax lien are on par with the ultimate priority being determined by applicable federal law. See "INVESTMENT CONSIDERATIONS – Tax Collection Limitations."

TAX DATA

General

Taxable property within the District is subject to the assessment, levy, and collection by the District of a continuing direct, annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Remaining Outstanding Bonds, the Bonds, and any future tax-supported bonds which may be issued from time to time as authorized. Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements, and available funds. In addition, the District has the power and authority to assess, levy, and collect ad valorem taxes, not to exceed $0.50 per $100 of assessed valuation, for operation and maintenance purposes. In 2020, the Board levied a tax of $0.280 per $100 of assessed valuation for operation and maintenance purposes and a tax of $0.285 per $100 of assessed valuation for debt service purposes.

Tax Rate Limitation

Debt Service: Unlimited (no legal limit as to rate or amount)
Maintenance & Operations: $0.50 per $100 Assessed Valuation

Historical Tax Collections

The following table illustrates the collection history of the District from the 2016–2020 tax years:

Tax Year	Assessed Valuation	Tax Rate	Adjusted Levy	Collections Current Year	Current Year Ended 9/30	Collections as of 11/30/2020
2016	$382,948,270	$0.6300	$2,412,574	99.73%	2017	99.95%
2017	409,494,791	0.6000	2,456,969	98.19	2018	99.94
2018	418,906,507	0.5800	2,429,658	99.59	2019	99.90
2019	443,247,025	0.5950	2,637,320	99.61	2020	99.68
2020	464,185,812	0.5650	2,622,650	(a)	2021	(a)

(a) In process of collection; taxes are due by January 31, 2021.

Tax Rate Distribution

	2020	2019	2018	2017	2016
Debt Service	$0.285	$0.300	$0.320	$0.330	$0.350
Maintenance & Operations	0.280	0.295	0.260	0.270	0.280
Total	$0.565	$0.595	$0.580	$0.600	$0.630

Analysis of Tax Base

The following table illustrates the District's total taxable assessed value in the 2016–2020 tax years by type of property.

Type of Property	2020 Assessed Value	2019 Assessed Value	2018 Assessed Value	2017 Assessed Value	2016 Assessed Value
Land	$105,182,315	$94,858,064	$91,430,484	$91,522,512	$89,358,917
Improvements	380,551,801	368,929,968	352,410,730	341,962,886	316,473,700
Personal Property	26,105,585	28,658,125	22,203,450	25,207,848	22,423,960
Exemptions	(47,653,889)	(49,199,132)	(47,138,157)	(49,198,455)	(45,308,307)
Total	$464,185,812	$443,247,025	$418,906,507	$409,494,791	$382,948,270

Principal Taxpayers

The following represents the principal taxpayers, type of property, and their taxable assessed values as of January 1, 2020:

Taxpayer	Type of Property	Assessed Valuation 2020 Tax Roll	Percent of 2020 Roll
PAC Northointe LLC	Land & Improvements	$ 41,956,449	12.93 %
Fund Northpointe LLC	Land & Improvements	37,504,169	7.71%
Sync at Spring Cypress LP	Land & Improvements	19,588,967	3.24%
Houston MSA Medical DST	Land & Improvements	11,394,821	1.53%
KBC 249 LLC	Land & Improvements	9,547,282	1.43%
Tomball Dodge	Personal Property	9,515,137	1.23%
Tomball Partners LP	Land & Improvements	7,229,951	0.92%
Northpointe Crossing DELA	Land & Improvements	6,642,724	0.75%
JMDH Real Estate of Tomba	Land & Improvements	6,610,729	0.54%
LAACO LTD	Land & Improvements	6,555,544	0.46%
Totals		$156,545,773	30.75 %

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of taxable assessed valuation that would be required to meet certain debt service requirements on the Remaining Outstanding Bonds and the Bonds if no growth in the District occurs beyond the District's taxable assessed valuation as of January 1, 2020 ($464,185,812). The following further assumes collection of 95% of taxes levied and the sale of no additional bonds:

Average Annual Debt Service Requirement (2021–2033)	$ 1,256,302
Tax Rate of $0.29 on the 2020 Taxable Assessed Valuation produces	$ 1,278,832
Maximum Annual Debt Service Requirement (2033)	$ 1,333,200
Tax Rate of $0.31 on the 2020 Taxable Assessed Valuation produces	$ 1,367,027

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Estimated Overlapping Taxes

Property within the District is subject to taxation by several taxing authorities in addition to the District. Under Texas law, if ad valorem taxes levied by a taxing authority become delinquent, a lien is created upon the property which has been taxed. A tax lien on property in favor of the District is on parity with tax liens of other taxing jurisdictions. In addition to ad valorem taxes required to make debt service payments on bonded debt of the District and of such other jurisdictions (see "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes. Set forth below is a compilation of all 2020 taxes levied by such jurisdictions per $100 of assessed valuation. Such levies do not include local assessments for community associations, fire department contributions, charges for solid waste disposal, or any other dues or charges made by entities other than political subdivisions.

Taxing Jurisdiction	2020 Tax Rate
The District	$0.565000
Harris County	0.391160
Tomball Independent School District	1.290000
Harris County Department of Education	0.004993
Harris County Flood Control District	0.031420
Harris County Hospital District	0.166710
Lone Star College System	0.107800
Port of Houston Authority	0.009910
Harris County Emergency District No. 11	0.033295
Harris County Emergency District No. 16	0.048877
Estimated Total Tax Rate	$2.649165

THE DISTRICT

General

The District is a municipal utility district created by an order of the Texas Water Commission, predecessor to the TCEQ dated March 7, 1978, under Article XVI, Section 59 of the Texas Constitution, and operates under the provisions of Chapter 49 and Chapter 54 of the Texas Water Code, as amended, and other general statutes of Texas applicable to municipal utility districts. The District, which lies wholly within the extraterritorial jurisdiction of the City of Houston, Texas (except as described below under "Strategic Partnership Agreement"), is subject to the continuing supervisory jurisdiction of the TCEQ.

The District is empowered, among other things, to finance, purchase, construct, operate, and maintain all works, improvements, facilities, and plants necessary for the supply and distribution of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District may also provide solid waste disposal and collection services. The District is also empowered to establish, operate, and maintain fire-fighting facilities, separately or jointly with one or more conservation and reclamation districts, municipalities or other political subdivisions, after approval by the TCEQ and the voters of the District. Additionally, the District may, subject to certain limitations, develop and finance recreational facilities and may also, subject to the granting of road powers by the TCEQ and certain limitations, develop and finance roads. See "THE BONDS – Issuance of Additional Debt," "– Financing Recreational Facilities," and "– Financing Road Facilities."

The District is required to obtain certain TCEQ approvals prior to acquiring, constructing and financing road and firefighting facilities, as well as voter approval of the issuance of bonds for said purposes and/or for the purposes of financing recreational facilities. Construction and operation of the District's drainage system is subject to the regulatory jurisdiction of additional State of Texas and local agencies. See "THE SYSTEM."

Description

Upon annexation of a 5.9885 acre tract of land which is expected to occur on February 24, 2021, the District will encompass an area of approximately 563 acres. The District lies approximately 24 miles northwest of the

City's central business district, wholly within the extraterritorial jurisdiction of the City and within Tomball Independent School District.

Primary access to the District is via Texas State Highway 249. The District is bounded on the south by Spring Cypress Road, on the west by acreage, and on the east by Texas State Highway 249.

Strategic Partnership Agreement with the City of Houston

The District and the City of Houston (the "City") have entered into a Strategic Partnership Agreement (the "SPA") pursuant to Chapter 43 of the Texas Local Government Code. The SPA provides for a "limited purpose annexation" for that portion of the District which is developed for retail and commercial purposes in order to apply certain City health, safety, planning and zoning ordinances within the District. Areas of residential development within the District are not subject to the limited purpose annexation. The SPA also provides that the City will not annex the District for "full purposes" for at least thirty (30) years from the effective date of the SPA. Also, as a condition to full purpose annexation, any unpaid reimbursement obligations due to a developer by the District for water, wastewater and drainage facilities must be assumed by the City to the maximum extent permitted by TCEQ rules. The procedure for full purpose annexation under the SPA may differ from those otherwise applicable under Chapter 43, Texas Local Government Code, including any requirements for an election.

As of December 14, 2009, the effective date of the SPA, the City was authorized to impose the one percent (1%) City sales and use tax within the portion of the District included in the limited purpose annexation. Such portion includes primarily the approximately146 acres of commercial development within the District. The City pays to the District an amount equal to one half (1/2) of all sales and use tax revenue generated within such area of the District and received by the City from the Comptroller of Public Accounts of the State of Texas (the "Sales Tax Revenue"). Pursuant to State law, the District is authorized to use Sales Tax Revenue generated under the SPA for any lawful purpose. None of the anticipated Sales Tax Revenue is pledged toward the payment of principal and interest on the Bonds or the Remaining Outstanding Bonds.

District Investment Policy

The District has adopted an investment policy as required by the Public Funds Investment Act, Chapter 2256, Texas Government Code. The policy of the District is to invest District funds only in instruments which further the following investment obligations of the District, stated in the order of importance: (1) the preservation of safety of principal; (2) liquidity; and (3) yield. The District does not own, nor does it anticipate the inclusion of, long term securities or derivative products in the District's portfolio.

Management of the District

The District is governed by a board of five directors which has control and management supervision over all affairs of the District. All of the directors currently reside in or own property in the District. Directors are elected in even-numbered years for four-year staggered terms. The present members and officers of the Board and their positions are listed below:

Name	Position	Term Expires May
Lawrence E. LaHaie, Jr.	President	2024
Timothy Anderson	Vice President	2024
Joseph Turner	Secretary	2022
George Dupuy	Assistant Secretary	2024
Royce Beam	Assistant Secretary	2022

The District has contracted with the following companies and individuals to operate its utilities and recreational facilities and perform certain other services:

Tax Assessor/Collector: The District's Tax Assessor/Collector is Bob Leared Interest. The Tax Assessor/Collector applies the District's tax levy to tax rolls prepared by the Houston County Appraisal District and bills and collects such levy.

Bookkeeper: The District's bookkeeper is L & S District Services, LLC.

Utility System Operator: The District's operator is Water District Management Company, Inc.

Auditor: The financial statements of the District as of September 30, 2020, and for the year then ended, included in the offering document, have been audited by BKD, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX A" to this Official Statement.

Engineer: The consulting engineer retained by the District in connection with the design and construction of the District's facilities is R.G. Miller Engineers, Inc., Houston, Texas (the "Engineer").

Bond Counsel and General Counsel: Schwartz, Page & Harding, L.L.P. ("Bond Counsel") serves as bond counsel to the District. The fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds. In addition, Schwartz, Page & Harding, L.L.P. serves as general counsel to the District on matters other than the issuance of bonds.

Financial Advisor: Robert W. Baird & Co. Incorporated serves as the District's financial advisor (the "Financial Advisor"). The fee for services rendered in connection with the issuance of the Bonds is based on a percentage of the Bonds actually issued, sold, and delivered and, therefore, such fee is contingent upon the sale and delivery of the Bonds. See "GENERAL CONSIDERATIONS – Experts."

Special Consultants Related to Issuance of the Bonds

Verification Agent **–** At the time of delivery of the Bonds, Robert Thomas CPA, LLC, will verify to the District, Bond Counsel, Special Tax Counsel, Escrow Agent, and the Underwriter certain matters related to the issuance of the bonds and the refunding of the Refunded Bonds. See "VERIFICATION OF MATHEMATICAL CALCULATIONS."

Special Tax Counsel **–** The District has engaged the firm of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, as Special Tax Counsel. The fees payable to Special Tax Counsel are contingent upon the issuance, sale and delivery of the Bonds.

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STATUS OF DEVELOPMENT

Status of Development within the District

Land within the District has been developed as the single-family residential subdivisions of Westbourne, Sections 1, 2, and 3 (803 lots), Canyon Gate at Northpointe, Section One, Phases One and One B (149 lots), The Trails of Cypress Lake, Sections 1, 2, and 3 (351 lots), and Northpointe Meadows (40 lots), collectively encompassing approximately 289.19 acres. As of December 1, 2020, single-family residential development within the District consisted of 1,343 completed homes, approximately 0 homes under construction and approximately 0 vacant developed lots. There are approximately 194.17 acres of existing commercial/multifamily development which includes a convenience store/gas station, a mini storage facility, a car repair shop, a car wash, a CVS Pharmacy, a Chase Bank, a McDonalds, a furniture store, a medical office, a Christian Brothers automotive shop, a car dealership, a 274 unit apartment complex, a 297 unit apartment complex and a retail center within the District. In addition, Tomball Independent School District has developed a 17.2 acre site for an elementary school and a middle school and a 26.5 acre site for a junior high school, all of which is exempt from ad valorem taxation. The remainder of the District consists of approximately 8.77 undeveloped but developable acres and approximately 62.51 undevelopable acres.

