OFFICIAL STATEMENT DATED OCTOBER 6, 2021

IN THE OPINION OF BOND COUNSEL, THE BONDS ARE VALID OBLIGATIONS OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282, OF HARRIS COUNTY, TEXAS, AND INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION UNDER STATUTES, REGULATIONS, PUBLISHED RULINGS AND COURT DECISIONS EXISTING ON THE DATE OF SUCH OPINION. SEE "LEGAL MATTERS" HEREIN FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

THE BONDS HAVE BEEN DESIGNATED "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS. SEE "LEGAL MATTERS—QUALIFIED TAX-EXEMPT OBLIGATIONS."

NEW ISSUE-BOOK-ENTRY-ONLY

Insured Rating (BAM): S&P "AA" (stable)
Underlying Rating: Moody's "A3"
See "MUNICIPAL BOND RATING" and "MUNICIPAL BOND INSURANCE" herein.

$1,425,000
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282, OF HARRIS COUNTY, TEXAS
(A political subdivision of the State of Texas located within Harris County)
UNLIMITED TAX BONDS SERIES 2021

Dated Date: November 1, 2021 **Due: March 1, as shown below**
Interest Accrual Date: Date of Delivery

The $1,425,000 Unlimited Tax Bonds, Series 2021 (the "Bonds") are being issued by Harris County Municipal Utility District No. 282, of Harris County, Texas (the "District"). Principal of the Bonds will be payable at maturity or earlier redemption at the principal payment office of the Paying Agent/Registrar, initially The Bank of New York Mellon Trust Co., N.A., Dallas, Texas (the "Paying Agent/Registrar"). Interest on the Bonds will accrue from the initial date of delivery (expected to be November 10, 2021) (the "Date of Delivery") and is payable on March 1 and September 1 of each year commencing March 1, 2022 until maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds will be issued in fully registered form only in denominations of $5,000 each or integral multiples thereof. The Bonds will be subject to redemption prior to their maturity, as shown below.

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

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

MATURITY SCHEDULE

Due (March 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)	Due (March 1)	Principal Amount		Interest Rate	Initial Reoffering Yield (a)	CUSIP Number (b)
2024	$ 35,000	2.00 %	0.55 %	41420W FZ3	2028	100,000	(c)	2.00 %	1.15 %	41420W GD1
2025	50,000	2.00	0.70	41420W GA7	2029	100,000	(c)	2.00	1.35	41420W GE9
2026	100,000	2.00	0.85	41420W GB5	2030	100,000	(c)	2.00	1.60	41420W GF6
2027	100,000	2.00	0.95	41420W GC3						

$200,000 Term Bonds due March 1, 2032 (c), 41420W GH2 (b), 2.000% Interest Rate, 1.85% Yield (a)
$200,000 Term Bonds due March 1, 2034 (c), 41420W GK5 (b), 2.000% Interest Rate, 2.00% Yield (a)
$200,000 Term Bonds due March 1, 2036 (c), 41420W GM1 (b), 2.000% Interest Rate, 2.10% Yield (a)
$240,000 Term Bonds due March 1, 2038 (c), 41420W GP4 (b), 2.125% Interest Rate, 2.20% Yield (a)

(a) Initial Reoffering Yield represents the initial offering yield to the public, which has been established by the Underwriter for offers to the public and which subsequently may be changed.
(b) CUSIP Numbers will be assigned to the Bonds by CUSIP Service Bureau and are included solely for the convenience of the purchasers of the Bonds. Neither the District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP Numbers set forth herein.
(c) Bonds maturing on or after March 1, 2028, are subject to redemption at the option of the District prior to their maturity dates in whole, or from time to time in part, on March 1, 2027, or on any date thereafter, at a price of par plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. The Term Bonds (as defined herein) are also subject to mandatory sinking fund redemption as described herein. See "THE BONDS—Redemption Provisions."

The Bonds, when issued, will constitute valid and legally binding obligations of Harris County Municipal Utility District No. 282, of Harris County, Texas (the "District") and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District, as further described herein. The Bonds are obligations solely of the District and are not obligations of the State of Texas, Harris County, the City of Houston or any entity other than the District. Investment in the Bonds is subject to special investment considerations described herein. See "INVESTMENT CONSIDERATIONS."

The Bonds are offered when, as and if issued by the District, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Schwartz, Page & Harding, L.L.P., Houston, Texas, Bond Counsel. Certain legal matters will be passed on for the District by McCall, Parkhurst & Horton L.L.P., Houston, Texas, as Disclosure Counsel. Delivery of the Bonds in book-entry form through DTC is expected on or about November 10, 2021.

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USE OF INFORMATION IN OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the District.

This Official Statement is not to be used in 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 Schwartz, Page & Harding, L.L.P., Bond Counsel, 1300 Post Oak Boulevard, Suite 1400, Houston, Texas, 77056, upon payment of the costs of duplication therefor.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12, as amended.

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 affairs of the District or other matters described herein since the date hereof. However, the District has agreed to keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and, to the extent that information actually comes to its attention, the other matters described in this Official Statement until delivery of the Bonds to the Underwriter (as herein defined) and thereafter only as specified in "PREPARATION OF OFFICIAL STATEMENT—Updating the Official Statement."

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

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District accepted the bid resulting in the lowest net effective interest rate, which bid was tendered by SAMCO Capital Markets, Inc. (the "Underwriter"), paying the interest rates shown on the cover page hereof, at a price of 98.7493% of the principal amount thereof which resulted in a net effective interest rate of 2.158026% as calculated pursuant to Chapter 1204, Texas Government Code (the IBA method).

Prices and Marketability

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time-to-time by the Underwriter after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. In connection with the offering of the Bonds, the Underwriter may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The District has no control over trading of the Bonds in the secondary market. Moreover, there is no guarantee that a secondary market will be made in the Bonds. In such a secondary market, the difference between the bid and asked price of the Bonds may be greater than the difference between the bid and asked price 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.

Securities Laws

No registration statement relating to the offer and sale of the Bonds has been filed with the 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 and the Bonds have not 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 jurisdiction.

OFFICIAL STATEMENT SUMMARY

The following is a brief summary of certain information contained herein which is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. The summary should not be detached and should be used in conjunction with more complete information contained herein. A full review should be made of the entire Official Statement and of the documents summarized or described therein.

INFECTIOUS DISEASE OUTLOOK (COVID-19)

General .... In March 2020, the World Health Organization and the President of the United States separately declared the outbreak of a respiratory disease caused by a novel coronavirus ("COVID-19") to be a public health emergency. On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State of Texas (the "State") because of the effects of COVID-19. Subsequently, in response to a rise in COVID-19 infections in the State and pursuant to the Chapter 418 of the Texas Government Code, the Governor issued a number of executive orders intended to help limit the spread of COVID-19 and mitigate injury and the loss of life, including limitations imposed on business operations, social gatherings and other activities.

Over the ensuing year, COVID-19 negatively affected commerce, travel and businesses locally and globally, and negatively affected economic growth worldwide and within the State. Following the widespread release and distribution of various COVID-19 vaccines in 2021 and a decrease in active COVID-19 cases generally in the United States, state governments (including Texas) have started to lift business and social limitations associated with COVID-19. Beginning in March 2021, the Governor issued various executive orders, which, among other things, rescinded and superseded prior executive orders and provide that there are currently no COVID-19 related operating limits for any business or other establishment. The Governor retains the right to impose additional restrictions on activities if needed in order to mitigate the effects of COVID-19. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at https://gov.texas.gov/. Neither the information on, nor accessed through, such website of the Governor is incorporated by reference into this Official Statement.

With the easing or removal of associated governmental restrictions, economic activity has increased. However, there are no assurances that such increased economic activity will continue or continue at the same rate, especially if there are future outbreaks of COVID-19, including the Delta variant. The District has not experienced any decrease in property values, unusual tax delinquencies or interruptions to any service as a result of COVID-19; however, the District cannot predict the long-term economic effect of COVID-19 or a similar virus should there be a reversal of economic activity and reinstitution of restrictions. "INVESTMENT CONSIDERATIONS—Infectious Disease Outlook (COVID-19)."

THE BONDS

Description .... The $1,425,000 Unlimited Tax Bonds, Series 2021 (the "Bonds") are being issued as fully registered bonds pursuant to an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the District's Board of Directors (the "Board"). The Bonds are scheduled to mature serially on March 1 in each of the years 2024 through 2030, both inclusive, and as term bonds on March 1 in each of the years 2032, 2034, 2036 and 2038 (the "Term Bonds") in the respective principal amounts and bearing interest at the rates for each maturity shown on the cover page hereof. The Bonds will be issued in book-entry form only in denominations of $5,000 or integral multiples of $5,000. Interest on the Bonds will accrue from the Date of Delivery and will be payable March 1 and September 1 of each year commencing March 1, 2022 until maturity or prior redemption and will be calculated on the basis of 360-day year consisting of twelve 30-day months. See "THE BONDS."

Book-Entry-Only System................. The Depository Trust Company ("DTC"), New York, New York, 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 Bond will be issued for each maturity of the Bonds and will be deposited with DTC or its designee. See "BOOK-ENTRY- ONLY SYSTEM."

Redemption .... Bonds maturing on or after March 1, 2028, are subject to redemption at the option of the District in whole, or from time to time in part, prior to their maturity dates on March 1, 2027, or on any date thereafter, at a price of par plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. The Term Bonds are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."

Use of Proceeds .... Proceeds of the Bonds will be used to pay for the items shown herein under "USE AND DISTRIBUTION OF BOND PROCEEDS," including the interest on funds advanced by the Developer (hereinafter defined) on behalf of the District; and engineering fees, administrative costs, and certain other costs related to the issuance of the Bonds and operating expenses of the District.

Authority for Issuance..................... The Bonds are issued pursuant to the Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, the general laws of the State of Texas, an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Directors of the District (the "Board"), an order of the Texas Commission on Environmental Quality (the "TCEQ" or "Commission") and an election held within the District on February 5, 2005. See "THE BONDS—Authority for Issuance."

Source of Payment .... Principal of and interest on the Bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. The Bonds are obligations of the District and are not obligations of the State of Texas, Harris County, the City of Houston or any entity other than the District. See "THE BONDS—Source and Security for Payment" and "—Funds."

Qualified Tax-Exempt Obligations .... The District has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended. See "LEGAL MATTERS—Qualified Tax-Exempt Obligations."

Municipal Bond Rating And Municipal Bond Insurance..... S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") has assigned a municipal bond rating of "AA" (stable outlook) to this issue of Bonds with the understanding that, upon delivery of the Bonds, a municipal bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by Build America Mutual Assurance Company. ("BAM"). Moody's Investors Service ("Moody's") has also assigned an underlying credit rating of "A3" on the Bonds. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance," "MUNICIPAL BOND RATING," "MUNICIPAL BOND INSURANCE," and APPENDIX B.

Bond Counsel................................. Schwartz, Page & Harding, L.L.P., Houston, Texas. See "MANAGEMENT OF THE DISTRICT—District Consultants" and "LEGAL MATTERS."

Financial Advisor .... Masterson Advisors LLC, Houston, Texas. See "MANAGEMENT OF THE DISTRICT—District Consultants" and "PREPARATION OF THE OFFICIAL STATEMENT."

Disclosure Counsel .... McCall, Parkhurst & Horton L.L.P., Houston, Texas.

Paying Agent/Registrar .... The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. See "THE BONDS—Method of Payment of Principal and Interest."

THE DISTRICT

Description .... The District is a political subdivision of the State of Texas, created by order of the Texas Water Commission, a predecessor to the Texas Commission on Environmental Quality (the "TCEQ"), on May 28, 1986, and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended. The District currently consists of approximately 480 acres of land. See "THE DISTRICT."

Location .... The District is located approximately 27 miles northwest of the central downtown business district of the City of Houston and lies wholly within the exclusive extraterritorial jurisdiction of the City of Houston and within the boundaries of the Tomball Independent School District. The District is located south of Boudreaux Road, north of Spring Cypress Road, west of Texas State Highway 249 and east of Shaw Road. See "THE DISTRICT."

The Developer .... The principal developer of land within the District was Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, d.b.a. Friendswood Development Company ("Friendswood"). Friendswood purchased 214 undeveloped acres and 70 developed lots from Compass Bank in December 2010 following Compass Bank's foreclosure on such acreage and lots as part of the bankruptcy proceedings of the prior developer and landowner. Friendswood is a wholly owned subsidiary of Lennar Corporation ("Lennar"), a publicly traded corporation whose stock is listed on the New York Stock Exchange under the ticker symbol "LEN." Lennar's activities include homebuilding, real estate investments, residential and commercial developments and financial services operations throughout the United States. Friendswood is referred to as the "Developer" herein. Neither Lennar nor Friendswood own any remaining acreage within the District. See "THE DEVELOPER."

Status of Development .... Development in the District began in 2005, and the District includes the residential subdivisions of Villages of NorthPointe West and Wildwood at NorthPointe. The development in the District currently includes 1,051 completed single-family residential lots on approximately 263 acres. As of July 2021, the District consisted of 1,039 completed single-family homes of which 1,037 were occupied, and 12 vacant developed lots. Homes in the District range in price from approximately $200,000 to $580,000.

The remainder of the District is comprised of approximately 20 acres developed as a recreation center and parks and open spaces, and 75 acres that are not developable (detention and drainage facilities, street right-of-way and lift station site). Recreation facilities in the District include a park, pool, pool house with meeting rooms, amenity pond and tennis courts. Tomball Memorial High School, along with an agricultural facility related to the High School, are located on a portion of the approximately 122 acres of land in the District which is owned by the Tomball Independent School District (non-taxable). See "THE DISTRICT."

Flood Protection .... Flood protection for the District is provided by a drainage and detention system constructed by NorthPointe Water Control and Improvement District ("NorthPointe WCID"). The District is located entirely within the boundaries of NorthPointe WCID. As of September 2, 2021, NorthPointe WCID has $15,365,000 of its unlimited tax bonds outstanding. NorthPointe WCID set a total tax rate in 2020 of $0.27 per $100 of assessed value. For tax year 2021, NorthPointe WCID has authorized publication of its intent to levy a total tax rate in an amount not to exceed $0.26 per $100 of assessed value. It is expected that NorthePointe WCID will officially adopt a tax rate in September 2021. Taxes levied by NorthPointe WCID are in addition to taxes levied by the District. See "THE SYSTEM—Flood Protection," "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Overlapping Taxes" and "INVESTMENT CONSIDERATIONS—Severe Weather Events," and "— Overlapping Debt and Taxes."

According to LJA Engineering, Inc. ("LJA" or the District's "Engineer"), and based upon the Flood Insurance Rate Map of Harris County, Texas, dated June 18, 2007, approximately 146 developed acres in the District were in the 100-year floodplain. The development within the District encompassing Villages of NorthPointe West, Sections Three through Six and Wildwood at NorthPointe, Sections One, Two, Four, Five, Seven, Eight and Ten included raising the elevation of land with the application of fill dirt to an elevation to remove the developed lots in the sections from the 100-year floodplain designation. The lots within Villages of NorthPointe West, Section One are not in the 100-year floodplain and fill dirt was not applied to the lots. Development of Wildwood at NorthPointe, Sections Nine, Twelve, Fourteen and Twenty included raising the elevation of land with the application of fill dirt to an elevation to remove the proposed lots in the sections from the 100-year flood plain designation. The District has received letters of map revision ("LOMR") from FEMA, which indicate the application of fill dirt to the land developed as Villages of NorthPointe West, Sections Three through Six and Wildwood at NorthPointe, Sections One, Two, Four, Five, Seven, Eight, Nine, Ten, Twelve, Fourteen, Eighteen, Twenty and Twenty-One was sufficient to remove land from the 100-year floodplain designation. No developed or developable acreage within the District is currently located in the 100-year floodplain. See "THE SYSTEM—Flood Protection."

INVESTMENT CONSIDERATIONS

The purchase and ownership of the Bonds are subject to special INVESTMENT CONSIDERATIONS and all prospective purchasers are urged to examine carefully this entire Official Statement with respect to the investment security of the Bonds, including particularly the section captioned "INVESTMENT CONSIDERATIONS."

