OFFICIAL STATEMENT DATED MARCH 9, 2021

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW AND ASSUMING CONTINUING COMPLIANCE WITH COVENANTS IN THE BOND ORDER, INTEREST ON THE BONDS WILL BE EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES AND WILL NOT BE INCLUDED IN COMPUTING THE ALTERNATIVE MINIMUM TAXABLE INCOME OF THE OWNERS THEREOF. SEE "TAX MATTERS" HEREIN FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

The Bonds will be treated as "Qualified Tax-Exempt Obligations." See "TAX MATTERS – Qualified Tax-Exempt Obligations for Financial Institutions" herein.

NEW ISSUE - Book-Entry Only

Ratings: S&P Global Ratings (AGM Insured)…. "AA" (stable outlook)
Moody's Investors Service, Inc. (AGM Insured) …. "A2" (stable outlook)
Moody's Investors Service, Inc. (Underlying) …. "A3"
See "BOND INSURANCE" and "RATINGS" herein

$4,685,000
HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 84
(A Political Subdivision of the State of Texas located within Harris County, Texas)
UNLIMITED TAX REFUNDING BONDS, SERIES 2021

Dated: June 1, 2021

Due: September 1, as shown on the inside cover

Principal of the above bonds (the "Bonds") is payable by the paying agent/registrar, initially, The Bank of New York Mellon Trust Company, N.A., currently in Dallas, Texas, or any successor paying agent/registrar (the "Paying Agent," "Registrar" or Paying Agent/Registrar"). Interest on the Bonds accrues from June 1, 2021, and is payable on September 1, 2021 (three-month interest payment), and on each March 1 and September 1 thereafter until the earlier of maturity or redemption. The Bonds are issued in denominations of $5,000 or any integral multiple thereof in fully registered form only.

The Bonds will be registered 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 of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the nominees of such beneficial owners. 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 directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See "THE BONDS – 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 Assured Guaranty Municipal Corp. ("AGM" or the "Insurer").

ASSURED GUARANTY® MUNICIPAL

See Maturity and Pricing Schedule on the inside cover

If fewer than all of the Bonds are redeemed at any time, the particular maturities and amounts of the Bonds to be redeemed shall be selected by the District in integral multiples of $5,000 within any one maturity. If fewer than all of the Bonds of any given maturity are to be redeemed at any time, the particular Bonds to be redeemed shall be selected by such method of random selection as determined by the Registrar (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form). The Registered Owner of any Bond, all or a portion of which as been called for redemption, shall be required to present same to the Registrar for payment of the redemption price on the portion of the Bond so called for redemption and the issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

The proceeds of the sale of the Bonds, plus certain other lawfully available funds of the District, will be applied to refund certain outstanding bonds of the District and to pay the costs of issuance of the Bonds. See "PLAN OF FINANCING — Use of Bond Proceeds." The Bonds, when issued, constitute valid and binding obligations of the District, and 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. See "THE BONDS – Source of Payment." Neither the State of Texas, the City of Houston, Texas, Harris County, Texas, nor any political subdivision other than the District shall be obligated to pay the principal of and interest on the Bonds. Neither the faith and credit nor the taxing power of the State of Texas, the City of Houston, Texas, or Harris County, Texas, is pledged to the payment of the principal of and interest on the Bonds.

The Bonds are offered when, as and if issued by the District, subject to approval by the Attorney General of Texas and the approval of certain legal matters by Norton Rose Fulbright US LLP, Houston, Texas, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by McCall, Parkhurst & Horton L.L.P., Houston, Texas, as Underwriters' Counsel. Delivery of the Bonds is expected through the facilities of DTC on or about June 10, 2021.

SAMCO CAPITAL MARKETS **RBC CAPITAL MARKETS**

MATURITY SCHEDULE

CUSIP Prefix (a): 414486

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (b)	CUSIP Suffix (a)
2021	$ 50,000	3.00%	0.18%	GE4
2022	25,000	3.00	0.20	GF1
2023	340,000	3.00	0.28	GG9
2024	350,000	3.00	0.44	GH7
2025	350,000	3.00	0.65	GJ3
2026	360,000	4.00	0.81	GK0
2027 (c)	365,000	2.00	0.96	GL8
2028 (c)	365,000	2.00	1.13	GM6
2029 (c)	365,000	1.00	1.45	GN4
2030 (c)	360,000	1.25	1.60	GP9
2031 (c)	360,000	2.00	1.53	GQ7
2032 (c)	350,000	2.00	1.60	GR5
2033 (c)	355,000	2.00	1.70	GS3
2034 (c)	345,000	2.00	1.79	GT1
2035 (c)	345,000	2.00	1.88	GU8

(a) CUSIP is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. CUSIP numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the owners of the Bonds. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. Neither the District, the Financial Advisor (as defined herein), nor the Underwriters (as defined herein) take any responsibility for the accuracy of CUSIP numbers.

(b) The initial reoffering yields are established by and are the sole responsibility of the Underwriters and may be subsequently changed. Accrued interest from June 1, 2021, is to be added to the price.

(c) The Bonds maturing on or after September 1, 2027, are subject to redemption in whole or from time to time in part, at the option of the District (hereinafter defined), on September 1, 2026, or on any date thereafter, at a price equal to the par value thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. If fewer than all of the Bonds are redeemed, the Bonds to be redeemed shall be selected, on behalf of the District, by the Paying Agent/Registrar, in its capacity as Registrar, by lot or other customary method of random selection, in integral multiples of $5,000 in any one maturity. See "THE BONDS - Redemption Provisions."

TABLE OF CONTENTS

USE OF INFORMATION IN OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the District or the Underwriters (hereinafter defined) 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 or the Underwriters.

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 an 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, orders, 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 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 as to the likelihood 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 condition 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 this Official Statement, until delivery of the Bonds to the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Neither the District nor the Underwriters make any representations as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

This Official Statement contains "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, which generally can be identified with words or phrases such as "anticipates," "believes," "could," "estimates," "expects," "foresees," "may," "predict," "should," "will" or other words or phrases of similar import. All statements included in this Official Statement that any person expects or anticipates will, should or may occur in the future are forward-looking statements. These statements are based on assumptions and analyses made in light of experience and perceptions of historical trends, current conditions and expected future developments as well as other factors the District believes are appropriate in the circumstances. However, whether actual results and developments conform with expectations and predictions is subject to a number of risks and uncertainties, including, without limitation, the information discussed under "INVESTMENT CONSIDERATIONS" in this Official Statement, as well as additional factors beyond the District's control. The important risk factors and assumptions described under that caption and elsewhere herein could cause actual results to differ materially from those expressed in any forward- looking statement. All of the forward-looking statements made in this Official Statement are qualified by these cautionary statements.

Assured Guaranty Municipal Corp. ("AGM" or the "Insurer") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM 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 AGM supplied by AGM and presented under the heading "BOND INSURANCE" and "APPENDIX C - SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY."

SALE AND DISTRIBUTION OF THE BONDS

Underwriters

SAMCO Capital Markets, Inc. and RBC Capital Markets, LLC ("RBC") (collectively, the "Underwriters") have agreed, pursuant to a Bond Purchase Agreement, to purchase the Bonds from the District for $4,831,687.05 (representing the principal amount of the Bonds of $4,685,000.00, plus a net original issue premium of $181,449.75, less an Underwriters discount of $34,762.70) plus accrued interest from June 1, 2021, to the date of initial delivery. The obligation of the Underwriters to purchase the Bonds is subject to certain conditions contained in the Bond Purchase Agreement. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into unit investment trusts) and others at prices lower than public offering price stated on the cover page hereof. The initial offering price may be changed from time to time by the Underwriters.

RBC has provided the following information for inclusion in this Official Statement: RBC and its respective affiliates are full-service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, RBC and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). RBC and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the District. RBC and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the District. RBC and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

Prices and Marketability

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Underwriters on or before the date of delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity have been sold to the public. The District has no control over trading of the Bonds after a bona fide offering of the Bonds is made by the Underwriters at the yields specified on the cover page. Information concerning reoffering yields or prices is the responsibility of the Underwriters.

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 respecting the offering and sale of the Bonds may be changed from time to time by the Underwriters after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering price, including sales to dealers who may sell the Bonds into investment accounts. IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT 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 the 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 laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other 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 shall 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, Assured Guaranty Municipal Corp. ("AGM") 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 appendix 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.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM 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 relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On October 29, 2020, KBRA announced it had affirmed AGM’s insurance financial strength rating of “AA+” (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 16, 2020, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Capitalization of AGM

At December 31, 2020:

- The policyholders' surplus of AGM was approximately $2,864 million.

- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. (“MAC”) (as described below) were approximately $940 million. Such amount includes 100% of AGM’s contingency reserve and 60.7% of MAC’s contingency reserve.

- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,112 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM’s wholly owned subsidiaries Assured Guaranty UK Limited (“AGUK”) and Assured Guaranty (Europe) SA (“AGE”), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders’ surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Merger of MAC into AGM

On April 1, 2021, MAC was merged into AGM, with AGM as the surviving company. Prior to that merger transaction, MAC was an indirect subsidiary of AGM (which indirectly owned 60.7% of MAC) and AGM’s affiliate, Assured Guaranty Corp., a Maryland-domiciled insurance company (“AGC”) (which indirectly owned 39.3% of MAC). In connection with the merger transaction, AGM and AGC each reassumed the remaining outstanding par they ceded to MAC in 2013, and AGC sold its indirect share of MAC to AGM. All of MAC's direct insured par exposures have become insured obligations of AGM.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (filed by AGL with the SEC on February 26, 2021).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before he termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE - Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM 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 AGM supplied by AGM and presented under the heading "BOND INSURANCE".

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 Policy for such payments.

In the event the 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 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 Insurer and its claim paying ability. The 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 Insurer and of the ratings on the Bonds insured by the 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” herein. As is stated in this Official Statement under the caption “LEGAL MATTERS - No Material Adverse Change,” the rating of the Insurer’s creditworthiness by any rating agency does not in any manner affect the District’s financial condition, and thus any change to such rating, including a downgrade thereof, at any time, does not constitute a change, material or otherwise, in the District’s financial condition, and therefore cannot be a basis for termination by the Underwriters of their obligations to take up and pay for the Bonds.

The obligations of the Insurer are contractual obligations and in an event of default by the 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 Underwriters have made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the 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 Insurer, particularly over the life of the investment. See “BOND INSURANCE” herein for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

RATINGS

The Bonds have received an insured rating of “AA” (stable outlook) from S&P Global Ratings (“S&P”), a business unit of Standard & Poor’s Financial Services LLC and “A2” (stable outlook) from Moody’s Investors Service, Inc. (“Moody’s”) based upon the issuance of the Policy by the Insurer at the time of delivery of the Bonds. The underlying credit rating of the Bonds assigned by Moody’s Investors Service Inc. (“Moody’s”) is “A3”.

An explanation of the significance of the foregoing ratings may only be obtained from S&P and Moody's. The foregoing ratings express only the view of S&P and Moody's at the time the ratings are given. Furthermore, a rating is not a recommendation to buy, sell or hold securities. There is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by S&P and Moody's, if, in either of their respective judgments, circumstances so warrant. Any such downward change in or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

The District is not aware of any ratings assigned the Bonds other than the ratings of S&P and Moody's.

OFFICIAL STATEMENT SUMMARY

The following summary of certain information contained herein is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. The reader should refer particularly to sections that are indicated for more complete information.

THE BONDS

The Issuer	Harris County Water Control and Improvement District No. 84 (the "District") is a political subdivision of the State of Texas located in Harris County, Texas. See "THE DISTRICT."
Description	$4,685,000 Unlimited Tax Refunding Bonds, Series 2021 (the "Bonds"), are dated June 1, 2021, and mature on September 1 of each of the years and in the principal amounts indicated on the inside cover page hereof. Interest on the Bonds accrues from June 1, 2021, at the rates set forth on the inside cover hereof, and is payable on September 1, 2021 (three-month interest payment), and on each March 1 and September 1 thereafter until maturity or prior redemption. The Bonds scheduled to mature on and after September 1, 2027, are subject to redemption, in whole or in part, prior to their scheduled maturities, on September 1, 2026, or on any date thereafter at the option of the District. See "THE BONDS - General" and - "Redemption Provisions." The Bonds will be issued pursuant to a bond order (the "Bond Order") adopted by the Board of Directors of the District. See "THE BONDS - General." The Bonds are being issued under the authority of Chapters 49 and 54 of the Texas Water Code, as amended, and Chapter 1207, Texas Government Code. See "THE BONDS."
Book-Entry-Only System	The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC (defined herein), 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 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 "THE BONDS - Book-Entry-Only System").
Source of Payment	The Bonds are payable from an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See "THE BONDS - Source and Security for Payment," "INVESTMENT CONSIDERATIONS - Maximum Impact on District Tax Rates," and "TAX DATA - Tax Rate Calculations."
Other Characteristics	The Bonds will be issued in fully registered form in the denomination of $5,000 each, or integral multiples thereof.

Use of Proceeds . . . . Proceeds of the sale of the Bonds, together with other available funds of the District, will be applied to refund certain maturities of the District's Unlimited Tax Refunding Bonds, Series 2014 (the "Series 2014 Refunding Bonds") in the aggregate principal amount of $4,580,000 (collectively, the "Refunded Bonds"). The proceeds will also be used to pay certain costs of issuing the Bonds. The Bonds are being issued to reduce the District's debt service payments, and will result in present value savings in such debt service payments. See "PLAN OF FINANCING" and "DISTRICT DEBT - Debt Service Requirements."

Payment Record . . . . The District has previously issued Unlimited Tax and Senior Lien Waterworks and Sewer System Revenue Bonds, Series 1963 (the "Series 1963 Bonds"), Unlimited Tax Bonds, Series 1992 (the "Series 1992 Bonds"), Unlimited Tax Bonds, Series 2008 (the "Series 2008 Bonds"), Unlimited Tax Bonds, Series 2019 (the "Series 2019 Bonds") and Unlimited Tax Bonds, Series 2020 (the "Series 2020 Bonds") for the purpose of acquiring and constructing a waterworks, wastewater and storm drainage system (the "System"); and the Series 2014 Refunding Bonds to refund certain maturities of the previously issued bonds. Collective reference is made in this Official Statement to all of such previously issued bonds as the "Prior Bonds." Before the issuance of the Bonds, the principal amount of the Prior Bonds that has not been previously retired by the District is $29,445,000 (the "Outstanding Bonds"). The District has never defaulted in the timely payment of principal of and interest on the Prior Bonds. After issuance of the Bonds, the aggregate principal amount of the Outstanding Bonds, less the maturities thereof previously paid by the District, and less the Refunded Bonds, will be $24,865,000 (the "Remaining Outstanding Bonds"), and the aggregate principal amount of the District's total direct bonded indebtedness, including the Bonds, will be $29,550,000. See "PLAN OF FINANCING" and "DISTRICT DEBT - Debt Service Requirements."

Authorized But Unissued Bonds . . . . Voters of the District have authorized a total of $107,775,000 principal amount of bonds for the purpose of acquiring and constructing the System. In addition, the District's voters have authorized the issuance of unlimited tax refunding bonds in an amount equal to one and one-half times the amount of bonds previously issued for facilities. Following the issuance of the Bonds, $73,160,000 principal amount of unlimited tax bonds authorized by the District's voters for acquiring and constructing the System. In addition to the components of the System that the District has financed with the proceeds of the sale of the Outstanding Bonds, the District expects to finance the acquisition or construction of additional components of the System with the proceeds of the sale of bonds, if any, to be issued by the District in the future. See "THE BONDS - Authority for Issuance" and - "Issuance of Additional Debt."

Municipal Bond Insurance	Assured Guaranty Municipal Corp. (“AGM”). See “BOND INSURANCE.”
Municipal Bond Rating	S&P Global Ratings (AGM Insured) “AA” (stable outlook). Moody’s Investors Service, Inc. (AGM Insured) “A2” (stable outlook). Moody’s Investors Service, Inc. (Underlying) “A3.” See “BOND INSURANCE” and “RATINGS.”
Qualified Tax-Exempt Obligations	The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended. See “TAX MATTERS - Qualified Tax-Exempt Obligations for Financial Institutions.”
Legal Opinion	Norton Rose Fulbright US LLP, Houston, Texas, Bond Counsel. See “LEGAL MATTERS” and “TAX MATTERS.”
Verification Agent	Robert Thomas CPA, LLC. See “VERIFICATION OF ACCURACY OF MATHEMATICAL COMPUTATION.”

THE DISTRICT

Description	Harris County Water Control and Improvement District No. 84 was created by the Texas Water Rights Commission, now the Texas Commission on Environmental Quality (the “TCEQ” or the “Commission”) on April 24, 1963, and operates pursuant to Chapters 49 and 51 of the Texas Water Code, as amended. By legislative action in 2001, the Texas Legislature ratified the boundary of the District containing 765.7019 acres. Since August 2007, a total of approximately 429.59 acres of land have been annexed into the District, resulting in the District’s current total of approximately 1,195.29 acres of land. The District is located entirely within Harris County, Texas, approximately 15 miles northeast of the central business district of the City of Houston, Texas. The District is located within the extraterritorial jurisdiction of the City of Houston. The entire District lies within the Channelview Independent School District. Sheldon Road traverses the District from north to south. Woodforest Boulevard is located south of the southern portion of the District. Wallisville Road is located north of the northern portion of the District. See “THE DISTRICT - “Description,” “AERIAL PHOTOGRAPH OF THE DISTRICT,” and “APPENDIX A - LOCATION MAP.”
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, particularly Chapters 49 and 54 of the Texas Water Code, as amended. See “THE DISTRICT - General.”

Development of the District . . . .

The land located within the District includes (i) land that has been developed for residential usage, including single-family residential, multi-family residential and other residential usage; (ii) land for industrial usage and commercial usage; (iii) land and improvements owned by the Channelview Independent School District, and (iv) land that is currently undeveloped, all as is described below.

- Rancho Verde Single-Family Residential Development and and Other Residential Usage -

As of March 1, 2021, the District contained 1,547 homes within Rancho Verde, Sections 1 through 13, approximately 150 additional single-family homes that were constructed prior to 2002 and are not part of any organized subdivision; approximately 222 multi-family residential rental units and approximately 106 mobile homes.

According to the District's Engineer, the development of Rancho Verde, Sections 1 through 13 (1,547 single-family residential lots, approximately 304.76 acres) is complete with the provision of water supply and distribution, wastewater collection and treatment and storm drainage facilities (the “System”) and street paving. See “INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments,” “FUTURE DEVELOPMENT” and “TAX DATA - Principal 2020 Taxpayers.”

The District has financed the cost of acquiring or constructing certain components of the System, including underground water distribution, wastewater collection and storm drainage facilities that serve Rancho Verde, Sections 1 through 13, and other items with portions of the proceeds of the sale of the Prior Bonds as is described in this Official Statement under the caption “THE SYSTEM.” In addition to the components of the System that the District has financed with the proceeds of the sale of the Prior Bonds, the District expects to finance the acquisition or construction of additional components of the System with the proceeds of the sale of bonds, if any, issued by the District in the future. See “THE BONDS - Issuance of Additional Debt,” “INVESTMENT CONSIDERATIONS - “Future Debt,” and “THE SYSTEM.”

-Industrial and Commercial Usage -

The District contains certain industrial and commercial enterprises. The principal taxpayers reflected on the District’s 2020 tax roll (see “TAX DATA - Principal 2020 Property Owners”) include certain of the following industrial and commercial property owners: (i) Tex Trude, Inc. (plastic sheeting manufacturing warehouse facilities including approximately 338,621 square feet of building area constructed on approximately 49.7 acres); (ii) Tubular Services, L.L.C. (steel pipe processing and warehouse facility including approximately 223,703 square feet of building area constructed on approximately 42.4 acres); (iii)

Air Liquide America Corp. (air separation plant for oxygen, nitrogen and argon, including an approximately 35,629 manufacturing/warehouse facility constructed on approximately 50.0 acres); (iv) Ryder Truck Rental, Inc. (truck rental service including an approximately 15,356 square foot commercial building on approximately 9.2 acres); (v) Owens Specialty Co., Inc. (metal fabrication facility for gas turbine, power producing and oil field equipment, including approximately 80,031 square feet of building area constructed on approximately 5.0 acres); and (vi) Cletex Real Estate (tanker truck depot with mechanical shops for maintenance and repairs, including approximately 42,754 square feet of building area constructed on approximately 25.0 acres). In addition to the above-ground industrial and commercial improvements that have been constructed on the tracts of land located within the District that are enumerated above, approximately 96.7 additional acres of land located within the District contain industrial and commercial above-ground improvements.

-Channelview Independent School District -

Channelview Independent School District owns 4 tracts of land located within the District (a total of approximately 120.1 acres) upon which the Channelview High School and Kolarik 9th grade campus (approximately 53.8 acres), Harvey Brown Elementary School (approximately 14.8 acres), the Channelview Independent School District Administration Building (approximately 7.5 acres), and Channelview High School Annex (approximately 43.9 acres) have been constructed. The land and improvements located within the District that are owned by the Channelview Independent School District are not subject to taxation by the District.