THE SYSTEM

Regulation

According to the Engineer, the water and sanitary sewer facilities serving the District have been designed and constructed in accordance with accepted engineering practices and recommendations and requirements of the City of Houston, the Texas Department of Health, and the TCEQ. Construction and operation of the facilities are subject to inspection and regulation by the TCEQ, the Environmental Protection Agency and other governmental agencies. According to the Engineer, District improvements financed with the proceeds of the District's prior bonds have been approved by all required regulatory agencies and have been constructed in compliance with applicable standards and specifications.

-Water Supply Facilities-

The District has two water plants with WP 1 having a capacity of 1,000 ESFCs and WP 2 having a capacity of 1,666 ESFCs and a joint ownership interest in a water supply plant, which includes two 1,500 gallon per minute ("gpm") water wells and related component facilities. The water wells are jointly owned by the District, Harris County Municipal Utility District No. 280 ("MUD 280"), Harris County Municipal Utility District No. 281 ("MUD 281"), and Harris County Municipal Utility District No. 282 ("MUD 282"). Pressure tank, ground storage and auxiliary power capacity is jointly owned by the MUD 280, MUD 281, and MUD 282. According to the District's Engineer, the District's share of the water plant facilities is sufficient to serve 3,333 connections. As of December 2020, the District was serving approximately 2,343 active equivalent single-family connections.

-Water, Sewer and Drainage Lines-

Proceeds of the District's bonds were used to finance the construction and engineering costs for the water, wastewater and drainage facilities to serve the existing development within the District.

In addition, design has been completed for water, wastewater and drainage facilities to serve portions of the remaining undeveloped acres within the District. Future bond issues will be required to reimburse the developers for financing such development.

-Wastewater Collection-

Wastewater treatment capacity is provided by the District pursuant to a Waste Disposal Agreement among the District, Harris County Municipal Utility District No. 273, MUD 280, MUD 281, MUD 282 and Northwest Harris County Municipal Utility District No. 5 ("Northwest 5").

The District's wastewater treatment facility is a joint facility, known as the Northpointe Regional Wastewater Treatment Plant. The District's wastewater treatment facility has capacity to treat 2,613,350 gallons per day ("gpd") of sewage, or 8,296 equivalent single-family connections based on a flow factor of 315 gpd per connection. Capacity in the 2,613,350 gpd plant is allocated as follows: The District (25.87%), MUD 273 (5.66%), MUD 280 (12.14%), MUD 281 (13.65%), MUD 282 (11.71%), and Northwest 5 (30.97%). The

District's capacity of 356,850 gpd at 315 gpd per equivalent single family connection will adequately serve 1,133 equivalent single-family connections. With the rerating of the plant to 250 gpd/ equivalent single-family connection, the District can serve 1,427 equivalent single-family connection. As of December 2020, the District was serving approximately 2,343 active equivalent single-family connections.

Subsidence and Conversion to Surface Water Supply

Subsidence District Requirements: The District, along with the other owners in the joint water supply plant, is within the boundaries of the Harris-Galveston Subsidence District (the "Subsidence District") which regulates groundwater withdrawal. The District's authority to pump groundwater is subject to an annual permit issued by the Subsidence District. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in areas within the Subsidence District's jurisdiction. In 1999, the Texas legislature created the North Harris County Regional Water Authority ("NHCRWA") to, among other things, reduce groundwater usage in, and to provide surface water to, the northern portion of Harris County (including the District).

The NHCRWA has developed a Groundwater Reduction Plan ("GRP") and obtained Subsidence District approval of its GRP. The NHCRWA's GRP sets forth the NHCRWA's plan to comply with Subsidence District regulations, construct surface water facilities, and convert users from groundwater to alternate source water (e.g., surface water). The NHCRWA has entered into a Water Supply Contract with the City of Houston, Texas ("Houston") to obtain treated surface water from Houston. The District is included within the NHCRWA's GRP.

The NHCRWA has the power to issue debt supported by the revenues pledged for the payment of its obligations and may establish fees, rates, and charges as necessary to accomplish its purposes. The NHCRWA currently charges the District, and other major groundwater users, a fee of $4.25 per 1,000 gallons of groundwater pumped and $4.70 for surface water received. These fees are subject to increase in the future. The NHCRWA has to date issued $1,935,480,000 of senior lien revenue bonds to fund, among other things, certain NHCRWA surface water project costs, including the construction of a network of transmission and distribution lines, storage tanks and pumping stations to transport and distribute water within the NHCRWA (the "Authority System"). It is expected that the NHCRWA will issue substantially more bonds by the year 2035 to finance the NHCRWA's project costs.

Under the Subsidence District regulations and the GRP, the NHCRWA is required to: (i) limit groundwater withdrawals to no more than 70% of the total annual water demand within the NHCRWA beginning in 2010; (ii) limit groundwater withdrawals to no more than 40% of the total annual water demand within the NHCRWA's GRP beginning in 2025; and (iii) limit groundwater withdrawals to no more than 20% of the total annual water demand within the NHCRWA beginning in 2035. If the NHCRWA fails to comply with the above Subsidence District regulations or its GRP, the NHCRWA is subject to a $9.24 per 1,000 gallons disincentive fee penalty ("Disincentive Fees") imposed by the Subsidence District for any groundwater withdrawn in excess of 20% of the total annual water demand within the NHCRWA's GRP. In the event of such NHCRWA failure to comply, the Subsidence District may also seek to collect Disincentive Fees from the District. If the District failed to comply with surface water conversion requirements mandated by the NHCRWA, the NHCRWA would likely seek monetary or other penalties against the District.

The District cannot predict the amount or level of fees and charges, which may be due the NHCRWA in the future, but anticipates the need to pass such fees through to its customers resulting in higher water rates. In addition, conversion to surface water could necessitate improvements to the System which could require the issuance of additional bonds by the District. No representation is made that the NHCRWA: (i) will build the necessary facilities to meet the requirements of the Subsidence District for conversion to surface water, (ii) will comply with the Subsidence District's surface water conversion requirements, or (iii) will comply with its GRP.

100-Year Flood Plain

"Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency (FEMA) has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. However, with a new study done by National Weather service (see next paragraph), homes must be built above the 500-year flood plain. An engineering or regulatory determination that an area is above the 500-year flood plain is not an assurance that homes built in such area will not be flooded, and a number of neighborhoods in the greater Houston area that are above the 500-year flood plain have flooded multiple times in the last several years. According to the Engineer, none of the land located in the District lies within the 500-year flood plain.

National Weather Service Rainfall Study and Floodplain Regulations

The National Weather Service recently completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States ("Atlas 14"). Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in interim floodplain regulations applying to a larger number of properties and consequently leaving less developable property within the District. Such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain. Harris County has adopted the Atlas 14 rainfall amounts effective January 1, 2019.

Operating History

The following sets forth in condensed form the results of the District's general operating fund for the District's fiscal years ended 2016 through 2020 prepared by the Financial Advisor for inclusion herein based on information obtained from the District's audited financial statements, reference to which is made for further and more complete information. See "APPENDIX A."

	Fiscal Year Ended				
	9/30/20	9/30/19	9/30/18	9/30/17	9/30/16
Revenues					
Property Taxes	$1,291,023	$1,096,523	$1,127,417	$1,052,738	$903,813
Sales Tax Rebates	148,225	159,251	145,488	99,174	82,859
Water Service	625,724	587,470	614,216	626,376	573,220
Sewer Service	829,000	820,652	781,269	788,563	755,063
Regional Water Fee	694,591	652,136	616,730	505,808	360,282
Penalty and interest	73,566	82,217	75,854	66,908	42,660
Tap Connection and Inspection Fees	13,947	11,664	40,398	150,009	603,121
Investment Income	107,117	157,290	80,835	24,722	11,547
Total Revenues	$3,783,193	$3,567,203	$3,482,207	$3,314,298	$3,332,565
Expenditures					
Purchased services	$264,062	$270,166	$386,304	$296,099	$273,578
Regional water fee	769,239	693,657	632,590	536,022	355,965
Professional fees	161,350	159,118	261,833	227,754	258,580
Contracted Services	427,334	406,612	355,182	359,367	356,759
Utilities	62,418	55,458	60,161	62,877	59,363
Repairs and Maintenance	282,031	288,234	365,452	356,679	772,197
Other	73,214	93,787	94,386	85,923	87,050
Tap connections	1,913	-	10,275	64,329	149,133
Capital outlay	48,506	201,036	923,473	226,565	278,433
Debt service, debt issuance costs	-	-	-	-	6,013
Total Expenditures	$2,090,067	$2,168,068	$3,089,656	$2,215,615	$2,597,071
Excess (Deficiency) of Revenues	$1,693,126	$1,399,135	$392,551	$1,098,683	$735,494
Other financing sources (uses)	$68,047	$62,486	$53,724	$68,047	($466,916)
Fund Balance Beginning of Period	$8,272,776	$6,811,155	$6,364,880	$5,198,150	$4,929,572
Fund Balance End of Period	$10,033,949	$8,272,776	$6,811,155	$6,364,880	$5,198,150

INVESTMENT CONSIDERATIONS

General

The Bonds, which are obligations solely of the District and not of the State of Texas; Harris County, Texas; the City of Houston, Texas; or any political subdivision or agency other than the District, are secured by the levy of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. See "THE BONDS – Source and Security for Payment." The ultimate security for payment of the principal of and interest on the Bonds depends upon the District's ability to collect from the property owners within the District taxes levied against all taxable property located within the District, or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representations that over the life of the Bonds the property within the District will maintain a value sufficient to justify continued payment of taxes by the property owners, or that there will be a market for any property if the District forecloses on property to enforce its tax lien. The potential increase in taxable valuation of District property is directly related to the economics of the residential housing industry, not only due to general economic conditions, but also due to the particular factors discussed below. Further, the collection of delinquent taxes owed the District, and the enforcement by a Registered Owner of the District's obligation to collect sufficient taxes may be costly and lengthy processes. See "Tax Collection Limitations" and "Registered Owners' Remedies and Bankruptcy" below and "THE BONDS – Source and Security for Payment" and "– Remedies in Event of Default."

Infectious Disease Outlook (COVID-19)

The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (the "Pandemic"), which is currently affecting many parts of the world, including the United States and Texas. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States in connection with COVID-19. On March 13, 2020, the President of the United States (the "President") declared the Pandemic a national emergency and the Texas Governor (the "Governor") declared COVID-19 an imminent threat of disaster for all counties in Texas (collectively, the "disaster declarations"). On March 25, 2020, in response to a request from the Governor, the President issued a Major Disaster Declaration for the State of Texas.

Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with this disaster and issuing executive orders that have the force and effect of law. Many of the federal, state and local actions and policies under the aforementioned disaster declarations are focused on limiting instances where the public can congregate or interact with each other, which affects economic growth within Texas.

Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets locally and globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide and within Texas. Stock values and crude oil prices, in the U.S. and globally, have seen significant declines attributed to COVID-19 concerns. Texas may be particularly at risk from any global slowdown, given the prevalence of international trade in the state and the risk of contraction in the oil and gas industry and spillover effects into other industries.

Such adverse economic conditions, if they continue, could result in declines in the demand for residential and commercial property in the Houston/Houston area and could reduce or negatively affect property values or homebuilding activity within the District. The Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

The District continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the Pandemic upon the District. While the potential impact of the Pandemic on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's operations and financial condition. The financial and operating data contained herein are the latest available, but are as of dates and for periods partially prior to the economic impact of the

Pandemic and measures instituted to slow it. Accordingly, they are not indicative of the economic impact of the Pandemic on the District's financial condition.

Factors Affecting Taxable Values and Tax Payments

Economic Factors: The rate of development within the District is directly related to the vitality of the commercial and residential development industry in the Houston metropolitan area. New construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. New construction can also be affected by energy availability and costs, including the price of oil and gasoline prices. Decreased levels of such construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development in the District. See "STATUS OF DEVELOPMENT."

Principal Landowners' Obligations to the District: As reflected in this Official Statement under the caption "TAX DATA – Principal Taxpayers," the District's ten principal taxpayers in 2020 owned approximately 30.75% of the assessed value of property, including personal property, located in the District. The District cannot represent that its tax base will in the future be (i) distributed among a significantly larger number of taxpayers, or (ii) less concentrated in property owned by a relatively small number of property owners, than it is currently. Failure by one or more of the District's principal property owners to make full and timely payments of taxes due may have an adverse effect on the investment quality or security of the Bonds. If any one or more of the principal District taxpayers did not pay taxes due, the District might need to levy additional taxes or use other debt service funds available to meets its debt service requirements.

The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners. The District levied a tax of $0.280 per $100 of assessed valuation for operation and maintenance purposes and a tax of $0.285 per $100 of assessed valuation for debt service purposes in 2020.