SELECTED FINANCIAL INFORMATION (UNAUDITED)

2021 Certified Taxable Assessed Valuation	$320,755,421	(a)
Gross Direct Debt Outstanding (including the Bonds)	$19,095,000	(b)
Estimated Overlapping Debt	20,548,682	(c)
Gross Direct Debt and Estimated Overlapping Debt	$39,643,682	
Ratio of Gross Direct Debt to:		
2021 Certified Taxable Assessed Valuation	5.95%	
Ratio of Gross Direct Debt and Estimated Overlapping Debt to:		
2021 Certified Taxable Assessed Valuation	12.36%	
Debt Service Funds Available as of September 1, 2021	$827,864	(d)
Operating Funds Available as of September 1, 2021	$3,904,895	(e)
2021 Debt Service Tax Rate	$0.57	
2021 Maintenance Tax Rate	0.20	
2021 Total Tax Rate	$0.77	
Average Annual Debt Service Requirement (2022-2038)	$1,424,690	(f)
Maximum Annual Debt Service Requirement (2022)	$1,783,749	(f)
Tax Rates Required to Pay Average Annual Debt Service (2022-2038) at a 95% Collection Rate		
Based upon 2021 Certified Taxable Assessed Valuation	$0.47	(g)
Tax Rates Required to Pay Maximum Annual Debt Service (2022) at a 95% Collection Rate		
Based upon 2021 Certified Taxable Assessed Valuation	$0.59	(g)
Status of Development as of July 20, 2021 (h):		
Completed Homes (1,037 Occupied)	1,039	
Vacant Lots Available for Construction	12	
Estimated Population	3,630	(i)

(a) The Harris County Appraisal District (the "Appraisal District") has certified $300,338,165 of value as of January 1, 2021. According to the Appraisal District, there are properties remaining uncertified totaling $25,521,570. The above listed assessed value includes 80% of the total uncertified value, for an estimated uncertified value of $20,417,256, plus the fully certified value of $300,338,165. See "TAXING PROCEDURES."

(b) After the issuance of the Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds."

(c) See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Estimated Overlapping Debt."

(d) Neither Texas law or the Bond Order requires the District to maintain any minimum balance in the Debt Service Fund.

(e) Includes approximately $542,796 intended to reimburse the Developer for expenditures related to the construction of parks and recreation facilities within the District.

(f) See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements."

(g) See "TAX DATA—Tax Adequacy for Debt Service" and "INVESTMENT CONSIDERATIONS—Maximum Impact on District Tax Rates."

(h) See "THE DISTRICT—Land Use" and "—Status of Development."

(i) Based upon 3.5 persons per occupied home.

OFFICIAL STATEMENT

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282, OF HARRIS COUNTY, TEXAS

(A political subdivision of the State of Texas located within Harris County)

$1,425,000 UNLIMITED TAX BONDS SERIES 2021

This Official Statement provides certain information in connection with the issuance by Harris County Municipal Utility District No. 282, of Harris County, Texas (the "District") of its $1,425,000 Unlimited Tax Bonds, Series 2021 (the "Bonds").

The Bonds are issued by the District pursuant to an order of the Texas Commission on Environmental Quality (the "TCEQ"), Article XVI, Section 59 of the Texas Constitution, the general laws of the State of Texas, including, without limitation, Chapters 49 and 54 of the Texas Water Code, as amended, elections held within the District, and an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Directors of the District (the "Board").

This Official Statement includes descriptions, among others, of the Bonds and the Bond Order, and certain other information about the District, Lennar Homes of Texas Land and Construction Ltd., a Texas limited partnership, d.b.a. Friendswood Development Company (the "Developer"), and development activity in the District. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of certain of the documents may be obtained from Schwartz, Page & Harding, L.L.P., Bond Counsel, 1300 Post Oak Boulevard, Suite 1400, Houston, Texas 77056, upon payment of duplication costs therefor.

THE BONDS

General

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

Description

The Bonds will be dated November 1, 2021, with interest payable on March 1, 2022, and on each September 1 and March 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. Interest on the Bonds initially accrues from the Date of Delivery, and thereafter, from the most recent Interest Payment Date. The Bonds mature on March 1 in each of the years and in the principal amounts shown under "MATURITIES PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS" on the cover page hereof. The Bonds are issued in fully registered form only in denominations of $5,000 or any integral multiple of $5,000 for any one maturity. The Bonds will be registered and delivered only to The Depository Trust Company, New York, New York ("DTC"), in its nominee name of Cede & Co., pursuant to the book-entry system described herein ("Registered Owners"). No physical delivery of the Bonds will be made to the purchasers thereof. See "BOOK-ENTRY-ONLY SYSTEM." Interest calculations are based upon a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months.

Authority for Issuance

At an election held within the District on February 5, 2005, voters of the District authorized a total of $46,200,000 in principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities. The Bonds constitute the sixth issuance of bonds from such authorization. After the issuance of the Bonds, a total of $23,090,000 in principal amount of unlimited tax bonds for water, sanitary sewer and drainage facilities will remain authorized but unissued.

The Bonds are issued by the District pursuant to the terms and provisions of the Bond Order; Article XVI, Section 59 of the Texas Constitution; the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended; and an order of the TCEQ dated August 25, 2021.

At the above-described election, voters in the District also authorized a total of $3,725,000 in bonds for the purpose of acquiring or constructing recreational facilities. A total of $2,750,000 in bonds have been issued from such authorization. See "Financing Recreational Facilities" below.

Source and Security for Payment

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

Funds

The Bond Order confirms the establishment of the District’s Construction Fund and the District’s Bond Fund (the “Bond Fund”) created and established pursuant to the orders of the District authorizing the issuance of the Outstanding Bonds. All remaining proceeds of the Bonds will be deposited in the Construction Fund. The proceeds from all taxes levied, appraised and collected for and on account of the Bonds authorized by the Bond Order shall be deposited, as collected, into the Bond Fund. The Bond Fund, which constitutes a trust fund for the benefit of the owners of the Outstanding Bonds, the Bonds and any additional tax bonds issued by the District, is to be kept separate from all other funds of the District and is to be used for payment of debt service on the Outstanding Bonds, the Bonds and any of the District’s duly authorized additional bonds payable in whole or part from taxes. Amounts on deposit in the Bond Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Outstanding Bonds, the Bonds and any additional bonds payable in whole or in part from taxes, and to pay any tax anticipation notes issued, in respect of debt service due or to become due, together with interest thereon, as such tax anticipation notes become due.

Record Date

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

Redemption Provisions

Mandatory Redemption: The Bonds maturing on March 1 in each of the years 2032, 2034, 2036 and 2038 (the “Term Bonds”) shall be redeemed, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (the “Redemption Date”), on March 1 in each of the years and in the principal amount set forth in the following schedule (with each such scheduled principal amount reduced by the principal amount as may have been previously redeemed through the exercise of the District’s reserved right of optional redemption, as provided under “Optional Redemption” below):

$200,000 Term Bonds Due March 1, 2032		$200,000 Term Bonds Due March 1, 2034	
Mandatory Redemption Date	**Principal Amount**	**Mandatory Redemption Date**	**Principal Amount**
2031	$ 100,000	2033	$ 100,000
2032 (maturity)	100,000	2034 (maturity)	100,000

$200,000 Term Bonds Due March 1, 2036		$240,000 Term Bonds Due March 1, 2038	
Mandatory Redemption Date	**Principal Amount**	**Mandatory Redemption Date**	**Principal Amount**
2035	$ 100,000	2037	$ 120,000
2036 (maturity)	100,000	2038 (maturity)	120,000

Notice of the mandatory redemption of the Term Bonds will be provided at least thirty (30) calendar days prior to the date fixed for redemption, with the particular portions of the Term Bonds to be redeemed to be selected by lot or other customary method in accordance with the procedures of DTC so long as the Bonds are registered in accordance with the Book-Entry-Only System. See “BOOK-ENTRY-ONLY-SYSTEM.”

Optional Redemption: The District reserves the right, at its option, to redeem the Bonds maturing on and after March 1, 2028, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000, on March 1, 2027, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon through the date fixed for redemption. If fewer than all of the Bonds are to be redeemed, the particular maturity or maturities and the amounts thereof to be redeemed shall be determined by the District. If fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds shall be selected by DTC in accordance with its procedures. See "BOOK-ENTRY-ONLY SYSTEM." Notice of each exercise of the reserved right of optional redemption shall be given by the Paying Agent/Registrar at least thirty (30) calendar days prior to the redemption date, in the manner specified in the Bond Order.

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

Method of Payment of Principal and Interest

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

Registration

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

Replacement of Paying Agent/Registrar

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

Legal Investment and Eligibility to Secure Public Funds in Texas

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

"(a) All bonds, notes, and other obligations issued by a district shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, and trustees, and for all interest and sinking funds and other public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic.

(b) A district's bonds, notes, and other obligations are eligible and lawful security for all deposits of public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic, to the extent of the market value of the bonds, notes, and other obligations when accompanied by any unmatured interest coupons attached to them."

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

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

Issuance of Additional Debt

The District's voters have authorized the issuance of a total of $46,200,000 in principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities and could authorize additional amounts. Following the issuance of the Bonds, the District will have $23,090,000 in principal amount of unlimited tax bonds authorized but unissued for said facilities. The District's voters have also authorized the issuance of a total of $46,200,000 in principal amount of unlimited tax refunding bonds for the purpose of refunding outstanding bonds of the District and could authorize additional amounts. The District currently has $45,900,000 principal amount of unlimited tax refunding bonds authorized but unissued. The District's voters have also authorized the issuance of a total of $3,725,000 in principal amount of unlimited tax bonds for the purpose of acquiring or constructing recreational facilities and could authorize additional amounts. The District currently has $975,000 principal amount of unlimited tax bonds authorized but unissued for said facilities. See "Financing Recreational Facilities" herein.

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

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

Financing Road Facilities

Pursuant to Chapter 54 of the Water Code, a municipal utility district may petition the Commission for the power to issue bonds supported by property taxes to finance roads. Before the District could issue such bonds, the District would be required to receive a grant of such power from the Commission, authorization from the District's voters to issue such bonds, and approval of the bonds by the Attorney General of Texas. The District has not considered filing an application to the Commission for "road powers", nor calling such an election at this time. Issuance of bonds for roads could dilute the investment security for the Bonds.

Financing Recreational Facilities

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

The District is authorized to issue bonds payable from an ad valorem tax to pay for the development and maintenance of recreational facilities if (i) the District duly adopts a plan for the facilities; (ii) the bonds are authorized at an election; (iii) the bonds payable from any source do not exceed 1% of the value of the taxable property in the District at the time of issuance of the bonds, or, if the District meets certain conditions, 3% of the value of the taxable property in the District at the time of issuance of the bonds, but in no event in an amount greater than the estimated cost in the plan; (iv) the District obtains any necessary governmental consents allowing the issuance of such bonds; (v) the issuance of the bonds is approved by the TCEQ in accordance with its rules with respect to same; and (vi) the bonds are approved by the Attorney General of Texas. The District may issue bonds for such purposes payable solely from net operating revenues without an election.

In addition, the District is authorized to levy an operation and maintenance tax to support recreational facilities at a rate not to exceed 10 cents per $100 of assessed valuation of taxable property in the District, after such tax is approved at an election. Said maintenance tax is in addition to any other maintenance tax authorized to be levied by the District.

At an election held within the District on February 5, 2005, voters of the District authorized a total of $3,725,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing recreational facilities and could authorize additional amounts. The District currently has $975,000 principal amount of unlimited tax bonds authorized but unissued for such facilities.

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

Annexation

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston, the District may be annexed for full purposes by the City of Houston, subject to compliance by the City of Houston with various requirements of Chapter 43 of the Texas Local Government Code, as amended. Effective December 1, 2017, such requirements may include the requirement that the City of Houston hold an election in the District whereby the qualified voters of the District approve the proposed annexation. If the District is annexed, the City of Houston must assume the District's assets and obligations (including the Bonds and the Outstanding Bonds) and abolish the District within ninety (90) days of the date of annexation. Annexation of territory by the City of Houston is a policy-making matter within the discretion of the Mayor and City Council of the City of Houston, and, therefore, the District makes no representation that the City of Houston will ever attempt to annex the District 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.

Consolidation

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

Remedies in Event of Default

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

Defeasance

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

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

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

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will 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 "Procedure" of DTC to be followed in dealing with DTC Direct Participants is 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 Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest 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 affect 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.

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

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

Principal, premium, if any, interest payments and redemption proceeds on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, 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, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, interest payments and redemption proceeds 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, 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 the 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.

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USE AND DISTRIBUTION OF BOND PROCEEDS

The construction costs below were compiled by the District's Engineer and were submitted to the TCEQ in the District's Bond Application. Non-constriction costs are based upon either contract amounts or estimates of various costs by the District's Engineer and Financial Advisors. The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and review by the District's auditor.

I. CONSTRUCTION COSTS		
• Construction Costs	$	820,791
• Contingency		35,263
• Engineering & Materials Testing		281,907
• Storm Water Pollution Protection		11,059
Total Construction Costs	**$**	**1,149,020**
II. NON-CONSTRUCTION COSTS		
• Underwriter's Discount	$	17,823
• Developer Interest		53,691
• Drainage Study		2,500
Total Non-Construction Costs	**$**	**74,014**
III. ISSUANCE COSTS AND FEES		
• Issuance Costs and Professional Fees	$	117,051
• Bond Application Report Costs		55,000
• State Reglatory Fees		4,988
• Contingency (a)		24,927
Total Issuance Costs and Fees	**$**	**201,966**
TOTAL BOND ISSUE REQUIREMENT	**$**	**1,425,000**

(a) Contingency represents the difference between the estimated and actual amounts of Underwriter's discount.

THE DISTRICT

General

The District is a municipal utility district created by an order of the Texas Water Commission, a predecessor to the TCEQ, dated May 28, 1986, under Article XVI, Section 59 of the Texas Constitution, and operates under the provisions of Chapters 49 and 54 of the Texas Water Code, as amended, and other general statutes of Texas applicable to municipal utility districts. The District, which lies wholly within the extraterritorial jurisdiction of the City of Houston, is subject to the continuing supervisory jurisdiction of the TCEQ.

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

The District is required to observe certain requirements of the City of Houston which limit the purposes for which the District may sell bonds to finance the acquisition, construction, and improvement of waterworks, wastewater, drainage, recreational, road and fire-fighting facilities and the refunding of outstanding debt obligations; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the City of Houston of District construction plans; and permit connections only to lots and reserves described in a plat that has been approved by the City of Houston and filed in the real property records of Harris County. The District is also required to obtain certain Commission approvals prior to acquiring, constructing and financing road and fire-fighting facilities, as well as voter approval of the issuance of bonds for said purposes and/or for the purposes of financing recreational facilities. Construction and operation of the District's drainage system is subject to the regulatory jurisdiction of additional State of Texas and local agencies. See “THE SYSTEM.”

Description and Location

The District currently consists of approximately 480 acres of land in northwest Harris County. The District is located approximately 27 miles northwest of the central downtown business district of the City of Houston and lies wholly within the extraterritorial jurisdiction of the City of Houston and within the boundaries of the Tomball Independent School District. The District is located south of Boudreaux Road, north of Spring-Cypress Road, west of Texas State Highway 249 and east of Shaw Road.

Land Use

The District currently includes approximately 263 acres of single-family residential development (1,051 lots), approximately 20 acres developed as a recreation center/parks and open spaces, approximately 75 undevelopable acres (detention and drainage facilities, street right-of-way and lift station site), and approximately 122 acres owned by Tomball Independent School District with a portion currently developed as a high school site. The table below represents a detailed breakdown of the current acreage and development in the District.

Single-Family Residential	Approximate Acres	Lots
Villages of NorthPointe West:		
Section One	29	134
Section Three	20	76
Section Four	23	112
Section Five	6	28
Section Six	10	45
Wildwood at NorthPointe:		
Section One	14	66
Section Two	12	40
Section Three (a)	2	9
Section Four	10	48
Section Five	13	45
Section Seven	10	33
Section Eight	8	31
Section Nine	7	29
Section Ten	7	35
Section Twelve	13	40
Section Fourteen	14	59
Section Sixteen (b)	15	43
Section Eighteen	12	43
Section Nineteen (c)	2	8
Section Twenty	12	44
Section Twenty-One	10	37
Section Twenty-Three (d)	2	7
Section Twenty-Four	12	39
Subtotal	263	1,051
School Site	122	-
Recreation Center/Parks and Open Spaces (e)	20	-
Non-Developable (f)	75	-
Total	480	1,051

(a) 9 out of 35 total platted lots are located in the District. Utility services are provided by Northwest Harris county Municipal Utility District No. 5 (“NWHCMUD 5).
(b) All developed lots are located in the District. Utility services are provided by NWHCMUD 5.
(c) 8 out of 45 total platted lots are located in the District. Utility services are provided by NWHCMUD5.
(d) 7 out of 41 total platted lots are located in the District. Utility services are provided by NWHCMUD 5.
(e) Includes a park, pool, pool house with meeting rooms, amenity pond and tennis courts.
(f) Includes detention and drainage facilities, street right-of-way and lift station site.