- Undeveloped Land -

Approximately 215.8 acres of land located within the District currently do not contain above-ground improvements. According to the District's Engineer, the construction of the District's System to serve all of such approximately 215.8 acres of land is complete. Lyondell Chemical Company owns approximately 50 acres of such approximately 215.8 acres. Approximately 165.8 additional acres of such approximately 215.8 acres located within the District are owned by multiple parties, none of which has reported any definitive development plan to the District covering any of such undeveloped acres. Since none of the owners of any of such currently undeveloped land is under any obligation to the District to further develop any of such currently undeveloped land, including with the construction of above-ground improvements, according to any particular timetable or at all, the District cannot represent that the development of any portion thereof will be undertaken. See "FUTURE DEVELOPMENT."

According to the District's Engineer, approximately 80.0 acres of land located within the District are contained within street rights-of-way, drainage easements, or are otherwise not available for development.

Infectious Disease Outbreak (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 Outbreak (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 conditions 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.

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 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

INVESTMENT CONSIDERATIONS

THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS AS SET FORTH IN THIS OFFICIAL STATEMENT. PROSPECTIVE PURCHASERS SHOULD CAREFULLY EXAMINE THE ENTIRE OFFICIAL STATEMENT BEFORE MAKING THEIR INVESTMENT DECISIONS, ESPECIALLY THE PORTION OF THE OFFICIAL STATEMENT ENTITLED "INVESTMENT CONSIDERATIONS."

SELECTED FINANCIAL INFORMATION
(Unaudited)

2020 Assessed Valuation (As of January 1, 2020) See "TAX DATA" and "TAXING PROCEDURES"	$	500,964,389	(a)
Direct Debt:			
Remaining Outstanding Bonds	$	24,865,000	
The Bonds		4,685,000	
Total	$	29,550,000	(b)
Estimated Overlapping Debt	$	44,710,284	
Total Direct and Estimated Overlapping Debt	$	74,260,284	
Direct Debt Ratio : as a percentage of 2020 Assessed Valuation		5.90	%
Direct and Overlapping Debt Ratio : as a percentage of 2020 Assessed Valuation		14.82	%
Debt Service Fund Balance Estimated as of Delivery of the Bonds	$	2,466,343	(c)
General Fund Balance as of March 9, 2021	$	9,093,897	
2020 Tax Rate per $100 of Assessed Valuation			
Debt Service Tax	$	0.36	
Maintenance Tax		0.22	
Total	$	0.58	(d)
Average Percentage of Total Tax Collections (2010-2019) as of February 28, 2021		99.45	%
Percentage of Tax Collections (2020) as of February 28, 2021 (In process of collection.)		96.43	%
Average Annual Debt Service Requirements on the Bonds and the Remaining Outstanding Bonds (2021-2050)	$	1,466,558	
Maximum Annual Debt Service Requirements on the Bonds and the Remaining Outstanding Bonds (2050)	$	1,584,875	
Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirements on the Bonds and the Remaining Outstanding Bonds (2021-2050) at 95% Tax Collections			
Based Upon 2020 Assessed Valuation	$	0.31	
Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirements on the Bonds and the Remaining Outstanding Bonds (2050) at 95% Tax Collections			
Based Upon 2020 Assessed Valuation	$	0.34	

Approximate Number of Single Family Homes as of March 1, 2021	1,547

(a) As of January 1, 2020, and comprises the District's 2020 tax roll. All property located in the District is valued on the tax rolls by the Harris County Appraisal District (the "Appraisal District") at 100% of assessed valuation as of January 1 of each year. The District's tax roll is certified by the Harris County Appraisal Review Board (the "Appraisal Review Board"). See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments" and "TAXING PROCEDURES."

(b) See "DISTRICT DEBT." In addition to the components of the System that the District has financed with the proceeds of the sale of the Prior Bonds, the District expects to finance the acquisition or construction of additional components of the System with the proceeds of the sale of bonds, if any, issued by the District in the future. See "THE BONDS - Issuance of Additional Debt," "INVESTMENT CONSIDERATIONS - "Future Debt," and "THE SYSTEM."

(c) Neither Texas law nor the Bond Order requires the District to maintain any particular sum in the Debt Service Fund. Such fund balance reflects the timely payment by the District of its debt service requirements on the Outstanding Bonds that were due on March 1, 2021, and the contribution by the District of $4,000 to the refunding of the Refunded Bonds. The District's remaining debt service payments for 2021, which are due on September 1, 2021, total $806,937, and consist of the payment of and interest on the Remaining Outstanding Bonds and a three-month interest payment and a principal payment on the Bonds.

(d) The District levied a debt service tax for 2020 in the amount of $0.36 per $100 of Assessed Valuation and a maintenance tax of $0.22 per $100 of Assessed Valuation for 2020. See "TAX DATA - Estimated Overlapping Taxes." As is enumerated and further detailed in this Official Statement under the caption "TAX DATA - Estimated Overlapping Taxes," the aggregate of the tax levies of all overlapping taxing units which levy taxes upon property located in the District, plus the District's rate, is $2.717351. Such aggregate levies are higher than the aggregate tax levies of some municipal utility districts in the Houston metropolitan area, including the area of the District, but are within the range of the aggregate levies of municipal utility districts in the Houston metropolitan area and the area of the District which are in stages of development comparable with the District. See "INVESTMENT CONSIDERATIONS – Economic Factors Affecting Taxable Values and Tax Payments" and "TAX PROCEDURES."

$4,685,000
HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 84
UNLIMITED TAX REFUNDING BONDS
SERIES 2021

INTRODUCTION

This Official Statement provides certain information with respect to the issuance by Harris County Water Control and Improvement District No. 84, of Harris County, Texas (the "District") of its Unlimited Tax Refunding Bonds, Series 2021 (the "Bonds").

There follow in this Official Statement descriptions of the Bonds, the Plan of Financing, and certain information about the District and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the District upon request and payment of the costs for duplication thereof. Certain capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Bond Order (hereinafter defined), except as otherwise indicated herein.

THE BONDS

General

The following is a description of certain terms and conditions of the Bonds, which description is qualified in its entirety by reference to the order of the Board of Directors of the District (the "Board") authorizing the issuance of the Bonds (the "Bond Order"). A copy of the Bond Order may be obtained from the District upon request and payment of the costs of duplication thereof. 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 The Bond Order also approves and authorizes execution of the Bond Purchase Agreement with the Underwriters, as hereinafter defined.

Description

The Bonds are dated June 1, 2021, and will mature on September 1 of the years and in the principal amounts indicated on the inside cover page hereof. The Bonds will accrue interest from June 1, 2021 (or the most recent interest payment date to which interest has been paid or duly provided for) at the stated interest rates indicated on the inside cover page of this Official Statement. Interest on the Bonds is payable on September 1, 2021 (three-month interest payment), and on each March 1 and September 1 thereafter (each, an "Interest Payment Date") until maturity or prior redemption. The Bonds will be issued as fully registered bonds in the denomination of $5,000 or any integral multiple thereof. 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. No physical delivery of the Bonds will be made to the purchasers thereof. See "Book-Entry-Only System" below. Interest calculations are based on a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months.

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 The Depository Trust Company, New York, New York, ("DTC") while the Bonds are registered in its nominee 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 and the Financial Advisor believe the source of such information to be reliable, but neither the District or the Financial Advisor takes any 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 Participants, (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.

The Depository Trust Company ("DTC"), New York, NY, 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 requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, 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 purchaser 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, tenders, 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.

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 the 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, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the 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 the District or Paying Agent. 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 transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

Paying Agent/Registrar

The Board has selected The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as the initial Paying Agent and Registrar for the Bonds. The initial designated payment office for the Bonds is located in Dallas, Texas. The District reserves the right in the Bond Order to remove the Paying Agent/Registrar without cause. Every successor Paying Agent/Registrar must at all times be a commercial bank or trust company organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $10,000,000, subject to supervision or examination by federal or state authority, registered as a transfer agent with the Securities and Exchange Commission. Upon any change in the Paying Agent/Registrar, the District agrees to promptly cause a written notice thereof to be sent to each Registered Owner affected by the change, which notice shall also give the address of the new Paying Agent/Registrar, which shall be the designated Place of Payment.

Method of Payment of Principal and Interest

The principal of the Bonds will be payable to the registered owners of the Bonds (the "Registered Owners"), initially Cede & Co., without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon presentation and surrender of the Bonds as they respectively become due and payable, at the designated corporate trust office of the Paying Agent/Registrar for the Bonds. In the event the book-entry-system is discontinued, interest on each Bond will be payable by check payable on each Interest Payment Date, mailed by the Registrar on or before each Interest Payment Date to the Registered Owner of record as of the close of business on the 15th calendar date of the month immediately preceding each Interest Payment Date (each a "Record Date"), to the address of such Registered Owner as shown on the Registrar's records (the "Register") or by such other customary banking arrangements as may be agreed upon by the Registrar and the Registered Owners at the risk and expense of the Registered Owners.

If the date for payment of principal of or interest on any Bond is not a business day, then the date for such payment will be the next succeeding business day, as defined in the Bond Order.

Registration, Transfer and Exchange

The District will cause to be kept at the place of payment a register in which, subject to such reasonable regulations as the District or the Paying Agent/Registrar may prescribe, the Paying Agent/Registrar will provide for the registration of the Bonds and registration of transfers of the Bonds as provided in the Bond Order.

Upon surrender for transfer of any Bond at the place of payment, the District will execute, and the Paying Agent/Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new fully registered Bonds of the same stated maturity, of any authorized denominations, and of a like aggregate principal amount.

At the option of the Registered Owner, Bonds may be exchanged for other Bonds of the same stated maturity, of any authorized denominations, and of like aggregate principal amount, upon surrender of the Bonds to be exchanged at the place of payment. Whenever any Bonds are so surrendered for exchange, the District will execute, and the Paying Agent/Registrar will authenticate and deliver, the Bonds which the Registered Owner of Bonds making the exchange is entitled to receive.

All Bonds issued upon any transfer or exchange of Bonds will be valid obligations of the District, evidencing the same debt, and entitled to the same benefits under the Order, as the Bonds surrendered upon such transfer or exchange.

Every Bond presented or surrendered for transfer or exchange will be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the District and the Paying Agent/Registrar duly executed, by the Registered Owner thereof or his attorney duly authorized in writing.

No service charge will be made to the Registered Owner for any registration, transfer, or exchange of Bonds, but the District or the Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Neither the District nor the Paying Agent/Registrar will be required (1) to transfer or exchange any Bond during a period beginning at the opening of business 15 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (2) thereafter to transfer or exchange in whole or in part any Bond so selected for redemption.

Replacement of Bonds

If (1) any mutilated Bond is surrendered to the Paying Agent/Registrar, or the District and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the District and the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the District or the Paying Agent/Registrar that such Bond has been acquired by a bona fide purchaser, the District will execute and upon its request and the Paying Agent/Registrar will authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same stated maturity and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the District in its discretion may pay such Bond instead of issuing a new Bond.

Upon the issuance of any new Bond, the District or the Paying Agent/Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

Every new Bond issued in lieu of any mutilated, destroyed, lost, or stolen Bond will constitute an original additional contractual obligation of the District, whether or not the mutilated, destroyed, lost, or stolen Bond will be at any time enforceable by anyone, and will be entitled to all the benefits of the Order equally and ratably with all other Outstanding Bonds.

Redemption Provisions

The Bonds maturing on and after September 1, 2027, are subject to redemption, at the option of the District, prior to maturity, in whole or from time to time in part, on September 1, 2026, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest from the most recent Interest Payment Date to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the District shall determine the maturity or maturities and the amounts thereof to be redeemed, in integral multiples of $5,000 in principal amount, and if fewer than all of the Bonds within a maturity are to be redeemed, the Registrar shall select by lot or other customary method of random selection the Bonds within such maturity to be redeemed (or by DTC in accordance with its procedures while the Bonds are in book- entry-only form). The registered owner of any Bond, all or a portion of which has been called for redemption, will be required to present same to the Registrar for payment of the redemption price on the portion of the Bond so called for redemption and for issuance of an exchange Bond in a principal amount equal to the portion of such Bond not so redeemed.

Notice of redemption will be mailed by the Paying Agent/Registrar in the name and at the expense of the District, not less than 30 days prior to the redemption date, to each Registered Owner of Bonds to be redeemed. All notices of redemptionwill state:

1. the redemption date,

2. the redemption price,

3. the principal amount and identification (by CUSIP number (if obtained for the Bonds), stated maturity, interest rate, Dated Date, and, in the case of partial redemption within a stated maturity, the respective Bond numbers and principal amounts) of Bonds to be redeemed,

4. any condition to such redemption, including the issuance of refunding bonds, and that on the redemption date the redemption price of each of the Bonds to be redeemed will become due and payable and that interest thereon will cease to accrue from and after said date, and that the Bonds to be redeemed are to be surrendered for payment of the redemption price at the place of payment, and the address of such place of payment.

Source of Payment

The Bonds are payable as to principal and interest from the proceeds of an annual ad valorem tax, without legal limit as to rate or amount, levied against all taxable property within the District. The Board covenants in the Bond Order that, while any of the Bonds are outstanding it will levy an annual ad valorem tax, without legal limit as to rate or amount, and covenants that it will undertake to collect such a tax, against taxable property within the District at a rate from year to year sufficient, full allowance being made for anticipated delinquencies, together with revenues and receipts from other sources which are legally available for such purposes, (1) to pay interest on the Bonds as it becomes due, (2) to provide for the payment of the principal of the Bonds when due or the redemption price at any earlier required redemption date (including mandatory sinking fund redemptions), and (3) to pay the expenses of assessing and collecting such tax. The net proceeds from taxes levied to pay debt service on the Bonds are required to be placed in the “Bond Fund” (as defined in the Bond Order and herein referred to as the “Bond Fund” or the “Debt Service Fund”).

Defeasance

Any Bond will be deemed to be paid and will no longer be considered to be a Bond within the meaning of the Bond Order when payment of the principal of and interest on such Bond to the stated maturity thereof or (if notice of redemption will have been duly given, irrevocably provided for, or waived as provided herein) to the redemption date will have been made or will have been provided for by deposit with the Paying Agent/Registrar for such payment (or with any other bank or trust company which has agreed to hold the same for such purpose) (1) money sufficient to make such payment, (2) Governmental Obligations certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment, or (3) a combination of money and Governmental Obligations together so certified sufficient to make such payment, provided that all the expenses pertaining to the Bonds with respect to which such deposit is made will have been paid or the payment thereof provided for to the satisfaction of the Paying Agent/Registrar (and to such other bank or trust company).

If such deposit is made for some but not all of the Remaining Outstanding Bonds (hereinafter defined), the District will designate the stated maturities of Bonds for which such deposit is made. If such deposit will be sufficient to provide for the payment of the principal of and interest on some but not all Remaining Outstanding Bonds of a particular stated maturity so designated, the Paying Agent/Registrar will select the Remaining Outstanding Bonds of such stated maturity with respect to which such deposit is made by such random method as the Paying Agent/Registrar will deem fair and appropriate and which may provide for the selection of portions (equal to $5,000 or any integral multiple thereof) of the principal amount of Bonds of a denomination larger than $5,000.

"Governmental Obligations" means (1) direct obligations of, or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America, and (2) obligations authorized under Texas law from time to time for discharge and final payment of obligations of political or governmental subdivisions which, at the time of deposit have been assigned ratings in the highest rating category of either Moody's Investors Service or S&P Global Ratings, or any successor to the bond operations of either of such corporations, but in the case of both Clauses (1) and (2), only if such obligations may not be called for redemption prior to maturity.

At such times as a Bond will be deemed to be paid, as aforesaid, it will no longer be entitled to the benefits of the Bond Order, except for the purposes of any such payment from such money or Governmental Obligations.

Payment Record

The District has previously issued Unlimited Tax and Senior Lien Waterworks and Sewer System Revenue Bonds, Series 1963 (the "Series 1963 Bonds"), Unlimited Tax Bonds, Series 1992 (the "Series 1992 Bonds"), Unlimited Tax Bonds, Series 2008 (the "Series 2008 Bonds"), Unlimited Tax Bonds, Series 2019 (the "Series 2019 Bonds") and Unlimited Tax Bonds, Series 2020 (the "Series 2020 Bonds") for the purpose of acquiring and constructing a waterworks, wastewater and storm drainage system (the "System"); and the Series 2014 Refunding Bonds to refund certain maturities of the previously issued bonds. Collective reference is made in this Official Statement to all of such previously issued bonds as the "Prior Bonds." Before the issuance of the Bonds, the principal amount of the Prior Bonds that has not been previously retired by the District is $29,445,000 (the "Outstanding Bonds"). The District has never defaulted in the timely payment of principal of and interest on the Prior Bonds. After issuance of the Bonds, the aggregate principal amount of the Outstanding Bonds, less the maturities thereof previously paid by the District, and less the Refunded Bonds, will be $24,865,000 (the "Remaining Outstanding Bonds"), and the aggregate principal amount of the District's total direct bonded indebtedness, including the Bonds, will be $29,550,000. See "PLAN OF FINANCING" and "DISTRICT DEBT - Debt Service Requirements."

Annexation and Consolidation

Under Texas law, a city is authorized to annex property within its extraterritorial jurisdiction and to abolish the water district in which such property is located, subject to compliance with various requirements of the Texas Local Government Code. A city in a county with a population of 500,000 or more may not annex land unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, a petition has been signed by more than 50 percent of the landowners consenting to the annexation. If a city and a water district existing within its extraterritorial jurisdiction have entered into a strategic partnership agreement, however, the election and petition process specified above do not apply during the term of the agreement. The agreement may provide for a full purpose annexation or a limited purpose annexation.

The District is located within Harris County, a county with a population of 500,000 or more, and within the extraterritorial jurisdiction of the City of Houston (the "City"), except for portions described below which have been annexed into the City for limited purposes pursuant to a strategic partnership agreement. If the City were to successfully meet the requirements set forth in the Texas Local Government Code and annex the property within the District, the City would assume the District's assets and obligations (including the Bonds) and dissolve the District. The commencement of annexation proceedings 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 annex the District 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.

The Bond Order reserves the right of the District to consolidate with other districts and, in conjunction therewith, to provide for the consolidation of its assets such as cash and the District's System, with the water and wastewater systems of the district or districts with which it is consolidating as well as its liabilities (which would include the Bonds). No representation is made that the District will ever consolidate its System with other systems.

Authority for Issuance

The Bonds constitute the second installment of refunding bonds payable in whole or in part from taxes which were authorized at various elections held within the District.

The Bonds are issued pursuant to the Bond Order to be adopted by the Board on the date of the sale of the Bonds; Article XVI, Section 59 of the Texas Constitution; Chapters 49 and 54 of the Texas Water Code, as amended; and Chapter 1207, Texas Government Code.

Issuance of Additional Debt

The District has reserved the right in the Bond Order to issue additional bonds. Following the issuance of the Bonds, the District will have the right to issue additional bonds secured by a pledge of District ad valorem taxes and for refunding purposes. The District's voters have previously authorized the District to issue a total of $107,775,000 principal amount of unlimited tax bonds for construction of a waterworks, wastewater and storm drainage system, which, after the issuance of the Bonds, the District will have $73,160,000 principal amount will remain unissued. In addition, the District’s voters have authorized the issuance of unlimited tax refunding bonds in an amount equal to one and one-half times the amount of bonds previously issued by the District for facilities. Further, the District's voters could authorize additional tax bonds and additional refunding bonds in the future.

Before issuing any additional bonds for a waterworks, wastewater and storm drainage system, the District would have to obtain the approval of the TCEQ for the issuance of such bonds and the projects to be financed thereby. Subject to various conditions stated in separate agreements, the District has agreed to issue bonds and use the proceeds to reimburse certain developers of land located within the District (or their predecessors) for the cost of water, wastewater and storm drainage facilities which have been provided to their properties within the District, as taxable improvements are built on such properties. In addition to the components of the System that the District has financed with the proceeds of the sale of the Prior Bonds, the District expects to finance the acquisition or construction of additional components of the System with the proceeds of the sale of bonds, if any, issued by the District in the future. See “INVESTMENT CONSIDERATIONS - Future Debt,” and “THE SYSTEM.”

The District also has the right to borrow money for any lawful purpose and to issue bond anticipation notes and tax-anticipation notes without voter approval. The Bond Order places no limitation on the amount of additional bonds, bond or tax anticipation notes or contractual obligations which the District may issue.

The District is also empowered by law to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue bonds payable from taxes for such purpose, the following actions would be required: (1) approval of a detailed master plan and bonds for such purpose by the qualified voters in the District; (2) approval of the master plan and bonds by the TCEQ; and (3) approval of such bonds by the Attorney General of Texas. The Board has not considered authorizing the preparation of a fire-fighting plan or calling a fire plan election at this time.

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) preparation of a detailed park plan; (b) authorization of park bonds by the qualified voters in the District; (c) approval of the park project and bonds by the TCEQ; and (d) approval of the bonds by the Attorney General of Texas. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent of the value of the taxable property in the District. The Board has not considered authorizing the preparation of a park plan or calling a park bond election at this time.