Potential Effects of Oil Price Declines on the Houston Area. The recent declines in oil prices in the U.S. and globally, which at times have led to the lowest such prices in three decades, may lead to adverse conditions in the oil and gas industry, including but not limited to reduced revenues, declines in capital and operating expenditures, business failures, and layoffs of workers. The economy of the Houston area has, in the past, been particularly affected by adverse conditions in the oil and gas industry, and such conditions and their spillover effects into other industries could result in declines in the demand for residential and commercial property in the Houston area and could reduce or negatively affect property values or homebuilding activity within the District. As previously stated, the Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

Maximum Impact on District Tax Rate: Assuming no further development or construction of taxable improvements, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners within the District to pay their taxes. The taxable assessed valuation of the District as of January 1, 2020, is $464,185,812. See "TAX DATA."

After issuance of the Bonds, the maximum annual debt service requirement of the Bonds and the Remaining Outstanding Bonds is $1,333,200 (2033), and the average annual debt service requirement of the Bonds and the Remaining Outstanding Bonds is $1,256,302 (2021–2033). Based on the District's taxable assessed valuation as of January 1, 2020, and no use of funds on hand, a tax rate of $0.31 per $100 assessed valuation at a 95% collection rate would be necessary to pay the estimated maximum annual debt service requirement of the Bonds and the Remaining Outstanding Bonds and a tax rate of $0.29 per $100 assessed valuation at a 95% collection rate would be necessary to pay the estimated average annual debt service requirement of the Bonds and the Remaining Outstanding Bonds. See "DISTRICT DEBT – Debt Service Requirements" and "TAX DATA – Tax Rate Calculations."

The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners.

Increases in the District's tax rate to rates substantially higher than the levels discussed above may have an adverse impact upon future development of the District, the sale and construction of property within the District, and the ability of the District to collect, and the willingness of owners of property located within the District to pay ad valorem taxes levied by the District.

Extreme Weather Events; Hurricane Harvey

The greater Houston area, including the District, is subject to occasional severe weather events, including tropical storms and hurricanes. If the District were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected. The greater Houston area, including the District, has experienced multiple storms exceeding a 0.2% probability (i.e. "500-year flood" events) since 2015, including Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four days.

According to estimates by the District's Engineer, no homes within the District experienced structural flooding or other material damage as a result of Hurricane Harvey.

If a future hurricane (or any other natural disaster) significantly damaged all or part of the improvements within the District, the assessed value of property within the District could be substantially reduced, which could result in a decrease in tax revenues and/or necessitate an increase the District's tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood or other casualty insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District could be adversely affected.

Certain qualified taxpayers, including owners of residential homesteads, located within a natural disaster area and whose property has been damaged as a direct result of the disaster, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction such as the District if the taxpayer pays at least one-fourth of the tax bill imposed on the property by the delinquency date. The remaining taxes may be paid without penalty or interest in three equal installments within six months of the delinquency date.

Specific Flood Type Risks

Ponding (or Pluvial) Flood: Ponding, or pluvial, flooding occurs when heavy rainfall creates a flood event independent of an overflowing water body, typically in relatively flat areas. Intense rainfall can exceed the drainage capacity of a drainage system, which may result in water within the drainage system becoming trapped and diverted onto streets and nearby property until it is able to reach a natural outlet. Ponding can also occur in a flood pool upstream or behind a dam, levee or reservoir.

Riverine (or Fluvial) Flood: Riverine, or fluvial, flooding occurs when water levels rise over the top of river, bayou or channel banks due to excessive rain from tropical systems making landfall and/or persistent thunderstorms over the same area for extended periods of time. The damage from a riverine flood can be widespread. The overflow can affect smaller rivers and streams downstream, or may sheet-flow over land. Flash flooding is a type of riverine flood that is characterized by an intense, high velocity torrent of water that occurs in an existing river channel with little to no notice. Flash flooding can also occur even if no rain has fallen, for instance, after a levee, dam or reservoir has failed or experienced an uncontrolled release, or after a sudden release of water by a debris or ice jam. In addition, planned or unplanned controlled releases from a dam, levee or reservoir also may result in flooding in areas adjacent to rivers, bayous or drainage systems downstream.

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by difficulties in collecting ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the

District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by judicial foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time consuming and expensive collection procedures; (b) a bankruptcy court's stay of tax collection proceedings against a taxpayer; (c) market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property; or (d) the taxpayer's right to redeem the property. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. Section 1825, as amended. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. See "TAXING PROCEDURES."

Registered Owners' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners have a right to seek a writ of mandamus requiring the District to levy sufficient taxes each year to make such payments. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Order may not be reduced to a judgment for money damages. Even if the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by a direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. Since there is no trust indenture or trustee, the Registered Owners would have to initiate and finance the legal process to enforce their remedies. The enforceability of the rights and remedies of the Registered Owners may be limited further by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. In this regard, should the District file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the District to seek judicial foreclosure of its tax lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge.

Environmental Regulations

Wastewater treatment, water supply, storm sewer facilities and construction activities within the District are subject to complex environmental laws and regulations at the federal, state and local levels that may require or prohibit certain activities that affect the environment, such as:

- Requiring permits for construction and operation of water wells, wastewater treatment and other facilities;
- Restricting the manner in which wastes are treated and released into the air, water and soils;
- Restricting or regulating the use of wetlands or other properties; or
- Requiring remedial action to prevent or mitigate pollution.

Sanctions against a municipal utility district or other type of special purpose district for failure to comply with environmental laws and regulations may include a variety of civil and criminal enforcement measures, including assessment of monetary penalties, imposition of remedial requirements and issuance of injunctions to ensure future compliance. Environmental laws and compliance with environmental laws and regulations can increase the cost of planning, designing, constructing and operating water production and wastewater treatment facilities. Environmental laws can also inhibit growth and development within the District. Further, changes in regulations occur frequently, and any changes that result in more stringent and costly requirements could materially impact the District.

Air Quality Issues. Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the Texas Commission on Environmental Quality (the "TCEQ") may impact new industrial, commercial and residential development in the Houston area. Under the Clean Air Act ("CAA") Amendments of 1990, the eight-county Houston-Galveston-Brazoria area ("HGB Area")—Harris, Galveston, Brazoria, Chambers, Fort Bend, Waller, Montgomery and Liberty Counties—has been designated a nonattainment area under three separate federal ozone standards: the one-hour (124 parts per billion ("ppb")) and eight-hour (84 ppb) standards promulgated by the EPA in 1997 (the "1997 Ozone Standards"); the tighter, eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (the "2008 Ozone Standard"), and the EPA's most-recent promulgation of an even lower, 70 ppb eight-hour ozone standard in 2015 (the "2015 Ozone Standard"). While the State of Texas has been able to demonstrate steady progress and improvements in air quality in the HGB Area, the HGB Area remains subject to CAA nonattainment requirements.

While the EPA has revoked the 1997 Ozone Standards, the EPA historically has not formally redesignated nonattainment areas for a revoked standard. As a result, the HGB Area remained subject to continuing severe nonattainment area "anti-backsliding" requirements, despite the fact that HGB Area air quality has been attaining the 1997 Ozone Standards since 2014. In late 2015, the EPA approved the TCEQ's "redesignation substitute" for the HGB Area under the revoked 1997 Ozone Standards, leaving the HGB Area subject only to the nonattainment area requirements under the 2008 Ozone Standard (and later, the 2015 Ozone Standard).

In February 2018, the U.S. Court of Appeals for the District of Columbia Circuit issued an opinion in *South Coast Air Quality Management District v. EPA,* 882 F.3d 1138 (D.C. Cir. 2018) vacating the EPA redesignation substitute rule that provided the basis for the EPA's decision to eliminate the anti-backsliding requirements that had applied in the HGB Area under the 1997 Ozone Standard. The court has not responded to the EPA's April 2018 request for rehearing of the case. To address the uncertainty created by the *South Coast* court's ruling, the TCEQ developed a formal request that the HGB Area be redesignated to attainment under the 1997 Ozone Standards. The TCEQ Commissioners adopted the request and maintenance plan for the 1997 one-hour and eight-hour standards on December 12, 2018. On May 16, 2019, the EPA proposed a determination that the HGB Area has met the redesignation criteria and continues to attain the 1997 one-hour and eight-hour standards, the termination of the anti-backsliding obligations, and approval of the proposed maintenance plan.

The HGB Area is currently designated as a "serious" nonattainment area under the 2008 Ozone Standard, with an attainment deadline of July 20, 2021. If the EPA ultimately determines that the HGB Area has failed to meet the attainment deadline based on the relevant data, the area is subject to reclassification to a nonattainment classification that provides for more stringent controls on emissions from the industrial sector. In addition, the EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects if it finds that an area fails to demonstrate progress in reducing ozone levels.

The HGB Area is currently designated as a "marginal" nonattainment area under the 2015 Ozone Standard, with an attainment deadline of August 3, 2021. For purposes of the 2015 Ozone Standard, the HGB Area consists of only six counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties.

In order to demonstrate progress toward attainment of the EPA's ozone standards, the TCEQ has established a state implementation plan ("SIP") for the HGB Area setting emission control requirements, some of which regulate the inspection and use of automobiles. These types of measures could impact how people travel, what distances people are willing to travel, where people choose to live and work, and what jobs are available in the HGB Area. These SIP requirements can negatively impact business due to the additional permitting/regulatory constraints that accompany this designation and because of the community stigma associated with a nonattainment designation. It is possible that additional controls will be necessary to allow the HGB Area to reach attainment with the ozone standards by the EPA's attainment deadlines. These additional controls could have a negative impact on the HGB Area's economic growth and development.

Water Supply & Discharge Issues. Water supply and discharge regulations that municipal utility districts, including the District, may be required to comply with involve: (1) groundwater well permitting and surface water appropriation; (2) public water supply systems; (3) wastewater discharges from treatment facilities; (4) storm water discharges; and (5) wetlands dredge and fill activities. Each of these is addressed below:

Certain governmental entities regulate groundwater usage in the HGB Area. A municipal utility district or other type of special purpose district that (i) is located within the boundaries of such an entity that regulates groundwater usage, and (ii) relies on local groundwater as a source of water supply, may be subject to requirements and restrictions on the drilling of water wells and/or the production of groundwater that could affect both the engineering and economic feasibility of district water supply projects.

Pursuant to the federal Safe Drinking Water Act ("SDWA") and the EPA's National Primary Drinking Water Regulations ("NPDWRs"), which are implemented by the TCEQ's Water Supply Division, a municipal utility district's provision of water for human consumption is subject to extensive regulation as a public water system. Municipal utility districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency's rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future.

Texas Pollutant Discharge Elimination System ("TPDES") permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. The TCEQ reissued the TPDES Construction General Permit (TXR150000), with an effective date of March 5, 2018, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain nonstormwater discharges into surface water in the state. It has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act ("CWA") and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district's ability to obtain and maintain compliance with TPDES permits.

Operations of utility districts, including the District, are also potentially subject to requirements and restrictions under the CWA regarding the use and alteration of wetland areas that are within the "waters of the United States." The District must obtain a permit from the United States Army Corps of Engineers ("USACE") if operations of the District require that wetlands be filled, dredged, or otherwise altered.

In 2015, the EPA and USACE promulgated a rule known as the Clean Water Rule ("CWR") aimed at redefining "waters of the United States" over which the EPA and USACE have jurisdiction under the CWA. The CWR significantly expanded the scope of the federal government's CWA jurisdiction over intrastate water bodies and wetlands. The CWR was challenged in numerous jurisdictions, including the Southern District of Texas, causing significant uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction.

On September 12, 2019, the EPA and USACE finalized a rule repealing the CWR, thus reinstating the regulatory text that existed prior to the adoption of the CWR. This repeal officially became final on December 23, 2019, but the repeal has itself become the subject of litigation in multiple jurisdictions.

On January 23, 2020, the EPA and USACE released the Navigable Waters Protection Rule ("NWPR"), which contains a new definition of "waters of the United States." The stated purpose of the NWPR is to restore and maintain the integrity of the nation's waters by maintaining federal authority over the waters Congress has determined should be regulated by the federal government, while preserving the states' primary authority over land and water resources. The new definition outlines four categories of waters that are considered "waters of the United States," and thus federally regulated under the CWA: (i) territorial seas and traditional navigable waters; (ii) perennial and intermittent tributaries to territorial seas and traditional navigable waters; (iii) certain lakes, ponds, and impoundments of jurisdictional waters; and (iv) wetlands adjacent to jurisdictional waters. The new rule also identifies certain specific categories that are not "waters of the United States," and therefore not federally regulated under the CWA: (a) groundwater; (b) ephemeral features that flow only in direct response to precipitation; (c) diffuse stormwater runoff and directional sheet flow over upland; (d) certain ditches; (e) prior converted cropland; (f) certain artificially irrigated areas; (g) certain artificial lakes and ponds; (h) certain water-filled depressions and certain pits; (i) certain stormwater control features; (j) certain groundwater recharge, water reuse, and wastewater recycling structures; and (k) waste treatment systems. The NWPR is effective June 22, 2020, and is currently the subject of ongoing litigation.

Due to existing and possible future litigation, there remains uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction. Depending on the final outcome of such proceedings, operations of municipal utility districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements.