Status of Development

Single-Family Residential: As of July 2021, the District consisted of 1,039 completed homes (1,037 occupied), and 12 vacant developed lots. Homes in the District range in price from approximately $200,000 to $580,000. As of July 2021, the estimated population in the District based upon 3.5 persons per occupied single-family residence was 3,630.

School Site: Tomball Memorial High School, including an agricultural facility related to the High School, has been constructed on a portion of approximately 122 acres of land in the District owned by the Tomball Independent School District. The property owned by the Tomball Independent School District is exempt from ad valorem taxation.

THE DEVELOPER

Lennar Homes of Texas Land and Construction, Ltd.

The principal developer of land within the District was Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, d.b.a. Friendswood Development Company ("Friendswood"). Friendswood purchased 214 undeveloped acres and 70 developed lots from Compass Bank in December 2010 following Compass Bank's foreclosure of such acreage and lots as part of the bankruptcy proceedings of the prior developer and land owner. Friendswood is wholly owned by Lennar Corporation ("Lennar"), a publicly traded corporation whose stock is listed on the New York Stock Exchange under the ticker symbol "LEN." Lennar's activities include homebuilding, real estate investments, residential and commercial developments and financial services operations throughout the United States. Neither Lennar nor Friendswood own any remaining acreage within the District.

MANAGEMENT OF THE DISTRICT

Board of Directors

The District is governed by the Board, consisting of five (5) directors, which has control over and management supervision of all affairs of the District. Directors are elected to four-year staggered terms and elections are held in May in even numbered years. One of the Board members resides within the District; each of the other four Board members own land within the District, subject to a Deed in Trust in favor of one of the Developer. The current members and officers of the Board, along with their titles and terms, are listed as follows:

Name	District Board Title	Term Expires
Robert Grainger	President	May 2022
Victoria Caldwell	Vice President	May 2024
Dawn Mouton	Secretary	May 2024
P. Al Gosen	Assistant Secretary	May 2024
Angela Peters	Assistant Secretary	May 2022

District Consultants

The District does not have a general manager or other full-time employees, but contracts for certain necessary services as described below.

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

Financial Advisor: Masterson Advisors LLC serves as the District's Financial Advisor. The fee for services rendered in connection with the issuance of the Bonds is based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fee is contingent upon the sale and delivery of the Bonds.

Disclosure Counsel: McCall, Parkhurst & Horton L.L.P., Houston, Texas, serves as Disclosure Counsel to the District. The fees to be paid to Disclosure Counsel for services rendered in connection with the issuance of the Bonds are contingent on the issuance, sale and delivery of the Bonds.

Engineer: The District's consulting engineer is LJA Engineering, Inc.

Auditor: The District's financial statements as of July 31, 2020, and for the year then ended, included in this offering document, have been audited by McCall Gibson Swedlund Barfoot PLLC, independent auditors, as stated in their report appearing herein. See "APPENDIX A" for a copy of the District's July 31, 2020, financial statements. The District has engaged McCall Gibson Swedlund Barfoot PLLC to audit its financial statements for the fiscal year ended July 31, 2021.

Bookkeeper: The District has contracted with Municipal Accounts & Consulting, L.P. (the "Bookkeeper") for bookkeeping services.

Utility System Operator: Water District Management Company, Inc. operates the water and wastewater systems and plants of the District.

Tax Appraisal: The Harris County Appraisal District has the responsibility of appraising all property within the District. See "TAXING PROCEDURES."

Tax Assessor/Collector: The District has appointed an independent tax assessor/collector to perform the tax collection function. Wheeler & Associates, Inc. (the "Tax Assessor/Collector") has been employed by the District to serve in this capacity.

PARK FACILITIES

The park system includes landscaping and recreational improvements to serve the Northpointe subdivision. Recreation facilities within the District include a park, pool, pool house with meeting rooms, amenity pond and tennis courts.

THE SYSTEM

Regulation

Construction and operation of the District's water, wastewater and storm drainage system (the "System") as it now exists or as it may be expanded from time to time is subject to regulatory jurisdiction of federal, state and local authorities. The TCEQ exercises continuing, supervisory authority over the District. Discharge of treated sewage into Texas waters is also subject to the regulatory authority of the TCEQ and the United States Environmental Protection Agency. Withdrawal of ground water and the issuance of water well permits are subject to the regulatory authority of the Harris-Galveston Subsidence District where applicable. Construction of drainage facilities is subject to the regulatory authority of the Harris County Flood Control District. Harris County, the City of Houston, and the Texas Department of Health also exercise regulatory jurisdiction over the District's System.

Water Supply

The District has a joint ownership interest in a water supply plant, which includes two 1,500 gallon per minute ("gpm") water wells and related component facilities. The water wells are jointly owned by the District, Harris County Municipal Utility District No. 280 ("MUD 280"), Harris County Municipal Utility District No. 281 ("MUD 281") and Northwest Harris County Municipal Utility District No. 15 ("Northwest 15"). Pressure tank, ground storage, booster pumps, methane gas stripper, and auxiliary power capacity is jointly owned by the District, MUD 280, MUD 281 and Northwest 15. Construction of the expansion for joint water plant no. 3 has been completed and includes two 320,000 gallon ground storage tanks, two 20,000 gallon hydroneumatic tanks and one 1,500 gpm ground water well and five 1,000 gpm booster pumps. Ownership of water plant no. 3 between the District, MUD 280 and MUD 281 is based on capacity. According to the District's Engineer, the District's share of the water plant facilities is sufficient to serve 1,422 connections. As of July 2021, the District was serving approximately 1,221 active equivalent single-family connections ("ESFCs").

Subsidence District Requirements: The District is within the boundaries of the Harris Galveston Subsidence District (the "Subsidence District") which regulates groundwater withdrawal. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District's jurisdiction, including the area within the District. In 1999, the Texas legislature created the North Harris County Regional Water Authority ("Authority") to, among other things, reduce groundwater usage in, and to provide surface water to, the northern portion of Harris County. The District is located within the boundaries of the Authority. The Authority has entered into a Water Supply Contract with the City of Houston, Texas ("Houston") to obtain treated surface water from Houston. The Authority has developed a groundwater reduction plan ("GRP") and obtained Subsidence District approval of its GRP. The Authority's GRP sets forth the Authority's plan to comply with Subsidence District regulations, construct surface water facilities, and convert users from groundwater to alternate source water (e.g., surface water). The District's groundwater well(s) are included within the Authority's GRP. The District's authority to pump groundwater is subject to an annual permit issued by the Subsidence District to the Authority, which permit includes all groundwater wells that are included in the Authority's GRP.

The Authority, among other powers, has the power to (i) issue debt supported by the revenues pledged for the payment of its obligations; (ii) establish fees (including fees to be paid by the District for groundwater pumped by the District or for surface water received by the District from the Authority), user fees, rates, and charges as necessary to accomplish its purposes; and (iii) mandate water users, including the District, to convert from groundwater to surface water. The Authority currently charges the District, and other major groundwater users, a fee per 1,000 gallons based on the amount of groundwater pumped by the District and the amount of surface water, if any, received by the District from the Authority. The Authority has issued revenue bonds to fund, among other things, Authority surface water project costs. It is expected that the Authority will continue to issue a substantial amount of bonds by the year 2035 to finance the Authority's project costs, and it is expected that the fees charged by the Authority will increase substantially over such period.

Under the Subsidence District regulations and the GRP, the Authority is required: (i) through the year 2024, to limit groundwater withdrawals to no more than 70% of the total annual water demand of the water users within the Authority's GRP; (ii) beginning in the year 2025, to limit groundwater withdrawals to no more than 40% of the total annual water demand of the water users within the Authority's GRP; and (iii) beginning in the year 2035, and continuing thereafter, to limit groundwater withdrawals to no more than 20% of the total annual water demand of the water users within the Authority's GRP. If the Authority fails to comply with the above Subsidence District regulations or its GRP, the Authority is subject to a disincentive fee penalty of $9.00 per 1,000 gallons ("Disincentive Fees") imposed by the Subsidence District for any groundwater withdrawn in excess of 20% of the total water demand in the Authority's GRP. In the event of such Authority failure to comply, the Subsidence District may also seek to collect Disincentive Fees from the District. If the District failed to comply with surface water conversion requirements mandated by the Authority, the Authority would likely impose monetary or other penalties against the District.

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

Wastewater Collection

Wastewater treatment capacity is provided to the District by Northwest 15 pursuant to a Waste Disposal Agreement among the District, Northwest 15, Harris County Municipal Utility District No. 273, MUD 280, MUD 281 and Northwest Harris County Municipal Utility District No. 5 ("Northwest 5").

The Northwest 15's wastewater treatment facility has capacity to treat 2,613,350 gallons per day ("gpd") of sewage, or 10,453 equivalent single-family connections based on a flow factor of 250 gpd per connection. Capacity in the 2,613,350 gpd plant is allocated as follows: the District (11.71%), MUD 273 (5.66%), MUD 280 (12.14%), MUD 281 (13.65%), Northwest 15 (25.87%) and Northwest 5 (30.97%). The District's capacity of 305,950 gpd will adequately serve 1,224 equivalent single-family connections. As of July 2021, the District was serving approximately 1,221 active equivalent single-family connections.

Water Distribution, Wastewater Collection and Storm Drainage Facilities

Water distribution, wastewater collection and storm drainage facilities have been constructed to serve 1,051 single-family residential lots, a high school, and a recreational facility in the District. See "THE DISTRICT—Land Use" and "—Status of Development."

Flood Protection

"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. The District's drainage system has been designed and constructed to all current standards.

The District is located entirely within the boundaries of NorthPointe WCID, which provides flood protection to the District by a drainage and detention system. According to the Engineer, and, based upon the Flood Insurance Rate Map of Harris County, Texas, dated June 18, 2007, approximately 146 developed acres in the District were in the 100-year floodplain. The development within the District encompassing Villages of NorthPointe West, Sections Three through Six and Wildwood at NorthPointe, Sections One, Two, Five, Seven and Ten included raising the elevation of land with the application of fill dirt to an elevation to remove the developed lots in the sections from the 100-year floodplain designation. The lots within Villages of NorthPointe West, Section One are not in the 100-year floodplain and fill dirt was not applied to the lots. Development of

Wildwood at NorthPointe, Sections Four and Eight included raising the elevation of land with the application of fill dirt to an elevation to remove the lots in the sections from the 100-year flood plain designation. The District has received letters of map revision ("LOMR") from FEMA, which indicates the application of fill dirt to the land developed as Villages of NorthPointe West, Sections Three through Six and Wildwood at NorthPointe, Sections One, Two, Four, Five, Seven, Eight, Nine, Ten, Twelve, Fourteen, Eighteen, Twenty and Twenty-One is sufficient to remove land from the 100-year floodplain designation. Additionally, a Letter of Map Revision was issued by FEMA on January 26, 2018 and became effective June 11, 2018 that graphically removed all lots in the District from the 100-year flood plain. See "INVESTMENT CONSIDERATIONS—Severe Weather Events."

WATERWORKS AND SEWER SYSTEM OPERATING STATEMENT

The Bonds are payable solely from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. Although net revenues of the District's waterworks and sewer system are not pledged to the payment of the Bonds, such net revenues are available for any legal purpose, including upon Board action, the payment of debt service on the Bonds. The following statement sets forth in condensed form the General Operating Fund as shown in the District's audited financial statements for the years ending July 31, 2017 through 2020, and unaudited summary for the period ended of July 31, 2021, prepared by the Bookkeeper. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Reference is made to "APPENDIX A" for further and complete information on the audited financial statements.

	Fiscal Year Ended July 31				
	2021 (a)	2020	2019	2018	2017
Revenues:					
Property Taxes	$ 609,768	$ 602,960	$ 438,341	$ 474,573	$ 658,793
Water Service	304,728	326,700	317,524	336,349	323,021
Wastewater Service	521,420	504,069	506,260	482,455	466,300
Regional Water Authority Fees	624,619	657,434	517,343	517,582	436,450
Penalty and Interest	12,022	12,964	14,720	13,355	12,587
Tap Connection and Inspection Fees	7,050	47,335	49,544	34,303	100,861
Investment Revenues	35,395	61,313	54,561	28,805	13,257
Water Plant No. 3 Expansion Surplus	-	-	66,599	-	-
Miscellaneous Revenues	7,312	10,295	12,274	7,815	8,635
Total Revenues	$ 2,122,315	$ 2,223,070	$ 1,977,166	$ 1,895,237	$ 2,019,904
Expenditures:					
Professional Fees	$ 122,161	$ 96,656	$ 104,864	$ 130,632	$ 180,469
Contracted Services	320,367	337,319	323,727	332,516	321,587
Purchased Water Service	616,790	738,750	611,935	658,203	574,533
Purchased Wastewater Service	122,193	120,444	110,608	144,845	133,367
Repairs and Maintenance	102,961	133,835	225,193	366,974	95,747
Other	59,472	128,518	110,603	108,572	119,961
Capital Outlay	-	-	-	-	427,284
Bond Issuance Costs	-	-	-	3,900	-
Total Expenditures	$ 1,343,944	$ 1,555,522	$ 1,486,930	$ 1,745,642	$ 1,852,948
NET REVENUES	$ 778,372	$ 667,548	$ 490,236	$ 149,595	$ 166,956
Other Financing Sources					
Transfers In (Out)	$ -	$ -	$ 223	$ 52,883	$ 17,724
General Operating Fund Balance					
Beginning of Year	$ 3,484,568	$ 2,817,020	$ 2,326,561	$ 2,124,083	$ 1,939,403
End of Year	$ 4,262,940	$ 3,484,568	$ 2,817,020	$ 2,326,561	$ 2,124,083

(a) Unaudited. Provided by the bookkeeper.

FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)

2021 Certified Taxable Assessed Valuation	$320,755,421	(a)
Gross Direct Debt Outstanding (including the Bonds)	$19,095,000	(b)
Estimated Overlapping Debt	20,548,682	(c)
Gross Direct Debt and Estimated Overlapping Debt	$39,643,682	
Ratios of Gross Direct Debt to:		
Based upon 2021 Certified Taxable Assessed Valuation	5.95%	
Ratios of Gross Direct Debt and Estimated Overlapping Debt to:		
Based upon 2021 Certified Taxable Assessed Valuation	12.36%	
Debt Service Funds Available as of September 1, 2021	$827,864	(d)
Operating Funds Available as of September 1, 2021	$3,904,895	(e)

(a) The Appraisal District has certified $300,338,165 of value as of January 1, 2021. According to the Appraisal District, there are properties remaining uncertified totaling $25,521,570. The above listed assessed value includes 80% of the total uncertified value, for an estimated uncertified value of $20,417,256, plus the fully certified value of $300,338,165. See "TAXING PROCEDURES."
(b) After the issuance of the Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds."
(c) See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Estimated Overlapping Debt."
(d) Neither Texas law or the Bond Order requires the District to maintain any minimum balance in the Debt Service Fund.
(e) Includes approximately $542,796 intended to reimburse the Developer for expenditures related to the construction of parks and recreation facilities within the District.

Investments of the District

The District has adopted an Investment Policy as required by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended. The District's goal is to preserve principal and maintain liquidity while securing a competitive yield on its portfolio. Funds of the District will be invested in short term U.S. Treasuries, certificates of deposit insured by the Federal Deposit Insurance Corporation ("FDIC") or secured by collateral evidenced by perfected safekeeping receipts held by a third-party bank, and public funds investment pools rated in the highest rating category by a nationally recognized rating service. The District does not currently own, nor does it anticipate owning long term securities or derivative products in the District's investment portfolio.