Issuance of additional bonds could dilute the investment security for the Bonds.

Tax Covenants

In the Bond Order the District has covenanted with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States of arbitrage profits from the investment of proceeds, and the reporting of certain information to the United States Treasury.

The District may omit to comply with any of such covenants if it has received a written opinion of a nationally recognized bond counsel to the effect that failure to comply with such covenants will not adversely affect the excludability of interest on any Bond from the gross income of the owners thereof for federal income tax purposes.

Additional Covenants

In the Bond Order, the District has additionally covenanted that it will:

1. Maintain its properties in good condition, ordinary wear and tear and obsolescence excepted, and operate them in an efficient manner and at a reasonable cost;

2. Maintain insurance on or self-insure its properties of a kind and in an amount which usually would be carried by private companies engaged in a similar type of business, but considering any governmental immunities to which the District may be entitled;

3. Obtain and comply with the terms and conditions of all franchises, permits and authorizations obtained from any governmental agency applicable to or necessary with respect to its properties, and keep all such franchises, permits and authorizations in full force and effect;

4. Not mortgage or otherwise encumber the physical properties of the facilities for which the Bonds were issued, or any part thereof, or sell, lease or otherwise dispose of any substantial portion of such facilities unless in order to cooperate with other political subdivisions or entities to provide for a regional waste disposal or water supply system;

5. Keep records and accounts and engage an independent certified public accountant of recognized integrity and ability to audit its financial statements at the close of each fiscal year, such audit to be in accordance with applicable law, rules and regulations, and open to inspection in the office of the District;

6. Allow any owner of the Bonds then outstanding the right to inspect all records, accounts and data of the District at all reasonable times; and

7. See that all funds of the District established pursuant to the Bond Order are secured in the manner and to the fullest extent required by law for the security of public funds.

Amendments to the Bond Order

The District may, without the consent of or notice to any Registered Owner, from time to time and at any time amend the Bond Order in any manner not detrimental to the interests of the Registered Owner of the Bonds, including the curing of any ambiguity, inconsistency, or formal defect or omission. In addition, the District may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Outstanding Bonds affected thereby, amend, add to, or rescind any of the provisions of the Bond Order except that, notwithstanding the foregoing, without the consent of the Registered Owner of all of the affected Outstanding Bonds, no such amendment, addition, or rescission will (1) change the stated maturity of the Bonds or any installment of interest thereon, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, change the place or places at, or the coin or currency in, which any Bond or the interest thereon is payable, or in any other way modify the terms or sources of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, (3) modify the provisions of the proviso to the definition of the term "Outstanding", or (4) modify any of the provisions of the Bond Order governing amendments, except to increase the percentage provided therein or to provide that certain other provisions of the Bond Order cannot be modified or waived.

Any consent to any amendment by the Registered Owner of any Bond will bind every future Registered Owner of the same Bond and the Registered Owner of every Bond issued upon transfer or in lieu thereof or in exchange therefor, in respect of anything done or suffered to be done by the District in reliance thereon, whether or not notation of such action is made upon such Bond.

Bondowners' Remedies and Effects of Bankruptcy

Texas law and the Bond Order provide that in the event the District defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make payments required by the Bond Order into the Bond Fund or defaults in the observance or performance of any of the covenants, conditions or obligations set forth in the Bond Order, any Bondholder shall be entitled at any time to seek a writ of mandamus from a court of competent jurisdiction compelling and requiring the Board to observe and perform any covenant, obligation or condition prescribed by the Bond Order. Such right is in addition to other rights the Bondholders may be provided by Texas law.

Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interests of the Bondowners. 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. 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 a judgment against the District could be obtained, it could not be enforced by 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 to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds.

Furthermore, the District is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code (“Chapter 9"), subject to obtaining approval from the TCEQ. Chapter 9 includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondowners of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce payment of indebtedness would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. Under Chapter 9, the District could file a plan for an adjustment of its debts. If such a plan were confirmed by the Bankruptcy Court, it could, among other things, reduce or eliminate the amount of the District’s indebtedness, defer or rearrange the debt service schedule of the District’s indebtedness, reduce or eliminate interest, modify or abrogate collateral or security arrangements, substitute (in whole or in part) one security for another security, and otherwise compromise or modify the rights and remedies of the owners of the District’s indebtedness.

The District may not be placed into bankruptcy involuntarily.

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of the Registered Owners 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. Subject to the requirements of Texas law, the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. §§901-946, if the District (1) is generally authorized to file for federal bankruptcy protection by

Legal Investment and Eligibility to Secure Public Funds in Texas

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

"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 of Texas 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."

The Bonds are eligible under the Public Funds Collateral Act (Chapter 2257, Texas Government Code) to secure deposits of public funds of the State or any political subdivision or public agency of the State and are lawful and sufficient security for those deposits to the extent of their market value.

The District makes no representation that the Bonds will be acceptable to banks, savings and loan associations or public entities for investment purposes or to secure deposits of public funds. The District has made no investigation of other laws, regulations or investment criteria which might apply to or otherwise limit the availability of the Bonds for investment or collateral purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Bonds as to the acceptability of the Bonds for investment or collateral purposes.

PLAN OF FINANCING

Use of Bond Proceeds

Proceeds of the sale of the Bonds, together with other available funds of the District, will be applied to refund certain maturities of the District's Unlimited Tax Refunding Bonds, Series 2014 (the "Series 2014 Refunding Bonds") in the aggregate principal amount of $4,580,000 (collectively, the "Refunded Bonds"). The proceeds will also be used to pay certain costs of issuing the Bonds. The Bonds are being issued to reduce the District's debt service payments, and will result in present value savings in such debt service payments. See "DISTRICT DEBT - Debt Service Requirements."

The Refunded Bonds

The principal amounts and maturity dates (or mandatory redemption amounts and dates, as applicable) of the Refunded Bonds are as follows:

Maturing September 1	Series 2014 Refunding Bonds Principal Amount Refunded
2023	$315,000
2024	320,000
2025	325,000
2026	330,000
2027	340,000
2028	345,000
2029	355,000
2030	360,000
2031	370,000
2032	370,000
2033	380,000
2034	380,000
2035	390,000
	$4,580,000

Redemption Date: 9/1/21

Aggregate Principal Amount of Refunded Bonds: $4,580,000

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., an 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"). The Bond Order further provides that from the proceeds of the sale of the Bonds, along with certain other legally available funds of the District, the District will deposit with the Escrow Agent the amount necessary to accomplish the discharge and final payment of the Refunded Bonds. See "VERIFICATION OF ACCURACY OF MATHEMATICAL COMPUTATIONS." 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 (1) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States; (2) 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 issuer 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; or (3) 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 issuer 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 "Escrowed Securities"), maturing at such times and amounts as will, together with cash on deposit in the Escrow Fund, be sufficient to pay scheduled payments on the Refunded Bonds to and including their respective 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 certain proceeds of the Bonds, 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 resolution authorizing the issuance of the Refunded Bonds. In the opinion of Bond Counsel, as a result of such deposit, and in reliance upon the Verification Report of Robert Thomas CPA, LLP, 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.

The Non-Refunded Bonds (Remaining Outstanding Bonds)

The District has previously issued Unlimited Tax and Senior Lien Waterworks and Sewer System Revenue Bonds, Series 1963 (the "Series 1963 Bonds"), Unlimited Tax Bonds, Series 1992 (the "Series 1992 Bonds"), Unlimited Tax Bonds, Series 2008 (the "Series 2008 Bonds"), Unlimited Tax Bonds, Series 2019 (the "Series 2019 Bonds") and Unlimited Tax Bonds, Series 2020 (the "Series 2020 Bonds") for the purpose of acquiring and constructing a waterworks, wastewater and storm drainage system (the "System"); and the Series 2014 Refunding Bonds to refund certain maturities of the previously issued bonds. Collective reference is made in this Official Statement to all of such previously issued bonds as the "Prior Bonds." Before the issuance of the Bonds, the principal amount of the Prior Bonds that has not been previously retired by the District is $29,445,000 (the "Outstanding Bonds"). The District has never defaulted in the timely payment of principal of and interest on the Prior Bonds. After issuance of the Bonds, the aggregate principal amount of the Outstanding Bonds, less the maturities thereof previously paid by the District, and less the Refunded Bonds, will be $24,865,000 (the "Remaining Outstanding Bonds"), and the aggregate principal amount of the District's total direct bonded indebtedness, including the Bonds, will be $29,550,000. See "DISTRICT DEBT - Debt Service Requirements."

The principal amounts and maturity dates (or mandatory redemption amounts and dates, as applicable) of the Remaining Outstanding Bonds are as follows:

REMAINING OUTSTANDING BONDS PRINCIPAL AMOUNTS

Maturity September 1	2014	2019	2020
2021	$305,000	$85,000	
2022	310,000	95,000	$185,000
2023		100,000	195,000
2024		110,000	200,000
2025		120,000	205,000
2026		135,000	210,000
2027		140,000	220,000
2028		155,000	225,000
2029		165,000	230,000
2030		185,000	235,000
2031		200,000	240,000
2032		225,000	250,000
2033		240,000	255,000
2034		265,000	265,000
2035		280,000	270,000
2036		700,000	275,000
2037		730,000	280,000
2038		765,000	275,000
2039		800,000	275,000
2040		835,000	275,000
2041		870,000	275,000
2042		910,000	275,000
2043		950,000	275,000
2044		995,000	270,000
2045		1,040,000	265,000
2046		1,085,000	265,000
2047		1,135,000	260,000
2048		1,185,000	260,000
2049			1,490,000
2050			1,550,000
	$615,000	$14,500,000	$9,750,000

Total principal amount of Remaining Outstanding Bonds $24,865,000

Sources and Uses of Funds

The proceeds from the sale of the Bonds will be applied as follows:

SOURCES OF FUNDS:

Principal Amount of Bonds	$4,685,000.00
Plus: Net Original Issue Premium	181,449.75
Accrued Interest	2,642.50
Issuer Contribution	4,000.00
Total Sources of Funds	$4,873,092.25

USES OF FUNDS:

Deposit with Escrow Agent	$4,669,300.07
Deposit Accrued Interest to Bond Fund	2,642.50
Expenses:	
Underwriters Discount	34,762.70
Municipal Bond Insurance Premium and Other Issuance Expenses.	166,386.98
Total Uses of Funds	$4,873,092.25

INVESTMENT CONSIDERATIONS

General

The Bonds, which are obligations of the District and not of the State of Texas, Harris County, Texas, the City of Houston, or any political subdivision other than the District, will be secured by an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. Therefore, the ultimate security for payment of the principal of and interest on the Bonds depends upon the ability of the District 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 representation 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. 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.

Dependence on Personal Property Ad Valorem Tax Collections

Personal property in 2020 aggregated $137,153,110, or approximately 27.38% of the District's 2020 Assessed Valuation. A significant proportion of such personal property consists of steel pipe inventory that is related to the oil, gas and energy production industries. See "TAX DATA - Principal 2020 Taxpayers." Adverse economic changes in the energy industry could result in the reduction of demand for such personal property and a consequent reduction in the value of personal property within the District. The District makes no representation that such personal property inventory will be maintained at any given level, or at all. See "Factors Affecting Taxable Values and Tax Payments" below and "TAX DATA - Analysis of Tax Base."

Personal property taxation and collection create special risks for Registered Owners. See "TAX DATA" and "TAXING PROCEDURES."

Unlike real property, there is no certainty that personal property will remain in the District from year to year. Business inventories are portable, and may be removed from the District at any time. Personal property removed from the District as of January 1 of any year is not subject to taxation by the District for that year.

While personal property is subject to a lien for unpaid District taxes for any year, the District lien is lost if the property is sold in the ordinary course of business. However, a lien in the amount of the personal property taxes owed by a taxpayer attaches not only to personal property owned by the taxpayer with a tax situs in the District as of January 1, but to any personal property then or thereafter owned by the taxpayer that is located within the District. Nevertheless, the District may not be able to foreclose on personal property located outside the State of Texas, and locating and foreclosing on property held outside the District may be costly, inefficient and difficult.

The statute of limitations for collection of personal property taxes is four years from the date of delinquency, which is shorter than the 20 year statute of limitations for real property. Personal property may not be seized and a suit may not be filed to collect delinquent personal property taxes if the tax has been delinquent for more than four years. A tax and any penalty and interest on the tax that is delinquent longer than the limitation period is presumed paid unless a suit to collect such personal property is pending. As with real property taxes, ad valorem taxes levied on personal property are the personal obligation of the taxpayer. See "TAXING PROCEDURES."

Factors Affecting Taxable Values and Tax Payments

District's Dependence Upon Principal Taxpayers: The District's tax base has historically been, and is currently, concentrated in a relatively small number of taxpayers. As is reflected in this Official Statement under the caption "TAX DATA - Principal 2020 Taxpayers," the District's ten principal taxpayers in 2020 owned property located in the District the aggregate Assessed Valuation of which comprised approximately 24.40% of the District's total 2020 Assessed Valuation. The District cannot predict whether its tax base will in the future be distributed among a larger number of taxpayers, or whether its Assessed Valuation will be less concentrated in property owned by a relatively small number of property owners. The owner of the largest component of the District's 2020 tax roll was Tex Trude, Inc. ("Tex Trude"). The property owned by Tex Trude located in the District in 2020 aggregated $45,072,442 in Assessed Valuation, which comprised approximately 9.00% of the District's total 2020 Assessed Valuation, $29,825,713 in Assessed Valuation of which was personal property. The owner of the second largest component of the District's 2020 tax roll was Tubular Services, LLC. ("Tubular"). The property owned by Tubular located in the District in 2020 aggregated $24,692,148 in Assessed Valuation, which comprised approximately 4.93% of the District's total 2020 Assessed Valuation, $12,335,441 of which was attributed to personal property. The owner of the third largest component of the District's 2020 tax roll was Air Liquide America Corp. ("Air Liquide"). Air Liquide owned property located in the District that in 2020 aggregated $13,477,642 in Assessed Valuation. Such property owned by Air Liquide comprised approximately 2.69% of the District's total 2020 Assessed Valuation. The owner of the fourth largest component of the District's 2020 tax roll was Hyundai Hysco USA Inc. ("HH"). HH owned property located in the District that in 2020 aggregated $7,712,681 in Assessed Valuation. Such property owned by HH comprised approximately 1.54% of the District's total 2020 Assessed Valuation. No other party owned property located within the District the 2020 value of which exceeded 1.24% of the District's total 2020 Assessed Valuation. Moreover, a significant proportion of the District's tax roll has historically consisted of personal property. As is illustrated in the section of this Official Statement entitled "TAX DATA - Analysis of Tax Base," the personal property component of the District's tax roll has increased significantly in recent years. Personal property consists, among other things, of goods manufactured by or stored on the premises of a business. Unlike permanent improvements such as buildings, manufacturing, warehouse, and office/warehouse facilities, single-family residences, apartments, and other such above-ground improvements which have been constructed within the District, personal property may be readily transported by a company if it vacates a facility which it occupies. Personal property in 2020 aggregated $137,153,110, or approximately 27.38% of the District's 2020 Assessed Valuation. See "District's Dependence on Personal Property Ad Valorem Tax Collections" above.

Failure by one or more of the District's principal property owners to make full and timely payments of taxes due, or a decline in the District's tax base due to a diminution of the personal property component thereof as described above, or for any other reason, may have an adverse affect on the investment security of the Bonds. If for any reason any one or more of the principal taxpayers did not pay taxes due or did not pay in a timely manner, the District might need to levy additional taxes or use other debt service funds available to meet its debt service requirements. The District has not covenanted nor is required to maintain a particular balance in the Debt Service Fund to allow for delinquent taxes. Further, as described in the section of this Official Statement entitled "DEVELOPMENT OF THE DISTRICT," the owners of any developed land located in the District on which above-ground improvements have not been completed or initiated have made no commitment to the District to construct any above-ground improvements thereon, and may sell such land at their discretion. Therefore, the District can make no representation about the probability of future development in the District, or of the financial condition of any future owners of such property and therefore of the ability of such future owners to make full and timely payment of their taxes.

Economic Factors: The maintenance of or the potential increase in taxable valuation of the District are directly related to the vitality of the residential housing industry, and can be significantly affected by factors such as interest rates, construction costs, and consumer demand. The market value of such homes and lots is related to general economic conditions affecting the demand for residences. Demand for lots of this type and the construction of residential dwellings thereon can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability and costs and the prosperity and demographic characteristics of the urban center toward which the marketing of lots is directed. Recent changes in federal tax law limiting deductions for ad valorem taxes may adversely affect the demand for housing and the prices thereof. Further declines in the price of oil could adversely affect job stability, wages and salaries, thereby negatively affecting the demand for housing and the value of existing homes (see "Potential Effects of Oil Price Declines on the Houston Area" below). Were the District to experience a significant number of residential foreclosures, the value of all homes within the District could be adversely affected. Although, as is described in this Official Statement under the captions "DEVELOPMENT OF THE DISTRICT," (i) the District currently contains a total of 1,547 fully developed single-family residential lots located in Rancho Verde, Sections 1 through 13, (ii) as of March 1, 2021, the District contained 1,547 single-family homes in Rancho Verde, (iii) the District contains approximately 150 additional single-family homes that were constructed prior to 2002 and are not part of any organized subdivision, approximately 222 multi-family residential rental units and approximately 106 mobile homes, and (v) the District contains certain existing industrial and commercial enterprises, and other principal taxpayers and additional improvements (see "TAX DATA - Principal 2020 Taxpayers"), the District cannot predict the pace or magnitude of any future development or home construction in the District other than that which has occurred to date, and can make no representation as to viability of any of such industrial or commercial enterprises. Furthermore, a significant proportion of the assessed valuation of the District that is related to industrial use is related to the oil, gas and energy production industries. See "TAX DATA - Principal 2020 Taxpayers." Adverse economic changes in the energy industry could result in the reduction of demand for such industrial activity and a consequent reduction in the assessed valuation of such property that is related to industrial activity within the District.

National Economy: The housing and building industry has historically been a cyclical industry, affected by both short and long-term interest rates, availability of mortgage and development funds, employment levels, and general economic conditions Although, as is described in this Official Statement under the captions "DEVELOPMENT OF THE DISTRICT," (i) the District currently contains a total of 1,547 fully developed single-family residential lots located in Rancho Verde, Sections 1 through 13, (ii) as of March 1, 2021, the District contained 1,547 single-family homes in Rancho Verde, (iii) the District contains approximately 150 additional single-family homes that were constructed prior to 2002 and are not part of any organized subdivision, approximately 222 multi-family residential rental units and approximately 106 mobile homes, and (v) the District contains certain existing industrial and commercial enterprises, and other principal taxpayers and additional improvements (see "TAX DATA - Principal 2020 Taxpayers"), the District cannot predict the pace or magnitude of any future development or home construction in the District other than that which has occurred to date, and can make no representation as to viability of any of such industrial or commercial enterprises. Furthermore, a significant proportion of the assessed valuation of the District that is related to industrial use is related to the oil, gas and energy production industries. See "TAX DATA - Principal 2020 Taxpayers." Adverse economic changes in the energy industry could result in the reduction of demand for such industrial activity and a consequent reduction in the assessed valuation of such property that is related to industrial activity within the District. The District cannot predict what impact, if any, a downturn in the local housing markets or in the national housing and financial markets may have on the Houston market generally and the District specifically.

Credit Markets and Liquidity in the Financial Markets: Interest rates and the availability of mortgage and development funding have a direct impact on single-family and commercial development activity and the construction of homes and commercial buildings, particularly short-term interest rates at which developers are able to obtain financing for development costs and at which homebuilders are able to finance the construction of new homes for sale and at which commercial developers are able to finance new commercial buildings. Interest rate levels may affect the ability of a developer with undeveloped property to undertake and complete development activities within the District and of homebuilders to initiate the construction of new homes for sale and of commercial developers to initiate the construction of new commercial buildings. Because of the numerous and changing factors affecting the availability of funds, particularly liquidity in the national credit markets, the District is unable to assess the future availability of such funds for continued development and/or home construction or the construction of new commercial buildings within the District. In addition, since the District is located approximately 15 miles northeast of the central downtown business district of the City of Houston, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Houston metropolitan and regional economies and national credit and financial markets. A downturn in the economic conditions of Houston and a decline in real estate and financial markets in the United States could adversely affect development and homebuilding plans or the construction of new commercial buildings in the District and restrain the growth of the District's property tax base.

Principal Land Owners' Obligations to the District: The abilities of the principal land owners to make full and timely payments of taxes levied against their property by the District and similar taxing authorities will directly affect the District's ability to meet its debt service obligations. There is no commitment by or legal requirement of any land owner to the District to proceed at any particular rate or according to any specified plan with the development of land or the construction of improvements in the District, and there is no restriction on any land owner's right to sell its land. Therefore, the District cannot predict the pace or magnitude of any future development that might be undertaken, and cannot predict the pace or magnitude of the construction of above- ground improvements on any of the developed land located within the District on which above-ground improvements have not been completed or initiated that are available for the construction of above-ground improvements in the District in addition to the aforementioned improvements that have been constructed therein to date. See "FUTURE DEVELOPMENT."