Future Debt

Following the issuance of the Bonds, the District will have $14,385,000 in authorized but unissued waterworks and sewer system unlimited tax bonds. Additional bonds will be required to finance the construction costs of the water, sewer and drainage facilities to serve the remaining undeveloped acreage and to purchase additional reserved capacity for water and wastewater treatment and conveyance capacity for future development. The District reserves in the Bond Order the right to issue the remaining authorized but unissued bonds plus such additional bonds as may hereafter be authorized by voters in the District. In addition, the District has the right to issue obligations, other than the Bonds, including revenue notes, tax anticipation notes and bond anticipation notes, and to borrow money for any valid public purpose. The issuance of additional obligations may increase the District's tax rate and adversely affect the security for and the investment quality and value of the Bonds. The District does not employ any formula with respect to assessed valuations, tax collections or other factors to limit the amount of parity bonds which it may issue. See "STATUS OF DEVELOPMENT."

Marketability of the Bonds

The District has no understanding with the Underwriter regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers, since such bonds are more generally bought, sold and traded in the secondary market.

Registered Owners' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners have a right to seek a writ of mandamus requiring the District to levy sufficient taxes each year to make such payments. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, based on recent Texas Court decisions, it is unclear whether Section 49.066, Texas Water Code effectively waives sovereign immunity of a municipal utility district for suits for money damages. Even if the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by a direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. Since there is no trust indenture or trustee, the Registered Owners would have to initiate and finance the legal process to enforce their remedies. The enforceability of the rights and remedies of the Registered Owners may be limited further by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. In this regard, should the District file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the District to seek judicial foreclosure of its tax lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge.

Continuing Compliance with Certain Covenants

Failure of the District to comply with certain covenants contained in the Bond Order on a continuing basis prior to the maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See "LEGAL MATTERS – Tax Exemption."

Approval of the Bonds

The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas, however, does not pass upon or guarantee the safety of the Bonds as an investment or the adequacy or accuracy of the information contained in this Official Statement.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Bond Insurance Risk Factors

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the Bond Insurance Policy (the "Policy") for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the issuer which is recovered by the issuer from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the District unless the Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies and the Bond Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See "BOND INSURANCE" and "RATINGS."

The obligations of the Bond Insurer are contractual obligations and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the District nor the Underwriter have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment. See "BOND INSURANCE" and "RATINGS" herein for further information provided by the Bond Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Bond Insurer.

LEGAL MATTERS

Legal Opinions

The District will furnish to the Underwriter a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the approving legal opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Attorney General has examined a transcript of proceedings authorizing the issuance of the Bonds, and that based upon such examination, the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. The District will also furnish the approving legal opinion of Schwartz, Page & Harding, L.L.P., Houston, Texas, Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Constitution and laws of the State of Texas, except to the extent that enforcement of the rights and remedies of the Registered Owners of the Bonds may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. The legal opinion of Bond Counsel will further state that the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes, without legal limitation as to rate or amount, upon all taxable property within the District. The District will also furnish the legal opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Special Tax Counsel to the District, to the effect that interest on the Bonds is excludable from gross income of the owners for federal income tax purposes under existing law and not subject to the alternative minimum tax on individuals, or, except as described therein, corporations.

In addition to serving as Bond Counsel, Schwartz, Page & Harding, L.L.P., also serves as counsel to the District on matters not related to the issuance of bonds. The legal fees to be paid to Bond Counsel and Special Tax Counsel for services rendered in connection with the issuance of the Bonds are based upon a percentage of bonds actually issued, sold and delivered, and, therefore, such fees are contingent upon the sale and delivery of the Bonds. Certain legal matters will be passed upon for the Underwriter by McCall, Parkhurst & Horton L.L.P., Houston, Texas.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Legal Review

In its capacity as Bond Counsel, Schwartz, Page & Harding, L.L.P., has reviewed the information appearing in this Official Statement under the captioned sections “PLAN OF FINANCING – Escrow Agreement,” and “– Defeasance of the Refunded Bonds” (but only insofar as such section relates to the legal opinion of Bond Counsel), “THE BONDS,” “THE DISTRICT – General,” “– Strategic Partnership Agreement with the City of Houston,” and “– Management of the District – Bond Counsel and General Counsel,” “TAXING PROCEDURES,” and “LEGAL MATTERS – Legal Opinions" (insofar as such section relates to the opinion of Bond Counsel) solely to determine whether such information fairly summarizes the law and documents referred to therein. In its capacity as Special Tax Counsel, McCall, Parkhurst & Horton L.L.P, Dallas, Texas, has reviewed the information appearing in this Official Statement under the caption "LEGAL MATTERS" (insofar as such section relates to the opinion of Special Tax Counsel) solely to determine whether such information fairly summarizes the law referred to therein. Such firms have not independently verified factual information contained in this Official Statement, nor have such firms conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firms’ limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of any of the other information contained herein.

Tax Exemption

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Special Tax Counsel, will render their opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof (“Existing Law”), (1) interest on the Bonds for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the Bonds will not be treated as “specified private activity bonds” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). Except as stated above, Special Tax Counsel will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds.

In rendering their opinion, Special Tax Counsel will rely upon (a) the opinion of Schwartz, Page & Harding, L.L.P., Houston, Texas, Bond Counsel, that the Bonds are valid and binding obligations of the District payable from the proceeds of a generally applicable ad valorem tax, (b) the District's federal tax certificate and the verification report prepared by the Verification Agent and (c) covenants of the District with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matters. Although it is expected that the Bonds will qualify as tax-exempt obligations for federal income tax purposes as of the date of issuance, the tax-exempt status of the Bonds could be affected by future events. However, future events beyond the control of the District, as well as the failure to observe the aforementioned representations or covenants, could cause the interest on the Bonds to become taxable retroactively to the date of issuance.

Special Tax Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Special Tax Counsel's opinion is not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the Issuer with respect to the Bonds. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Special Tax Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the District as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Qualified Tax-Exempt Obligations

Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a "financial institution," on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible in determining the taxpayer's taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer that is a "financial institution" allocable to tax-exempt obligations, other than "private activity bonds," that are designated by a "qualified small issuer" as "qualified tax-exempt obligations." A "qualified small issuer" is any governmental issuer (together with any "on-behalf of" and "subordinate" issuers) who issues no more than $10,000,000 of tax-exempt obligations during the calendar year. Section 265(b)(5) of the Code defines the term "financial institution" as any "bank" described in Section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person's trade or business that is subject to federal or state supervision as a financial institution. Notwithstanding the exception to the disallowance of the deduction of interest on indebtedness related to "qualified tax-exempt obligations" provided by Section 265(b) of the Code, Section 291 of the Code provides that the allowable deduction to a "bank," as defined in Section 585(a)(2) of the Code, for interest on indebtedness incurred or continued to purchase "qualified tax-exempt obligations" shall be reduced by twenty-percent (20%) as a "financial institution preference item."

The District has designated the Bonds as "qualified tax-exempt obligations" within the meaning of section 265(b) of the Code. In furtherance of that designation, the District will covenant to take such action that would assure, or to refrain from such action that would adversely affect, the treatment of the Bonds as "qualified tax-exempt obligations." **Potential purchasers should be aware that if the issue price to the public exceeds $10,000,000, there is a reasonable basis to conclude that the payment of a de minimis amount of premium in excess of $10,000,000 is disregarded; however, the Internal Revenue Service could take a contrary view. If the Internal Revenue Service takes the position that the amount of such premium is not disregarded, then such obligations might fail to satisfy the aforementioned dollar limitation and the Bonds would not be "qualified tax-exempt obligations."**

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership, or disposition of the Bonds. This discussion is based on Existing Law which is subject to change or modification retroactively.

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences. The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, including financial institutions, life insurance and property and casualty insurance companies, owners of interests in a FASIT, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, certain S corporations with accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and individuals allowed an earned income credit.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIFIC PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP, AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Under Section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership, or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Tax Accounting Treatment of Original Issue Discount and Premium Bonds

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrued period or be in excess of one year (the "Original Issue Discount Bonds"). The difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond in the initial public offering of the Bonds. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner. See "Tax Exemption" herein for a discussion of certain collateral federal tax consequences.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. ALL OWNERS OF ORIGINAL ISSUE DISCOUNT BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE DETERMINATION FOR FEDERAL, STATE AND LOCAL INCOME TAX PURPOSES OF INTEREST ACCRUED UPON REDEMPTION, SALE OR OTHER DISPOSITION OF SUCH ORIGINAL ISSUE DISCOUNT BONDS AND WITH RESPECT TO THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP, REDEMPTION, SALE OR OTHER DISPOSITION OF SUCH ORIGINAL ISSUE DISCOUNT BONDS.

The initial public offering price to be paid for certain maturities of the Bonds may be greater than the amount payable on such Bonds at maturity (the "Premium Bonds"). An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. PURCHASERS OF THE PREMIUM BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS WITH RESPECT TO THE DETERMINATION OF AMORTIZABLE BOND PREMIUM WITH RESPECT TO THE PREMIUM BONDS FOR FEDERAL INCOME TAX PURPOSES AND WITH RESPECT TO THE STATE AND LOCAL TAX CONSEQUENCES OF OWNING PREMIUM BONDS.

VERIFICATION OF MATHEMATICAL CALCULATIONS

The arithmetical accuracy of certain computations included in the schedules provided by the Financial Advisor on behalf of the District relating to (a) computation of the adequacy of the cash and the maturing principal of and interest on the Escrowed Securities to pay, when due, the principal or redemption price of and interest on the Refunded Bonds, (b) the computation of the yields on the Bonds, and (c) compliance with the Ordinance. The computations were independently verified by Robert Thomas CPA, LLC, based upon certain assumptions and information supplied by the Financial Advisor on behalf of the District, and the District. Robert Thomas CPA, LLC has restricted its procedures to verifying the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions or the achievability of future events.

NO MATERIAL ADVERSE CHANGE

The obligations of the Underwriter to take and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the condition (financial or otherwise) of the District subsequent to the date of sale from that set forth or contemplated in the Preliminary Official Statement, as it may have been supplemented or amended through the date of sale.

NO-LITIGATION CERTIFICATE

With the delivery of the Bonds, the President or Vice President and Secretary or Assistant Secretary of the Board will, on behalf of the District, execute and deliver to the Underwriter a certificate dated as of the date of delivery, to the effect that no litigation of any nature of which the District has notice is pending against or, to the knowledge of the District's certifying officers, threatened against the District, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the authorization, execution or delivery of the Bonds; affecting the provision made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the authorization, execution or delivery of the Bonds; or affecting the validity of the Bonds, the corporate existence or boundaries of the District or the title of the then present officers and directors of the Board.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Order, the District has made the following agreement for the benefit of the holders and Beneficial Owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain financial information and operating data annually. The financial information and operating data which will be provided is found in the section titled "SELECTED FINANCIAL INFORMATION", TAX DATA – (except "Estimated Overlapping Taxes"), "THE SYSTEM – Operating History", and in "APPENDIX A – Audited Financial Statements." The District will update and provide this information to the MSRB through its EMMA system within six months after the end of each of its fiscal years ended in or after September 30, 2021. The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12. The updated information will include audited financial statements if it commissions an audit and the audit is completed by the required time. If the audit of such financial statements is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such six month period, and audited financial statements when the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Order or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

The District's current fiscal year end is September 30. Accordingly, it must provide updated information by March 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify EMMA of the change.

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District within the meaning of CFR §240.15c2-12 (the "Rule"); (13) consummation of a merger, consolidation, or acquisition involving the District within the meaning of the Rule or the sale of all or substantially all of the assets of the District within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District, any of which reflect financial difficulties. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from MSRB

The District has agreed to provide the information only to the MSRB. The MSRB has prescribed that such information must be filed via EMMA. The MSRB makes the information available to the public without charge and investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of material events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement, or from any statement made pursuant to its agreement, although registered owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or operations of the District or the Developer, but only if the agreement, as amended, would have permitted an Underwriter to purchase or sell Bonds in the offering described herein in compliance with SEC Rule 15c2-12, taking into account any amendments and interpretations of such Rule to the date of such amendment, as well as changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent or any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Bonds. The District may also amend or repeal the agreement if the SEC amends or repeals the applicable provisions of such Rule or a court of final jurisdiction determines that such provisions are invalid, but in either case only to the extent that its right to do so would not prevent the Underwriter from lawfully purchasing the Bonds in the offering described herein. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings

During the last five years, the District has complied with all continuing disclosure requirements in accordance with SEC Rule 15c2-12.

GENERAL CONSIDERATIONS

General

The information contained in this Official Statement has been obtained primarily from the District's records, the Engineer, the Tax Assessor/Collector, the Appraisal District and other sources believed to be reliable; however, no representation is made as to the accuracy or completeness of the information contained herein, except as described below. The summaries of the statutes, orders and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

The financial statements of the District as of September 30, 2020, and for the year then ended, included in the offering document, have been audited by BKD, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX A" to this Official Statement.