Outstanding Bonds

The District has previously issued $21,685,000 in principal amount of unlimited tax bonds in five issues for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities. In addition, the District has issued $2,750,000 in principal amount of unlimited tax park bonds in one issue for the purpose of constructing park and recreation facilities and $6,210,000 in principal amount of unlimited tax refunding bonds in one issue for the purpose of refunding outstanding bonds of the District. The District currently has $18,595,000 principal amount of bonds outstanding (the "Outstanding Bonds"). The following table lists the original principal amount of the Outstanding Bonds and principal amount of the Outstanding Bonds.

Series		Original Principal Amount	Currently Outstanding Bonds
2011		$ 4,490,000	$ -
2013		2,600,000	-
2014		3,750,000	2,850,000
2015		8,175,000	6,075,000
2016		2,670,000	1,920,000
2017	(a)	2,750,000	1,150,000
2019	(b)	6,210,000	5,675,000
Total		$ 30,645,000	$ 17,670,000

(a) Unlimited Tax Park Bonds.
(b) Unlimited Tax Refunding Bonds.

Debt Service Requirements

The following sets forth the debt service on the Outstanding Bonds and the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Year	Outstanding Bonds Debt Service Requirements	Plus: Debt Service on the Bonds Principal	Interest	Total	Total Debt Service Requirements
2022	$ 1,760,469		$ 23,280	$ 23,280	$ 1,783,749
2023	1,742,919		28,800	28,800	1,771,719
2024	1,705,169	$ 35,000	28,450	63,450	1,768,619
2025	1,690,219	50,000	27,600	77,600	1,767,819
2026	1,392,269	100,000	26,100	126,100	1,518,369
2027	1,376,969	100,000	24,100	124,100	1,501,069
2028	1,366,081	100,000	22,100	122,100	1,488,181
2029	1,343,381	100,000	20,100	120,100	1,463,481
2030	1,258,631	100,000	18,100	118,100	1,376,731
2031	1,243,544	100,000	16,100	116,100	1,359,644
2032	1,222,206	100,000	14,100	114,100	1,336,306
2033	1,204,156	100,000	12,100	112,100	1,316,256
2034	1,190,656	100,000	10,100	110,100	1,300,756
2035	1,176,119	100,000	8,100	108,100	1,284,219
2036	1,145,981	100,000	6,100	106,100	1,252,081
2037	849,819	120,000	3,825	123,825	973,644
2038	835,806	120,000	1,275	121,275	957,081
Total	$ 22,504,394	$ 1,425,000	$ 290,330	$ 1,715,330	$ 24,219,724

Average Annual Debt Service (2022-2038) $1,424,690
Maximum Annual Debt Service (2022) $1,783,749

Estimated Overlapping Debt

The following table indicates the outstanding debt payable from ad valorem taxes of governmental entities within which the District is located and the estimated percentages and amounts of such indebtedness attributable to property within the District. Debt figures equated herein to outstanding obligations payable from ad valorem taxes are based upon data obtained from individual jurisdictions or Texas Municipal Reports compiled and published by the Municipal Advisory Council of Texas. Furthermore, certain entities listed below may have issued additional obligations since the date listed and may have plans to incur significant amounts of additional debt. Political subdivisions overlapping the District are authorized by Texas law to levy and collect ad valorem taxes for the purposes of operation, maintenance and/or general revenue purposes in addition to taxes for the payment of debt service and the tax burden for operation, maintenance and/or general revenue purposes is not included in these figures. The District has no control over the issuance of debt or tax levies of any such entities.

Taxing Jurisdiction	Outstanding Bonds	As of	Overlapping Percent	Overlapping Amount
Tomball Independent School District………..	$ 564,985,000	8/31/2021	2.48%	$ 14,011,628
Harris County……………………………………	1,723,192,125	8/31/2021	0.06%	1,033,915
Harris County Flood Control District…………	590,725,000	8/31/2021	0.06%	354,435
Harris County Hospital District………………..	81,540,000	8/31/2021	0.06%	48,924
Harris County Department of Education……..	20,185,000	8/31/2021	0.06%	12,111
Port of Houston Authority……………………..	492,439,397	8/31/2021	0.06%	295,464
Lone Star College System………………………	612,400,000	8/31/2021	0.14%	857,360
NorthPointe WCID………………………………	16,895,000	8/31/2021	23.29%	3,934,846
Total Estimated Overlapping Debt………				$ 20,548,682
The District's Total Direct Debt (a)………				19,095,000
Total Direct and Estimated Overlapping Debt………				$ 39,643,682
Direct and Estimated Overlapping Debt as a Percentage of:				
2021 Certified Taxable Assessed Valuation………				12.36%

(a) The Bonds and the Outstanding Bonds.

Overlapping Taxes

Property within the District is subject to taxation by several taxing authorities in addition to the District. On January 1 of each year a tax lien attaches to property to secure the payment of all taxes, penalties and interest imposed on such 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 tax liens of taxing authorities shown below. In addition to ad valorem taxes required to pay debt service on bonded debt of the District and other taxing authorities, certain taxing jurisdictions, including the District, are also authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Set forth below are all of the taxes levied for the 2020 tax year jurisdictions overlapping the District and the 2021 tax rate of the District. None of the entities below have established a tax rate for 2021. No recognition is given to local assessments for civic association dues, fire department contributions, solid waste disposal charges or any other levy of entities other than political subdivisions.

	2020 Tax Rate per $100 of Taxable Assessed Valuation	
Harris County (including Harris County Flood Control District, Harris County Hospital District, Harris County Department of Education, and the Port of Houston Authority	$	0.60419
Tomball Independent School District		1.29000
Lone Star College System		0.10780
NorthPointe WCID		0.27000
Harris County Emergency Services District No. 11 (EMS)		0.03333
Harris County Emergency Services District No. 16 (Fire)		0.05000
Total Overlapping Tax Rate	$	2.35532
The District (a)		0.77000
Total Tax Rate	$	3.12532

(a) Represents the District's 2021 tax rate. See "TAX RATE—Tax Rate Distribution."

TAX DATA

Debt Service Tax

The Board covenants in the Bond Order to levy and assess, for each year that all or any part of the Bonds and the Outstanding Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds and the Outstanding Bonds. See "Tax Rate Distribution" and "Summary of Assessed Valuation" below, and "TAXING PROCEDURES."

Maintenance Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for the operation and maintenance of the District, if such a maintenance tax is authorized by the District's voters. A maintenance tax election was conducted February 5, 2005, and voters of the District authorized, among other things, the Board to levy a maintenance tax at a rate not to exceed $1.50 per $100 appraised valuation. Additionally, the voters of the District have authorized a maintenance tax for recreational facilities at a rate not to exceed $0.10 per $100 appraised valuation. A maintenance tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds. See "Debt Service Tax" above, "Tax Rate Distribution" below, and "THE BONDS—Financing Recreational Facilities."

Tax Exemptions

For 2021, the District adopted a $5,000 exemption for residential homesteads of persons sixty-five (65) years or older and/or disabled persons.

Tax Rate Distribution

	2021	2020	2019	2018	2017
Debt Service	$ 0.57	$ 0.60	$ 0.62	$ 0.68	$ 0.68
Maintenance and Operations	0.20	0.20	0.20	0.15	0.17
Total	$ 0.77	$ 0.80	$ 0.82	$ 0.83	$ 0.85

Historical Tax Collections

The following statement of tax collections sets forth in condensed form the historical tax experience of the District. Such table has been prepared for inclusion herein based upon information obtained from a report prepared by the Tax Assessor/Collector as of August 31, 2021. Reference is made to such statements and records for further and complete information. See "Tax Roll Information" below.

Tax Year	Certified Taxable Assessed Valuation (a)	Tax Rate	Total Tax Levy	Total Collections as of August 31, 2021 (b) Amount	Percent
2016	$ 261,050,753	$ 0.88	$ 2,297,242	$ 2,297,242	100.00%
2017	280,770,545	0.85	2,386,545	2,386,545	100.00%
2018	289,593,660	0.83	2,403,623	2,403,387	99.99%
2019	301,184,931	0.82	2,469,712	2,469,712	100.00%
2020	304,715,820	0.80	2,437,722	2,427,905	99.60%

(a) As certified by the Appraisal District less any exemptions granted. See "Tax Roll Information" below for exemptions granted by the District.
(b) Unaudited.

Summary of Assessed Valuation

The District's taxable assessed value as of January 1 of each year is used by the District in establishing its tax rate. See "TAXING PROCEDURES—Valuation of Property for Taxation." The following represents the composition of property comprising the 2019 through 2021 Certified Taxable Assessed Valuations. Taxes are levied on taxable value certified by the Appraisal District as of January 1 of each year. See "TAXING PROCEDURES." Differences in values from other information herein are due to differences in date of information provided.

	2021 Certified Taxable Assessed Valuation	2020 Certified Taxable Assessed Valuation	2019 Certified Taxable Assessed Valuation
Land	$ 61,900,621	$ 61,423,697	$ 57,924,743
Improvements	301,135,285	303,514,996	308,491,766
Personal Property	1,397,910	2,469,615	1,873,963
Exemptions	(64,095,651)	(62,692,488)	(67,105,541)
Total Certified Value	$ 300,338,165	$ 304,715,820	$ 301,184,931
Uncertified Value	25,521,570	-	-
Total	$ 325,859,735	$ 304,715,820	$ 301,184,931

Principal Taxpayers

The following table represents the principal taxpayers, the taxable assessed value of such property, and such property's taxable assessed value as a percentage of the 2021 Certified Taxable Assessed Valuation of $320,755,421, which represents ownership as of January 1, 2021. A principal taxpayer list related to the uncertified portion ($25,521,570) of the 2021 Certified Taxable Assessed Valuation is not available from the Appraisal District.

Taxpayer	2021 Certified Taxable Assessed Valuation	% of 2021 Certified Taxable Assessed Valuation
FGW JR Investment LLC	$ 879,174	0.29%
CenterPoint Energy Hou Ele	840,260	0.28%
Individual	588,574	0.20%
Individual	584,194	0.19%
Individual	581,207	0.19%
Individual	574,511	0.19%
Individual	567,216	0.19%
Individual	559,900	0.19%
Individual	554,576	0.18%
Individual	553,740	0.18%
Total	$ 6,283,352	2.09%

Tax Adequacy for Debt Service

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of taxable assessed valuation which would be required to meet average annual and maximum debt service requirements on the Bonds and the Outstanding Bonds if no growth in the District's taxable value occurred beyond the 2021 Certified Taxable Assessed Valuation of $320,755,421. The calculations contained in the following table merely represent the tax rates required to pay principal of and interest on the Bonds and the Outstanding Bonds when due, assuming no further increase or any decrease in the taxable value in the District, collection of ninety-five percent (95%) of taxes levied, the sale of no additional bonds, and no other funds available for the payment of debt service.

Average Annual Debt Service Requirement (2022-2038)..$1,424,690
$0.47 Tax Rate on the 2021 Certified Taxable Assessed Valuation..$1,432,173

Maximum Annual Debt Service Requirement (2022)...$1,783,749
$0.59 Tax Rate on the 2021 Certified Taxable Assessed Valuation..$1,797,834

No representations or suggestions are made that the uncertified portion ($25,521,570) of the 2021 Certified Taxable Assessed Valuation will be certified as taxable value by the Appraisal District, and no person should rely upon such amount or its inclusion herein as assurance of its attainment. See "TAXING PROCEDURES."

TAXING PROCEDURES

Property Tax Code and County-Wide Appraisal District

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

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property and tangible personal property in the District is subject to taxation by the District; however, it is expected that no effort will be made by the District to collect taxes on personal property other than on personal property rendered for taxation, business inventories and the property of privately owned utilities. Principal categories of exempt property include: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; farm products owned by the producer; all oil, gas and mineral interests owned by an institution of higher education; certain property owned by exclusively charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; solar and wind-powered energy devices; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older or under a disability for purposes of payment of disability insurance benefits under the Federal Old-Age Survivors and Disability Insurance Act to the extent deemed advisable by the Board. The District would be required to call an election on such residential homestead exemption upon petition by at least twenty percent (20%) of the number of qualified voters who voted in the District's preceding election and would be required to offer such an exemption if a majority of voters approve it at such election. For the 2021 tax year, the District has granted an exemption of $5,000 of assessed valuation for persons 65 years of age and older and to individuals who are under a disability for purposes of payment of disability insurance benefits under the Federal Old-Age Survivors and Disability Insurance Act. The District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between $5,000 and $12,000 of assessed valuation depending upon the disability rating of the veteran, if such rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to an exemption for the full value of the veteran's residence homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if (i) the residence homestead was donated by a charitable organization at no cost to the disabled veteran or, effective January 1, 2018, (ii) the residence was donated by a charitable organization at some cost to the disabled veteran if such cost is less than or equal to fifty percent (50%) of the total good faith estimate of the market value of the residence as of the date the donation is made. Also, the surviving spouse of (i) a member of the armed forces or, (ii) a first responder (as defined under Texas law), who was (i) killed in action or (ii) subject to an amendment to the Texas Constitution to be considered at an election on November 2, 2021, fatally injured in the line of duty, is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

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

General Residential Homestead Exemption

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

Valuation of Property for Taxation

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

The Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% damaged by a disaster and located within an area declared to be a disaster area by the governor of the State of Texas. This temporary exemption is automatic if the disaster is declared prior to a taxing unit, such as the District, adopting its tax rate for the tax year. A taxing unit, such as the District, may authorize the exemption at its discretion if the disaster is declared after the taxing unit has adopted its tax rate for the tax year. The amount of the exemption is based on the percentage of damage and is prorated based on the date of the disaster. Upon receipt of an application submitted within the eligible timeframe by a person who qualifies for a temporary exemption under the Property Tax Code, the Appraisal District is required to complete a damage assessment and assign a damage assessment rating to determine the amount of the exemption. The temporary exemption amounts established in the Property Tax Code range from 15% for property less than 30% damaged to 100% for property that is a total loss. Any such temporary exemption granted for disaster-damaged property expires on January 1 of the first year in which the property is reappraised.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the District, may appeal orders of the Appraisal Review Board by filing a petition for review in district court within forty-five (45) days after notice is received that a final order has been entered. In such event, the property value in question may be determined by the court, or by a jury, if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to comply with the Property Tax Code. The District may challenge the exclusion of property from the appraisal rolls or the grant, in whole or in part, of an exemption. The District may not, however, protest a valuation of any individual property.

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

Agricultural, Open Space, Timberland, and Inventory Deferment

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

Tax Abatement

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

Levy and Collection of Taxes

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

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code classifies municipal utility districts differently based on their current operation and maintenance tax rate or on the percentage of projected build-out that a district has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per $100 of taxable value are classified herein as "Low Tax Rate Districts." Districts that have financed, completed, and issued bonds to pay for all land, improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate is described for each classification below. See "SELECTED FINANCIAL INFORMATION" for a description of the District's current total tax rate. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

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

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

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

The District: A determination as to a district's status as a Low Tax Rate District, Developed District or Developing District will be made by the Board of Directors on an annual basis. For the 2021 tax year, the District's Board of Directors has determined the District to be classified as a Developing District. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

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

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

INVESTMENT CONSIDERATIONS

General

The Bonds are obligations solely of the District and are not obligations of the State of Texas, Harris County, the City of Houston or any entity other than the District. Payment of the principal of and interest on the Bonds depends upon the ability of the District to collect taxes levied on taxable property within the District in an amount sufficient to service the District's bonded debt or, in the event of foreclosure, on the value of the taxable property in the District and the taxes levied by the District and other taxing authorities upon the property within the District.

Infectious Disease Outlook (COVID-19)

In March 2020, the World Health Organization and the President of the United States separately declared the outbreak of a respiratory disease caused by a novel coronavirus ("COVID-19") to be a public health emergency. On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State of Texas (the "State") because of the effects of COVID-19. Subsequently, in response to a rise in COVID-19 infections in the State and pursuant to the Chapter 418 of the Texas Government Code, the Governor issued a number of executive orders intended to help limit the spread of COVID-19 and mitigate injury and the loss of life, including limitations imposed on business operations, social gatherings and other activities.