Maximum Impact on District Tax Rates

The value of the land and improvements currently located within the District will be a major determinant of the ability of the District to collect, and the willingness of District property owners to pay, ad valorem taxes levied by the District. The District's 2020 Assessed Valuation is $500,964,389. After issuance of the Bonds, the Maximum Annual Debt Service Requirement of the Bonds and the Remaining Outstanding Bonds will be $1,584,875 (2050) and the Average Annual Debt Service Requirements of the Bonds and the Remaining Outstanding Bonds will be $1,466,558 (2021 through 2050, inclusive). Assuming no increase to nor decrease from the 2020 Assessed Valuation, no use of funds on hand, and the issuance of no additional bonds by the District, tax rates of $0.34 and $0.31 per $100 of Assessed Valuation at a 95% tax collection rate would be necessary to pay the Maximum Annual Debt Service Requirement and the Average Annual Debt Service Requirements, respectively.

The District levied a debt service tax of $0.36 per $100 of Assessed Valuation, plus a maintenance tax of $0.22 per $100 of Assessed Valuation for 2020. As the above calculations indicate, the 2020 debt service rate will be sufficient to pay the Average Annual Debt Service Requirements and the Maximum Annual Debt Service Requirement on the Bonds and the Remaining Outstanding Bonds assuming taxable values in the District at the level of the 2020 Assessed Valuation, assuming a tax collection rate of 95%, no use of funds on hand, based upon the 2020 Assessed Valuation, and the issuance of no additional bonds by the District. Moreover, the District's Debt Service Fund Balance is estimated to be $2,466,343 as of the date of delivery of the Bonds. The District has in the past augmented tax collections with earnings from the investment of monies held in the District's Debt Service Fund. See "APPENDIX B - INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS." In addition, as is illustrated below under the caption "Historical Values and Tax Collection History," the District had, as of February 28, 2021, total annual tax collections averaging 99.45% for the years 2010 through 2019, and its 2020 tax levy was 96.43% collected as of such date. Therefore, the District expects to be able to pay debt service on the Bonds and the Remaining Outstanding Bonds without increasing its debt service tax above the $0.36 per $100 of Assessed Valuation debt service tax that the District has levied for 2020 (plus a maintenance tax of $0.22 per $100 of Assessed Valuation). However, 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 aforementioned tax rate or to justify continued payment of taxes by property owners. Increases in the District's tax rate to substantially higher levels than the total $0.58 per $100 of Assessed Valuation rate which the District has levied for 2020 may have an adverse impact upon future development of the District, 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. See "TAX PROCEDURES."

As is enumerated and further detailed in this Official Statement under the caption "TAX DATA - Estimated Overlapping Taxes," the aggregate of the tax levies of all overlapping taxing units which levy taxes upon property located in the District, plus the District's rate, is $2.717351. Such aggregate levies are higher than the aggregate tax levies of some municipal utility districts in the Houston metropolitan area, including the area of the District, but are within the range of the aggregate levies of municipal utility districts in the Houston metropolitan area and the area of the District which are in stages of development comparable with the District. One must consider the total tax burden of all overlapping jurisdictions imposed upon property located within the District as contrasted with property located in comparable real estate developments to gauge the relative tax burden on property within the District. The tax rate necessary to service the debt issued or to be issued by the District, and the tax rates levied by other overlapping jurisdictions, are subject to numerous uncertainties and variables, and thus the District can give no assurance that the composite tax rates imposed by overlapping jurisdictions, plus the District's tax rate, will be competitive with the tax rates of competing projects. See "THE BONDS - Bondholders' Remedies and Effects of Bankruptcy, " "TAX DATA - Estimated Overlapping Taxes," and "TAXING PROCEDURES."

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect 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 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 procedures against a taxpayer, (c) market conditions limiting the proceeds from a foreclosure sale of taxable property or (d) the taxpayer's right to redeem the property within two years of foreclosure for residential homestead and agricultural use property and within six (6) months of foreclosure for other property. 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. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a taxpayer's bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid.

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, 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. 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 a judgment against the District could be obtained, it could not be enforced by 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 to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds.

Furthermore, the District is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"), subject to obtaining approval from the TCEQ. Chapter 9 includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce payment of indebtedness would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. Under Chapter 9, the District could file a plan for an adjustment of its debts. If such a plan were confirmed by the Bankruptcy Court, it could, among other things, reduce or eliminate the amount of the District's indebtedness, defer or rearrange the debt service schedule of the District's indebtedness, reduce or eliminate interest, modify or abrogate collateral or security arrangements, substitute (in whole or in part) one security for another security, and otherwise compromise or modify the rights and remedies of the holders of the District's indebtedness.

The District may not be placed into bankruptcy involuntarily.

Marketability

The District has no understanding (other than the initial reoffering yields) with the Underwriters regarding the reoffering yields or prices of the Bonds and has no control over the trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made for the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the bid and asked spread of other bonds generally bought, sold, or traded in the secondary market. See "SALE AND DISTRIBUTION OF THE BONDS."

Future Debt

The District has the right to issue the remaining $73,160,000 authorized but unissued bonds for waterworks, wastewater and drainage facilities, the remaining authorized but unissued refunding bonds, (see "THE BONDS - Issuance of Additional Debt"), and such additional bonds as may hereafter be approved by both the Board and voters of the District. Subject to various conditions stated in separate agreements, the District has agreed to issue bonds and use the proceeds to reimburse certain developers (or their predecessors) for the cost of water, sewer, and drainage facilities which they have provided to their properties within the District, as taxable improvements are built on such properties. Pursuant to such agreements, the District expects to finance the acquisition or construction of components of the System with the proceeds of the sale of bonds, if any, to be issued by the District in the future. See "THE BONDS - Issuance of Additional Debt" and "THE SYSTEM."

The District's Engineer estimates that the aforementioned $73,160,000 authorized bonds which remain unissued will be adequate to finance the construction of all water, wastewater and drainage facilities to provide service to all of the currently undeveloped portions of the District. See “THE SYSTEM - Regulation.” The issuance of such $73,160,000 in bonds for waterworks, wastewater and drainage facilities is subject to TCEQ authorization.

The District also has the right to issue certain other additional bonds, special project bonds, and other obligations described in the Bond Order. See “THE BONDS - Issuance of Additional Debt.” If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds

Continuing Compliance with Certain Covenants

The Bond Order contains covenants by the District intended to preserve the exclusion from gross income of interest on the Bonds. Failure of the District to comply with such covenants on a continuous basis prior to maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See “TAX MATTERS.”

Competitive Nature of Houston Housing and Commercial Building Markets

The single-family development and housing and commercial development and building industries in the Houston area are very competitive, and the District can give no assurance that the building programs that are planned by any future home builder(s) will be continued or completed, that additional commercial buildings will be constructed within the District, or that any development projects other than those that have been heretofore undertaken in the District will be initiated or completed. The likelihood of the construction of future homes or commercial buildings or the initiation of any new residential or commercial development projects in the District is affected by most of the factors discussed in this section, and such likelihood is directly related to tax revenues received by the District and the growth and maintenance of taxable values in the District

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.

The District's stormwater discharges currently maintain permit coverage through the Municipal Separate Storm System Permit (the "Current Permit") issued to the Storm Water Management Joint Task Force consisting of Harris County, Harris County Flood Control District, the City of Houston, and the Texas Department of Transportation. In the event that at any time in the future the District is not included in the Current Permit, it may be required to seek independent coverage under the TCEQ's General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit"), which authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. If the District's inclusion in the MS4 Permit were required at a future date, the District could incur substantial costs to develop and implement the necessary plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

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

Tropical Weather Events

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. However, according to the District's Operator and Engineer, the District's System did not sustain any material damage and there was no interruption of water and sewer service from Hurricane Harvey. Further, according to District officials, after investigation, although the District experienced street flooding, there was no apparent material wind or water damage to homes or industrial or commercial properties within the District.

If a future weather event 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.

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.

Changes in Tax Legislation

Certain tax legislation, whether currently proposed or proposed in the future, may directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, may also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending or future legislation.

Infectious Disease Outbreak (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, 2021, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States in connection with the Pandemic. 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 the Pandemic 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. The Governor has issued a number of executive orders relating to the Pandemic preparedness and mitigation. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at http://gov.tex.gov/. Neither the information on (nor accessed through) such website is incorporated by reference, either expressly or by implication, in this Official Statement.

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 conditions and financial markets worldwide and within Texas and the Houston area. Stock values and oil prices, in the U.S. and globally, have seen significant declines attributed in part to Pandemic 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 area and could reduce or negatively affect property values 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.

While the potential impact of the Pandemic on the District cannot be quantified at this time, the continued outbreak of the Pandemic 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 necessarily indicative of the economic impact of the Pandemic on the District's financial condition.

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 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. Furthermore, a significant proportion of the assessed valuation of the District that is related to industrial use is related to the oil, gas and energy production industries. See "TAX DATA - Principal 2020 Taxpayers." Adverse economic changes in the energy industry could result in the reduction of demand for such industrial activity and a consequent reduction in the assessed valuation of such property that is related to industrial activity within the District.

THE DISTRICT

Authority

The District was created by an order of the Texas Water Rights Commission (now the TCEQ) dated April 24, 1963, after a hearing upon a petition for creation. The creation of the District was confirmed at an election held within the District on May 31, 1963. The rights, powers, privileges, authority and functions of the District are established by the general laws of the State of Texas pertaining to water control and improvement districts, including particularly Chapters 49 and 51, Texas Water Code, as amended.

The District is empowered, among other things, to purchase, construct, operate, and maintain all works, improvements, facilities, and plants necessary for the supply of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water. The District may provide solid waste collection and disposal and contract for or employ peace officers.

Under certain circumstances, water districts, including the District also are authorized to construct, develop and maintain recreational facilities. In addition, the District is authorized to establish, operate and maintain a fire department, independently or with one or more other conservation and reclamation districts.

The TCEQ exercises continuing supervisory jurisdiction over the District. In order to obtain the consent of the City of Houston to the creation of the District, the District has agreed to observe certain City of Houston requirements. These requirements limit the purposes for which the District may sell bonds to the acquisition and improvement of waterworks, wastewater, and drainage facilities, and certain park facilities; limit the net effective interest rate on such bonds and other terms of such bonds; and require approval by the City of Houston of the District's construction plans and specifications.

Description

Harris County Water Control and Improvement District No. 84 was created by the Texas Water Rights Commission, now the Texas Commission on Environmental Quality (the "TCEQ" or the "Commission") on April 24, 1963, and operates pursuant to Chapters 49 and 51 of the Texas Water Code. By legislative action in 2001, the Texas legislature ratified the boundary of the District containing 765.7019 acres. Since August 2007, a total of approximately 429.59 acres of land have been annexed into the District, resulting in the District's current total of approximately 1,195.29 acres of land. The District is located entirely within Harris County, Texas, approximately 15 miles northeast of the central business district of the City of Houston, Texas. The District is located within the extraterritorial jurisdiction of the City of Houston. The entire District lies within the Channelview Independent School District. Sheldon Road traverses the District from north to south. Woodforest Boulevard is located south of the southern portion of the District. Wallisville Road is located north of the northern portion of the District. See "AERIAL PHOTOGRAPH OF THE DISTRICT," and "APPENDIX A - LOCATION MAP."

Management of the District

The District is governed by the Board of Directors, consisting of five directors. The Board of Directors has control over and management supervision of all affairs of the District. Directors serve four-year staggered terms, and elections are held within the District in May in even numbered years. The current members and officers of the Board, along with their respective terms of office, are listed below.

The current members and officers of the Board, along with their respective terms of office, are listed below.

Name	Position	Term Expires in May
Tomas Fernandez	President	2022
Bud Mills	Vice President	2022
Hugo Arriaga	Assistant Secretary	2024
Curtis Seale	Director	2024
Allen Hall	Director	2024

The District does not have a general manager or any other employee, but has contracted for services, as follows.

Tax Assessor/Collector

The District has engaged Bob Leared Interests, Houston, Texas, as the District's Tax Assessor/Collector. According to Bob Leared Interests, it presently serves 150 taxing units as tax assessor/collector. The Tax Assessor/Collector applies the District's tax levy to tax rolls prepared by the Harris County Appraisal District and bills and collects such levy.

Bookkeeper

The District's bookkeeper is McLennan & Associates, LP. According to McLennan & Associates, LP, it acts as bookkeeper for approximately 100 utility districts.

Utility System Operator

The District's operator is Municipal District Services, L.L.C. According to Municipal District Services, L.L.C., it acts as operator for approximately 70 utility districts.

Auditor

As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which annual audited financial statements are filed with the TCEQ. The financial statements of the District as of June 30, 2020, and for the year then ended, included in this offering document, have been audited by BKD, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX B."

Engineer

The consulting engineer for the District is Huitt-Zollars, Inc. (the "Engineer"). The Engineer has also been employed by certain developers of the District in connection with certain planning activities and the design of certain streets and related improvements within the District.

Attorney

The District has engaged Norton Rose Fulbright US LLP, Houston, Texas as general counsel to the District and as bond counsel ("Bond Counsel") in connection with the issuance of the Bonds. The fees to be paid Bond Counsel in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued and sold. Therefore, the payment of such fees is contingent upon the sale and delivery of the Bonds. See "LEGAL MATTERS."

Financial Advisor

The District has engaged Rathmann & Associates, L.P., as financial advisor (the "Financial Advisor") to the District. The fees paid the Financial Advisor for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued and sold. Therefore, the payment of such fees is contingent upon the sale and delivery of the Bonds. Rathmann & Associates, L.P. is an independent municipal advisor registered with the United States Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"). Rathmann & Associates, L.P.'s SEC registration number is 867-00217 and its MSRB registration number is K0161. Rathmann & Associates, L.P.'s SEC registration Forms MA and MA-1's, which constitute Rathmann & Associates, L.P.'s registration filings, may be accessed through http://www.sec.gov/edgar/searchedgar/companysearch.html.

DEVELOPMENT OF THE DISTRICT

The land located within the District includes (i) land that has been developed for residential usage, including single-family residential, multi-family residential and other residential usage; (ii) land for industrial usage and commercial usage; (iii) land and improvements owned by the Channelview Independent School District, and (iv) land that is currently undeveloped, all as is described below.

- Rancho Verde Single-Family Residential Development and Other Residential Usage -

As of March 1, 2021, the District contained 1,547 homes within Rancho Verde, Sections 1 through 13, approximately 150 additional single-family homes that were constructed prior to 2002 and are not part of any organized subdivision; approximately 222 multi-family residential rental units and approximately 106 mobile homes.

According to the District's Engineer, the development of Rancho Verde, Sections 1 through 13 (1,547 single-family residential lots, approximately 304.76 acres) is complete with the provision of water supply and distribution, wastewater collection and treatment and storm drainage facilities (the "System") and street paving. See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments," "FUTURE DEVELOPMENT" and "TAX DATA - Principal 2020 Taxpayers."

The District has financed the cost of acquiring or constructing certain components of the System, including underground water distribution, wastewater collection and storm drainage facilities that serve Rancho Verde, Sections 1 through 13, and other items with portions of the proceeds of the sale of the Prior Bonds as is described in this Official Statement under the caption "THE SYSTEM." In addition to the components of the System that the District has financed with the proceeds of the sale of the Prior Bonds, the District expects to finance the acquisition or construction of additional components of the System with the proceeds of the sale of bonds, if any, issued by the District in the future. See "THE BONDS - Issuance of Additional Debt," "INVESTMENT CONSIDERATIONS - "Future Debt," and "THE SYSTEM."

Residential Units in Rancho Verde

	Lots				Homes				
	Fully		Under		Under Construction		Completed		
Subdivision	Developed	Acres	Development	Acres	Sold*	Unsold	Sold*	Unsold	Total
Rancho Verde									
Section 1	149	25.6	0	0	0	0	149	0	149
Section 2	59	14.42	0	0	0	0	59	0	59
Section 3	130	23.1	0	0	0	0	130	0	130
Section 4	113	18.3	0	0	0	0	113	0	113
Section 5	69	11.4	0	0	0	0	69	0	69
Section 6	251	57.99	0	0	0	0	251	0	251
Section 7	166	31.61	0	0	0	0	166	0	166
Section 8	84	16.20	0	0	0	0	84	0	84
Section 9	142	41.09	0	0	0	0	142	0	142
Section 10	101	18.18	0	0	0	0	101	0	101
Section 11	96	15.02	0	0	0	0	96	0	96
Section 12	141	24.94	0	0	0	0	141	0	141
Section 13	46	6.91	0	0	0	0	46	0	46
Totals	1,547	304.76	0	0	0	0	1,547	0	1,547

* Includes homes sold and contracted for sale. Homes under contract for sale are generally subject to conditions of appraisal, loan application, approval, and inspection.

Residential Units Located Within the District Outside of Rancho Verde

The District contains approximately 150 single-family homes that were constructed prior to 2002 and are not part of any organized subdivision.

- Industrial and Commercial Usage -

The District contains certain industrial and commercial enterprises. The principal taxpayers reflected on the District's 2020 tax roll (see "TAX DATA - Principal 2020 Taxpayers") include certain of the following industrial and commercial property owners: (i) Tex Trude, Inc. (plastic sheeting manufacturing warehouse facilities including approximately 338,621 square feet of building area constructed on approximately 49.7 acres); (ii) Tubular Services, L.L.C. (steel pipe processing and warehouse facility including approximately 223,703 square feet of building area constructed on approximately 42.4 acres); (iii) Air Liquide America Corp. (air separation plant for oxygen, nitrogen and argon, including an approximately 35,629 manufacturing/warehouse facility constructed on approximately 50.0 acres); (iv) Ryder Truck Rental, Inc. (truck rental service including an approximately 15,356 square foot commercial building on approximately 9.2 acres); (v) Owens Specialty Co., Inc. (metal fabrication facility for gas turbine, power producing and oil field equipment, including approximately 80,031 square feet of building area constructed on approximately 5.0 acres); and (vi) Cletex Real Estate (tanker truck depot with mechanical shops for maintenance and repairs, including approximately 42,754 square feet of building area constructed on approximately 25.0 acres). In addition to the above-ground industrial and commercial improvements that have been constructed on the tracts of land located within the District that are enumerated above, approximately 96.7 additional acres of land located within the District contain industrial and commercial above-ground improvements.

- Channelview Independent School District -

Channelview Independent School District owns 4 tracts of land located within the District (a total of approximately 120.1 acres) upon which the Channelview High School and Kolarik 9th grade campus (approximately 53.8 acres), Harvey Brown Elementary School (approximately 14.8 acres), the Channelview Independent School District Administration Building (approximately 7.5 acres), and Channelview High School Annex (approximately 43.9 acres) have been constructed. The land and improvements located within the District that are owned by the Channelview Independent School District are not subject to taxation by the District.

- Undeveloped Land -

Approximately 215.8 acres of land located within the District currently do not contain above-ground improvements. According to the District's Engineer, the construction of the District's System to serve all of such approximately 215.8 acres of land is complete. Lyondell Chemical Company owns approximately 50 acres of such approximately 215.8 acres. Approximately 165.8 additional acres of such approximately 215.8 acres located within the District are owned by multiple parties, none of which has reported any definitive development plan to the District covering any of such undeveloped acres. Since none of the owners of any of such currently undeveloped land is under any obligation to the District to further develop any of such currently undeveloped land, including with the construction of above-ground improvements, according to any particular timetable or at all, the District cannot represent that the development of any portion thereof will be undertaken. See "FUTURE DEVELOPMENT."