Experts

The information contained in this Official Statement relating to engineering and to the description of the System generally and, in particular, the engineering information included in the section captioned "THE SYSTEM" has been provided by the Engineer and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

The information contained in this Official Statement relating to assessed valuations of property generally and, in particular, that information concerning valuations contained in the sections captioned "TAX DATA" and "DISTRICT DEBT" has been provided by the Appraisal District and Bob Leared Interests Inc. The District has included certain information herein in reliance upon the authority of Bob Leared Interests Inc. and the Appraisal District as experts in the field of tax assessing and real property appraisal.

Updating of Official Statement

For the period beginning on the date of the award of the sale of the Bonds to the Underwriter and ending on the ninety-first (91st) day after the "end of the underwriting period," (as defined in Rule 15c(2)-12(f)(2) of the United States Securities and Exchange Commission (the "SEC")), if any event shall occur of which the District has knowledge and as a result of which it is necessary to amend or supplement this Official Statement in order to make the statements herein, in light of the circumstances when this Official Statement is delivered to a prospective purchaser, not materially misleading, the District will promptly notify the Underwriter of the occurrence of such event and will cooperate in the preparation of a revised Official Statement, or amendments or supplements hereto, so that the statements in this Official Statement, as revised, amended or supplemented, will not, in light of the circumstances when this Official Statement is delivered to a prospective purchaser, be materially misleading. The District assumes no responsibility for supplementing this Official Statement thereafter.

Certification as to Official Statement

The District, acting by and through its Board of Directors in its official capacity in reliance upon the experts listed above, hereby certifies, as of the date hereof, that to the best of its knowledge, the information, statements and descriptions pertaining to the District and its affairs herein contain no untrue statements of a material fact and do not omit to state any material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The information, descriptions, and statements concerning entities other than the District, including particularly other governmental entities, have been obtained from sources believed to be reliable, but the District has made no independent investigation or verification of such matters and makes no representation as to the accuracy or completeness thereof.

Concluding Statement

The information set forth herein has been obtained from the District's records, audited financial statements and other sources which are considered to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will ever be realized. All of the summaries of the statutes, documents, and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such summarized documents for further information. Reference is made to official documents in all respects.

This Official Statement was approved by the Board of Directors of Northwest Harris County Municipal Utility District No. 15 as of the date shown on the first page hereof.

/s/ Lawrence LaHaie
President, Board of Directors
Northwest Harris County Municipal Utility District No. 15

ATTEST:

/s/ Joseph Turner
Secretary, Board of Directors
Northwest Harris County Municipal Utility District No. 15

APPENDIX A

Audited Financial Statements

Northwest Harris County Municipal Utility District No. 15

Harris County, Texas

Independent Auditor's Report and Financial Statements

September 30, 2020

BKD
CPAs & Advisors

Northwest Harris County Municipal Utility District No. 15

September 30, 2020

Contents

BKD
CPAs & Advisors

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Independent Auditor's Report

Board of Directors
Northwest Harris County Municipal Utility District No. 15
Harris County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Northwest Harris County Municipal Utility District No. 15 (the District), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Houston, Texas
February 4, 2021

Northwest Harris County Municipal Utility District No. 15

Management's Discussion and Analysis

September 30, 2020

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and other information required by the District's state oversight agency, the Texas Commission on Environmental Quality (the Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, sanitary sewer and drainage services. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets, liabilities, and deferred inflows and outflows of resources of the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period and expenses are recorded even though they may not have used cash during the current year.

Although the statement of activities looks different from a commercial enterprise's statement of income, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as change in net position, essentially the same thing.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the general fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

Governmental Funds

Governmental-fund financial statements consist of a balance sheet and a statement of revenues, expenditures and changes in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and water, sewer and drainage systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's assets, liabilities, and deferred inflows and outflows of resources is labeled the fund balance and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

Because the focus of the government-wide and fund financial statements is different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in the notes to financial statements that describes the adjustments to fund balances to arrive at net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in the notes to financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position, as reported in the governmental activities column in the statement of activities.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data found in the government-wide and fund financial statements.

Financial Analysis of the District as a Whole

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

Summary of Net Position

	2020	2019
Current and other assets	$ 13,332,246	$ 11,661,167
Capital assets	14,659,261	15,134,211
Total assets	27,991,507	26,795,378
Deferred outflows of resources	445,090	487,202
Total assets and deferred outflows of resources	$ 28,436,597	$ 27,282,580
Long-term liabilities	$ 13,904,394	$ 14,703,440
Other liabilities	982,781	1,020,498
Total liabilities	14,887,175	15,723,938
Net position:		
Net investment in capital assets	1,199,957	897,354
Restricted	1,671,454	1,647,409
Unrestricted	10,678,011	9,013,879
Total net position	$ 13,549,422	$ 11,558,642

The total net position of the District increased by $1,990,780 or about 17 percent. The majority of the increase in net position is related to property taxes and services revenues exceeding service expenses and current year debt service requirements. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Changes in Net Position

	2020	2019
Revenues:		
Property taxes	$ 2,607,470	$ 2,449,476
City of Houston rebates	148,225	159,251
Charges for services	2,764,947	2,759,674
Other revenues	323,302	334,739
Total revenues	5,843,944	5,703,140
Expenses:		
Services	2,771,169	2,709,327
Depreciation	450,742	429,143
Conveyance of capital assets	54,076	-
Debt service	577,177	608,410
Total expenses	3,853,164	3,746,880
Change in net position	1,990,780	1,956,260
Net position, beginning of year	11,558,642	9,602,382
Net position, end of year	$ 13,549,422	$ 11,558,642

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended September 30, 2020, were $11,861,647, an increase of $1,780,718 from the prior year.

The general fund's fund balance increased by $1,761,173, primarily due to property taxes, sales tax rebates and service revenues exceeding service operations expenditures.

The special revenue fund's fund balance remained the same, as all expenditures were billed to participants.

The debt service fund's fund balance increased by $19,545 because property tax and penalty and interest revenues were greater than bond principal and interest requirements and contracted services expenditures.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to property taxes, sales tax rebates, water service and regional water fee revenues and investment income and regional water fee and contracted services expenditures being higher than anticipated, as well as purchased services, professional fees, repairs and maintenance, and other expenditures being lower than anticipated. In addition, capital outlay expenditures were not budgeted for in the current year. The fund balance as of September 30, 2020, was expected to be $9,696,817 and the actual end-of-year fund balance was $10,033,949.

Capital Assets and Related Debt

Capital Assets

Capital assets held by the District at the end of the current and previous fiscal years are summarized below:

Capital Assets (Net of Accumulated Depreciation)

	2020	2019
Land and improvements	$ 5,844,791	$ 5,844,791
Construction in progress	118,633	758,473
Water facilities	5,727,784	5,875,222
Wastewater facilities	2,921,611	2,602,648
Drainage facilities	46,442	53,077
Total capital assets	$ 14,659,261	$ 15,134,211

During the current year, additions to capital assets were as follows:

Construction in progress, including fine screen replacement at wastewater treatment plant	$ 43,055
Trails lift station generator, bar screen, sanitary sewer rehabilitation and booster pump at water plant No. 2	27,673
Total additions to capital assets	$ 70,728

Debt

The changes in the debt position of the District during the fiscal year ended September 30, 2020, are summarized as follows.

Long-term debt payable, beginning of year	$	14,703,440
Decreases in long-term debt		(799,046)
Long-term debt payable, end of year	$	13,904,394

At September 30, 2020, the District had $14,385,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District. Of this amount, $7,000,000 is specifically authorized for the purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving or extending a surface water supply and distribution system.

The District's bonds carry an underlying rating of "A-" from Standard & Poor's. The Series 2010 bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Assured Guaranty Municipal Corp. and the Series 2013 bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Build America Mutual Assurance Company.

Other Relevant Factors

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (the City), the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City without the District's consent, except as set forth as follows.

Strategic Partnership Agreement

Effective December 14, 2009, the District entered into a Strategic Partnership Agreement with the City, which annexed certain portions of the District into the City for "limited purposes," as described therein. Under the terms of the Strategic Partnership Agreement, the City has agreed it will not annex the District as a whole for full purposes for 30 years, at which time the City has the option to annex the District if it chooses to do so.

Northwest Harris County Municipal Utility District No. 15

Statement of Net Position and Governmental Funds Balance Sheet

September 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 733,978	$ 164,187	$ 305,050	$ 1,203,215	$ -	$ 1,203,215
Certificates of deposit	6,477,810	-	1,430,000	7,907,810	-	7,907,810
Short-term investments	3,046,786	-	-	3,046,786	-	3,046,786
Receivables:						
Property taxes	10,210	-	12,697	22,907	-	22,907
Service accounts	225,392	-	-	225,392	-	225,392
Accrued interest	7,083	-	1,293	8,376	-	8,376
Interfund receivable	-	-	20,569	20,569	(20,569)	-
Due from participants	-	194,538	-	194,538	(22,973)	171,565
Due from others	476	-	-	476	-	476
Due from City of Houston	51,397	-	-	51,397	-	51,397
Due from regional water authority	-	-	-	-	633,852	633,852
Operating deposit	60,470	-	-	60,470	-	60,470
Capital assets (net of accumulated depreciation):						
Land and improvements	-	-	-	-	5,844,791	5,844,791
Construction in progress	-	-	-	-	118,633	118,633
Infrastructure	-	-	-	-	8,695,837	8,695,837
Total assets	10,613,602	358,725	1,769,609	12,741,936	15,249,571	27,991,507
Deferred Outflows of Resources						
Deferred amount on debt refundings	0	0	0	0	445,090	445,090
Total assets and deferred outflows of resources	$ 10,613,602	$ 358,725	$ 1,769,609	$ 12,741,936	$ 15,694,661	$ 28,436,597

Northwest Harris County Municipal Utility District No. 15

Statement of Net Position and Governmental Funds Balance Sheet (Continued)

September 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	$ 198,695	$ 75,748	$ 2,421	$ 276,864	$ (22,973)	$ 253,891
Accrued interest payable	-	-	-	-	168,941	168,941
Customer deposits	317,670	-	-	317,670	-	317,670
Operating deposits	-	209,770	-	209,770	-	209,770
Due to others	32,509	-	-	32,509	-	32,509
Interfund payable	20,569	-	-	20,569	(20,569)	-
Long-term liabilities:						
Due within one year	-	-	-	-	845,000	845,000
Due after one year	-	-	-	-	13,059,394	13,059,394
Total liabilities	569,443	285,518	2,421	857,382	14,029,793	14,887,175
Deferred Inflows of Resources						
Deferred property tax revenues	10,210	0	12,697	22,907	(22,907)	0
Fund Balances/Net Position						
Fund balances:						
Restricted, unlimited tax bonds	-	-	1,754,491	1,754,491	(1,754,491)	-
Committed, wastewater collection and treatment	-	73,207	-	73,207	(73,207)	-
Assigned, operating reserve	60,470	-	-	60,470	(60,470)	-
Unassigned	9,973,479	-	-	9,973,479	(9,973,479)	-
Total fund balances	10,033,949	73,207	1,754,491	11,861,647	(11,861,647)	0
Total liabilities, deferred inflows of resources and fund balances	$ 10,613,602	$ 358,725	$ 1,769,609	$ 12,741,936		
Net position:						
Net investment in capital assets					1,199,957	1,199,957
Restricted for plant operations					73,207	73,207
Restricted for debt service					1,598,247	1,598,247
Unrestricted					10,678,011	10,678,011
Total net position					$ 13,549,422	$ 13,549,422

Northwest Harris County Municipal Utility District No. 15

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances

Year Ended September 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	$ 1,291,023	$ -	$ 1,310,574	$ 2,601,597	$ 5,873	$ 2,607,470
Sales tax rebates	148,225	-	-	148,225	-	148,225
Water service	625,724	-	-	625,724	(44,000)	581,724
Sewer service	829,000	923,992	-	1,752,992	(264,360)	1,488,632
Regional water fee	694,591	-	-	694,591	-	694,591
Penalty and interest	73,566	-	83,130	156,696	(6,222)	150,474
Tap connection and inspection fees	13,947	-	-	13,947	-	13,947
Investment income	107,117	271	19,038	126,426	32,455	158,881
Total revenues	3,783,193	924,263	1,412,742	6,120,198	(276,254)	5,843,944
Expenditures/Expenses						
Service operations:						
Purchased services	264,062	-	-	264,062	(239,037)	25,025
Regional water fee	769,239	1,877	-	771,116	-	771,116
Professional fees	161,350	37,207	1,528	200,085	-	200,085
Contracted services	427,334	148,678	44,385	620,397	-	620,397
Utilities	62,418	130,479	-	192,897	-	192,897
Repairs and maintenance	282,031	533,011	-	815,042	27,475	842,517
Other expenditures	73,214	38,851	5,154	117,219	-	117,219
Tap connections	1,913	-	-	1,913	-	1,913
Capital outlay	48,506	34,160	-	82,666	(82,666)	-
Depreciation	-	-	-	-	450,742	450,742
Conveyance of capital assets	-	-	-	-	54,076	54,076
Debt service:						
Principal retirement	-	-	810,000	810,000	(810,000)	-
Interest and fees	-	-	532,130	532,130	45,047	577,177
Total expenditures/expenses	2,090,067	924,263	1,393,197	4,407,527	(554,363)	3,853,164
Excess of Revenues Over Expenditures	1,693,126	-	19,545	1,712,671	278,109	
Other Financing Sources						
Return of capital	68,047	-	-	68,047	(68,047)	
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,761,173	-	19,545	1,780,718	(1,780,718)	
Change in Net Position					1,990,780	1,990,780
Fund Balances/Net Position						
Beginning of year	8,272,776	73,207	1,734,946	10,080,929	-	11,558,642
End of year	$ 10,033,949	$ 73,207	$ 1,754,491	$ 11,861,647	$ 0	$ 13,549,422

Northwest Harris County Municipal Utility District No. 15

Notes to Financial Statements

September 30, 2020

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Northwest Harris County Municipal Utility District No. 15 (the District) was created by an order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (the Commission), effective March 7, 1978, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate waterworks, wastewater and drainage facilities and to provide such facilities and services to the customers of the District.