Over the ensuing year, COVID-19 negatively affected commerce, travel and businesses locally and globally, and negatively affected economic growth worldwide and within the State. Following the widespread release and distribution of various COVID-19 vaccines in 2021 and a decrease in active COVID-19 cases generally in the United States, state governments (including Texas) have started to lift business and social limitations associated with COVID-19. Beginning in March 2021, the Governor issued various executive orders, which, among other things, rescinded and superseded prior executive orders and provide that there are currently no COVID-19 related operating limits for any business or other establishment. The Governor retains the right to impose additional restrictions on activities if needed in order to mitigate the effects of COVID-19. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at https://gov.texas.gov/. Neither the information on, nor accessed through, such website of the Governor is incorporated by reference into this Official Statement.

With the easing or removal of associated governmental restrictions, economic activity has increased. However, there are no assurances that such increased economic activity will continue or continue at the same rate, especially if there are future outbreaks of COVID-19, including the delta variant. The District has not experienced any decrease in property values, unusual tax delinquencies or interruptions to any service as a result of COVID 19; however, the District cannot predict the long-term economic effect of COVID-19 or a similar virus should there be a reversal of economic activity and reinstitution of restrictions.

Potential Effects of Oil Price Fluctuations on the Houston Area

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

Severe Weather Events

The greater Houston area, including the District, is subject to the possibility of 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 has experienced multiple storms exceeding a 0.2% probability (i.e. "500-year flood" events) since 2015, including Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four days. According to the District's Operator, the District's water and wastewater system did not sustain any material damage and there was no interruption of water and sewer service as a result of Hurricane Harvey. Further, the District did not receive reports of homes within the District that experienced structural flooding or other material damage as a result of Hurricane Harvey.

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.

Specific Flood Type Risks

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

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

Possible Impact on District Tax Rates

Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of owners of property within the District to pay their taxes. The 2021 Certified Taxable Assessed Valuation is $320,755,421. After issuance of the Bonds, the maximum annual debt service requirement will be $1,783,749 (2022), and the average annual debt service requirement will be $1,424,690 (2022-2038, inclusive). Assuming no increase or decrease from the 2021 Certified Taxable Assessed Valuation, the issuance of no additional debt, and no other funds available for the payment of debt service, tax rates of $0.59 and $0.47, respectively, based on the 2021 Certified Taxable Assessed Value per $100 of taxable assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay both the maximum annual debt service requirement and the average annual debt service requirements. See "DEBT SERVICE REQUIREMENTS."

No representation or suggestion is made that the estimated values of land and improvements provided by the Appraisal District as of January 1, 2021 for the District will be certified as taxable value by the Appraisal District, and no person should rely upon such amounts or their inclusion herein as assurance of their attainment. See "TAXING PROCEDURES."

Future Debt

The District's voters have authorized the issuance of a total of $46,200,000 in principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sewer and storm drainage facilities. After issuance of the Bonds, $23,090,000 in principal amount of unlimited tax bonds for water, sewer and storm drainage facilities will remain authorized but unissued. The District's voters have also authorized a total of $46,200,000 in principal amount of unlimited tax refunding bonds for the purpose of refunding outstanding bonds of the District and currently has $45,900,000 principal amount of unlimited tax refunding bonds authorized but unissued. The District's voters have also authorized a total of $3,725,000 in principal amount of unlimited tax bonds for the purpose of acquiring or constructing recreational facilities and could authorize additional amounts and currently has $975,000 principal amount of unlimited tax bonds authorized but unissued for said facilities. See "THE BONDS—Issuance of Additional Debt," "Financing Road Facilities," and "Financing Recreational Facilities." The issuance of such obligations may adversely affect the investment security of the Bonds. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District. The District does not employ any formula with regard to assessed valuations or tax collections or otherwise to limit the amount of bonds which may be issued. Any bonds issued by the District, however, must be approved by the Attorney General of Texas and the Board and any bonds issued to acquire or construct water, sewer and drainage facilities or recreational facilities must be approved by the Commission. The Engineer has stated that the District's authorized but unissued bonds will be adequate to complete the development of the District.

Overlapping Debt and Taxes

Approximately 460 acres within the District and approximately 1,245 other acres lie within NorthPointe Water Control and Improvement District (the "NorthPointe WCID"), which provides flood protection for the property within its boundaries. Property in the District is subject to taxation by NorthPointe WCID. NorthPointe WCID's 2020 Taxable Appraised Valuation is $1,313,799,839. The total 2020 tax rate of NorthPointe WCID was $0.27 per $100 of appraised valuation of which $0.15 is allocated to debt service and $0.20 to maintenance and operations. For tax year 2021, NorthPointe WCID has authorized publication of its intent to levy a total tax rate in an amount not to exceed $0.26 per $100 of assessed value. It is expected that NorthePointe WCID will officially adopt a tax rate in September 2021. The District cannot represent whether any of the development planned or occurring in the District and other areas of NorthPointe WCID, will be successful or whether the appraised valuation of the land located within NorthPointe WCID will justify continued payment of the tax by property owners. Increases in NorthPointe WCID's tax rate could have an adverse impact development and home sales within NorthPointe WCID and the District and the willingness of owners of property located within the District to pay ad valorem taxes levied on their property. NorthPointe WCID has $13,480,000 of unlimited tax bonds authorized but unissued bonds without additional voter approval. See "THE SYSTEM—Flood Protection" and "FINANCIAL INFORMATION CONCERNING THE DISTRICT (Unaudited)—Estimated Overlapping Debt."

In addition, property located within the District is subject to taxation by various other governmental entities. The aggregate amount of taxes imposed by such entities could materially affect development and the sale of homes in the District. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (Unaudited)—Overlapping Taxes."

The 2020 combined tax rate of the District and NorthPointe WCID, including debt service and/or maintenance taxes, was $1.07 per $100 of assessed valuation. However, the tax rate that may be required to service debt on any bonds issued by the District and NorthPointe WCID is subject to numerous uncertainties such as the growth of taxable values within the boundaries of each (including, in the case of NorthPointe WCID, growth of taxable values of properties outside the boundaries of the District but within the boundaries of NorthPointe WCID), the amount of direct unlimited tax bonds issued, regulatory approvals, construction costs and interest rates. There can be no assurances that the composite tax rate will be competitive with the tax rates of competing projects in the Harris County region. To the extent that such composite tax rate is not competitive with competing developments, the growth of property tax values in the District and the investment quality or security of the Bonds could be adversely affected. A combined tax rate of $1.07 is higher than the tax levy of many municipal utility districts in the Houston metropolitan area, although such a combined levy is within the range of levies imposed for similar purposes by certain municipal utility districts in the Houston metropolitan area in stages of development comparable with the District.

The current TCEQ rules regarding the feasibility of a bond issue for utility districts in Harris County limits the projected combined total tax rate of entities levying a tax for water, wastewater and drainage to $1.50. The total combined tax rate for the District includes the District's projected tax rate and NorthPointe WCID's projected tax rate. The District's projected combined tax rate is consistent with the rules of the TCEQ. If the total combined tax rate of the District should ever exceed $1.50, the District and NorthPointe WCID could be prohibited under rules of the TCEQ from selling additional bonds until such combined rate is $1.50 or less. See "Maximum Impact on District Tax Rates" above.

Tax Collections Limitations and Foreclosure Remedies

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 local taxing authorities on the property against which taxes are levied, and such lien may be enforced by judicial foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time-consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, or (c) market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property. Moreover, the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property (see "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Overlapping Taxes"), by the current aggregate tax rate being levied against the property, and by other factors (including the taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property). Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a 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

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

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. If such a judgment against the District were 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. The enforceability of the rights and remedies of the Registered Owners may further be limited by a State of Texas statute reasonably required to attain an important public purpose or 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.

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of 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. Texas law requires a district, such as the District, to obtain the approval of the TCEQ as a condition to seeking relief under the Federal Bankruptcy Code.

Notwithstanding noncompliance by a district with Texas law requirements, the District could file a voluntary bankruptcy petition under Chapter 9, thereby invoking the protection of the automatic stay until the bankruptcy court, after a hearing, dismisses the petition. A federal bankruptcy court is a court of equity and federal bankruptcy judges have considerable discretion in the conduct of bankruptcy proceedings and in making the decision of whether to grant the petitioning District relief from its creditors. While such a decision might be appealable, the concomitant delay and loss of remedies to the Registered Owner could potentially and adversely impair the value of the Registered Owner's claim.

If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the Federal Bankruptcy Code, it 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, affect Registered Owners by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of the Registered Owners' claims against a district.

A district may not be forced into bankruptcy involuntarily.

Environmental and Air Quality 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 is subject to the TCEQ's General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit"), which was issued by the TCEQ on January 24, 2019. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. The District has applied for coverage under the MS4 Permit and is awaiting final approval from the TCEQ. In order to maintain compliance with the MS4 Permit, the District continues to develop, implement, and maintain the required 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. Costs associated with these compliance activities could be substantial in the future. 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.

In June and July of 2021, the EPA and USACE announced plans to further revise the definition of "waters of the United States." On August 30, 2021, the United States District Court for the District of Arizona issued an order vacating the NWPR while the EPA and USACE make plans to replace it. In light of this order, the EPA and the USACE announced that they have halted implementation of the NWPR and are interpreting "waters of the United States" consistent with the pre-2015 regulatory regime until further notice while continuing to move forward with the rulemakings announced in June of 2021. Due to existing and possible future litigation and regulatory action, there remains uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction. Depending on the final outcome of such proceedings, operations of municipal utility districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements.

Future and Proposed Legislation

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

Marketability of the Bonds

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

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 by the District to comply with such covenants in the Bond Order 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."

Risk Factors Related to the Purchase of Municipal Bond Insurance

The Underwriter has entered into an agreement with Build America Mutual Assurance Company ("BAM" or the "Insurer") for the purchase of a municipal bond insurance policy (the "Policy"). At the time of entering into the agreement, the Insurer was rated "AA" (stable outlook) by S&P. See "MUNICIPAL BOND INSURANCE."

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer (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 description of "MUNICIPAL BOND RATING" and "MUNICIPAL BOND INSURANCE."

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 Underwriter has 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 "MUNICIPAL BOND RATING" and "MUNICIPAL BOND INSURANCE" for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

LEGAL MATTERS

Legal Opinions

The District will furnish to the Underwriter a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the approving legal opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Attorney General has examined a transcript of proceedings authorizing the issuance of the Bonds, and that based upon such examination, the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. The District will also furnish the approving legal opinion of Schwartz, Page & Harding, L.L.P., Houston, Texas, Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Constitution and laws of the State of Texas, except to the extent that enforcement of the rights and remedies of the Registered Owners of the Bonds may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District and to the effect that interest on the Bonds is excludable from gross income for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of such opinion, assuming compliance by the District with certain covenants relating to the use and investment of the proceeds of the Bonds. See "Tax Exemption" below. The legal opinion of Bond Counsel will further state that the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes, without legal limitation as to rate or amount, upon all taxable property within the District. Bond Counsel's opinion will also address the matters described below.

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

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

Legal Review

In its capacity as Bond Counsel, Schwartz, Page & Harding, L.L.P., has reviewed the information appearing in this Official Statement under the captioned sections "THE BONDS," "THE DISTRICT—General," "MANAGEMENT OF THE DISTRICT—District Consultants—Bond Counsel and General Counsel," "TAXING PROCEDURES," and "LEGAL MATTERS," solely to determine whether such information fairly summarizes the law and documents referred to therein. Such firm has not independently verified factual information contained in this Official Statement, nor has such firm conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firm'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 of the other information contained herein.

Tax Exemption

On the date of initial delivery of the Bonds, Bond Counsel will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof, and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under Section 57(a)(5) of the Internal Revenue Code of 1986, as amended (the "Code"). Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt of interest on or disposition of the Bonds.

In rendering its opinion, Bond Counsel will rely upon, and assume continuing compliance with, (a) certain information and representations of the District, including information and representations contained in the District's federal tax certificate issued in connection with the Bonds, and (b) covenants of the District contained in the Bond Order relating to certain matters, including arbitrage and the use of the proceeds of the Bonds and the property financed or refinanced therewith. Failure by the District to observe the aforementioned representations or covenants could cause the interest on the Bonds to become taxable retroactively to the date of issuance.

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

Qualified Tax-Exempt Obligations

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

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

Collateral Federal Income Tax Consequences

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

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences. The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, including financial institutions, life insurance and property and casualty insurance companies, owners of interests in a FASIT, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, certain S corporations with accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health-insurance premium assistance credit, and individuals allowed an earned income credit. THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIFIC PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP, AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

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

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

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

Tax Accounting Treatment of Original Issue Discount and Premium Bonds

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

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

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

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

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

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

NO MATERIAL ADVERSE CHANGE

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

NO-LITIGATION CERTIFICATE

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

MUNICIPAL BOND RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, ("S&P") has assigned a municipal bond rating of "AA" (stable outlook) to this issue of Bonds with the understanding that upon delivery of the Bonds, a municipal bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by Build America Mutual Assurance Company. Moody's Investors Service, Inc. ("Moody's") has assigned an underlying rating of "A3" to the Bonds. An explanation of the ratings may be obtained from the company furnishing each rating.

The rating reflects only the view of such organizations and the District makes no representation as to the appropriateness of the rating. There is no assurance that such ratings will continue for any given period of time or that it will not be revised or withdrawn entirely by S&P or Moody's, if in their judgment, circumstances so warrant. Any such revisions or withdrawal of the ratings may have an adverse effect on the market price of the Bonds. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance" and "MUNICIPAL BOND INSURANCE."

MUNICIPAL BOND INSURANCE

Municipal Bond Insurance Policy

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

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

Build America Mutual Assurance Company

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

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

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

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

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2021 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $488.6 million, $165.5 million and $323.1 million, respectively.

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

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

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

Additional Information Available from BAM

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

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

Disclaimers: The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

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

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

The financial data and other information contained in this Official Statement has been obtained primarily from the District's records, the Developer, the Engineer, the Tax Assessor/Collector, the Appraisal District and information from other sources. All of these sources are believed to be reliable, but no guarantee is made by the District as to the accuracy or completeness of the information derived from sources other than the District, and its inclusion herein is not to be construed as a representation on the part of the District to such effect. Furthermore, there is no guarantee that any of the assumptions or estimates contained herein will be realized. The summaries of the agreements, reports, statutes, resolutions, engineering and other related information set forth in this Official Statement are included herein 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.

Financial Advisor

Masterson Advisors LLC is employed as the Financial Advisor to the District to render certain professional services, including advising the District on a plan of financing and preparing the Official Statement, including the OFFICIAL NOTICE OF SALE and the OFFICIAL BID FORM for the sale of the Bonds. In its capacity as Financial Advisor, Masterson Advisors LLC has compiled and edited this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Consultants

In approving this Official Statement, the District has relied upon the following consultants:

Tax Assessor/Collector: The information contained in this Official Statement relating to the breakdown of the District's historical assessed value and principal taxpayers, including particularly such information contained in the section entitled "TAX DATA" and "TAXING PROCEDURES" has been provided by Wheeler & Associates, Inc. and is included herein in reliance upon the authority of said firm as experts in assessing property values and collecting taxes.

Engineer: The information contained in this Official Statement relating to engineering and to the description of the System and, in particular that information included in the sections entitled "THE DISTRICT" and "THE SYSTEM" has been provided by LJA Engineering, Inc., and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

Auditor: The District's financial statements as of July 31, 2020, and for the year then ended, included in this offering document, have been audited by McCall Gibson Swedlund Barfoot PLLC, independent auditors, as stated in their report appearing herein. See "APPENDIX A" for a copy of the District's July 31, 2020, financial statements.

Bookkeeper: The information related to the "unaudited" summary of the District's General Operating Fund as it appears in "WATERWORKS AND SEWER SYSTEM OPERATING STATEMENT" has been provided by Municipal Accounts & Consulting, L.P., and is included herein in reliance upon the authority of such firm as experts in tracking and managing the various funds of utility districts.

Updating the Official Statement

If subsequent to the date of the Official Statement, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Official Statement to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Official Statement satisfactory to the Underwriter, provided, however, that the obligation of the District to the Underwriter to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Underwriter, unless the Underwriter notifies the District on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the District delivers the Bonds) until all of the Bonds have been sold to an ultimate customer.