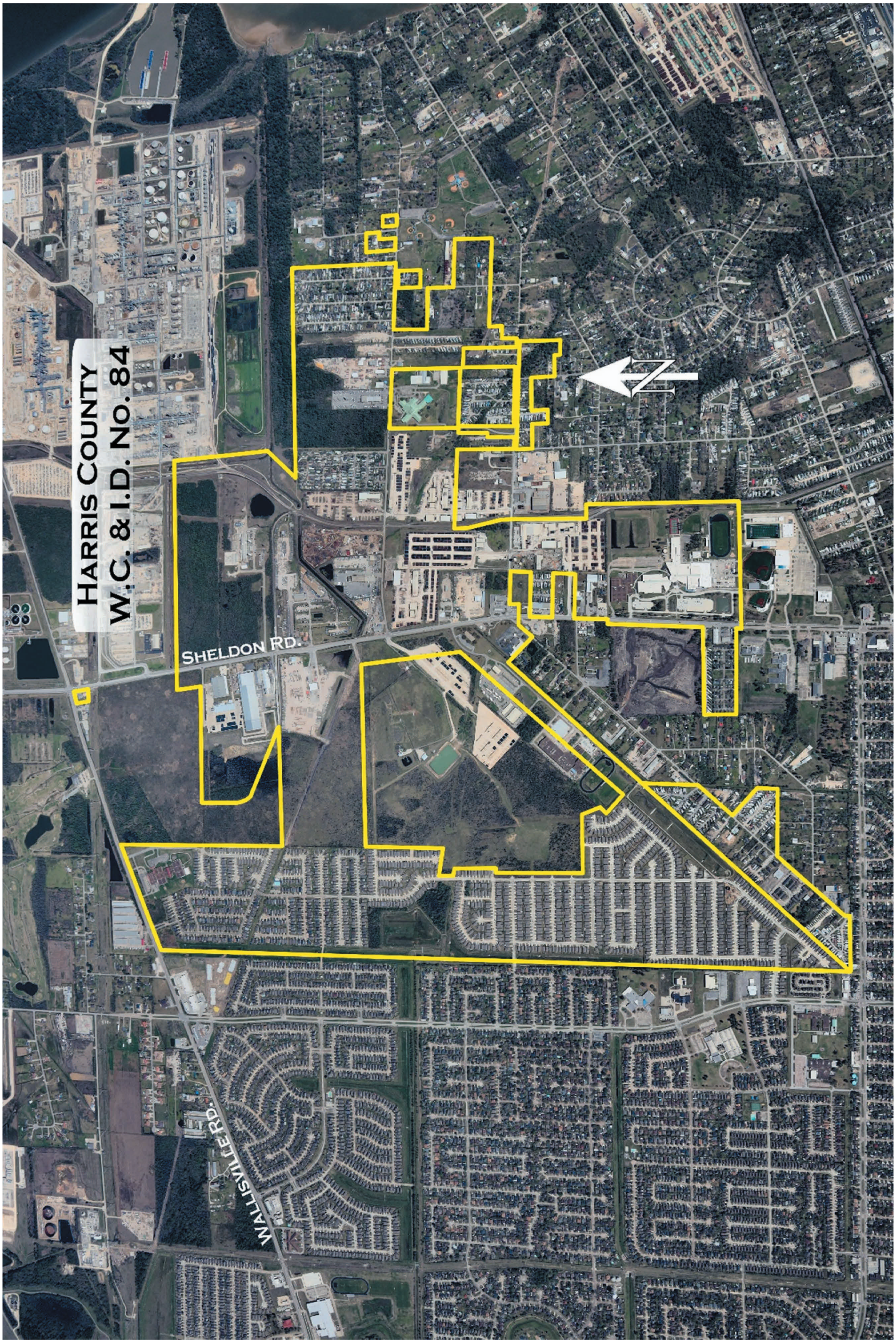
According to the District's Engineer, approximately 80.0 acres of land located within the District are contained within street rights-of-way, drainage easements, or are otherwise not available for development.

FUTURE DEVELOPMENT

Approximately 215.8 acres of land located within the District currently do not contain above-ground improvements. According to the District's Engineer, the construction of the District's System to serve all of such approximately 215.8 acres of land is complete. Lyondell Chemical Company owns approximately 50 acres of such currently undeveloped land located within the District. Approximately 165.8 additional acres of such currently undeveloped land located within the District are owned by multiple parties, none of which has reported any definitive development plan to the District covering any of such undeveloped acres. Since none of the owners of any of such currently undeveloped land is under any obligation to the District to further develop any of such currently undeveloped land, including with the construction of above-ground improvements, according to any particular timetable or at all, the District cannot represent that the development of any portion thereof will be undertaken.

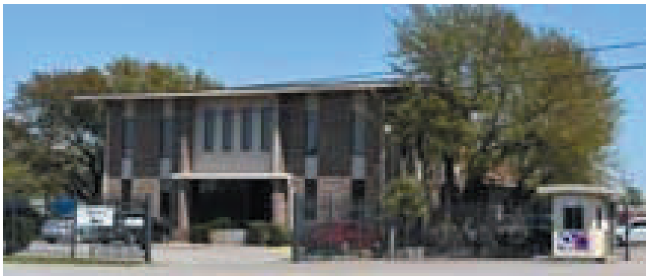
The initiation of any new development beyond that described in this Official Statement will be dependent on several factors including, to a great extent, the general and other economic conditions which would affect any party's ability to sell lots and/or other property and of any home builder to sell completed homes described in this Official Statement under the caption "INVESTMENT CONSIDERATIONS." If the undeveloped portions of the District are eventually developed, additions to the District's water, wastewater, and drainage systems required to service such undeveloped acreage may be financed by future issues (if any) of the District's bonds and developer contributions, if any, as required by the TCEQ. The District's Engineer estimates that the $73,160,000 in authorized bonds which remain unissued after the sale of the Bonds will be adequate to finance the construction of all water, wastewater and drainage facilities necessary to provide service to all of the developable, undeveloped portions of the District. See "THE BONDS - Issuance of Additional Debt," "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments" and - "Future Debt," and "THE SYSTEM."

AERIAL PHOTOGRAPH OF THE DISTRICT
(taken April 2021)



PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(taken March 2021)

PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(taken March 2021)



DISTRICT DEBT

Debt Service Requirement Schedule

The following schedule sets forth the debt service requirements on the Outstanding Bonds, less the debt service requirements on the Refunded Bonds, plus the principal and interest requirements of the Bonds.

Year Ending December 31	Current Total Debt Service	Less: Debt Service on Refunded Bonds	Plus: The Bonds Principal (Due 9-1)	Plus: The Bonds Interest	Current Total New Debt Service Requirements
2021	$ 1,267,579	$ 89,406	$ 50,000	$ 26,425	$1,254,597
2022	1,438,138	178,813	25,000	104,200	1,388,525
2023	1,440,438	493,813	340,000	103,450	1,390,075
2024	1,444,088	489,363	350,000	93,250	1,397,975
2025	1,445,588	483,163	350,000	82,750	1,395,175
2026	1,449,463	476,788	360,000	72,250	1,404,925
2027	1,454,663	475,238	365,000	57,850	1,402,275
2028	1,457,463	466,638	365,000	50,550	1,406,375
2029	1,459,513	462,838	365,000	43,250	1,404,925
2030	1,464,875	452,750	360,000	39,600	1,411,725
2031	1,469,325	447,450	360,000	35,100	1,416,975
2032	1,477,800	431,725	350,000	27,900	1,423,975
2033	1,480,325	426,000	355,000	20,900	1,430,225
2034	1,487,825	410,800	345,000	13,800	1,435,825
2035	1,489,375	405,600	345,000	6,900	1,435,675
2036	1,494,975				1,494,975
2037	1,503,475				1,503,475
2038	1,505,975				1,505,975
2039	1,512,181				1,512,181
2040	1,517,338				1,517,338
2041	1,521,444				1,521,444
2042	1,529,156				1,529,156
2043	1,534,531				1,534,531
2044	1,538,656				1,538,656
2045	1,541,488				1,541,488
2046	1,546,725				1,546,725
2047	1,550,500				1,550,500
2048	1,557,763				1,557,763
2049	1,558,400				1,558,400
2050	1,584,875				1,584,875
	$44,723,940	$6,190,385	$4,685,000	$778,175	$43,996,729

Average Annual Requirements (2021-2050) $1,466,558
Maximum Annual Requirement (2050) $1,584,875

General

The following tables and calculations relate to the Bonds and the Remaining Outstanding Bonds. After issuance of the Bonds, the aggregate principal amount of the Outstanding Bonds, less the Refunded Bonds, will be $24,865,000 (the "Remaining Outstanding Bonds"), and the District's total bonded indebtedness, including the Bonds, will be $29,550,000. The District is empowered to incur debt to be paid from revenues raised by taxation against all taxable property located within 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 within the District.

2020 Assessed Valuation .... (As of January 1, 2020) See "TAX DATA" and "TAXING PROCEDURES."	$	500,964,389	(a)
Direct Debt:			
Remaining Outstanding Bonds	$	24,865,000	
The Bonds		4,685,000	
Total	$	29,550,000	(b)
Estimated Overlapping Debt	$	44,710,284	
Total Direct and Estimated Overlapping Debt	$	74,260,284	
Direct Debt Ratio : as a percentage of 2020 Assessed Valuation		5.90	%
Direct and Overlapping Debt Ratio : as a percentage of 2020 Assessed Valuation		14.82	%
Debt Service Fund Balance Estimated as of Delivery of the Bonds	$	2,466,343	(c)
General Fund Balance as of March 9, 2021	$	9,093,897	
2020 Tax Rate per $100 of Assessed Valuation			
Debt Service Tax	$	0.36	
Maintenance Tax		0.22	
Total	$	0.58	(d)

(a) As of January 1, 2020, and comprises the District's 2020 tax roll. All property located in the District is valued on the tax rolls by the Harris County Appraisal District (the "Appraisal District") at 100% of assessed valuation as of January 1 of each year. The District's tax roll is certified by the Harris County Appraisal Review Board (the "Appraisal Review Board"). See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments" and "TAXING PROCEDURES."

(b) In addition to the components of the System that the District has financed with the proceeds of the sale of the Prior Bonds, the District expects to finance the acquisition or construction of additional components of the System with the proceeds of the sale of bonds, if any, issued by the District in the future. See "THE BONDS - Issuance of Additional Debt," "INVESTMENT CONSIDERATIONS - "Future Debt," and "THE SYSTEM."

(c) Neither Texas law nor the Bond Order requires the District to maintain any particular sum in the Debt Service Fund. Such fund balance reflects the timely payment by the District of its debt service requirements on the Outstanding Bonds that were due on March 1, 2021, and the contribution by the District of $4,000 to the refunding of the Refunded Bonds. The District's remaining debt service payments for 2021, which are due on September 1, 2021, total $806,937, and consist of the payment of and interest on the Remaining Outstanding Bonds and a three-month interest payment and a principal payment on the Bonds.

(d) The District levied a debt service tax for 2020 in the amount of $0.36 per $100 of Assessed Valuation and a maintenance tax of $0.22 per $100 of Assessed Valuation for 2020. See "TAX DATA - Estimated Overlapping Taxes." As is enumerated and further detailed in this Official Statement under the caption "TAX DATA - Estimated Overlapping Taxes," the aggregate of the tax levies of all overlapping taxing units which levy taxes upon property located in the District, plus the District's rate, is $2.717351. Such aggregate levies are higher than the aggregate tax levies of some municipal utility districts in the Houston metropolitan area, including the area of the District, but are within the range of the aggregate levies of municipal utility districts in the Houston metropolitan area and the area of the District which are in stages of development comparable with the District. See "INVESTMENT CONSIDERATIONS – Economic Factors Affecting Taxable Values and Tax Payments" and "TAX PROCEDURES."

Estimated Direct and Overlapping Debt Statement

Other governmental entities whose boundaries overlap the District have outstanding bonds payable from ad valorem taxes. The following statement of direct and estimated overlapping ad valorem tax debt was developed from information contained in "Texas Municipal Reports," published by the Municipal Advisory Council of Texas, or other available information. Except for the amount relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person is entitled to rely upon such information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional bonds since the dates stated in this table, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot presently be determined. Political subdivisions overlapping the District are authorized by Texas law to levy and collect ad valorem taxes for operation, maintenance and/or general revenue purposes in addition to taxes for payment of their debt, and some are presently levying and collecting such taxes.

	Debt as of	**Estimated Overlapping**	
Taxing Jurisdiction	**March 1, 2021**	**Percent**	**Amount**
Harris County	$1,672,657,125	0.09912%	$1,657,942
Harris County Department of Education	20,185,000	0.09912%	20,007
Harris County Flood Control District	334,270,000	0.09912%	331,329
Harris County Hospital District	81,540,000	0.09912%	80,823
Port of Houston Authority	492,439,397	0.09912%	488,107
Channelview Independent School District	300,985,000	12.63544%	38,030,783
San Jacinto Community College District	533,514,484	0.76873%	4,101,293
Total Estimated Overlapping Debt			$44,710,284
The District (the Bonds and the Remaining Outstanding Bonds)			$29,550,000
Total Direct & Estimated Overlapping Debt			$74,260,284

Debt Ratios

	% of 2020 Assessed Valuation
Direct Debt	5.90%
Direct and Estimated Overlapping Debt	14.82%

TAX DATA

Debt Service Tax

All taxable property within the District is subject to the assessment, levy and collection by the District of an 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. 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 (with any net revenue) to produce funds to pay the principal of and interest on the Bonds when due. 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. The District levied a debt service tax of $0.36 per $100 of Assessed Valuation for 2020, as is described below under the caption "Tax Rate Distribution."

Maintenance Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements if such maintenance tax is authorized by vote of the District's electors. At an election held in 1987, the Board was authorized by a vote of the District's electors to levy such maintenance tax which is unlimited as to rate or amount. Such tax, when levied, is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Outstanding Bonds, the Bonds and any parity bonds which may be issued in the future. The District levied a maintenance tax for 2020 in the amount of $0.22 per $100 of Assessed Valuation as is outlined below under the caption "Tax Rate Distribution."

Tax Rate Limitation

Debt Service: Unlimited (no legal limit as to rate or amount).
Maintenance: Unlimited (no legal limit as to rate or amount).

Historical Values and Tax Collection History

The following statement of tax collections sets forth, in condensed form, the historical Assessed Valuation and tax collections of the District. Such summary has been prepared for inclusion herein based upon information obtained from District records. Reference is made to such records, including the District's annual audited financial statements, for more complete information.

Tax Year	Assessed Valuation	Tax Rate (a)	Adjusted Levy	% Collections Current & Prior Years (b)	% Collections Year Ending 9/30
2010	$ 93,206,718 %	$1.087	$1,014,061	99.51 %	2011
2011	104,708,580	1.087	1,145,818	99.53	2012
2012	127,565,240	1.087	1,393,372	99.61	2013
2013	190,739,716	1.040	1,991,039	99.64	2014
2014	247,769,152	0.890	2,211,433	99.35	2015
2015	253,288,801	0.810	2,056,329	99.02	2016
2016	243,012,099	0.650	1,580,506	99.66	2017
2017	271,868,764	0.600	1,632,068	99.56	2018
2018	356,470,146	0.600	2,138,821	99.34	2019
2019	427,115,753	0.600	2,562,695	99.29	2020
2020	500,964,389	0.580	2,905,593	96.43 (c)	2021

(a) Per $100 of Assessed Valuation.
(b) Such percentages reflect cumulative total collections for each year from the time each respective annual tax was levied through February 28, 2021.
(c) As of February 28, 2021. In process of collection.

Tax Rate Distribution

	2020	2019	2018	2017	2016
Debt Service	$0.36	$0.38	$0.19	$0.19	$0.24
Maintenance & Operations	0.22	0.22	0.41	0.41	0.41
Total	$0.58	$0.60	$0.60	$0.60	$0.65

Analysis of Tax Base

The following table illustrates the composition of property located within the District for the past five years.

	2020 Assessed Value	%	2019 Assessed Value	%	2018 Assessed Value	%
Type of Property						
Land	$114,162,356	22.79%	$85,784,300	20.08%	$65,575,190	18.40%
Improvements	361,954,060	72.25%	299,819,539	70.20%	262,617,979	73.67%
Personal Property	137,153,110	27.38%	166,009,527	38.87%	149,474,250	41.93%
Exemptions	(112,305,137)	-22.42%	(124,497,613)	-29.15%	(121,197,273)	-34.00%
Total	$500,964,389	100.00%	$427,115,753	100.00%	$356,470,146	100.00%

	2017 Assessed Value	%	2016 Assessed Value	%
Type of Property				
Land	$57,898,768	21.30%	$49,788,560	20.49%
Improvements	221,511,681	81.48%	186,464,572	76.73%
Personal Property	86,456,807	31.80%	100,854,965	41.50%
Exemptions	(93,998,492)	-34.57%	(94,095,998)	-38.72%
Total	$271,868,764	100.00%	$243,012,099	100.00%

Principal 2020 Taxpayers

Based upon information supplied by the District's Tax Assessor/Collector, the following table lists principal District taxpayers, type of property owned by such taxpayers, and the assessed valuation of such property as of January 1, 2020. The information reflects the composition of property ownership reflected on the District's 2020 tax roll.

Taxpayer	Type of Property	2020 Taxable Value	% of 2020 Tax Roll
Tex Trude, Inc.	Land, Improvements & Personal Property	$45,072,442	9.00%
Tubular Services, LLC	Land, Improvements & Personal Property	24,692,148	4.93%
Air-Liquide America Corp.	Land and Improvements	13,477,642	2.69%
Hyundai Hysco USA Inc.	Personal Property	7,712,681	1.54%
Chelsea Enterprises LP	Land and Improvements	6,212,840	1.24%
Posco Daewoo America Corp.	Personal Property	5,419,282	1.08%
Lotus Properties LC	Land and Improvements	5,402,354	1.08%
Cressman Tubular Products	Personal Property	5,296,950	1.06%
Borusan Mannesmann Pipe U	Personal Property	4,969,059	0.99%
NC Contractors Inc	Land, Improvements & Personal Property	4,481,803	0.89%
		$122,737,201	24.50%

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of Assessed Valuation which would be required to meet certain debt service requirements if no growth in the District occurs beyond the 2020 Assessed Valuation. The calculations also assume collection of 95% of taxes levied, no use of District funds on hand, and the sale of no additional bonds by the District other than the Prior Bonds and the Bonds.

Average Annual Debt Service Requirements (2021-2050)	$1,466,558
Tax Rate of $0.31 on the 2020 Assessed Valuation ($500,964,389) produces	$1,475,340
Maximum Annual Debt Service Requirement (2050)	$1,584,875
Tax Rate of $0.34 on the 2020 Assessed Valuation ($500,964,389) produces	$1,618,115

The District levied a debt service tax for 2020 of $0.36 per $100 of Assessed Valuation plus a maintenance tax of $0.22 per $100 of Assessed Valuation. As the above table indicates, the 2020 debt service rate will be sufficient to pay the Average Annual Debt Service Requirements and the Maximum Annual Debt Service Requirement on the Bonds and the Remaining Outstanding Bonds assuming taxable values in the District at the level of the 2020 Assessed Valuation, assuming a tax collection rate of 95%, no use of funds on hand, and the issuance of no additional bonds by the District. Moreover, the District's Debt Service Fund Balance is estimated to be $2,466,343 as of the date of delivery of the Bonds. The District has in the past augmented tax collections with earnings from the investment of monies held in the District's Bond Fund. See "APPENDIX B - INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS." In addition, as is illustrated above under the caption "Historical Values and Tax Collection History," the District had, as of February 28, 2021, total annual tax collections averaging 99.45% for the years 2010 through 2019, and its 2020 tax levy was 96.43% collected as of such date. Therefore, the District expects to be able to pay debt service on the Bonds and the Remaining Outstanding Bonds without increasing its debt service tax above the $0.36 per $100 of Assessed Valuation debt service tax that the District has levied for 2020 (plus a maintenance tax of $0.22 per $100 of Assessed Valuation). However, 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 aforementioned tax rate or to justify continued payment of taxes by property owners. See "TAX PROCEDURES" and "INVESTMENT CONSIDERATIONS - Economic Factors Affecting Taxable Values and Tax Payments." Increases in the District's tax rate to higher levels than the total $0.58 per $100 of Assessed Valuation rate which the District has levied for 2020 may have an adverse impact upon future development of the District, 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.

Estimated Overlapping Taxes

Property located within the District is subject to taxation by several taxing authorities in addition to the District. Set forth below is a compilation of the 2020 levies of all taxing units that levy a tax upon property located within the District. Under Texas law, ad valorem taxes levied by each taxing authority other than the District entitled to levy taxes against property located within the District create a lien which is on a parity with the tax lien of the District. In addition to the ad valorem taxes required to make the debt service payments on bonded indebtedness of the District and of such other jurisdictions (see "DISTRICT DEBT - Estimated Direct and 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.

Taxing Jurisdiction	2020 Tax Rate Per $100 of A.V.
The District*	$0.580000
Harris County	0.391160
Harris County Department of Education	0.004993
Harris County Hospital District	0.031420
Harris County Flood Control District	0.166710
Port of Houston Authority	0.009910
Channelview Independent School District	1.313800
San Jacinto Community College District	0.169358
Harris County Emergency Service District No. 50	0.050000
	$2.717351

* The District has levied a total tax rate of $0.58 per $100 of Assessed Valuation for 2020, consisting of debt service and maintenance taxes of $0.36 and $0.22 per $100 of Assessed Valuation, respectively

No prediction can be made of the tax rates that will be levied in future years by the respective taxing jurisdictions.

TAX PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Outstanding Bonds and the Bonds, and any additional bonds payable from taxes which the District may hereafter issue (see "INVESTMENT CONSIDERATIONS - Future Debt") and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Order to levy such a tax from year to year as described more fully above under "THE BONDS - Source of Payment." Under Texas law, the Board may also levy and collect annual ad valorem taxes for the operation and maintenance of the District and the System. See "TAX DATA - Maintenance Tax," and - "Tax Rate Distribution."

Property Tax Code and County-wide Appraisal District

The Texas Property Tax Code (the "Property Tax Code") specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized here. 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 an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the appraisal district. The Harris County Appraisal District (the "Appraisal District") has the responsibility of appraising property for all taxing units within Harris County, including the District. Such appraisal values will be subject to review and change by the Harris County Appraisal Review Board (the "Appraisal Review Board").