The District is governed by a Board of Directors (the Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for which the District is considered to be financially accountable. Accountability is defined as the District's substantive appointment of the voting majority of the component unit's governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

Government-wide and Fund Financial Statements

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, wastewater, drainage and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, charges for services and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District.

The fund financial statements provide information about the District's governmental funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental funds:

General Fund – The general fund is the primary operating fund of the District which accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, charges for services and interest income.

Special Revenue Fund – Accounts for revenues and expenditures involving specific revenue sources that are legally restricted to expenditures for specified purposes. The primary source of revenue is participant fees.

Debt Service Fund – The debt service fund is used to account for financial resources that are restricted, committed or assigned to expenditures for principal and interest related costs, as well as the financial resources being accumulated for future debt service.

Fund Balances – Governmental Funds

The fund balances for the District's governmental funds can be displayed in up to five components:

Nonspendable – Amounts that are not in a spendable form or are required to be maintained intact.

Restricted – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by issuance of a resolution by the District's Board.

Assigned – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – The residual classification for the general fund and includes all amounts not contained in the other classifications.

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Intergovernmental revenues are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as liabilities.

Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

Interfund Transactions

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Operating transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Pension Costs

The District does not participate in a pension plan and, therefore, has no pension costs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Investments and Investment Income

Investments in certificates of deposit, mutual funds, U.S. Government and agency securities, and certain pooled funds, which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

Property Taxes

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes, penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended September 30, 2020, include collections during the current period or within 60 days of year-end related to the 2019 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended September 30, 2020, the 2019 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of $5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Water production and distribution facilities	10-45
Wastewater collection and treatment facilities	10-45
Storm water pump station	20

Deferred Amount on Debt Refundings

In the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt in a debt refunding is deferred and amortized to interest expense using the effective interest rate method over the remaining life of the old debt or the life of the new debt, whichever is shorter. Such amounts are classified as deferred outflows or inflows of resources.

Debt Issuance Costs

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and, therefore, are recognized as an expense/expenditure in the period incurred.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on bonds are recognized as a component of long-term liabilities and amortized over the life of the related debt using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position/Fund Balances

Fund balances and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, generally, it is the District's policy to use restricted resources first.

Reconciliation of Government-wide and Fund Financial Statements

Amounts reported for net position of governmental activities in the statement of net position and fund balances in the governmental funds balance sheet are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	$	14,659,261
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.		22,907

Amounts due from the regional water authority are not receivable in the current period and are not reported in the funds.	$	633,852
Deferred amount on debt refundings for governmental activities are not financial resources and are not reported in the funds.		445,090
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.		(168,941)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.		(13,904,394)
Adjustment to fund balances to arrive at net position.	$	1,687,775

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balances in the governmental funds statement of revenues, expenditures and changes in fund balances because:

Change in fund balances.	$	1,780,718
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation, noncapitalized costs and conveyance of capital assets exceeded capital outlay expenditures in the current year.		(474,950)
Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.		810,000
Return of capital is an other financing source in the government funds, but is a reduction of amounts due from the Authority and an increase in investment income in the government-wide financial statements.		(35,592)
Revenues collected in the current year, which have previously been reported in the statement of activities, are reported as revenues in the governmental funds.		(44,349)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(45,047)
Change in net position of governmental activities.	$	1,990,780

Northwest Harris County Municipal Utility District No. 15

Notes to Financial Statements

September 30, 2020

Note 2: Deposits, Investments and Investment Income

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; or certain collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.

At September 30, 2020, none of the District's bank balances were exposed to custodial credit risk.

Investments

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, obligations of states, agencies and counties and other political subdivisions with an investment rating not less than "A," insured or collateralized certificates of deposit, and certain bankers' acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts and investment pools.

The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas CLASS, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Trustees, elected by the participants, has oversight of Texas CLASS. The District's investments may be redeemed at any time. Texas CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques and limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations.

At September 30, 2020, the District has the following investments and maturities.

		Maturities in Years			
Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
Texas CLASS	$ 3,046,786	$ 3,046,786	$ 0	$ 0	$ 0

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2020, the District's investments in Texas CLASS were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet at September 30, 2020, as follows:

Carrying value:	
Deposits	$ 9,111,025
Investments	3,046,786
Total	$ 12,157,811

Included in the following statement of net position captions:

Cash	$ 1,203,215
Certificates of deposit	7,907,810
Short-term investments	3,046,786
Total	$ 12,157,811

Investment Income

Investment income of $158,881 for the year ended September 30, 2020, consisted of $126,426 in interest income on deposits and investments and $32,455 in interest on capital contributions to the North Harris County Regional Water Authority (the Authority).

Fair Value Measurements

The District has the following recurring fair value measurements as of September 30, 2020:

- Pooled investments of $3,046,786 are valued at fair value per share of the pool's underlying portfolio.

Note 3: Capital Assets

A summary of changes in capital assets for the year ended September 30, 2020, is presented below:

Governmental Activities	Balances, Beginning of Year	Additions	Retirements/ Reclassi- fications	Balances, End of Year
Capital assets, non-depreciable:				
Land and improvements	$ 5,844,791	$ -	$ -	$ 5,844,791
Construction in progress	758,473	43,055	(682,895)	118,633
Total capital assets, non-depreciable	6,603,264	43,055	(682,895)	5,963,424
Capital assets, depreciable:				
Water production and distribution facilities	10,802,667	17,169	141,658	10,961,494
Wastewater collection and treatment facilities	4,883,952	10,504	446,301	5,340,757
Drainage facilities	132,691	-	-	132,691
Total capital assets, depreciable	15,819,310	27,673	587,959	16,434,942
Less accumulated depreciation:				
Water production and distribution facilities	(4,927,445)	(306,265)	-	(5,233,710)
Wastewater collection and treatment facilities	(2,281,304)	(137,842)	-	(2,419,146)
Drainage facilities	(79,614)	(6,635)	-	(86,249)
Total accumulated depreciation	(7,288,363)	(450,742)	0	(7,739,105)
Total governmental activities, net	$ 15,134,211	$ (380,014)	$ (94,936)	$ 14,659,261

Note 4: Long-term Liabilities

Changes in long-term liabilities for the year ended September 30, 2020, were as follows:

Governmental Activities	Balances, Beginning of Year	Decreases	Balances, End of Year	Amounts Due in One Year
Unlimited tax bonds payable:				
Unlimited tax bonds	$ 7,430,000	$ 165,000	$ 7,265,000	$ 175,000
Unlimited tax bonds from direct placement	7,450,000	645,000	6,805,000	670,000
Less discounts on bonds	176,560	10,954	165,606	-
Total governmental activities long-term liabilities	$ 14,703,440	$ 799,046	$ 13,904,394	$ 845,000

Unlimited Tax Bonds

	Series 2010	Series 2013
Amounts outstanding, September 30, 2020	$1,955,000	$5,310,000
Interest rates	3.25% to 4.25%	4.375% to 4.500%
Maturity dates, serially beginning/ending	June 1, 2021/2029	June 1, 2030/2033
Interest payment dates	December 1/June 1	December 1/June 1
Callable dates*	June 1, 2018	June 1, 2021

	Refunding Series 2015**
Amount outstanding, September 30, 2020	$6,805,000
Interest rate	2.86%
Maturity dates, serially beginning/ending	June 1, 2021/2029
Interest payment dates	December 1/June 1
Callable date*	June 1, 2022

*Or any date thereafter; callable at par plus accrued interest to the date of redemption.
**Direct placement bonds.

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on unlimited tax and direct placement bonds outstanding at September 30, 2020:

	Unlimited Tax Bonds		Unlimited Tax Direct Placement Bonds		
Year	**Principal**	**Interest**	**Principal**	**Interest**	**Total**
2021	$ 175,000	$ 312,200	$ 670,000	$ 194,623	$ 1,351,823
2022	185,000	306,075	685,000	175,461	1,351,536
2023	195,000	299,416	700,000	155,870	1,350,286
2024	205,000	292,199	725,000	135,850	1,358,049
2025	215,000	284,410	755,000	115,115	1,369,525
2026-2030	2,215,000	1,283,313	3,270,000	237,809	7,006,122
2031-2033	4,075,000	370,981	-	-	4,445,981
Total	$ 7,265,000	$ 3,148,594	$ 6,805,000	$ 1,014,728	$ 18,233,322

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount.

Bonds voted	$ 39,660,000*
Bonds sold	25,275,000
Refunding bonds voted	39,660,000

*Of this amount, $7,000,000 is specifically authorized for the purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving or extending a surface water supply and distribution system.

Note 5: Significant Bond Order and Commission Requirements

The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended September 30, 2020, the District levied an ad valorem debt service tax at the rate of $0.3000 per $100 of assessed valuation, which resulted in a tax levy of $1,329,795 on the taxable valuation of $443,265,056 for the 2019 tax year. The interest and principal requirements to be paid from the tax revenues and available resources were $1,328,852, of which $1,075,440 has been paid and $253,412 is due December 1, 2020.

Note 6: Maintenance Taxes

At an election held May 4, 2002, voters authorized a maintenance tax not to exceed $0.50 per $100 valuation on all property within the District subject to taxation. During the year ended September 30, 2020, the District levied an ad valorem maintenance tax at the rate of $0.2950 per $100 of assessed valuation, which resulted in a tax levy of $1,307,632 on the taxable valuation of $443,265,056 for the 2019 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 7: Regional Water Authority

The District is within the boundaries of the Authority, which was created by the Texas Legislature. The Authority was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Harris-Galveston Subsidence District, which regulates groundwater withdrawal. As of September 30, 2020, the Authority was billing the District $4.25 per 1,000 gallons of water pumped from its wells. This amount is subject to future increases.

In 2003 and 2005, the District entered into capital contribution agreements (the Agreements) with the Authority. The Agreements required the District to make capital contributions to the Authority of $953,715 and the District will receive repayment through credits for District pumpage fees and water payments as they become due each year. In addition, any amounts owed to the District that remain after the credits will be paid to the District. These repayments accrued interest from 4.8087 percent to 5.0575 percent per year and will be repaid with interest-only payments through 2009 and principal and interest from 2010 through 2036. At September 30, 2020, the repayments outstanding are as follows:

Year	Amount
2021	$ 68,047
2022	68,047
2023	68,047
2024	68,047
2025	68,047
2026-2030	340,235
2031-2035	170,708
2036	5,918
	857,096
Less amount representing interest	(223,244)
	$ 633,852

Note 8: Contracts With Other Districts

Permanent Wastewater Treatment Plant

On May 16, 2001, the District entered into an amended waste disposal agreement with Harris County Municipal Utility District Nos. 273, 280, 281, 282 (District Nos. 273, 280, 281 and 282), and Northwest Harris County Municipal Utility District No. 5 (District No. 5) for the expansion and operation of a permanent wastewater treatment plant. The agreement is for a 40-year period from the date of the first amendment. Each participant's capacity and percent of ownership is shown below.