Certification of 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 or any addenda, supplement and amendment thereto 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 has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the District. In rendering such certificate, the official executing this certificate may state that he has relied in part on his examination of records of the District relating to matters within his own area of responsibility, and his discussions with, or certificates or correspondence signed by, certain other officials, employees, consultants and representatives of the District.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Order, the District has made the following agreement for the benefit of the Registered Owners 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 (the "MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB. The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type included in this Official Statement under the headings "FINANCIAL INFORMATION (UNAUDITED)", "TAX DATA," "THE SYSTEM" and "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED) —Outstanding Bonds" and "—Debt Service Requirements" (most of which information is contained in the District's annual audit report) and in Appendix A. The District will update and provide this information within six (6) 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 commissions an audit and the audit is completed by the required time. If the audit of such financial statements is not complete within such period, then the District will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Order or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

The District's current fiscal year end is July 31. Accordingly, it must provide updated information by January 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.

Specified Event Notices

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

Availability of Information from the MSRB

The District has agreed to provide the foregoing information only to the MSRB. The MSRB makes the information available to the public without charge through an internet portal at www.emma.msrb.org.

Limitations and Amendments

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

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

Compliance With Prior Undertakings

During the last five years, the District has complied in all material respects with all continuing disclosure agreements made by the District in accordance with SEC Rule 15c2-12.

MISCELLANEOUS

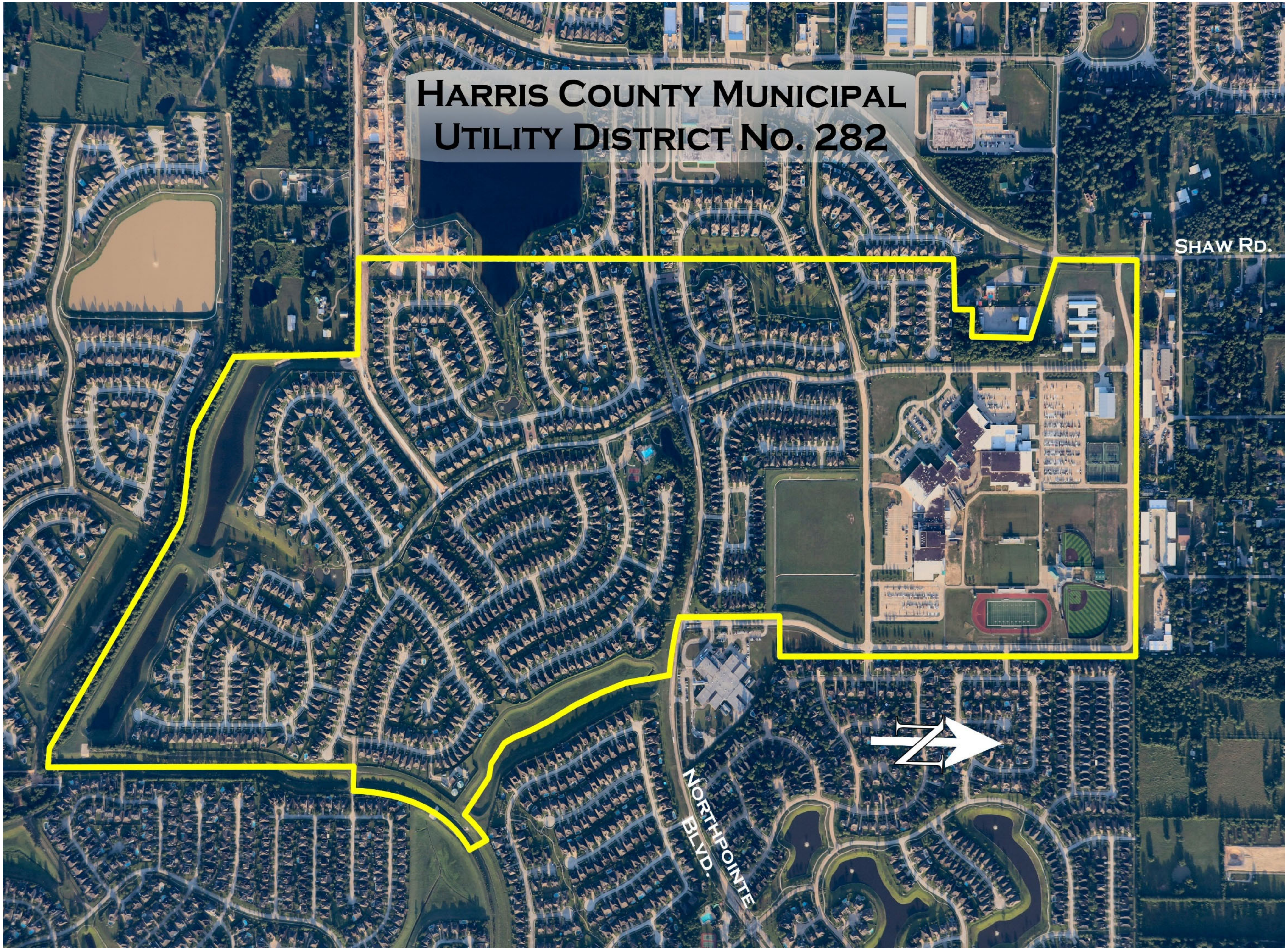
All estimates, statements and assumptions in this Official Statement and the APPENDICES hereto have been made on the basis of the best information available and are believed to be reliable and accurate. Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any such statements will be realized.

/s/ Victoria Caldwell
Vice President, Board of Directors

ATTEST:

/s/ Dawn Mouton
Secretary, Board of Directors

AERIAL LOCATION MAP
(Approximate boundaries as of August 2021)


HARRIS COUNTY MUNICIPAL
UTILITY DISTRICT NO. 282
SHAW RD.
NORTHPOINTE
BLVD.
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PHOTOGRAPHS OF THE DISTRICT
(Taken August 2021)


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APPENDIX A

Independent Auditor's Report and Financial Statements of the District for the year ended July 31, 2020

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282

OF HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JULY 31, 2020

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282

OF HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JULY 31, 2020

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McCALL GIBSON SWEDLUND BARFOOT PLLC

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harris County Municipal
Utility District No. 282,
of Harris County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 282, of Harris County, Texas (the "District"), as of and for the year ended July 31, 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 District'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.

Board of Directors
Harris County Municipal
Utility District No. 282,
of Harris County, Texas

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 July 31, 2020, and the respective changes in financial position 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 the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund be presented to supplement the basic financial statements. Such information, although not a 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 supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

November 4, 2020

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2020

Management's discussion and analysis of Harris County Municipal Utility District No. 282, of Harris County, Texas (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended July 31, 2020. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. This report also includes required and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes all of the District's assets, liabilities, and if applicable, deferred inflows and outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. However, full evaluation of the overall financial health of the District would extend to other, non-financial factors.

The Statement of Activities reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has two governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI"). A budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities exceeded assets and deferred outflows of resources by $3,087,424 as of July 31, 2020.

A portion of the District's net position reflects its net investment in capital assets (water, wastewater and drainage facilities and infrastructure less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide water, wastewater and drainage services.

The following is a comparative analysis of government-wide changes in net position as of July 31, 2020, and July 31, 2019:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2020	2019	Change Positive (Negative)
Current and Other Assets	$ 6,030,758	$ 5,180,481	$ 850,277
Capital Assets (Net of Accumulated Depreciation)	13,925,795	14,569,826	(644,031)
Total Assets	$ 19,956,553	$ 19,750,307	$ 206,246
Deferred Outflows of Resources	$ 175,943	$ 186,419	$ (10,476)
Due to Developer	$ 2,748,721	$ 2,748,721	$
Long -Term Liabilities	18,552,892	19,761,996	1,209,104
Other Liabilities	1,918,307	1,785,398	(132,909)
Total Liabilities	$ 23,219,920	$ 24,296,115	$ 1,076,195
Net Investment in Capital Assets	$ (8,409,875)	$ (8,877,465)	$ 467,590
Restricted	1,814,866	1,698,478	116,388
Unrestricted	3,507,585	2,819,598	687,987
Total Net Position	$ (3,087,424)	$ (4,359,389)	$ 1,271,965

The following table provides a summary of the District's operations for the years ended July 31, 2020, and July 31, 2019. The District's net position increased by $1,271,965. Comparative data is presented below.

	Summary of Changes in the Statement of Activities		
	2020	2019	Change Positive (Negative)
Revenues:			
Property Taxes	$ 2,470,767	$ 2,418,460	$ 52,307
Charges for Services	1,558,615	1,416,192	142,423
Other Revenues	97,113	101,105	(3,992)
Total Revenues	$ 4,126,495	$ 3,935,757	$ 190,738
Expenses for Services	2,854,530	3,037,155	182,625
Change in Net Position	$ 1,271,965	$ 898,602	$ 373,363
Net Position, Beginning of Year	(4,359,389)	(5,257,991)	898,602
Net Position, End of Year	$ (3,087,424)	$ (4,359,389)	$ 1,271,965

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of July 31, 2020, were $5,533,528, an increase of $818,470 from the prior year.

The General Fund fund balance increased by $667,548, primarily due to service revenues exceeding current year operating expenditures.

The Debt Service Fund fund balance increased by $150,922, primarily due to the structure of the District's debt service requirements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the current fiscal year. Actual revenues were $289,670 more than budgeted, primarily due to higher than anticipated property tax revenues and regional water authority fee revenues. Actual expenditures were $7,072 more than budgeted expenditures, primarily due to higher than budgeted purchased water service expenditures, which were offset by lower than anticipated repairs and maintenance costs and professional fees.

CAPITAL ASSETS

Capital assets as of July 31, 2020, total $13,925,795 (net of accumulated depreciation) and includes the water and wastewater systems, as well as the District's capacity interest in the NorthPointe Regional Wastewater Treatment Plant and the Harris County Municipal Utility District No. 281 Water Plant.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2020	2019	Change Positive (Negative)
Capital Assets, Net of Accumulated Depreciation:			
Landscape	953,452	1,207,702	(254,250)
Water System	2,448,897	2,517,749	(68,852)
Wastewater System	3,818,352	3,923,835	(105,483)
Drainage System	1,383,336	1,414,377	(31,041)
Capacity Interest in NorthPointe Regional Wastewater Treatment Plant	1,414,413	1,475,822	(61,409)
Capacity Interest in Harris County Municipal Utility District No. 281 Water Plant	3,907,345	4,030,341	(122,996)
Total Net Capital Assets	$ 13,925,795	$ 14,569,826	$ (644,031)

LONG-TERM DEBT ACTIVITY

As of July 31, 2020, the District had total bond debt payable of $19,805,000. The changes in the debt position of the District during the fiscal year ended July 31, 2020, are summarized as follows:

Bond Debt Payable, August 1, 2019	$ 20,950,000
Less: Bond Principal Paid	1,145,000
Bond Debt Payable, July 31, 2020	$ 19,805,000

The District's Series 2014 bonds carry an underlying rating of "BBB-". The District's Series 2015, Series 2016, Series 2017 Park and Series 2019 Refunding bonds carry an underlying rating of "A3". The Series 2014 Bonds and Series 2017 Park Bonds carry an insured rating of "AA" by virtue of bond insurance issued by Build America Mutual Company. The Series 2015 and Series 2019 Refunding bonds carry an insured rating of "AA" by virtue of bond insurance issued by Assured Guaranty Municipal. The Series 2016 bonds carry an insured rating of "AA" by virtue of bond insurance by Municipal Assurance Corp. The above ratings are as of July 31, 2020 and reflect all rating changes through the fiscal year end.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Harris County Municipal Utility District No. 282, c/o Schwartz, Page & Harding, L.L.P., 1300 Post Oak Blvd., Suite 1400, Houston, TX 77056-3012.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JULY 31, 2020

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 218,303	$ 114,794
Investments	3,330,796	1,970,582
Receivables:		
Property Taxes	2,247	7,572
Penalty and Interest on Delinquent Taxes		
Service Accounts	170,770	
Accrued Interest	19,197	4,492
Due from Other Funds	37,515	
Prepaid Costs	6,046	
Advance for Water Plant Operations	130,116	
Advance for Regional Wastewater Treatment Plant Operations	33,137	
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 3,948,127	$ 2,097,440
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	$ -0-	$ -0-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 3,948,127	$ 2,097,440

The accompanying notes to the financial statements are an integral part of this report.

Total	Adjustments	Statement of Net Position
$ 333,097	$	$ 333,097
5,301,378		5,301,378
9,819		9,819
	1,936	1,936
170,770		170,770
23,689		23,689
37,515	(37,515)	
6,046	20,770	26,816
130,116		130,116
33,137		33,137
	13,925,795	13,925,795
$ 6,045,567	$ 13,910,986	$ 19,956,553
$ -0-	$ 175,943	$ 175,943
$ 6,045,567	$ 14,086,929	$ 20,132,496

The accompanying notes to the financial statements are an integral part of this report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
JULY 31, 2020

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	$ 313,757	$
Accrued Interest Payable		
Due to Developers		
Due to Other Funds		37,515
Due to Taxpayers		3,393
Security Deposits	147,555	
Long-Term Liabilities:		
Due Within One Year		
Due After One Year		
TOTAL LIABILITIES	$ 461,312	$ 40,908
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 2,247	$ 7,572
FUND BALANCES		
Nonspendable:		
Prepaid Costs	$ 6,046	$
For Water Plant Operations	130,116	
For Regional Wastewater Treatment Plant Operations	33,137	
Restricted for Debt Service		2,048,960
Unassigned	3,315,269	
TOTAL FUND BALANCES	$ 3,484,568	$ 2,048,960
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 3,948,127	$ 2,097,440
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

The accompanying notes to the financial statements are an integral part of this report.

Total	Adjustments	Statement of Net Position
$ 313,757	$	$ 313,757
	243,602	243,602
	2,748,721	2,748,721
37,515	(37,515)	
3,393		3,393
147,555		147,555
	1,210,000	1,210,000
	18,552,892	18,552,892
$ 502,220	$ 22,717,700	$ 23,219,920
$ 9,819	$ (9,819)	$ -0-
$ 6,046	$ (6,046)	$
130,116	(130,116)	
33,137	(33,137)	
2,048,960	(2,048,960)	
3,315,269	(3,315,269)	
$ 5,533,528	$ (5,533,528)	$ - 0 -
$ 6,045,567		
	$ (8,409,875)	$ (8,409,875)
	1,814,866	1,814,866
	3,507,585	3,507,585
	$ (3,087,424)	$ (3,087,424)

The accompanying notes to the financial statements are an integral part of this report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JULY 31, 2020

Total Fund Balances - Governmental Funds		$ 5,533,528
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Interest paid in advance as part of a refunding bond sale is recorded as a deferred outlow in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.		175,943
Prepaid bond insurance is amortized over the term of the refunding bonds.		20,770
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		13,925,795
Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2019 and prior tax levies became part of recognized revenue in the governmental activities of the District.		11,755
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:		
Accrued Interest Payable	$ (243,602)	
Due to Developer	(2,748,721)	
Bonds Payable Within One Year	(1,210,000)	
Bonds Payable After One Year	(18,552,892)	(22,755,215)
Total Net Position - Governmental Activities		$ (3,087,424)

The accompanying notes to the financial statements are an integral part of this report.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JULY 31, 2020

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 602,960	$ 1,870,743
Water Service	326,700	
Wastewater Service	504,069	
Regional Water Authority Fees	657,434	
Penalty and Interest	12,964	10,301
Tap Connection and Inspection Fees	47,335	
Investment Revenues	61,313	25,408
Miscellaneous Revenues	10,295	97
TOTAL REVENUES	$ 2,223,070	$ 1,906,549
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 96,656	$ 1,657
Contracted Services	337,319	41,322
Purchased Water Service	738,750	
Purchased Wastewater Service	120,444	
Repairs and Maintenance	133,835	
Depreciation		
Other	128,518	8,526
Debt Service:		
Bond Principal		1,145,000
Bond Interest		559,122
TOTAL EXPENDITURES/EXPENSES	$ 1,555,522	$ 1,755,627
NET CHANGE IN FUND BALANCES	$ 667,548	$ 150,922
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION- AUGUST 1, 2019	2,817,020	1,898,038
FUND BALANCES/NET POSITION- JULY 31, 2020	$ 3,484,568	$ 2,048,960

The accompanying notes to the financial statements are an integral part of this report.