The Texas Tax Code provides that the governing body of a taxing unit located within an area declared to be a disaster area by the governor of the State of Texas may authorize reappraisal of all property damaged in the disaster at its market value immediately after the disaster. For reappraised property, the taxes are pro-rated for the year in which the disaster occurred. The taxing unit assesses taxes prior to the date the disaster occurred based upon market value as of January 1 of that year. Beginning on the date of the disaster and for the remainder of the year, the taxing unit assesses taxes on the reappraised market value of the property.

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: 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; certain goods, wares, and merchandise in transit; farm products owned by the producer; county fair associations; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; property used to control pollution; and most individually-owned automobiles.

Senior Citizen/Disabled Exemptions: The District may by its own action exempt residential homesteads of persons 65 years or older and certain disabled persons to the extent deemed advisable by the Board. The District may be required to offer such an exemption if a majority of voters approve it at an election. The District would be required to call such an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. See "TAX DATA - Exemptions."

Veterans Exemptions: Furthermore, the District must grant exemptions to disabled veterans, or certain surviving dependents of disabled veterans if requested, but only to the maximum extent of $5,000 to $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 the exemption for the full amount of the residential homestead. Additionally, and 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 the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces or a first responder as defined under Texas law, who was killed in action is, subject to certain conditions, entitled to a total tax exemption on such surviving spouse's residence homestead. If the surviving spouse changes homesteads, but does not remarry, then the amount of the exemption as of the last year of the first qualifying residential homestead is applicable to the subsequent homesteads.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised market value of residential homesteads from ad valorem taxation. 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. The adoption of a homestead exemption may be considered each year, but must be adopted by May 1. See "TAX DATA - Exemptions."

Freeport Goods Exemption: Goods in transit ("freeport goods") are constitutionally exempted from taxation. Freeport goods are goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas and other petroleum products, which have been acquired or brought into the state for assembling, storing, manufacturing, repair, maintenance, processing or fabricating or used to repair or maintain aircraft of a certified air carrier and shipped out of the state within 175 days.

Goods-In-Transit Exemption: Article VIII, Section 1-n of the Texas Constitution provides for the exemption from taxation of "goods-in-transit." "Goods-in-transit" is defined by a provision of the Tax Code, which is effective for tax years 2008 and thereafter, as personal property acquired or imported into Texas and transported to another location in the State or outside the State within 175 days of the date the property was acquired or imported into Texas. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out-board motor, heavy equipment and manufactured housing inventory. For tax year 2012 and subsequent years, goods-in-transit are limited to tangible personal property acquired in or imported into Texas for storage purposes only if such property 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 Tax Code provision permits local governmental entities, on a local option basis, to take official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax goods-in-transit during the following tax year. A taxpayer may receive only one of the freeport exemptions or the goods-in-transit exemptions for items of personal property.

Tax Abatement

Harris County may designate all or part of the area within the District as a reinvestment zone. Thereafter, the District may enter into tax abatement agreements with owners of property within the zone. The tax abatement agreements may exempt from ad valorem taxation 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 the terms of the tax abatement.

The District may recapture all or a portion of the property tax if the owner does not comply with the abatement agreement. None of the area within the District has been designated as a reinvestment zone to date, nor does the District expect any area within the District to be so designated in the foreseeable future. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by other taxing jurisdictions.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Generally, assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code; nevertheless, certain land may be appraised at less than market value under the Property Tax Code and increases in the appraised value of residence homesteads are limited to 10 percent annually regardless of the market value of the property.

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its 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 of such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser 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 while claiming it for another. If a claimant receives the agricultural use 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, including taxes for the previous three (3) years for agricultural use and taxes for the previous five (5) years for open space land and timberland. There are also special appraisal methods for agricultural land owned by individuals whose primary occupation is farming, for some greenhouses used for growing wholesale flowers in urban areas, and for recreational, park, and scenic land.

The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all real property in the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisals will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis. The District, however, at its expense, has the right to obtain from the Appraisal District a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate within the District until such time as the Appraisal District chooses to formally include such values on its appraisal roll.

District and Taxpayer Remedies

A taxpayer may appeal an order of the Appraisal Review Board by filing a timely 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. Additionally, taxing units (such as the District) may challenge certain matters, including the level of appraisal of a certain category of property, the exclusion of property from the appraisal records, the grant in whole or in part of a partial exemption, or a determination that land qualifies for special-use appraisal (agricultural or timber classification, for example). The District may not, however, protest a valuation of individual property.

The Property Tax Code 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.

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes, unless the Board of Directors of the District or the qualified voters of the District or of Harris County elect to transfer such functions to another governmental entity. The rate of taxation is set by the Board based upon the valuation of property within the District as of the preceding January 1.

Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) 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. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the District to pay the costs of an attorney to collect the tax. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in equal monthly installments and must extend for a period of at least 12 months and no more than 36 months (as determined by the District). Additionally, 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. In addition, taxing entities are required by the Property Tax Code to accept four equal installment payments without penalty and interest for taxpayers whose damaged property is in a declared disaster area as long as the taxpayer pays at least one-fourth of the tax bill before the delinquency date. 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 tax payer 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.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. 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 the power to tax the property. The District's tax lien is on a parity with the tax liens of other such taxing units (see “TAX DATA - Estimated Overlapping Taxes”). A tax lien on real property takes priority over the claims 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; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty and interest.

Except with respect to (i) owners of residential homestead property who are sixty-five 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 installment agreements for payment of delinquent taxes as described above and who are not in default under said agreements, 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, by taxpayer redemption rights (a taxpayer may redeem residential homestead and agricultural property within two years and all other property within six months after the purchaser's deed issued at the foreclosure sale is filed in the county records) or by bankruptcy proceedings which restrict the collection of the taxpayer's debts or subject such debts to a plan of adjustment. See “INVESTMENT CONSIDERATIONS - Tax Collection Limitations.”

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 (“FIRREA”) contains certain provisions which affect the time for protesting property valuations, the fixing of tax liens and the collection of penalties and interest on delinquent taxes on real property owned by the Federal Deposit Insurance Corporation (“FDIC”). Under FIRREA, real property held by the FDIC is still subject to ad valorem taxation, but such act states that no real property of the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary liens shall attach to such property, the FDIC shall not be liable for any penalties, interest, or fines, including those arising from failure to pay any real or personal property tax when due, and notwithstanding failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed.

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code, as amended, classifies districts differently based on the current operation and maintenance tax rate or on the percentage of build-out that the 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 as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all 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 is described for each classification below. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

Special Taxing Units

Special Taxing Units 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, 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 Special Taxing Unit is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

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, subject to certain homestead exemptions for the preceding tax year, 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 1.035 times the previous year's operation and maintenance tax rate 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 Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

Developing Districts

Districts that do not meet the classification of a Special Taxing Unit 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 rate imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, 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 1.08 times the previous year's operation and maintenance tax rate.

The District

A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis, beginning with the 2020 tax rate. 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. For the 2020 tax rate year, a determination has been made by the District's Board of Directors that the District is a Developing District.

THE SYSTEM

According to the Engineer, the District's water supply and distribution, wastewater collection and treatment, and storm drainage facilities (collectively, the "System") have been designed in accordance with the criteria of various regulatory agencies including the City of Houston, Harris County, and the TCEQ. The construction and installation of the facilities must be made in accordance with the standards and specifications of such entities and are subject to inspection by each such entity. The total number of equivalent single-family connections currently projected for the District at the full development of its current area of approximately 1,195.29 acres of land is 3,931 with a total estimated population of 13,758. The District is currently providing service to approximately 1,683 equivalent single-family connections.

Wastewater Treatment

The District currently provides wastewater treatment with a permanent facility which contains 1,000,000 gallons-per-day ("g.p.d.") of capacity which the District financed with a portion of the proceeds of the sale of the Prior Bonds. The facility as currently permitted contains wastewater treatment capacity sufficient to provide service to approximately 3,333 equivalent single-family connections. The District financed the 500,000 g.p.d. expansion of the wastewater treatment plant with a portion of the proceeds of the Prior Bonds. Such expansion, which will increase the capacity of the wastewater treatment plant to 1,500,000 g.p.d. of capacity, is expected to be completed by approximately June 2022.

Water Supply

The District receives surface water from the North Channel Water Authority (the "Authority") pursuant to the Regional Water Supply Contract dated June 12, 1990, as amended, between the District and the Authority. Under such contract, the District is entitled to receive up to 1.216 million g.p.d. of surface water. The District's existing water supply facilities, which were financed with a portion of the proceeds of the sale of the Prior Bonds, include a 1,000 gallons-per- minute ("g.p.m.") well. The well serves as a back-up source of water supply for the District. The District financed the following improvements to the water supply facility with a portion of the proceeds of the Prior Bonds: (i) a total of 640,000 gallon ground storage tank capacity, (ii) a 200,000 gallon elevated storage tank, (iii) booster pumps with a total capacity of 3,500 g.p.m, and (iv) a 1,000 g.p.m water well at Water Plant No. 2 with a portion of the proceeds of the Prior Bonds. According to the District's Engineer, the capacity of the District's water supply facilities is sufficient to provide service to approximately 3,200 equivalent single-family connections. See "FUTURE DEVELOPMENT." The District has a water distribution interconnection line with the adjoining Harris County Municipal Utility District No. 47 and a water distribution interconnection line with the adjoining Harris County Municipal Utility District No. 53.

The District is within the boundaries of the Harris-Galveston Subsidence District (the "Subsidence District") which regulates groundwater withdrawal. Under Subsidence District regulations, the Authority is required to limit groundwater withdrawals to no more than 70% of the total water demand within the Authority. Except for back-up purposes, the District does not expect to use groundwater.

Storm Drainage and 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. An engineering or regulatory determination that an area is above the 100 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 100-year flood plain have flooded multiple times in the last several years. If substantial or frequent flooding of homes were to occur in the area of the District, the marketing of homes and the future growth of property values in the District could be adversely affected. See "INVESTMENT CONSIDERATIONS - Tropical Weather Events."

Storm water drainage for the District is accomplished by a storm sewer system and roadside ditches that convey storm water run off to drainage channels maintained by the Harris County Flood Control District. The drainage channels convey runoff to Carpenters Bayou located west of the District and the San Jacinto River located east of the District. According to the District's Engineer, the Federal Emergency Management Agency Flood Hazard Boundary Map currently in effect which covers the land located in the District indicates that no portion of the developable land within the District is within the 100-year flood plain of any water course.

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 the application of more stringent floodplain regulations applying to a larger area and potentially leaving less developable property within the District. The application of 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.

Regulation

Construction and operation of the District's System as it now exists or as it may be expanded from time to time is subject to the regulatory jurisdiction of several Federal, State and local authorities. The TCEQ exercises continuing supervisory authority over the District. Discharge of treated sewage is subject to the regulatory authority of the TCEQ and the U.S. Environmental Protection Agency. Construction of drainage facilities is subject to the regulatory authority of Harris County, the TCEQ and the U.S. Army Corps of Engineers. Harris County and Houston also exercise regulatory jurisdiction over the District's System.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be subject to and accompanied by the unqualified approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the City under the Constitution and laws of the State of Texas payable from the tax revenue, based upon his examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the approving legal opinion of Bond Counsel, to a like effect and to the effect that, subject to the matters described in “TAX MATTERS” below, interest on the Bonds is excludable from gross income of the holders for federal tax purposes under existing law, and interest on the Bonds will not be subject to the federal alternative minimum tax of the owners thereof.

Before the Bonds can be issued, the Attorney General of Texas must pass upon the legality of certain related matters. The Attorney General of Texas does not guarantee or pass upon the safety of the Bonds as an investment or upon the adequacy of the information contained in this Official Statement.

Bond Counsel has reviewed the information appearing in this Official Statement under “THE BONDS” (excluding - “Book-Entry-Only System”), “PLAN OF FINANCING - The Refunded Bonds,” - “Escrow Agreement,” and “Defeasance of the Refunded Bonds,” “THE DISTRICT - Attorney,” “TAXING PROCEDURES,” “LEGAL MATTERS,” “TAX MATTERS” and “CONTINUING DISCLOSURE OF INFORMATION” (except for – “Compliance with Prior Undertakings”) solely to determine whether such information, insofar as it relates to matters of law, is true and correct and whether such information fairly summarizes matters of law, procedures, and the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this Official Statement nor has it 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 Bound Counsel's 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 information contained herein, other than the matters discussed immediately above. Certain legal matters will be passed upon for the Underwriters by their counsel, McCall, Parkhurst & Horton, L.L.P., Dallas, Texas.

The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

No-Litigation Certificate

The District will furnish the Underwriters a certificate dated as of the date of delivery of the Bonds, to the effect that there is not pending, and to the knowledge of the officers executing the certificate, there is not threatened, any litigation affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, or the organization or boundaries of the District, or the title of the officers thereof to their respective offices, and that no additional bonds or other indebtedness have been issued since the date of the statement of indebtedness or non-encumbrance certificate submitted to the Attorney General of Texas in connection with approval of the Bonds.

No Material Adverse Change

The obligations of the Underwriter to take up 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 financial condition of the District subsequent to the date of sale from that set forth in the Preliminary Official Statement, as it may have been finalized, supplemented or amended through the date ofsale.

TAX MATTERS

Tax Exemption

The delivery of the Bonds is subject to an opinion of Norton Rose Fulbright US LLP, Bond Counsel, to the effect that, pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Code") and existing regulations, published rulings, and court decisions thereunder, interest on the Bonds for federal income tax purposes (1) will be excludable from the gross income, as defined in Section 61 of the Code, of the owners thereof, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the District made in a certificate dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the District with the provisions of the Bond Order subsequent to the issuance of the Bonds. The Bond Order contain covenants by the District with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of the proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, state or local tax consequences under present law or proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization trust, S corporations with "subchapter C" earnings and profits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the District as the “taxpayer,” and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering price of certain Bonds (the “Discount Bonds") is less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such accrued interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such 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 Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The purchase price of certain Bonds (the “Premium Bonds”) paid by an owner is greater than the amount payable on such Bonds at maturity. An amount equal to the excess of a purchaser’s tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for 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 that is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity (or, in some cases with respect to a callable Bond, the yield based on a call date that results in the lowest yield on the Bond). Purchasers of Premium Bonds should consult with their own tax advisors to determine the amortizable bond premium on the Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Qualified Tax-Exempt Obligations for Financial Institutions

Section 265 of the Code provides, in general, that interest expense to acquire or carry tax-exempt obligations is not deductible from the gross income of the owner of such obligations. In addition, section 265 of the Code generally disallows 100% of any deduction for interest expense which is incurred by "financial institutions" described in such section and is allocable, as computed in such section, to tax-exempt interest on obligations acquired after August 7, 1986. Section 265(b) of the Code provides an exception to this interest disallowance rule for interest expense allocable to tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which are designated by an issuer or deemed designated as "qualified tax-exempt obligations." An issuer may designate obligations as "qualified tax-exempt obligations" only if the amount of the issue of which they are a part, when added to the amount of all other tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) obligations and other than certain refunding bonds) issued or reasonably anticipated to be issued by the issuer during the same calendar year, does not exceed $10,000,000. A refunding issue is deemed designated as "qualified tax-exempt obligations" to the extent it currently refunds "qualified tax-exempt obligations" and certain additional requirements are satisfied.

The District expects that a portion of the Bonds will satisfy the requirements such that such portion will be deemed designated as "qualified tax-exempt obligations." The District designated the remainder of the Bonds as "qualified tax-exempt obligations" and certifies its expectation that the above-described $10,000,000 ceiling will not be exceeded. Accordingly, it is anticipated that financial institutions which purchase the Bonds will not be subject to the 100% disallowance of interest expense allocable to interest on the Bonds under section 265(b) of the Code. However, 20% of the interest expense incurred by a financial institution which is allocable to the interest on the Bonds will not be deductible pursuant to section 291 of the Code.

VERIFICATION OF ACCURACY OF MATHEMATICAL COMPUTATION

Robert Thomas CPA, LLP, a firm of independent certified public accountants, will deliver to the District, on or before the settlement date of the Bonds, its verification report indicating that it has verified, in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants, the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Escrowed Securities, to pay, when due or upon early redemption, the principal of, interest on and related call premium requirements, if any, of the Refunded Bonds; (b) the mathematical computations of yield used by Bond Counsel to support its opinion that interest on the Bonds will be excluded from gross income for federal income tax purposes; and (c) the mathematical computations related to certain requirements of City of Houston Ordinance No. 97-416.

Robert Thomas CPA, LLC relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the District. In addition, Robert Thomas CPA, LLC has relied on any information provided to it by the District's retained advisors, consultants or legal counsel. Robert Thomas CPA, LLC was not engaged to perform audit or attest services under AICPA auditing or attestation standards or to provide any form of attest report or opinion under such standards in conjunction with this engagement.

SOURCES OF INFORMATION

General

The information contained in this Official Statement has been obtained primarily from the District's records, the Engineer, the Tax Assessor/Collector and other sources believed to be reliable; however, no representation is made as to the accuracy or completeness of the information contained herein and obtained from sources other than the District. The summaries of the statutes, resolutions 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 June 30, 2020, and for the year then ended, included in this offering document, have been audited by BKD, LLP, independent auditors, as stated in their report appearing herein. See “APPENDIX B.”

Experts

The information contained in the Official Statement relating to engineering and to the description of the System, and, in particular, that engineering information included in the sections entitled “THE BONDS - Use and Distribution of Bond Proceeds,” “THE DISTRICT,” and “THE SYSTEM,” has been provided by Huitt-Zollars, Inc., 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 the Official Statement relating to assessed valuations of property generally and, in particular, that information concerning collection rates and valuations contained in the sections captioned “TAX DATA” and “DISTRICT DEBT” was provided by Bob Leared Interests, Inc. Such information has been included herein in reliance upon Bob Leared Interests, Inc.’s authority as an expert in the field of tax collection and the Appraisal District's authority as an expert in the field of tax assessing.

GENERAL CONSIDERATIONS

Updating of Official Statement

If, subsequent to the date of the Official Statement, to and including the date the Underwriters are no longer required to provide an Official Statement to customers who request same pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission (the “SEC”), the District learns, or is notified by the Underwriters, of any adverse event which causes the Official Statement to be materially misleading, and unless the Underwriters elect to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Underwriters an appropriate amendment or supplement to the Official Statement satisfactory to the Underwriters; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate upon the earlier of (i) 90 days after the “end of the underwriting period” as defined in SEC Rule 15c2-12 or (ii) the date the Official Statement is filed with the MSRB (hereinafter defined), but in no case less than 25 days after the “end of the underwriting period.”

Certification as to Official Statement

The District, acting through its Board in its official capacity, hereby certifies, as of the date hereof, that the information, statements, and descriptions pertaining to the District and its affairs contained herein, to the best of its knowledge and belief, contain no untrue statement of a material fact and do not omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading. With respect to information included in this Official Statement other than that relating to the District, the District has no reason to believe that such information contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading;

however, the Board makes no other representation as to the accuracy or completeness of the information derived from sources other than the District. The Board has relied in part upon its examination of records of the District and its discussions with, or certificates or correspondence signed by, certain other officials, employees, consultants and representatives of the District. All information with respect to the resale of the Bonds has been provided by the Underwriter.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Order, the District has 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 events, to the Municipal Securities Rulemaking Board ("MSRB") through the MSRB's Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement under the headings "DISTRICT DEBT" and "TAX DATA" and in "APPENDIX B" (the Independent Auditor's Report and Financial Statements). The District will update and provide this information within six months after the end of each fiscal year ending in or after 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 the District's audit is completed by the required time. If audited financial statements are not available by the required time, the District will provide unaudited financial statements within the required time, and audited financial statements when the audit report 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 fiscal year end is currently June 30. Accordingly, it must provide updated information by December 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Event Notices

The District shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

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 status of the Bonds;

7. Modifications to rights of holders 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, which shall occur as described below;

13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of 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 or other obligated person within the meaning of the Rule, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person within the meaning of the Rule, any of which affect Beneficial Owners of the Bonds, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person within the meaning of the Rule, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the District in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District, and (b) the District intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation to have the same meanings as when they are used in the SEC Rule 15c2-12, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The District shall notify the MSRB, in a timely manner, of any failure by the District to provide financial information or operating data in accordance with its agreement described above under “Annual Reports” by the time required by this Section.

Availability of Information

The District has agreed to provide the foregoing information only to the MSRB. Investors will be able to access, without charge from the MSRB, continuing disclosure information filed with the MSRB through its EMMA system at www.emma.msrb.org.

Limitations and Amendments

The District is obligated to observe and perform the covenants specified in the Bond Order for so long as, but only for so long as, the District remains an "obligated person" with respect to the Bonds within the meaning of SEC Rule 15c2-12, except that the District in any event will give the notice of any Bond calls and defeasance that cause the District to be no longer such an "obligated person."

The District undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to the Bond Order and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the District's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with the Bond Order or otherwise, except as expressly provided therein. The District does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES WILL THE DISTRICT BE LIABLE TO THE BONDHOLDER OR REGISTERED OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE DISTRICT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THE BOND ORDER, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH WILL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the District in observing or performing its obligations under the Bond Order will constitute a breach of or default for purposes of any other provision of the Bond Order.