Participants	Gallons-per-day Capacity	Percentage
District No. 5	809,250	30.97
District No. 273	148,000	5.66
District No. 280	317,205	12.14
District No. 281	356,850	13.65
District No. 282	305,950	11.71
The District	676,095	25.87
Total	2,613,350	100.00

Under the terms of the agreement, monthly operating costs are shared by the participants, based upon percentage of ownership. Transactions for the current year are summarized as follows:

	District No. 5	District No. 273	District No. 280	District No. 281	District No. 282	The District	Total
Receivable, beginning of year	$ 37,643	$ 11,998	$ 25,732	$ 16,592	$ 24,822	$ 5,742	$ 122,529
Billings	286,160	52,298	112,173	126,125	108,199	239,037	923,992
Collections	(238,576)	(48,720)	(112,348)	(113,981)	(116,552)	(221,806)	(851,983)
Receivable, end of year	$ 85,227	$ 15,576	$ 25,557	$ 28,736	$ 16,469	$ 22,973	$ 194,538
Operating deposits	$ 87,638	$ 16,016	$ 34,353	$ 38,626	$ 33,137	$ 73,207	$ 282,977

On July 1, 2003, the District approved the second amendment to the waste disposal agreement, which provides for the expansion of the service area, as described in the agreement and the conveyance of the plant to District No. 281, effective July 1, 2007. The third amendment to the waste disposal agreement was effective June 1, 2005, and provides for changes in ownership of capacity. Pursuant to the fourth amendment dated May 24, 2006, the District designed a 1,053,350 gallons-per-day expansion of the plant on behalf of District No. 5 and District No. 281. District Nos. 281 and 5 deposited funds with the District for their share of construction costs. The conveyance of the plant to District No. 281 was deferred to June 25, 2008. During a prior year, the expansion was completed and the participants' percentage of ownership reflects the increased capacity. On March 26, 2008, the districts entered into the fifth amendment to the waste disposal agreement. In accordance with the amendment, it was agreed that District No. 15 would retain legal title to the plant on behalf of the districts and would no longer be required to transfer the plant to District No. 281, unless and until the districts with beneficial ownership of at least two-thirds of the then-existing capacity in the plant vote to transfer legal title to, and operational responsibility for, the plant to another district, with such vote not to occur before January 1, 2011, if at all. On January 26, 2011, the District approved the sixth amendment to the agreement and District No. 281 purchased additional capacity from District No. 5 effective March 1, 2010. The seventh amendment to the agreement was effective September 1, 2015, and reflects the purchase of capacity by District No. 282 and District No. 273 from District No. 5. All of the participants in the plant have executed an eighth amendment to the Waste Disposal Agreement effective January 30, 2019, to clarify and modify the meeting schedule and procedures of the Operating Committee, and grant authority to District No. 15 to approve expenses related to operating and maintaining the plant of not more than $75,000 without the prior approval of the Operating Committee. The eighth amendment extends the term of the Waste Disposal Agreement for 40 years from January 30, 2019.

Permanent and Emergency Water Supply

The District, District No. 280, District No. 281 and District No. 282 have also entered into a Permanent and Emergency Water Supply Agreement effective October 1, 1997, as amended April 5, 2000, December 1, 2005, and February 6, 2017. Under the terms of the agreement, the districts shared the cost of constructing Phase I of a water plant, which consisted of a water well within the boundaries of District No. 280. During a prior year, Phase II of the construction was completed. Each district's pro rata share of ownership in the plant and well is as follows:

Participants	Fixed Costs Percent	Water Well and Pump Percent	Ground Storage Percent	Auxiliary Power Percent	All Other Components Percent
District No. 280	25.98	25.98	31.04	25.98	31.04
District No. 281	27.74	27.74	33.15	27.74	33.15
District No. 282	29.97	29.97	35.81	29.97	35.81
The District	16.31	16.31	-	16.31	-
Totals	100.00	100.00	100.00	100.00	100.00

Phase I became operational in April 1999. Phase II became operational during April 2002. Under the terms of the agreement, the District did not share operating costs until Phase II was operational. Operational costs of the components are shared based on capacity owned by each participant and variable costs are allocated based on water usage. During the current year, the District incurred operating costs of $25,025.

Note 9: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three fiscal years.

Note 10: Strategic Partnership Agreement

Effective December 14, 2009, the District and the City of Houston (the City) entered into a Strategic Partnership Agreement (the SPA) under which the City annexed a tract of land (the tract) within the boundaries of the District for limited purposes. The District continues to exercise all powers and functions of a municipal utility district as provided by law. As consideration for the District providing services as detailed in the SPA, the City agrees to remit one-half of all sales and use tax revenues generated within the boundaries of the tract. As consideration for the sales tax payments by the City, the District agrees to continue to provide and develop water, sewer and drainage services within the District in lieu of full-purpose annexation. The City agrees it will not annex the District for full purposes or commence any action to annex the District during the term of the SPA, which is 30 years. During the current year, the District recorded $148,225 in revenue related to the SPA.

Note 11: Uncertainties

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position and results of operations of the District. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Required Supplementary Information

Northwest Harris County Municipal Utility District No. 15

Budgetary Comparison Schedule – General Fund

Year Ended September 30, 2020

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	$ 1,262,080	$ 1,291,023	$ 28,943
Sales tax rebates	120,000	148,225	28,225
Water service	561,500	625,724	64,224
Sewer service	821,100	829,000	7,900
Regional water fee	600,000	694,591	94,591
Penalty and interest	72,625	73,566	941
Tap connection and inspection fees	11,000	13,947	2,947
Investment income	50,000	107,117	57,117
Total revenues	3,498,305	3,783,193	284,888
Expenditures			
Service operations:			
Purchased services	340,798	264,062	76,736
Regional water fee	660,000	769,239	(109,239)
Professional fees	222,000	161,350	60,650
Contracted services	403,100	427,334	(24,234)
Utilities	54,800	62,418	(7,618)
Repairs and maintenance	349,650	282,031	67,619
Other expenditures	111,956	73,214	38,742
Tap connections	-	1,913	(1,913)
Capital outlay	-	48,506	(48,506)
Total expenditures	2,142,304	2,090,067	52,237
Excess of Revenues Over Expenditures	1,356,001	1,693,126	337,125
Other Financing Sources			
Return of capital	68,040	68,047	7
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,424,041	1,761,173	337,132
Fund Balance, Beginning of Year	8,272,776	8,272,776	-
Fund Balance, End of Year	$ 9,696,817	$ 10,033,949	$ 337,132

Northwest Harris County Municipal Utility District No. 15

Budgetary Comparison Schedule – Special Revenue Fund

Year Ended September 30, 2020

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sewer service	$ 1,131,805	$ 923,992	$ (207,813)
Investment income	100	271	171
Total revenues	1,131,905	924,263	(207,642)
Expenditures			
Service operations:			
Regional water fee	36,000	1,877	34,123
Professional fees	95,600	37,207	58,393
Contracted services	132,000	148,678	(16,678)
Utilities	150,000	130,479	19,521
Repairs and maintenance	640,000	533,011	106,989
Other expenditures	44,145	38,851	5,294
Capital outlay	34,160	34,160	-
Total expenditures	1,131,905	924,263	207,642
Excess of Revenues Over Expenditures	-	-	-
Fund Balance, Beginning of Year	73,207	73,207	-
Fund Balance, End of Year	$ 73,207	$ 73,207	$ 0

Northwest Harris County Municipal Utility District No. 15

Notes to Required Supplementary Information

September 30, 2020

Budgets and Budgetary Accounting

Annual operating budgets are prepared for the general and special revenue funds by the District's Board of Directors and its consultants. The budgets reflect resources expected to be received during the current year and expenditures expected to be incurred. The Board of Directors is required to adopt the budgets prior to the start of its fiscal year. The budgets are not a spending limitation (a legally restricted appropriation). The original budgets of the general and special revenue funds were not amended during fiscal 2020.

The District prepares its annual operating budgets on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedules - General Fund and Special Revenue Fund present the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Other Information

Northwest Harris County Municipal Utility District No. 15

Other Schedules Included Within This Report

September 30, 2020

(Schedules included are checked or explanatory notes provided for omitted schedules.)

[X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 12-27

[X] Schedule of Services and Rates

[X] Schedule of General Fund Expenditures

[X] Schedule of Temporary Investments

[X] Analysis of Taxes Levied and Receivable

[X] Schedule of Long-term Debt Service Requirements by Years

[X] Changes in Long-term Bonded Debt

[X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund – Five Years

[X] Board Members, Key Personnel and Consultants

Northwest Harris County Municipal Utility District No. 15

Schedule of Services and Rates

Year Ended September 30, 2020

1. Services provided by the District:

X Retail Water	___ Wholesale Water	X Drainage
X Retail Wastewater	___ Wholesale Wastewater	___ Irrigation
___ Parks/Recreation	___ Fire Protection	X Security
X Solid Waste/Garbage	___ Flood Control	___ Roads

X Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)

___ Other ______

2. Retail service providers

a. Retail rates for a 5/8" meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1,000 Gallons Over Minimum	Usage Levels		
Water:	$ 11.00	5,000	N	$ 2.00	5,001	to	15,000
				$ 4.00	15,001	to	30,000
				$ 6.00	30,001	to	No Limit
Wastewater:	$ 34.57	0	Y				
Regional water fee:	$ 4.68	1	N	$ 4.68	1,001	to	No Limit
TCEQ regulatory assessment:	None	1	N	0.50%	1,001	to	No Limit

Does the District employ winter averaging for wastewater usage? Yes ___ No X

Total charges per 10,000 gallons usage (including fees): Water $ 67.80 Wastewater $ 34.57

b. Water and wastewater retail connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC*
Unmetered	2	1	x1.0	1
≤ 3/4"	1,338	1,329	x1.0	1,329
1"	16	14	x2.5	35
1 1/2"	-	-	x5.0	-
2"	46	46	x8.0	368
3"	-	-	x15.0	-
4"	3	3	x25.0	75
6"	3	3	x50.0	150
8"	7	7	x80.0	560
10"	-	-	x115.0	-
12"	1	1	x155.0	155
Total water	1,416	1,404		2,673
Total wastewater	1,361	1,349	x1.0	1,349

3. Total water consumption (in thousands) during the fiscal year:

Gallons pumped into the system:	192,915
Gallons billed to customers:	157,463
Water accountability ratio (gallons billed/gallons pumped):	81.62%

*"ESFC" means equivalent single-family connections

Northwest Harris County Municipal Utility District No. 15

Schedule of General Fund Expenditures

Year Ended September 30, 2020

Personnel (including benefits)		$ -
Professional Fees		
Auditing	$ 21,800	
Legal	89,596	
Engineering	49,954	
Financial advisor	-	161,350
Purchased Services for Resale		
Bulk water and wastewater service purchases		264,062
Regional Water Fee		769,239
Contracted Services		
Bookkeeping	19,086	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	11,375	
Other contracted services	123,573	154,034
Utilities		62,418
Repairs and Maintenance		282,031
Administrative Expenditures		
Directors' fees	18,900	
Office supplies	-	
Insurance	19,510	
Other administrative expenditures	34,804	73,214
Capital Outlay		
Capitalized assets	48,506	
Expenditures not capitalized	-	48,506
Tap Connection Expenditures		1,913
Solid Waste Disposal		273,300
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		-
Total expenditures		$ 2,090,067

Northwest Harris County Municipal Utility District No. 15

Schedule of Temporary Investments

September 30, 2020

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Certificates of Deposit				
No. 6750973106	0.30%	10/23/20	$ 2,000,000	$ 2,630
No. 6750973645	0.30%	10/22/20	2,000,000	2,647
No. 1002040268	0.30%	11/21/20	245,000	266
No. 66000664	0.30%	11/21/20	1,000,000	1,085
No. 3116001437	0.25%	01/21/21	240,000	117
No. 36000108	0.35%	01/21/21	247,810	169
No. 675886222	0.25%	02/20/21	500,000	136
No. 3300041527	0.50%	03/20/21	245,000	33
Texas Class	0.22%	Demand	3,046,786	-
			9,524,596	7,083
Debt Service Fund				
Certificate of Deposit				
No. 6758110948	0.25%	11/21/20	1,430,000	1,293
Totals			$ 10,954,596	$ 8,376

Northwest Harris County Municipal Utility District No. 15

Analysis of Taxes Levied and Receivable

Year Ended September 30, 2020

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year	$ 7,040	$ 9,994
Additions and corrections to prior years' taxes	(13,439)	(16,518)
Adjusted receivable, beginning of year	(6,399)	(6,524)
2019 Original Tax Levy	1,217,971	1,238,614
Additions and corrections	89,661	91,181
Adjusted tax levy	1,307,632	1,329,795
Total to be accounted for	1,301,233	1,323,271
Tax collections: Current year	(1,302,031)	(1,324,099)
Prior years	11,008	13,525
Receivable, end of year	$ 10,210	$ 12,697
Receivable, by Years		
2019	$ 5,601	$ 5,696
2018	1,863	2,292
2017	1,433	1,751
2016	537	673
2015	20	29
2014	232	437
2013	142	478
2012	130	437
2011	145	490
2010	107	414
Receivable, end of year	$ 10,210	$ 12,697

Northwest Harris County Municipal Utility District No. 15

Analysis of Taxes Levied and Receivable (Continued)

Year Ended September 30, 2020

	2019	2018	2017	2016
Property Valuations				
Land	$ 94,858,064	$ 91,430,484	$ 91,522,512	$ 89,317,376
Improvements	368,929,968	357,000,661	343,554,157	316,364,714
Personal property	28,658,125	22,531,783	24,393,766	21,791,090
Exemptions	(49,181,101)	(47,085,098)	(48,353,003)	(44,694,461)
Total property valuations	$ 443,265,056	$ 423,877,830	$ 411,117,432	$ 382,778,719
Tax Rates per $100 Valuation				
Debt service tax rates	$ 0.3000	$ 0.3200	$ 0.3300	$ 0.3500
Maintenance tax rates*	0.2950	0.2600	0.2700	0.2800
Total tax rates per $100 valuation	$ 0.5950	$ 0.5800	$ 0.6000	$ 0.6300
Tax Levy	$ 2,637,427	$ 2,458,491	$ 2,466,705	$ 2,411,507
Percent of Taxes Collected to Taxes Levied**	99%	99%	99%	99%