Total	Adjustments	Statement of Activities
$ 2,473,703	$ (2,936)	$ 2,470,767
326,700		326,700
504,069		504,069
657,434		657,434
23,265	(188)	23,077
47,335		47,335
86,721		86,721
10,392		10,392
$ 4,129,619	$ (3,124)	$ 4,126,495
$ 98,313	$	$ 98,313
378,641		378,641
738,750		738,750
120,444		120,444
133,835		133,835
	644,031	644,031
137,044		137,044
1,145,000	(1,145,000)	
559,122	44,350	603,472
$ 3,311,149	$ (456,619)	$ 2,854,530
$ 818,470	$ (818,470)	$
	1,271,965	1,271,965
4,715,058	(9,074,447)	(4,359,389)
$ 5,533,528	$ (8,620,952)	$ (3,087,424)

The accompanying notes to the financial statements are an integral part of this report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JULY 31, 2020

Net Change in Fund Balances - Governmental Funds	$ 818,470
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	(2,936)
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.	(188)
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(644,031)
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, these principal payments are reported as decreases in long-term liabilities.	1,145,000
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.	(44,350)
Change in Net Position - Governmental Activities	1,271,965

The accompanying notes to the financial statements are an integral part of this report.

NOTE 1. CREATION OF DISTRICT

Harris County Municipal Utility District No. 282, of Harris County, Texas (the "District") was created effective May 28, 1986, by an Order of the Texas Water Commission, presently known as the Texas Commission on Environmental Quality (the "Commission"). Pursuant to the provisions of Chapters 54 and 49 of the Texas Water Code and Article XVI, Section 59, of the Texas Constitution, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The District is also empowered to contract for or employ its own peace officers with powers to make arrests and to establish, operate and maintain a fire department to perform all fire-fighting activities within the District. The Board of Directors held its first meeting on June 27, 1986, and its first bonds were sold on November 8, 2011.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District's financial statement as component units.

The District has entered into a Waste Disposal Agreement with Northwest Harris County Municipal Utility District No. 15 ("No. 15"), Harris County Municipal Utility District No. 273 ("No. 273"), Harris County Municipal Utility District No. 280 ("No. 280"), Harris County Municipal Utility District No. 281 ("No. 281"), and Northwest Harris County Municipal Utility District No. 5 ("No. 5") for waste disposal through the NorthPointe Regional Wastewater Treatment Plant. Currently, No. 15 has operating and oversight responsibility over the wastewater treatment plant. Additional disclosure concerning this joint venture is provided in Note 9.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District has entered into a Permanent and Emergency Water Supply Contract with No. 15, No. 280 and No. 281 for water service through a joint water plant. No. 281 exercises operating and oversight responsibility for the joint water plant. Additional disclosure concerning this joint venture is provided in Note 10.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting ("GASB Codification").

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

- Restricted Net Position – This component of net position consists of external constraints placed on the use of net position imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental fund, if any, are eliminated to obtain net total revenues and expenses of the government-wide Statement of Activities.

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide statements. The fund statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

Governmental Funds

The District has two governmental funds and considers each to be a major fund.

General Fund - To account for resources not required to be accounted for in another fund, customer service revenues, costs and general expenditures.

Debt Service Fund - To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements, and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain costs are capitalized as part of the asset.

In some facilities, contract terms state that multiple parties may have a capacity interest in the facilities with only one party having physical ownership of the facility. In this scenario, the entity having physical ownership records the entire cost of the capital asset on its books and the other parties, with a capacity interest in the facility, have an asset to record and amortize over the life of the contract. There are other intergovernmental contracts that set forth terms of a shared ownership in facilities for which each contract participant records its ownership share of the capital asset and depreciates the asset over its estimated useful life.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than $5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

	Years
Buildings	40
Water System	10-45
Wastewater System	10-45
Drainage System	10-40
All Other Equipment	3-20

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund present the original budget amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service determined that directors are considered to be "employees" for federal payroll tax purposes only.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

Accounting 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3. LONG-TERM DEBT

	Series 2014	Series 2015
Amount Outstanding July 31, 2020	$3,150,000	$6,775,000
Interest Rates	2.25% - 4.00%	3.00% - 3.875%
Maturity Date	September 1, 2020/2038	September 1, 2020/2038
Interest Payment Dates	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2022*	September 1, 2022*

	Series 2016	Series 2017 Park	Refunding Series 2019
Amount Outstanding July 31, 2020	$2,220,000	$1,450,000	$6,210,000
Interest Rates	2.00% - 3.00%	2.00%	2.00%-3.00%
Maturity Date	September 1, 2020/2038	March 1, 2021/2025	September 1 2020/2037
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2023*	March 1, 2023*	September 1, 2025*

* Or any date thereafter at a price of par plus unpaid accrued interest in whole or in part, at the option of the District. Series 2014 term bonds maturing on September 1, 2024, 2026, 2028, 2030, 2034, 2036, and, 2038, are subject to mandatory redemption by random selection beginning September 1, 2023, 2025, 2027, 2029, 2031, 2035 and 2037, respectively. Series 2015 term bonds maturing on September 1, 2033, 2035, and 2038, are subject to mandatory redemption by random selection beginning September 1, 2032, 2034, and 2036, respectively. Series 2016 term bond maturing on September 1, 2034, is subject to mandatory redemption by random selection beginning September 1, 2030. Series 2019 term bond maturing on September 1, 2037, is subject to mandatory redemption by random selection beginning September 1, 2036.

NOTE 3. LONG-TERM DEBT (Continued)

The following is a summary of transactions regarding bonds payable for the year ended July 31, 2020:

	August 1, 2019	Additions	Retirements	July 31, 2020
Bonds Payable	$ 20,950,000	$	$ 1,145,000	$ 19,805,000
Unamortized Discounts	(54,533)		(3,064)	(51,469)
Unamortized Premiums	11,529		2,168	9,361
Bonds Payable, Net	$ 20,906,996	$ -0-	$ 1,144,104	$ 19,762,892
		Amount Due Within One Year		$ 1,210,000
		Amount Due After One Year		18,552,892
		Bonds Payable, Net		$ 19,762,892

As of July 31, 2020, the District had authorized but unissued bonds in the amount of $24,515,000 for water, sanitary sewer and drainage bonds, $45,900,000 for refunding bonds and $975,000 for recreational facility bonds.

As of July 31, 2020, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2021	$ 1,210,000	$ 572,308	$ 1,782,308
2022	1,225,000	541,219	1,766,219
2023	1,235,000	509,193	1,744,193
2024	1,225,000	476,419	1,701,419
2025	1,245,000	445,194	1,690,194
2026-2030	5,010,000	1,814,250	6,824,250
2031-2035	4,965,000	1,072,935	6,037,935
2036-2039	3,690,000	252,165	3,942,165
	$ 19,805,000	$ 5,683,683	$ 25,488,683

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

During the year ended July 31, 2020, the District levied an ad valorem debt service tax at the rate of $0.62 per $100 of assessed valuation, which resulted in a tax levy of $1,868,175 on the adjusted taxable valuation of $301,319,213 for the 2019 tax year. The bond orders require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

NOTE 3. LONG-TERM DEBT (Continued)

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

The bond orders state that any profits realized from or interest accruing on investments shall belong to the fund from which the monies for such investments were taken; provided, however, that at the discretion of the Board of Directors the profits realized from and interest accruing on investments made from any fund may be transferred to the Debt Service Fund.

The bond orders state that the District is required by the Securities and Exchange Commission to provide annual continuing disclosure of certain general financial information and operating data to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year.

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds, within the meaning of section 148(f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on each 5th year anniversary of each issue.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was $3,003,097 and the bank balance was $3,005,656. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at July 31, 2020, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	$ 218,303	$ 2,190,000	$ 2,408,303
DEBT SERVICE FUND	114,794	480,000	594,794
TOTAL DEPOSITS	$ 333,097	$ 2,670,000	$ 3,003,097

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest District funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District's investment policy may be more restrictive than the Public Funds Investment Act.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District also invest in Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS"), an external public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool's administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. Wells Fargo Bank, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District's position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from Texas CLASS.

The District records its investments in certificates of deposits at acquisition cost.

As of July 31, 2020, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities in Years: Less Than 1	1-5	6-10	More Than 10
GENERAL FUND					
Texas CLASS	$ 1,140,796	$ 1,140,796	$	$	$
Certificates of Deposits	2,190,000	2,190,000			
DEBT SERVICE FUND					
Texas CLASS	1,490,582	1,490,582			
Certificates of Deposits	480,000	480,000			
TOTAL INVESTMENTS	$ 5,301,378	$ 5,301,378	$ - 0 -	$ - 0 -	$ - 0 -

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At July 31, 2020, the District's investment in Texas CLASS was rated "AAAm" by Standard and Poor's. The District also manages credit risk by investing in certificates of deposit with balances below FDIC coverage.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in Texas CLASS to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value. The District also manages also interest rate risk by typically investing in certificates of deposit with maturities of one year or less.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended July 31, 2020:

	August 1, 2019	Increases	Decreases	July 31, 2020
Capital Assets Subject to Depreciation				
Landscape	$ 2,535,554	$	$	$ 2,535,554
Water System	3,089,872			3,089,872
Wastewater System	4,733,752			4,733,752
Drainage System	1,627,613			1,627,613
Capacity Interest in NorthPointe Regional Wastewater Treatment Plant	2,449,631			2,449,631
Capacity Interest in Harris County Municipal Utility District No. 281 Water Plant	4,904,367			4,904,367
Total Capital Assets Subject to Depreciation	$ 19,340,789	$ - 0 -	$ - 0 -	$ 19,340,789
Less Accumulated Depreciation				
Landscape	$ 1,327,852	$ 254,250	$	$ 1,582,102
Water System	572,123	68,852		640,975
Wastewater System	809,917	105,483		915,400
Drainage System	213,236	31,041		244,277
Capacity Interest in NorthPointe Regional Wastewater Treatment Plant	973,809	61,409		1,035,218
Capacity Interest in Harris County Municipal Utility District No. 281 Water Plant	874,026	122,996		997,022
Total Accumulated Depreciation	$ 4,770,963	$ 644,031	$ - 0 -	$ 5,414,994
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 14,569,826	$ (644,031)	$ - 0 -	$ 13,925,795

NOTE 7. MAINTENANCE TAX

On February 5, 2005, the voters of the District approved the levy and collection of a maintenance tax not to exceed $1.50 per $100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks, wastewater and system. During the current fiscal year, the District levied an ad valorem maintenance tax rate of $0.20 per $100 of assessed valuation, which resulted in a tax levy of $602,637 on the adjusted taxable valuation of $301,319,213 for the 2019 tax year.

At an election within the District on February 5, 2005, the voters approved for the levy and collection of a recreational facilities maintenance tax not to exceed $0.10 per $100 of assessed valuation of taxable property within the District. As of July 31, 2020, no recreational facilities maintenance tax has been levied.

NOTE 8. UNREIMBURSED COSTS

The District has executed utility development agreements with certain Developers within the District. The agreements call for the Developers to fund costs associated with water, wastewater and drainage facilities until such time as the District can sell bonds. As of July 31, 2020, the District has recorded an amount due to the Developers of $2,390,321 in relation to these agreements for facilities that have been completed.

The Developers have also been required to advance monies to the District's General Fund in order for the District to meet its ongoing financial obligations. To date, the Developers have advanced $228,400 to cover the operating deficits and $130,000 to cover construction costs. These amounts have been recorded in the Statement of Net Position as an amount due to the Developers.

NOTE 9. WASTE DISPOSAL AGREEMENT

On October 22, 1984, the District, Northwest Harris County Municipal Utility District No. 15 ("No. 15"), Harris County Municipal Utility District No. 273 ("No. 273"), Harris County Municipal Utility District No. 280 ("No. 280"), Harris County Municipal Utility District No. 281 ("No. 281") and Harris County Municipal Utility District No. 283 ("No. 283") entered into a waste disposal agreement to provide for the financing, design, construction, operation and maintenance of a regional wastewater treatment plant to provide wastewater treatment services to the customers of each district. On May 16, 2001, the existing parties executed a first amendment to, among other things, add Northwest Harris County Municipal Utility District No. 5 ("No. 5") as a party to the agreement, provide for expansion of the plant and allocate capacity in the enlarged plant. Certain land within the District and No. 281 was later excluded from the respective districts and annexed into No. 5. On June 25, 2003, the districts entered into a second amendment to the waste disposal agreement to expand the service area of the plant and to change

NOTE 9. WASTE DISPOSAL AGREEMENT (Continued)

the description of the No. 5 tract to include additional land that is within the boundaries of No. 5 and land that is intended to be annexed into No. 5.

On June 1, 2005, the districts entered into a third amendment to the waste disposal agreement. In accordance with the third amendment, No. 283 has been removed as a party to the agreement since it was dissolved on February 27, 2004. No. 281 also determined that it required only 283,500 gallons per day capacity in the plant. No. 281 had been allocated 519,450 gallons per day capacity in the plant. In accordance with the third amendment, the No. 281 has agreed to transfer the 235,950 gallons of surplus capacity and corresponding ownership interest in the plant to the District.

On May 24, 2006, the districts entered into a fourth amendment to the waste disposal agreement. This amendment provided for the expansion of the plant by 1,053,350 gallons per day. No. 281 was allocated 45,000 gallons per day and No. 5 was allocated 1,008,350 gallons per day. This expansion was completed on November 19, 2007. The amendment also extended the date of conveyance of the plant to No. 281 from No. 15 until June 25, 2008.

On March 26, 2008, the districts entered into a fifth amendment to the waste disposal agreement. In accordance with the amendment, it was agreed that No. 15 would retain legal title to the plant on behalf of the districts and would no longer be required to transfer the plant to No. 281, unless and until the districts with beneficial ownership of at least two-third (⅔) of the then-existing capacity in the plant vote to transfer legal title to and operational responsibility for the plant to another district, with such vote not to occur before January 1, 2011, if at all.

The term of the agreement is for a period of 40 years from the date of the eighth amendment.

Effective March 1, 2010, the districts entered into a sixth amendment to the waste disposal agreement. No. 281 purchased from No. 5 28,350 gallons per day of wastewater treatment plant capacity that No. 5 had determined was a portion of its surplus capacity in the plant.

Effective June 3, 2015, the District entered into a purchase and sales agreement for wastewater treatment plant capacity in which the District purchased from No. 5 an additional 70,000 gallons per day at a purchase price of $245,478. In addition, effective July 1, 2015, No. 273 and District No. 5 entered into a purchase and sales agreement for wastewater treatment plant capacity in which No. 273 purchased from No. 5 148,000 gallons per day.

Effective September 1, 2015, the districts entered into a seventh amendment to the waste disposal agreement. This amendment reallocated and redefined ownership interests in the plant based on the purchases noted above.

Effective January 30, 2019, the districts entered into an eighth amendment to the waste disposal agreement. This amendment updated the meetings, functions, and scope of authority of the Operations Committee related to approving operating and maintenance expenses related to the

NOTE 9. WASTE DISPOSAL AGREEMENT (Continued)

plant, and the scope of authority of the operating party to approve and incur operation and maintenance expenses relating to the plant independent of, and without the need to obtain pre-approval from, the Operations Committee. This amendment also extended the term of the agreement.

The participating districts and their current respective pro rata share of capacity in the plant are as follows:

	Capacity in Gallons Per Day	Proportionate Share
No. 15	676,095	25.87%
No. 273	148,000	5.66
No. 280	317,205	12.14
No. 281	356,850	13.65
No. 5	809,250	30.97
The District	305,950	11.71
	2,613,350	100.00%

Each party owning capacity in the plant has appointed one member of its Board of Directors or its general manager to serve on an operations committee to oversee the operation and maintenance of the plant. All costs and expenses incurred in connection with the meetings and activities of the operations committee shall be expenses of the plant. During the current fiscal year, the District recorded expenditures in the amount of $120,444 in relation to this agreement and has funded a reserve in the amount of $33,137.

The following summary of financial data on the plant is presented for the fiscal year ended September 30, 2019. A copy of the financial statements for No. 15 can be obtained by contacting Schwartz, Page & Harding, L.L.P., 1300 Post Oak Blvd., Suite 1400, Houston, TX 77056-3012.