Nothing in the Bond Order is intended or will act to disclaim, waive, or otherwise limit the duties of the District under federal and state securities laws.

The provisions of the Bond Order may be amended by the District from time to time 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 type of operations or businesses of the District, but only if (1) the provisions of the Bond Order, as so amended, would have permitted an underwriter to purchase or sell Bonds in a primary offering of the Bonds in compliance with SEC Rule 15c2-12, taking into account any amendments and interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. If the District so amends the provisions of the Bond Order, the District will include with any amended financial information or operating data next provided in an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. The District may also repeal or amend the provisions of the Bond Order if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the District also may amend the provisions of the Bond Order in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in a primary offering of the Bonds.

Compliance With Prior Undertakings

The District failed to timely file Financial Operating Reports for fiscal years ended 2016, 2017, and 2018. The reports have since been filed and the District has adopted policies to ensure future filings. The District has otherwise complied in all material respects with all continuing disclosure agreements made by the District in accordance with SEC Rule 15c2-12.

This Official Statement was approved by the Board of Directors of Harris County Water Control and Improvement District No. 84 as of the date shown on the first page hereof.

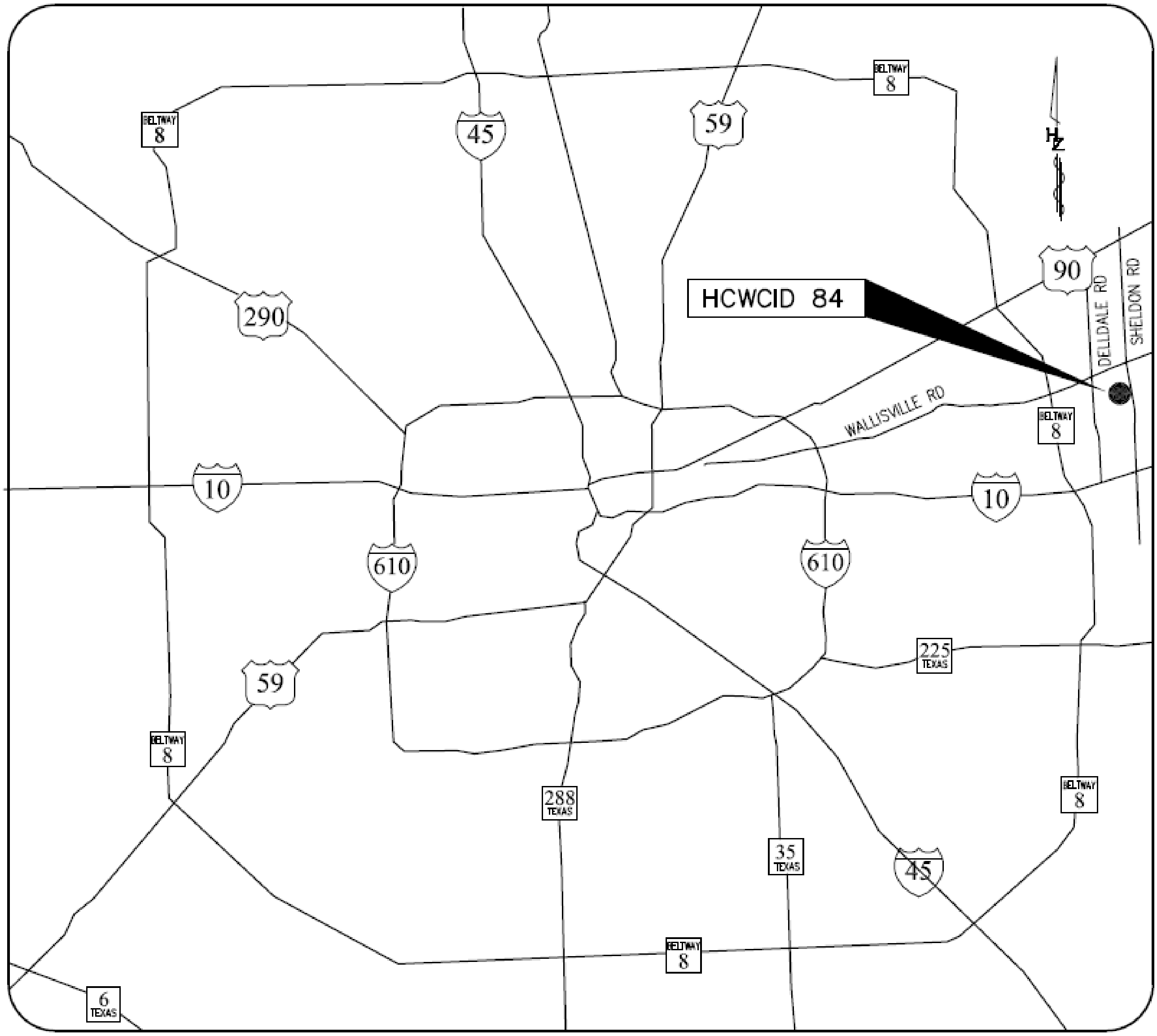
/s/ Tomas Fernandez
President, Board of Directors
Harris County Water Control and
Improvement District No. 84

ATTEST:

/s/ Hugo Arriaga
Assistant Secretary, Board of Directors
Harris County Water Control and
Improvement District No. 84

APPENDIX A

LOCATION MAP



LOCATION MAP

APPENDIX B

HARRIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 84

HARRIS COUNTY, TEXAS

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
JUNE 30, 2020

Harris County Water Control and Improvement District No. 84

Harris County, Texas

Independent Auditor's Report and Financial Statements

June 30, 2020

BKD
CPAs & Advisors

Harris County Water Control and Improvement District No. 84

June 30, 2020

Contents

BKD
CPAs & Advisors

2700 Post Oak Boulevard, Suite 1500 | Houston, TX 77056-5829
713.499.4600 | Fax 713.499.4699 | bkd.com

Independent Auditor's Report

Board of Directors
Harris County Water Control and
Improvement District No. 84
Harris County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Water Control and Improvement District No. 84 (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as 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 June 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 schedule 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
November 12, 2020

Harris County Water Control and Improvement District No. 84

Management's Discussion and Analysis

June 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	$ 17,698,756	$ 25,257,615
Capital assets	19,137,298	16,868,649
Total assets	36,836,054	42,126,264
Deferred outflows of resources	730,451	764,033
Total assets and deferred outflows of resources	$ 37,566,505	$ 42,890,297
Long-term liabilities	$ 25,171,959	$ 24,423,922
Other liabilities	1,313,054	9,247,740
Total liabilities	26,485,013	33,671,662
Net position:		
Net investment in capital assets	(525,249)	(1,262,471)
Restricted	1,954,063	1,209,116
Unrestricted	9,652,678	9,526,682
Total net position	$ 11,081,492	$ 9,473,327

The total net position of the District increased by $1,608,165, or about 17 percent. The majority of the increase in net position is related to property tax and service revenues exceeding services expenses. 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.

Harris County Water Control and Improvement District No. 84

Management's Discussion and Analysis (Continued)

June 30, 2020

Summary of Changes in Net Position

	2020	2019
Revenues:		
Property taxes	$ 2,558,110	$ 2,128,770
Charges for services	2,007,363	2,086,797
Other revenues	592,401	685,049
Total revenues	5,157,874	4,900,616
Expenses:		
Services	2,420,392	2,304,479
Purchase of capacity	-	146,602
Conveyance of capital assets	-	2,579,625
Depreciation	373,506	349,187
Debt service	755,811	992,100
Total expenses	3,549,709	6,371,993
Change in net position	1,608,165	(1,471,377)
Net position, beginning of year	9,473,327	10,944,704
Net position, end of year	$ 11,081,492	$ 9,473,327

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended June 30, 2020, were $16,320,740, an increase of $229,734 from the prior year.

The general fund's fund balance increased by $137,158, primarily due to tap connection and inspection fee revenues exceeding related expenditures.

The debt service fund's fund balance increased by $780,493 because tax revenues generated were greater than principal retirement and interest and fees expenditures.

The capital projects fund's fund balance decreased by $687,917 due to capital outlay expenditures exceeding investment income.

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, out-of-district service and investment income revenues and capital outlay expenditures being less than anticipated, as well as water and sewer services and other income revenues, and purchased services and repairs and maintenance expenditures being greater than anticipated. The fund balance as of June 30, 2020, was expected to be $9,738,380 and the actual end-of-year fund balance was $9,567,178.

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	$ 6,283,287	$ 5,482,818
Construction in progress	902,162	40,499
Water facilities	4,712,657	4,757,190
Wastewater facilities	6,647,629	6,588,142
Drainage facilities	591,563	-
Total capital assets	$ 19,137,298	$ 16,868,649

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

Construction in progress related to water plant No. 2, James Helmer reclaimed water plant, Phase 2, and water reuse system and wastewater treatment plant expansion	$ 861,663
New sewer line installation	64,948
Construction of Rancho Verde subdivision detention system, storm water pump station, waterline and sanitary sewer force main	1,715,544
Total additions to capital assets	$ 2,642,155

Developers of the District have constructed water, sewer and drainage facilities on behalf of the District under terms of contracts with the District. The District has agreed to purchase these facilities from the proceeds of future bond issues, subject to the approval of the Commission. As of June 30, 2020, a liability for developer-constructed capital assets of $5,227,853 was recorded in the government-wide financial statements.

Debt

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

Long-term debt payable, beginning of year	$	24,423,922
Increases in long-term debt		1,715,544
Decreases in long-term debt		(967,507)
Long-term debt payable, end of year	$	25,171,959

At June 30, 2020, the District had $83,060,000 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.

The District's bonds carry an underlying rating of "BBB+" from Standard & Poor's and "A3" from Moody's Investors Service. The Refunding Series 2014 bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Municipal Assurance Corp. The Series 2019 bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Assured Guaranty Municipal Corp.

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. If the District is annexed, the City must assume the District's assets and obligations (including the bonded indebtedness) and abolish the District within 90 days.

Subsequent Event

On July 14, 2020, the District awarded the sale of its Unlimited Tax Bonds, Series 2020 in the amount of $9,750,000 at a net effective interest rate of approximately 2.35 percent. The bonds were sold to reimburse the developer for completed construction projects as well as finance construction projects within the District.

Harris County Water Control and Improvement District No. 84

Statement of Net Position and Governmental Funds Balance Sheet

June 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 264,081	$ 101,904	$ 52,731	$ 418,716	$ -	$ 418,716
Short-term investments	10,171,272	1,815,874	4,858,058	16,845,204	-	16,845,204
Receivables:						
Property taxes	85,500	73,559	-	159,059	-	159,059
Service accounts	128,476	-	-	128,476	-	128,476
Accrued penalty and interest	-	-	-	-	124,501	124,501
Interfund receivable	73,435	-	-	73,435	(73,435)	-
Operating reserve	22,800	-	-	22,800	-	22,800
Capital assets (net of accumulated depreciation):						
Land and improvements	-	-	-	-	6,283,287	6,283,287
Construction in progress	-	-	-	-	902,162	902,162
Infrastructure	-	-	-	-	11,951,849	11,951,849
Total assets	10,745,564	1,991,337	4,910,789	17,647,690	19,188,364	36,836,054
Deferred Outflows of Resources						
Deferred amount on debt refundings	0	0	0	0	730,451	730,451
Total assets and deferred outflows of resources	$ 10,745,564	$ 1,991,337	$ 4,910,789	$ 17,647,690	$ 19,918,815	$ 37,566,505

Harris County Water Control and Improvement District No. 84

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

June 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	$ 644,209	$ 1,570	$ -	$ 645,779	$ -	$ 645,779
Accrued interest payable	-	-	-	-	218,598	218,598
Retainage payable	78,385	-	-	78,385	-	78,385
Customer deposits	365,404	-	-	365,404	-	365,404
Due to others	4,888	-	-	4,888	-	4,888
Interfund payable	-	4,994	68,441	73,435	(73,435)	-
Long-term liabilities:						
Due within one year	-	-	-	-	295,000	295,000
Due after one year	-	-	-	-	24,876,959	24,876,959
Total liabilities	1,092,886	6,564	68,441	1,167,891	25,317,122	26,485,013
Deferred Inflows of Resources						
Deferred property tax revenues	85,500	73,559	0	159,059	(159,059)	0
Fund Balances/Net Position						
Fund balances:						
Restricted:						
Unlimited tax bonds	-	1,911,214	-	1,911,214	(1,911,214)	-
Water, sewer and drainage	-	-	4,842,348	4,842,348	(4,842,348)	-
Assigned:						
Future expenditures	3,089,703	-	-	3,089,703	(3,089,703)	-
Operating reserve	22,800	-	-	22,800	(22,800)	-
Unassigned	6,454,675	-	-	6,454,675	(6,454,675)	-
Total fund balances	9,567,178	1,911,214	4,842,348	16,320,740	(16,320,740)	0
Total liabilities, deferred inflows of resources and fund balances	$ 10,745,564	$ 1,991,337	$ 4,910,789	$ 17,647,690		
Net position:						
Net investment in capital assets					(525,249)	(525,249)
Restricted for debt service					1,890,676	1,890,676
Restricted for capital projects					63,387	63,387
Unrestricted					9,652,678	9,652,678
Total net position					$ 11,081,492	$ 11,081,492

Harris County Water Control and Improvement District No. 84

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

Year Ended June 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	$ 943,080	$ 1,613,820	$ -	$ 2,556,900	$ 1,210	$ 2,558,110
Water service	1,090,767	-	-	1,090,767	-	1,090,767
Sewer service	898,900	-	-	898,900	-	898,900
Out-of-district service	17,696	-	-	17,696	-	17,696
Penalty and interest	34,899	19,016	-	53,915	13,136	67,051
Tap connection and inspection fees	198,263	-	-	198,263	-	198,263
Investment income	164,447	15,457	62,099	242,003	-	242,003
Other income	85,084	-	-	85,084	-	85,084
Total revenues	3,433,136	1,648,293	62,099	5,143,528	14,346	5,157,874
Expenditures/Expenses						
Service operations:						
Purchased services	653,428	-	-	653,428	-	653,428
Professional fees	149,851	6,184	-	156,035	19,180	175,215
Contracted services	209,252	25,054	-	234,306	-	234,306
Utilities	137,500	-	-	137,500	-	137,500
Repairs and maintenance	1,005,989	-	-	1,005,989	-	1,005,989
Other expenditures	111,866	6,480	208	118,554	-	118,554
Tap connections	95,400	-	-	95,400	-	95,400
Capital outlay	932,692	-	638,867	1,571,559	(1,571,559)	-
Depreciation	-	-	-	-	373,506	373,506
Debt service:						
Principal retirement	-	295,000	-	295,000	(295,000)	-
Interest and fees	-	535,082	-	535,082	152,288	687,370
Debt issuance costs	-	-	68,441	68,441	-	68,441
Total expenditures/expenses	3,295,978	867,800	707,516	4,871,294	(1,321,585)	3,549,709
Excess (Deficiency) of Revenues Over Expenditures	137,158	780,493	(645,417)	272,234	1,335,931	

Harris County Water Control and Improvement District No. 84

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

Year Ended June 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Other Financing Uses						
Repayment of developer advances	$ 0	$ 0	$ (42,500)	$ (42,500)	$ 42,500	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	137,158	780,493	(687,917)	229,734	(229,734)	
Change in Net Position					1,608,165	$ 1,608,165
Fund Balances/Net Position						
Beginning of year	9,430,020	1,130,721	5,530,265	16,091,006	-	9,473,327
End of year	$ 9,567,178	$ 1,911,214	$ 4,842,348	$ 16,320,740	$ 0	$ 11,081,492

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

Harris County Water Control and Improvement District No. 84 (the District) was created under statutes of the State of Texas, effective April 24, 1963, in accordance with the Texas Water Code, Chapter 51. The District operates in accordance with Chapters 49 and 51 of the Texas Water Code and is subject to the continuing supervision of the Texas Commission on Environmental Quality (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.

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.

Capital Projects Fund – The capital projects fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

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 June 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 June 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. Estimated historical cost is based on current replacement cost deflated through the use of a price-leveled index. 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

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 premiums and discounts on bonds 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.	$	19,137,298
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.		159,059
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.		124,501

Deferred amount on debt refundings for governmental activities are not financial resources and are not reported in the funds.	$	730,451
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.		(218,598)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.		(25,171,959)
Adjustment to fund balances to arrive at net position.	$	(5,239,248)

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.	$	229,734
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 capital outlay expenditures exceeded depreciation and noncapitalized costs in the current period.		1,178,873
Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.		295,000
Governmental funds report developer advances as other financing sources or uses as amounts are received or paid. However, for government-wide financial statements, these amounts are recorded as an increase or decrease in due to developers.		42,500
Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported as revenues in the statement of activities.		14,346
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.		(152,288)
Change in net position of governmental activities.	$	1,608,165

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 June 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 TexPool, an external investment pool that is not registered with the Securities and Exchange Commission. The State Comptroller of Public Accounts of the State of Texas has oversight of TexPool.

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.

Harris County Water Control and Improvement District No. 84
Notes to Financial Statements
June 30, 2020

At June 30, 2020, the District had the following investments and maturities:

		Maturities in Years			
Type	Fair Value/ Amortized Cost	Less Than 1	1-5	6-10	More Than 10
Texas CLASS	$ 9,986,895	$ 9,986,895	$ -	$ -	$ -
TexPool	6,858,309	6,858,309	-	-	-
Totals	$ 16,845,204	$ 16,845,204	$ 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 pools are presented as investments with a maturity of less than one year because they are 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 June 30, 2020, the District's investments in TexPool and 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 and statement of net position at June 30, 2020, as follows:

Carrying value:	
Deposits	$ 418,716
Investments	16,845,204
Total	$ 17,263,920

Investment Income

Investment income of $242,003 for the year ended June 30, 2020, consisted of interest income.

Fair Value Measurements

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

- Pooled investments of $9,986,895 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 June 30, 2020, is presented as follows:

Governmental Activities	Balances, Beginning of Year	Additions	Balances, End of Year
Capital assets, non-depreciable:			
Land and improvements	$ 5,482,818	$ 800,469	$ 6,283,287
Construction in progress	40,499	861,663	902,162
Total capital assets, non-depreciable	5,523,317	1,662,132	7,185,449
Capital assets, depreciable:			
Water production and distribution facilities	6,378,421	97,161	6,475,582
Wastewater collection and treatment facilities	9,699,294	276,131	9,975,425
Drainage facilities	-	606,731	606,731
Total capital assets, depreciable	16,077,715	980,023	17,057,738
Less accumulated depreciation:			
Water production and distribution facilities	(1,621,231)	(141,694)	(1,762,925)
Wastewater collection and treatment facilities	(3,111,152)	(216,644)	(3,327,796)
Drainage facilities	-	(15,168)	(15,168)
Total accumulated depreciation	(4,732,383)	(373,506)	(5,105,889)
Total governmental activities, net	$ 16,868,649	$ 2,268,649	$ 19,137,298

Note 4: Long-term Liabilities

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

Governmental Activities	Balances, Beginning of Year	Increases	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable:					
General obligation bonds	$ 20,285,000	$ -	$ 295,000	$ 19,990,000	$ 295,000
Less discounts on bonds	308,979	-	774	308,205	-
Add premiums on bonds	114,054	-	5,013	109,041	-
	20,090,075	0	299,239	19,790,836	295,000
Developer advances	195,770	-	42,500	153,270	-
Due to developers	4,138,077	1,715,544	625,768	5,227,853	-
Total governmental activities long-term liabilities	$ 24,423,922	$ 1,715,544	$ 967,507	$ 25,171,959	$ 295,000

General Obligation Bonds

	Refunding Series 2014	Series 2019
Amounts outstanding, June 30, 2020	$5,490,000	$14,500,000
Interest rates	2.00% to 4.25%	3.00% to 3.25%
Maturity dates, serially beginning/ending	September 1, 2020/2035	September 1, 2021/2048
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2021	September 1, 2024

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

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at June 30, 2020:

Year	Principal	Interest	Total
2021	$ 295,000	$ 651,369	$ 946,369
2022	390,000	641,094	1,031,094
2023	405,000	629,169	1,034,169
2024	415,000	616,868	1,031,868
2025	430,000	603,393	1,033,393
2026-2030	2,410,000	2,776,534	5,186,534
2031-2035	2,975,000	2,275,179	5,250,179
2036-2040	3,665,000	1,710,730	5,375,730
2041-2045	4,560,000	1,088,912	5,648,912
2046-2049	4,445,000	296,809	4,741,809
Total	$ 19,990,000	$ 11,290,057	$ 31,280,057

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	$ 107,775,000
Bonds sold	24,715,000
Refunding bonds voted	Not to exceed 1 ½ times previously issued bonds
Refunding bonds authorization used	65,000

Due to Developers

Developers of the District have constructed water, sewer and drainage facilities on behalf of the District. The District is maintaining and operating the facilities and has agreed to reimburse the developers for these construction costs and interest to the extent approved by the Commission from the proceeds of future bond sales. The District's engineer estimates reimbursable costs for completed projects are $5,227,853. These amounts have been recorded in the financial statements as long-term liabilities.