*Maximum tax rate approved by voters: $0.50 on May 4, 2002

**Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

Northwest Harris County Municipal Utility District No. 15

Schedule of Long-term Debt Service Requirements by Years

September 30, 2020

	Series 2010		
Due During Fiscal Years Ending September 30	Principal Due June 1	Interest Due December 1, June 1	Total
2021	$ 175,000	$ 76,412	$ 251,412
2022	185,000	70,288	255,288
2023	195,000	63,628	258,628
2024	205,000	56,412	261,412
2025	215,000	48,622	263,622
2026	225,000	40,238	265,238
2027	240,000	31,238	271,238
2028	250,000	21,637	271,637
2029	265,000	11,263	276,263
Totals	$ 1,955,000	$ 419,738	$ 2,374,738

Northwest Harris County Municipal Utility District No. 15

Schedule of Long-term Debt Service Requirements by Years (Continued)

September 30, 2020

Due During Fiscal Years Ending September 30	Series 2013 Principal Due June 1	Series 2013 Interest Due December 1, June 1	Series 2013 Total
2021	$ -	$ 235,788	$ 235,788
2022	-	235,787	235,787
2023	-	235,788	235,788
2024	-	235,787	235,787
2025	-	235,788	235,788
2026	-	235,787	235,787
2027	-	235,788	235,788
2028	-	235,787	235,787
2029	-	235,788	235,788
2030	1,235,000	235,787	1,470,787
2031	1,295,000	181,756	1,476,756
2032	1,355,000	125,100	1,480,100
2033	1,425,000	64,125	1,489,125
Totals	$ 5,310,000	$ 2,728,856	$ 8,038,856

Northwest Harris County Municipal Utility District No. 15

Schedule of Long-term Debt Service Requirements by Years (Continued)

September 30, 2020

	Refunding Series 2015		
Due During Fiscal Years Ending September 30	Principal Due June 1	Interest Due December 1, June 1	Total
2021	$ 670,000	$ 194,623	$ 864,623
2022	685,000	175,461	860,461
2023	700,000	155,870	855,870
2024	725,000	135,850	860,850
2025	755,000	115,115	870,115
2026	775,000	93,522	868,522
2027	805,000	71,357	876,357
2028	830,000	48,334	878,334
2029	860,000	24,596	884,596
Totals	$ 6,805,000	$ 1,014,728	$ 7,819,728

Northwest Harris County Municipal Utility District No. 15

Schedule of Long-term Debt Service Requirements by Years (Continued)

September 30, 2020

	Annual Requirements For All Series		
Due During Fiscal Years Ending September 30	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2021	$ 845,000	$ 506,823	$ 1,351,823
2022	870,000	481,536	1,351,536
2023	895,000	455,286	1,350,286
2024	930,000	428,049	1,358,049
2025	970,000	399,525	1,369,525
2026	1,000,000	369,547	1,369,547
2027	1,045,000	338,383	1,383,383
2028	1,080,000	305,758	1,385,758
2029	1,125,000	271,647	1,396,647
2030	1,235,000	235,787	1,470,787
2031	1,295,000	181,756	1,476,756
2032	1,355,000	125,100	1,480,100
2033	1,425,000	64,125	1,489,125
Totals	$ 14,070,000	$ 4,163,322	$ 18,233,322

Northwest Harris County Municipal Utility District No. 15

Changes in Long-term Bonded Debt

Year Ended September 30, 2020

	Bond Issues			
	Series 2010	Series 2013	Refunding Series 2015	Totals
Interest rates	3.25% to 4.25%	4.375% to 4.500%	2.86%	
Dates interest payable	December 1/ June 1	December 1/ June 1	December 1/ June 1	
Maturity dates	June 1, 2021/2029	June 1, 2030/2033	June 1, 2021/2029	
Bonds outstanding, beginning of current year	$ 2,120,000	$ 5,310,000	$ 7,450,000	$ 14,880,000
Retirements, principal	165,000	-	645,000	810,000
Bonds outstanding, end of current year	$ 1,955,000	$ 5,310,000	$ 6,805,000	$ 14,070,000
Interest paid during current year	$ 82,022	$ 235,787	$ 213,070	$ 530,879

Paying agent's name and address:

Series 2010 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2013 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2015 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

Bond authority:

	Tax Bonds	Other Bonds	Refunding Bonds
Amount authorized by voters	$ 39,660,000	0	$ 39,660,000
Amount issued	$ 25,275,000	0	$ -
Remaining to be issued	$ 14,385,000 *	0	$ 39,660,000

Debt service fund cash and temporary investment balances as of September 30, 2020:	$ 1,735,050
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 1,402,563

*Of this amount, $7,000,000 is specifically authorized for purchasing, constructing, acquiring, owning, operating, repairing, improving or extending a surface water supply and distribution system.

Northwest Harris County Municipal Utility District No. 15

Comparative Schedule of Revenues and Expenditures – General Fund

Five Years Ended September 30,

	Amounts				
	2020	2019	2018	2017	2016
General Fund					
Revenues					
Property taxes	$ 1,291,023	$ 1,096,523	$ 1,127,417	$ 1,052,738	$ 903,813
Sales tax rebates	148,225	159,251	145,488	99,174	82,859
Water service	625,724	587,470	614,216	626,376	573,220
Sewer service	829,000	820,652	781,269	788,563	755,063
Regional water fee	694,591	652,136	616,730	505,808	360,282
Penalty and interest	73,566	82,217	75,854	66,908	42,660
Tap connection and inspection fees	13,947	11,664	40,398	150,009	603,121
Investment income	107,117	157,290	80,835	24,722	11,547
Total revenues	3,783,193	3,567,203	3,482,207	3,314,298	3,332,565
Expenditures					
Service operations:					
Purchased services	264,062	270,166	386,304	296,099	273,578
Regional water fee	769,239	693,657	632,590	536,022	355,965
Professional fees	161,350	159,118	261,833	227,754	258,580
Contracted services	427,334	406,612	355,182	359,367	356,759
Utilities	62,418	55,458	60,161	62,877	59,363
Repairs and maintenance	282,031	288,234	365,452	356,679	772,197
Other expenditures	73,214	93,787	94,386	85,923	87,050
Tap connections	1,913	-	10,275	64,329	149,133
Capital outlay	48,506	201,036	923,473	226,565	278,433
Debt service, debt issuance costs	-	-	-	-	6,013
Total expenditures	2,090,067	2,168,068	3,089,656	2,215,615	2,597,071
Excess of Revenues Over Expenditures	1,693,126	1,399,135	392,551	1,098,683	735,494
Other Financing Sources (Uses)					
Interfund transfers out	-	(5,561)	(14,323)	-	(534,963)
Return of capital	68,047	68,047	68,047	68,047	68,047
Total other financing sources (uses)	68,047	62,486	53,724	68,047	(466,916)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,761,173	1,461,621	446,275	1,166,730	268,578
Fund Balance, Beginning of Year	8,272,776	6,811,155	6,364,880	5,198,150	4,929,572
Fund Balance, End of Year	$ 10,033,949	$ 8,272,776	$ 6,811,155	$ 6,364,880	$ 5,198,150
Total Active Retail Water Connections	1,404	1,405	1,397	1,392	1,388
Total Active Retail Wastewater Connections	1,349	1,350	1,354	1,349	1,351

Percent of Fund Total Revenues				
2020	2019	2018	2017	2016
34.1 %	30.7 %	32.4 %	31.8 %	27.1 %
3.9	4.5	4.2	3.0	2.5
16.5	16.5	17.6	18.9	17.2
21.9	23.0	22.4	23.8	22.7
18.4	18.3	17.7	15.3	10.8
2.0	2.3	2.2	2.0	1.3
0.4	0.3	1.2	4.5	18.1
2.8	4.4	2.3	0.7	0.3
100.0	100.0	100.0	100.0	100.0
7.0	7.6	11.1	8.9	8.2
20.3	19.4	18.2	16.2	10.7
4.3	4.5	7.5	6.9	7.8
11.3	11.4	10.2	10.8	10.7
1.6	1.6	1.7	1.9	1.8
7.5	8.1	10.5	10.8	23.2
1.9	2.6	2.7	2.6	2.6
0.1	-	0.3	1.9	4.5
1.3	5.6	26.5	6.8	8.4
-	-	-	-	0.2
55.3	60.8	88.7	66.8	78.1
44.7 %	39.2 %	11.3 %	33.2 %	21.9 %

Northwest Harris County Municipal Utility District No. 15

Comparative Schedule of Revenues and Expenditures – Debt Service Fund

Five Years Ended September 30,

	Amounts				
	2020	2019	2018	2017	2016
Debt Service Fund					
Revenues					
Property taxes	$ 1,310,574	$ 1,350,388	$ 1,379,313	$ 1,316,428	$ 1,355,901
Penalty and interest	83,130	14,720	24,560	29,625	26,177
Investment income	19,038	32,869	23,238	4,765	3,192
Total revenues	1,412,742	1,397,977	1,427,111	1,350,818	1,385,270
Expenditures					
Current:					
Professional fees	1,528	4,529	12,460	2,074	3,043
Contracted services	44,385	40,711	41,166	40,016	36,434
Other expenditures	5,154	12,312	8,330	4,340	7,279
Debt service:					
Principal retirement	810,000	780,000	755,000	270,000	625,000
Interest and fees	532,130	558,475	584,084	1,055,510	714,557
Total expenditures	1,393,197	1,396,027	1,401,040	1,371,940	1,386,313
Excess (Deficiency) of Revenues Over Expenditures	19,545	1,950	26,071	(21,122)	(1,043)
Fund Balance, Beginning of Year	1,734,946	1,732,996	1,706,925	1,728,047	1,729,090
Fund Balance, End of Year	$ 1,754,491	$ 1,734,946	$ 1,732,996	$ 1,706,925	$ 1,728,047

Percent of Fund Total Revenues				
2020	2019	2018	2017	2016
92.8 %	96.6 %	96.7 %	97.5 %	97.9 %
5.9	1.0	1.7	2.2	1.9
1.3	2.4	1.6	0.3	0.2
100.0	100.0	100.0	100.0	100.0
0.1	0.3	0.9	0.2	0.2
3.1	2.9	2.9	2.9	2.6
0.4	0.9	0.6	0.4	0.5
57.3	55.8	52.9	20.0	45.1
37.7	40.0	40.9	78.1	51.6
98.6	99.9	98.2	101.6	100.0
1.4 %	0.1 %	1.8 %	(1.6) %	0.0 %

Northwest Harris County Municipal Utility District No. 15

Board Members, Key Personnel and Consultants

Year Ended September 30, 2020

Complete District mailing address:	Northwest Harris County Municipal Utility District No. 15 c/o Schwartz, Page & Harding, L.L.P. 1300 Post Oak Boulevard, Suite 1400 Houston, Texas 77056	
District business telephone number:	713.623.4531	
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):		May 17, 2019
Limit on fees of office that a director may receive during a fiscal year:		$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-end
Lawrence E. LaHaie, Jr.	Elected 05/20-05/24	$ 7,200	$ 3,628	President
Timothy Anderson	Elected 05/20-05/24	4,500	777	Vice President
Joseph Turner	Appointed 03/19-05/22	2,250	0	Secretary
Royce Beam	Appointed 08/20-05/22	450	0	Assistant Secretary
George Dupuy	Elected 05/20-05/24	2,100	0	Assistant Secretary
Nathan Utt	Elected 05/18-07/20	2,400	1,076	Resigned

*Fees are the amounts actually paid to a director during the District's fiscal year.

Northwest Harris County Municipal Utility District No. 15

Board Members, Key Personnel and Consultants (Continued)

Year Ended September 30, 2020

Consultants	Date Hired	Fees and Expense Reimbursements	Title
BKD, LLP	1989	$ 24,400	Auditor
Bob Leared Interests	1979	31,892	Tax Assessor/ Collector
Harris County Appraisal District	Legislative Action	19,519	Appraiser
L&S District Services, LLC	04/07/99	25,344	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	1980	1,528	Delinquent Tax Attorney
R.G. Miller Engineers, Inc.	1999	150,040	Engineer
Robert W. Baird & Co.	2015	0	Financial Advisor
Schwartz, Page & Harding, L.L.P.	1994	109,453	Attorney
Water District Management	1980	726,452	Operator
Investment Officers			
Debra Loggins and Tiffany Loggins	02/26/20	N/A	Bookkeepers

APPENDIX B

Specimen Municipal Bond Insurance Policy

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER] Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $_________
Member Surplus Contribution: $_________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)