Note 5: Significant Bond Order and Commission Requirements

A. 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 June 30, 2020, the District levied an ad valorem debt service tax at the rate of $0.3800 per $100 of assessed valuation, which resulted in a tax levy of $1,632,432 on the taxable valuation of $429,587,389 for the 2019 tax year. The interest and principal requirements to be paid from the tax revenues are $1,063,214, of which $440,317 has been paid and $622,897 is due September 1, 2020.

B. The Commission required the District to escrow $625,036 from the proceeds of its Series 2008 bonds. During a prior year, $85,808 was released from escrow and during the current year, $502,700 was released from escrow. The remaining balance of $36,528 was invested in money market accounts.

C. The Bond Order state that so long as any of the bonds remain outstanding, the District agrees to maintain insurance on the system of a kind and in an amount which usually would be carried by private companies engaged in a similar type of business. At June 30, 2020, the District had comprehensive real and personal property and boiler and machinery coverage in the amount of $8,977,000 each, general liability insurance with an aggregate limit of $3,000,000 and pollution liability coverage of $1,000,000.

Note 6: Maintenance Taxes

At an election held in 1987, voters authorized an unlimited maintenance tax on all property within the District subject to taxation. During the year ended June 30, 2020, the District levied an ad valorem maintenance tax at the rate of $0.2200 per $100 of assessed valuation, which resulted in a tax levy of $945,092 on the taxable valuation of $429,587,389 for the 2019 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 7: Contracts With Other Governmental Entity

On June 12, 1990, the District approved an agreement with the North Channel Water Authority (the Authority) for the purpose of providing surface water to the District and other participants. In accordance with the agreement, the District shared in construction costs based on its pro rata share of capacity obtained. Operating costs are billed based on the District's pro rata share of total water purchased. During the year ended June 30, 2020, the District incurred expenditures of $653,428 under the agreement. In a prior year, the District deposited $22,800 for its share of the Authority's operating reserve requirement.

Note 8: 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 9: Subsequent Event

On July 14, 2020, the District awarded the sale of its Unlimited Tax Bonds, Series 2020 in the amount of $9,750,000 at a net effective interest rate of approximately 2.35 percent. The bonds were sold to reimburse the developer for completed construction projects as well as finance construction projects within the District.

Note 10: 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

Harris County Water Control and Improvement District No. 84

Budgetary Comparison Schedule – General Fund

Year Ended June 30, 2020

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	$ 1,408,460	$ 943,080	$ (465,380)
Water service	1,044,100	1,090,767	46,667
Sewer service	833,500	898,900	65,400
Out-of-district service	200,160	17,696	(182,464)
Penalty and interest	39,300	34,899	(4,401)
Tap connection and inspection fees	228,600	198,263	(30,337)
Investment income	252,000	164,447	(87,553)
Other income	23,807	85,084	61,277
Total revenues	4,029,927	3,433,136	(596,791)
Expenditures			
Service operations:			
Purchased services	572,400	653,428	(81,028)
Professional fees	138,700	149,851	(11,151)
Contracted services	196,510	209,252	(12,742)
Utilities	115,440	137,500	(22,060)
Repairs and maintenance	857,200	1,005,989	(148,789)
Other expenditures	111,317	111,866	(549)
Tap connections	75,000	95,400	(20,400)
Capital outlay	1,655,000	932,692	722,308
Total expenditures	3,721,567	3,295,978	425,589
Excess of Revenues Over Expenditures	308,360	137,158	(171,202)
Fund Balance, Beginning of Year	9,430,020	9,430,020	-
Fund Balance, End of Year	$ 9,738,380	$ 9,567,178	$ (171,202)

Harris County Water Control and Improvement District No. 84
Notes to Required Supplementary Information
June 30, 2020

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was not amended during fiscal 2020.

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

Other Information

Harris County Water Control and Improvement District No. 84
Other Schedules Included Within This Report
June 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 13–25

[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

Harris County Water Control and Improvement District No. 84

Schedule of Services and Rates

Year Ended June 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	___ Security
___ 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:	$ 14.04	3,000	N	$ 3.11	3,001	to	10,000
				$ 3.25	10,001	to	20,000
				$ 4.33	20,001	to	30,000
				$ 5.43	30,001	to	No Limit
Wastewater:	$ 13.58	3,000	N	$ 3.01	3,001	to	10,000
				$ 3.14	10,001	to	20,000
				$ 3.26	20,001	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 $ 35.81 Wastewater $ 34.65

b. Water and wastewater retail connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC*
Unmetered	-	-	x1.0	-
≤ 3/4"	1,835	1,794	x1.0	1,794
1"	20	20	x2.5	50
1 1/2"	9	8	x5.0	40
2"	56	53	x8.0	424
3"	2	2	x15.0	30
4"	3	3	x25.0	75
6"	5	5	x50.0	250
8"	1	1	x80.0	80
10"	-	-	x115.0	-
Total water	1,931	1,886		2,743
Total wastewater	1,913	1,869	x1.0	1,869

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

Gallons pumped into the system:	265,478
Gallons billed to customers:	243,638
Water accountability ratio (gallons billed/gallons pumped):	91.77%

*"ESFC" means equivalent single-family connections

Harris County Water Control and Improvement District No. 84

Schedule of General Fund Expenditures

Year Ended June 30, 2020

Personnel (including benefits)		$ -
Professional Fees		
Auditing	$ 19,300	
Legal	25,871	
Engineering	104,680	
Financial advisor	-	149,851
Purchased Services for Resale		
Bulk water and wastewater service purchases		653,428
Regional Water Fee		-
Contracted Services		
Bookkeeping	30,949	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	-	
Other contracted services	178,303	209,252
Utilities		137,500
Repairs and Maintenance		1,005,989
Administrative Expenditures		
Directors' fees	14,100	
Office supplies	31,121	
Insurance	21,199	
Other administrative expenditures	45,446	111,866
Capital Outlay		
Capitalized assets	926,611	
Expenditures not capitalized	6,081	932,692
Tap Connection Expenditures		95,400
Solid Waste Disposal		-
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		-
Total expenditures		$ 3,295,978

Harris County Water Control and Improvement District No. 84

Schedule of Temporary Investments

June 30, 2020

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
TexPool	0.21%	Demand	$ 184,377	$ -
Texas CLASS	0.56%	Demand	9,986,895	-
			10,171,272	0
Debt Service Fund				
TexPool	0.21%	Demand	1,815,874	0
Capital Projects Fund				
TexPool	0.21%	Demand	4,858,058	0
Totals			$ 16,845,204	$ 0

Harris County Water Control and Improvement District No. 84
Analysis of Taxes Levied and Receivable
Year Ended June 30, 2020

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year	$ 96,662	$ 61,187
Additions and corrections to prior years' taxes	(13,174)	(6,240)
Adjusted receivable, beginning of year	83,488	54,947
2019 Original Tax Levy	655,065	1,131,475
Additions and corrections	290,027	500,957
Adjusted tax levy	945,092	1,632,432
Total to be accounted for	1,028,580	1,687,379
Tax collections: Current year	(930,882)	(1,607,887)
Prior years	(12,198)	(5,933)
Receivable, end of year	$ 85,500	$ 73,559
Receivable, by Years		
2019	$ 14,210	$ 24,545
2018	10,232	4,742
2017	5,371	2,489
2016	3,718	2,176
2015	16,033	4,581
2014	12,358	2,505
2013	4,799	3,000
2012	2,292	3,937
2011	2,042	3,508
2010	1,842	3,163
2009	1,828	3,588
2008	1,682	2,628
2007	1,413	2,209
2006	1,280	1,766
2005	1,303	1,797
2004	1,210	1,668
2003	1,039	1,433
2002 and prior	2,848	3,824
Receivable, end of year	$ 85,500	$ 73,559

Harris County Water Control and Improvement District No. 84

Analysis of Taxes Levied and Receivable (Continued)

Year Ended June 30, 2020

	2019	2018	2017	2016
Property Valuations				
Land	$ 85,784,300	$ 65,539,537	$ 57,673,733	$ 49,745,394
Improvements	302,168,373	262,499,671	221,521,908	189,475,510
Personal property	166,090,329	153,390,888	90,776,034	105,778,360
Exemptions	(124,455,613)	(121,092,098)	(93,233,404)	(94,173,159)
Total property valuations	$ 429,587,389	$ 360,337,998	$ 276,738,271	$ 250,826,105
Tax Rates per $100 Valuation				
Debt service tax rates	$ 0.3800	$ 0.1900	$ 0.1900	$ 0.2400
Maintenance tax rates*	0.2200	0.4100	0.4100	0.4100
Total tax rates per $100 valuation	$ 0.6000	$ 0.6000	$ 0.6000	$ 0.6500
Tax Levy	$ 2,577,524	$ 2,162,028	$ 1,660,429	$ 1,630,370
Percent of Taxes Collected to Taxes Levied**	98%	99%	99%	99%

*Maximum tax rate approved by voters: Unlimited in 1987

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

Harris County Water Control and Improvement District No. 84

Schedule of Long-term Debt Service Requirements by Years

June 30, 2020

	Refunding Series 2014		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1, March 1	Total
2021	$ 295,000	$ 201,688	$ 496,688
2022	305,000	192,688	497,688
2023	310,000	183,463	493,463
2024	315,000	174,087	489,087
2025	320,000	163,762	483,762
2026	325,000	152,475	477,475
2027	330,000	141,012	471,012
2028	340,000	128,437	468,437
2029	345,000	114,737	459,737
2030	355,000	100,293	455,293
2031	360,000	85,100	445,100
2032	370,000	69,587	439,587
2033	370,000	53,862	423,862
2034	380,000	38,400	418,400
2035	380,000	23,200	403,200
2036	390,000	7,800	397,800
Totals	$ 5,490,000	$ 1,830,591	$ 7,320,591

Harris County Water Control and Improvement District No. 84

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

June 30, 2020

	Series 2019		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1, March 1	Total
2021	$ -	$ 449,681	$ 534,681
2022	85,000	448,406	543,406
2023	95,000	445,706	545,706
2024	100,000	442,781	552,781
2025	110,000	439,631	559,631
2026	120,000	436,181	571,181
2027	135,000	432,356	572,356
2028	140,000	428,231	583,231
2029	155,000	423,806	588,806
2030	165,000	419,006	604,006
2031	185,000	413,756	613,756
2032	200,000	407,981	632,981
2033	225,000	401,606	641,606
2034	240,000	394,631	659,631
2035	265,000	387,056	667,056
2036	280,000	378,881	1,078,881
2037	700,000	364,181	1,094,181
2038	730,000	342,731	1,107,731
2039	765,000	320,306	1,120,306
2040	800,000	296,831	1,131,831
2041	835,000	272,307	1,142,307
2042	870,000	246,732	1,156,732
2043	910,000	219,463	1,169,463
2044	950,000	190,400	1,185,400
2045	995,000	160,010	1,200,010
2046	1,040,000	127,564	1,212,564
2047	1,085,000	93,032	1,228,032
2048	1,135,000	56,957	1,241,957
2049	1,185,000	19,256	19,256
Totals	$ 14,500,000	$ 9,459,466	$ 23,959,466

Harris County Water Control and Improvement District No. 84

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

June 30, 2020

	Annual Requirements For All Series		
Due During Fiscal Years Ending June 30	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2021	$ 295,000	$ 651,369	$ 946,369
2022	390,000	641,094	1,031,094
2023	405,000	629,169	1,034,169
2024	415,000	616,868	1,031,868
2025	430,000	603,393	1,033,393
2026	445,000	588,656	1,033,656
2027	465,000	573,368	1,038,368
2028	480,000	556,668	1,036,668
2029	500,000	538,543	1,038,543
2030	520,000	519,299	1,039,299
2031	545,000	498,856	1,043,856
2032	570,000	477,568	1,047,568
2033	595,000	455,468	1,050,468
2034	620,000	433,031	1,053,031
2035	645,000	410,256	1,055,256
2036	670,000	386,681	1,056,681
2037	700,000	364,181	1,064,181
2038	730,000	342,731	1,072,731
2039	765,000	320,306	1,085,306
2040	800,000	296,831	1,096,831
2041	835,000	272,307	1,107,307
2042	870,000	246,732	1,116,732
2043	910,000	219,463	1,129,463
2044	950,000	190,400	1,140,400
2045	995,000	160,010	1,155,010
2046	1,040,000	127,564	1,167,564
2047	1,085,000	93,032	1,178,032
2048	1,135,000	56,957	1,191,957
2049	1,185,000	19,256	1,204,256
Totals	$ 19,990,000	$ 11,290,057	$ 31,280,057

Harris County Water Control and Improvement District No. 84

Changes in Long-term Bonded Debt

Year Ended June 30, 2020

	Bond Issues		
	Refunding Series 2014	Series 2019	Totals
Interest rates	2.00% to 4.25%	3.00% to 3.25%	
Dates interest payable	September 1/ March 1	September 1/ March 1	
Maturity dates	September 1, 2020/2035	September 1, 2021/2048	
Bonds outstanding, beginning of current year	$ 5,785,000	$ 14,500,000	$ 20,285,000
Retirements, principal	295,000	-	295,000
Bonds outstanding, end of current year	$ 5,490,000	$ 14,500,000	$ 19,990,000
Interest paid during current year	$ 209,063	$ 337,261	$ 546,324

Paying agent's name and address:

Series 2014 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

Series 2019 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

Bond authority:	Tax Bonds	Other Bonds	Refunding Bonds
Amount authorized by voters	$ 107,775,000	0	*
Amount issued	$ 24,715,000	0	$ 65,000
Remaining to be issued	$ 83,060,000	0	*

Debt service fund cash and temporary investment balances as of June 30, 2020:	$ 1,917,778
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 1,078,623

*Not to exceed 1 1/2 times previously issued bonds

Harris County Water Control and Improvement District No. 84

Comparative Schedule of Revenues and Expenditures – General Fund

Five Years Ended June 30,

	Amounts				
	2020	2019	2018	2017	2016
General Fund					
Revenues					
Property taxes	$ 943,080	$ 1,459,250	$ 1,128,775	$ 974,960	$ 1,475,743
Water service	1,090,767	1,046,253	1,041,509	867,961	917,952
Sewer service	898,900	841,784	828,895	697,146	621,766
Out-of-district service	17,696	198,760	197,169	180,269	170,404
Penalty and interest	34,899	37,443	25,924	40,198	33,899
Tap connection and inspection fees	198,263	370,519	287,515	199,467	158,000
Investment income	164,447	204,498	103,458	37,369	11,964
Other income	85,084	14,439	5,403	33,712	142,389
Sale of capacity	-	-	1,179	-	-
Total revenues	3,433,136	4,172,946	3,619,827	3,031,082	3,532,117
Expenditures					
Service operations:					
Purchased services	653,428	601,551	560,973	477,618	474,860
Professional fees	149,851	105,043	101,281	116,712	89,124
Contracted services	209,252	216,112	190,068	175,237	153,630
Utilities	137,500	120,951	114,640	115,782	107,908
Repairs and maintenance	1,005,989	857,388	554,782	685,952	583,193
Other expenditures	111,866	106,463	92,698	83,926	79,851
Tap connections	95,400	216,300	120,375	82,650	69,500
Capital outlay	932,692	292,467	1,597,926	274,518	87,700
Purchase of capacity	-	-	-	240,543	-
Debt service, debt issuance costs	-	500	16,700	-	-
Total expenditures	3,295,978	2,516,775	3,349,443	2,252,938	1,645,766
Excess of Revenues Over Expenditures	137,158	1,656,171	270,384	778,144	1,886,351
Other Financing Sources					
Developer advances	-	-	-	153,270	-
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	137,158	1,656,171	270,384	931,414	1,886,351
Fund Balance, Beginning of Year	9,430,020	7,773,849	7,503,465	6,572,051	4,685,700
Fund Balance, End of Year	$ 9,567,178	$ 9,430,020	$ 7,773,849	$ 7,503,465	$ 6,572,051
Total Active Retail Water Connections	1,886	1,733	1,352	1,152	932
Total Active Retail Wastewater Connections	1,869	1,714	1,345	1,137	925

Percent of Fund Total Revenues				
2020	2019	2018	2017	2016
27.5 %	35.0 %	31.2 %	32.2 %	41.8 %
31.8	25.1	28.8	28.6	26.0
26.2	20.2	22.9	23.0	17.6
0.5	4.7	5.5	6.0	4.8
1.0	0.9	0.7	1.3	1.0
5.7	8.9	7.9	6.6	4.5
4.8	4.9	2.9	1.2	0.3
2.5	0.3	0.1	1.1	4.0
-	-	0.0	-	-
100.0	100.0	100.0	100.0	100.0
19.0	14.4	15.5	15.8	13.4
4.4	2.5	2.8	3.9	2.5
6.1	5.2	5.2	5.8	4.3
4.0	2.9	3.2	3.8	3.1
29.3	20.5	15.3	22.6	16.5
3.3	2.6	2.6	2.8	2.3
2.8	5.2	3.3	2.7	2.0
27.2	7.0	44.1	9.1	2.5
-	-	-	7.9	-
-	0.0	0.5	-	-
96.1	60.3	92.5	74.4	46.6
3.9 %	39.7 %	7.5 %	25.6 %	53.4 %

Harris County Water Control and Improvement District No. 84

Comparative Schedule of Revenues and Expenditures – Debt Service Fund

Five Years Ended June 30,

	Amounts				
	2020	2019	2018	2017	2016
Debt Service Fund					
Revenues					
Property taxes	$ 1,613,820	$ 677,259	$ 527,007	$ 576,047	$ 416,578
Penalty and interest	19,016	29,604	47,776	40,002	38,166
Investment income	15,457	18,027	9,248	3,437	1,387
Total revenues	1,648,293	724,890	584,031	619,486	456,131
Expenditures					
Current:					
Professional fees	6,184	7,587	14,516	14,651	10,802
Contracted services	25,054	21,444	18,802	18,838	23,204
Other expenditures	6,480	5,138	5,551	34,839	3,457
Debt service:					
Principal retirement	295,000	295,000	285,000	280,000	275,000
Interest and fees	535,082	215,463	221,305	226,912	236,562
Total expenditures	867,800	544,632	545,174	575,240	549,025
Excess (Deficiency) of Revenues Over Expenditures	780,493	180,258	38,857	44,246	(92,894)
Fund Balance, Beginning of Year	1,130,721	950,463	911,606	867,360	960,254
Fund Balance, End of Year	$ 1,911,214	$ 1,130,721	$ 950,463	$ 911,606	$ 867,360

Percent of Fund Total Revenues				
2020	2019	2018	2017	2016
97.9 %	93.4 %	90.2 %	93.0 %	91.3 %
1.2	4.1	8.2	6.5	8.4
0.9	2.5	1.6	0.5	0.3
100.0	100.0	100.0	100.0	100.0
0.4	1.0	2.5	2.4	2.4
1.5	3.0	3.2	3.0	5.0
0.4	0.7	1.0	5.6	0.8
17.9	40.7	48.8	45.2	60.3
32.4	29.7	37.9	36.6	51.9
52.6	75.1	93.4	92.8	120.4
47.4 %	24.9 %	6.6 %	7.2 %	(20.4) %

Harris County Water Control and Improvement District No. 84

Board Members, Key Personnel and Consultants

Year Ended June 30, 2020

Complete District mailing address:	Harris County Water Control and Improvement District No. 84 P.O. Box 532 Channelview, Texas 77530	
District business telephone number:	713.452.7107	
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):		June 19, 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
Allen Hall	Elected 05/20-05/24	$ 2,700	$ 0	President
Bud Mills	Elected 05/18-05/22	2,100	0	Vice President
Edna Ponder	Elected 05/20-05/24	3,450	2,363	Secretary
Hugo Arriaga	Elected 05/20-05/24	2,700	406	Assistant Secretary
Tomas Fernandez	Elected 05/18-05/22	3,150	976	Director

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

Harris County Water Control and Improvement District No. 84

Board Members, Key Personnel and Consultants (Continued)

Year Ended June 30, 2020

Consultants	Date Hired	Fees and Expense Reimbursements	Title
BKD, LLP	06/26/90	$ 32,300	Auditor
Harris County Appraisal District	Legislative Action	18,679	Appraiser
Huitt-Zollars, Inc.	01/09/96	251,861	Engineer
Bob Leared Interests	10/24/89	12,785	Tax Assessor/ Collector
McLennan & Associates, LP	03/09/04	35,372	Bookkeeper
Municipal District Services, L.L.C.	06/01/08	1,138,889	Operator
Norton Rose Fulbright US LLP	12/13/90	33,299	General Counsel
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	1996	6,184	Delinquent Tax Attorney
Rathmann & Associates, L.P.	05/13/03	0	Financial Advisor
Investment Officer			
Jorge Diaz	01/10/17	N/A	Bookkeeper

APPENDIX C

SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY

ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, 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 Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the 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 AGM. 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 AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

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 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 AGM 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 of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount 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 or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

To the fullest extent permitted by applicable law, AGM 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 AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, 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, (a) 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 and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ________________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100