	General Fund
Total Assets	$ 324,384
Total Liabilities	251,177
Total Fund Balance	$ 73,207
Total Revenues	$ 884,551
Total Expenditures	884,551
Excess (Deficiency) of Revenues Over Expenditures	$ -0-
Other Financing Sources – Transfers In	5,561
Fund Balance, Beginning of Year	67,646
Fund Balance, End of Year	$ 73,207

NOTE 10. PERMANENT AND EMERGENCY WATER SUPPLY CONTRACT

On October 1, 1997, and for a term of 40 years, No. 280, No. 281 and No. 15 executed a Permanent and Emergency Water Supply Contract. In accordance with the provisions of the initial contract, Phase I of Water Plant No. 2 was constructed and placed in service on April 16, 1999. In accordance with the First Amendment to the Contract, effective June 6, 2000, it was agreed that ultimately No. 281 would be the owner of Water Plant No. 2 for the benefit of the participating districts. During the 2006 fiscal year, No. 280 conveyed physical ownership of Water Plant No. 2 to No. 281 and No. 281 assumed oversight responsibility of the plant. In the initial plan for Phase I of Water Plant No. 2, No. 280 leased certain facilities included in Water Plant No. 1 owned by No. 15. Phase II and Phase III of Water Plant No. 2 were constructed to include additional storage and pressure facilities. Upon completion of Phase II and Phase III of Water Plant No. 2, each district's pro rata share of capacity in the well and pump and the other components were as reflected below:

	Well and Pump	Other Components
No. 280	42.44%	57.85%
No. 281	30.92	42.15
No. 15	26.64	-0-
	100.00%	100.00%

On December 1, 2005, the Second Amendment to the agreement was approved. In accordance with this amendment, the District was added as a party to this agreement to participate in the construction of Phase IV of Water Plant No. 2. Each district's share of the Phase IV construction costs was paid in accordance with the cost percentages outlined in the Second Amendment. Until completion of Phase IV construction, No. 281, No. 280 and No. 15 paid all operation and maintenance expenses in accordance with the above listed percentages. On November 19, 2007, construction of Phase IV of Water Plant No. 2 was completed.

On February 6, 2017, the Fourth Amendment to the agreement was approved to revise the proportionate shares of fixed costs for monthly operation and maintenance expenses that each district pays for Water Plant No. 2. These costs are allocated between fixed costs and variable costs. Fixed costs for Water Plant No. 2 are divided between ordinary expenses and component-specific repairs. In accordance with the agreement, all fixed costs deemed to be ordinary expenses are billed to each district at the percentages as follows:

	Percentages
No. 280	25.98%
The District	29.97
No. 15	16.31
No. 281	27.74
	100.00%

NOTE 10. PERMANENT AND EMERGENCY WATER SUPPLY CONTRACT (Continued)

All fixed costs for Water Plant No. 2 deemed to be component-specific repairs are billed to each district based on the following percentages:

	Water Well and Pump	Ground Storage	Auxiliary Power	All Other Components
No. 280	25.98%	31.04%	25.98%	31.04%
The District	29.97	35.81	29.97	35.81
No. 15	16.31	-0-	16.31	-0-
No. 281	27.74	33.15	27.74	33.15
	100.00%	100.00%	100.00%	100.00%

Variable costs are currently calculated as follows based on the agreement. The proportionate share of variable costs to be paid by No. 15 are based upon its actual water usage during any given month, in proportion to the entire amount of usage of water from Water Plant No. 2. The remaining variable costs are allocated between No. 280, No. 281 and the District. No. 280, No. 281 and the District's share of variable costs are allocated based upon its percentage of connections being served by Water Plant No. 2 as a total of all connections being served by each of the three districts.

On April 4, 2012, the Third Amendment to the agreement was approved. In accordance with this amendment, the District, No. 280, and No. 281 agreed to participate in the construction of Phase I of Water Plant No. 3. Each district's share of the Phase I of Water Plant No. 3 construction costs was in accordance with the cost percentages outlined in the agreement. Construction has been completed. No. 15 does not have any responsibility as to the operations and maintenance costs of Phase I of Water Plant No. 3.

On February 6, 2017, the Fourth Amendment to the agreement was approved to require Phase II of Water Plant No. 3 to be maintained in the same manner as Phase 1 of Water Plant No. 3 and to revise the proportionate shares of fixed costs for monthly operation and maintenance expenses that each district pays for Water Plant No. 3. These costs are allocated between fixed costs and variable costs. Fixed costs for Water Plant No. 3 are divided between ordinary expenses and component-specific repairs. In accordance with the agreement, all fixed costs deemed to be ordinary expenses are billed to each district at the percentages as follows:

	Percentages
No. 280	31.04%
The District	35.81
No. 281	33.15
	100.00%

NOTE 10. PERMANENT AND EMERGENCY WATER SUPPLY CONTRACT (Continued)

All fixed costs for Water Plant No. 3 deemed to be component-specific repairs are billed to each district based on the following percentages:

	Booster Pump	Ground Storage	Pressure Tank	All Other Components
No. 280	31.04%	31.04%	31.04%	31.04%
The District	35.81	35.81	35.81	35.81
No. 281	33.15	33.15	33.15	33.15
	100.00%	100.00%	100.00%	100.00%

As of July 31, 2020, a reserve of $343,494 has been funded with the District's share being $130,116. The District has also recorded expenditures of $738,750 for purchased water during the current fiscal year. The following summary financial data on the joint water plant is presented for the fiscal year ended July 31, 2020. A copy of the financial statements for No. 281 can be obtained by contacting Schwartz, Page & Harding, L.L.P., 1300 Post Oak Blvd., Suite 1400, Houston, TX 77056-3012 or by contacting the District's auditor.

	Joint Water Facilities
Total Assets	$ 822,871
Total Liabilities	479,377
Total Fund Balance	$ 343,494
Total Revenues	$ 2,265,003
Total Expenditures	2,265,003
Excess Revenues Over Expenditures	$ -0-
Increase (Decrease) in Reserve	(5,392)
Fund Balance, Beginning of Year	348,886
Fund Balance, End of Year	$ 343,494

NOTE 11. 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. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 12. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

The District is located within the boundaries of the North Harris County Regional Water Authority (the "Authority"). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 2965 (the "Act"), as passed by the seventy-fifth Texas Legislature, in 1999. The Act empowers the Authority to provide for the conservation, preservation, protection, recharge and prevention of waste of groundwater, and for the reduction of groundwater withdrawals. The Authority has entered into a contract for purchase of surface water from the City of Houston, Texas to assure that its participants comply with the Harris-Galveston Subsidence District ("HGSD") pumpage requirements, which mandate that districts within HGSD boundaries, including the District, to convert a percentage of its water use to surface water over a period of time. A five-member board of directors governs the Authority. The directors serve staggered four-year terms.

The Authority currently charges a fee, based on the amount of water pumped from a well, to the owner of wells located within the boundaries of the Authority, unless exempted. This fee enables the Authority to fulfill its purpose and regulatory functions. The current fee being charged is $4.25 per 1,000 gallons of water pumped from each well. Assessment costs of the District are included in purchased water.

NOTE 13. INTERFUND LIABILITIES

At July 31, 2020, the Debt Service Fund (Tax Account) owed the General Fund $37,315 for maintenance tax collections.

NOTE 14. UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. As a result, economic uncertainties have arisen which could have an impact on the operations of the District. The District is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty, as the potential financial impact of this pandemic is unknown at this time.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282

REQUIRED SUPPLEMENTARY INFORMATION

JULY 31, 2020

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JULY 31, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 446,200	$ 602,960	$ 156,760
Water Service	321,000	326,700	5,700
Wastewater Service	517,000	504,069	(12,931)
Regional Water Authority Fee	516,500	657,434	140,934
Penalty and Interest	15,100	12,964	(2,136)
Tap Connection and Inspection Fees	44,800	47,335	2,535
Investment Revenues	59,800	61,313	1,513
Miscellaneous Revenues	13,000	10,295	(2,705)
TOTAL REVENUES	$ 1,933,400	$ 2,223,070	$ 289,670
EXPENDITURES			
Service Operations:			
Professional Fees	$ 136,500	$ 96,656	$ 39,844
Contracted Services	346,500	337,319	9,181
Purchased Water Service	622,900	738,750	(115,850)
Purchased Wastewater Service	113,600	120,444	(6,844)
Repairs and Maintenance	208,900	133,835	75,065
Other	120,050	128,518	(8,468)
TOTAL EXPENDITURES	$ 1,548,450	$ 1,555,522	$ (7,072)
NET CHANGE IN FUND BALANCE	$ 384,950	$ 667,548	$ 282,598
FUND BALANCE - AUGUST 1, 2019	2,817,020	2,817,020	
FUND BALANCE - JULY 31, 2020	$ 3,201,970	$ 3,484,568	$ 282,598

See accompanying independent auditor's report.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282

SUPPLEMENTARY INFORMATION REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

JULY 31, 2020

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2020

1. SERVICES PROVIDED BY THE DISTRICT:

X	Retail Water		Wholesale Water	X	Drainage
X	Retail Wastewater		Wholesale Wastewater		Irrigation
	Parks/Recreation		Fire Protection	X	Security
X	Solid Waste/Garbage		Flood Control		Roads
X	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
	Other (specify): ______				

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 3/4" METER (OR EQUIVALENT):

Based on the rate order effective May 6, 2020.

	Minimum Charge	Minimum Usage	Flat Rate	Rate per 1,000 Gallons over Minimum	Usage Levels
WATER:	$ 18.25	10,000	N	$ 2.00	10,001 and up
WASTEWATER:	$ 40.05		Y		
SURCHARGE:					
Commission Regulatory Assessments	Included in water and wastewater rates				
Regional Water Authority Fees			N	$ 4.68	per 1,000 gallons

District employs winter averaging for wastewater usage?

Yes	No
	X

Total monthly charges per 10,000 gallons usage: Water: $18.25 Wastewater: $40.05 Surcharge: $46.80

See accompanying independent auditor's report.

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
<¾"	923	917	x 1.0	917
1"	124	122	x 2.5	305
1½"			x 5.0	
2"	13	12	x 8.0	96
3"			x 15.0	
4"	2	2	x 25.0	50
6"	1	1	x 50.0	50
8"	1	1	x 80.0	80
10"			x 115.0	
Total Water Connections	1,064	1,055		1,498
Total Wastewater Connections	1,044	1,035	x 1.0	1,035

3. TOTAL WATER CONSUMPTION DURING THE CURRENT FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)

Gallons pumped into system:	161,727,000*	Water Accountability Ratio: 94.78% (Gallons billed/Gallons pumped)
Gallons billed to customers:	153,285,000	

* The District purchases its water from Harris County Municipal Utility District No. 281.

4. STANDBY FEES (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes ____ No _X_

Does the District have Operation and Maintenance standby fees? Yes ____ No _X_

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes _X_ No _____

County or Counties in which District is located.

Harris County, Texas

Is the District located within a city?

Entirely _____ Partly ______ Not at all _X_

Is the District located within a city's extra territorial jurisdiction (ETJ)?

Entirely _X_ Partly ______ Not at all _____

ETJ's in which District is located.

City of Houston, Texas

Is the general membership of the Board appointed by an office outside the District?

Yes _____ No _X_

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JULY 31, 2020

PROFESSIONAL FEES:		
Auditing	$	16,000
Engineering		14,130
Legal		66,526
TOTAL PROFESSIONAL FEES	$	96,656
PURCHASED SERVICES FOR RESALE:		
Purchased Water Service	$	738,750
Purchased Wastewater Service		120,444
TOTAL PURCHASED SERVICES FOR RESALE	$	859,194
CONTRACTED SERVICES:		
Bookkeeping	$	27,384
Operations and Billing		51,931
Solid Waste Disposal		191,153
Security		66,851
TOTAL CONTRACTED SERVICES	$	337,319
REPAIRS AND MAINTENANCE	$	133,835
ADMINISTRATIVE EXPENDITURES:		
Director Fees	$	13,050
Insurance		10,195
Office Supplies and Postage		4,581
Payroll Taxes		998
Other		27,551
TOTAL ADMINISTRATIVE EXPENDITURES	$	56,375

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JULY 31, 2020

TAP CONNECTIONS	$	45,470
OTHER EXPENDITURES:		
Laboratory Fees	$	8,078
Permit Fees		2,188
Reconnection Fees		3,650
Inspection Fees		8,516
Regulatory Assessment		4,241
TOTAL OTHER EXPENDITURES	$	26,673
TOTAL EXPENDITURES	$	1,555,522

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
INVESTMENTS
FOR THE YEAR ENDED JULY 31, 2020

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
Texas CLASS	XXXX0002	Varies	Daily	$ 1,140,796	$
Certificate of Deposit	XXXX0452	0.85%	04/27/21	200,000	456
Certificate of Deposit	XXXX7038	2.75%	09/01/20	150,000	3,763
Certificate of Deposit	XXXX0565	2.10%	09/09/20	150,000	2,796
Certificate of Deposit	XXXX2063	1.49%	03/15/21	200,000	1,127
Certificate of Deposit	XXXX2269	2.00%	10/28/20	150,000	2,269
Certificate of Deposit	XXXX1721	1.78%	01/21/21	200,000	1,863
Certificate of Deposit	XXXX9319	1.70%	11/22/20	150,000	1,761
Certificate of Deposit	XXXX0133	1.75%	02/24/21	240,000	1,818
Certificate of Deposit	XXXX3759	1.79%	07/09/20	150,000	1,743
Certificate of Deposit	XXXX9889	0.60%	06/02/21	150,000	145
Certificate of Deposit	XXXX2993	1.80%	02/05/21	150,000	1,302
Certificate of Deposit	XXXX4195	0.65%	07/02/21	150,000	75
Certificate of Deposit	XXXX1654	0.55%	06/26/21	150,000	79
TOTAL GENERAL FUND				$ 3,330,796	$ 19,197
DEBT SERVICE FUND					
Texas CLASS	XXXX0003	Varies	Daily	$ 1,490,582	$
Certificate of Deposit	XXXX0001	2.05%	01/15/21	240,000	2,656
Certificate of Deposit	XXXX5904	1.79%	02/25/21	240,000	1,836
TOTAL DEBT SERVICE FUND				$ 1,970,582	$ 4,492
TOTAL - ALL FUNDS				$ 5,301,378	$ 23,689

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JULY 31, 2020

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
AUGUST 1, 2019	$ 2,578		$ 10,177	
Adjustments to Beginning Balance	(8)	$ 2,570	(37)	$ 10,140
Original 2019 Tax Levy	$ 574,641		$ 1,781,387	
Adjustment to 2019 Tax Levy	27,996	602,637	86,788	1,868,175
TOTAL TO BE ACCOUNTED FOR		$ 605,207		$ 1,878,315
TAX COLLECTIONS:				
Prior Years	$ 2,147		$ 8,223	
Current Year	600,813	602,960	1,862,520	1,870,743
TAXES RECEIVABLE - JULY 31, 2020		$ 2,247		$ 7,572
TAXES RECEIVABLE BY YEAR:				
2019		$ 1,824		$ 5,655
2018		423		1,917
TOTAL		$ 2,247		$ 7,572

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JULY 31, 2020

	2019	2018	2017	2016
PROPERTY VALUATIONS:				
Land	$ 57,924,743	$ 57,737,225	$ 54,352,372	$ 53,690,919
Improvements	308,491,766	292,714,700	281,206,706	262,882,150
Personal Property	1,875,174	1,609,051	1,419,938	2,052,679
Exemptions	(66,972,470)	(62,461,918)	(57,272,957)	(57,937,451)
TOTAL PROPERTY VALUATIONS	$ 301,319,213	$ 289,599,058	$ 279,706,059	$ 260,688,297
TAX RATES PER $100 VALUATION:				
Debt Service Tax	$ 0.62	$ 0.68	$ 0.68	$ 0.63
Maintenance Tax	0.20	0.15	0.17	0.25
TOTAL TAX RATES PER $100 VALUATION	$ 0.82	$ 0.83	$ 0.85	$ 0.88
ADJUSTED TAX LEVY*	$ 2,470,812	$ 2,403,668	$ 2,377,498	$ 2,294,053
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	99.70 %	99.90 %	100.00 %	100.00 %

* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

Maintenance Tax – Maximum tax rate of $1.50 per $100 of assessed valuation approved by voters on February 5, 2005.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2020

	S E R I E S - 2 0 1 4		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2021	$ 150,000	$ 109,688	$ 259,688
2022	150,000	106,125	256,125
2023	150,000	102,000	252,000
2024	150,000	97,500	247,500
2025	155,000	92,925	247,925
2026	160,000	88,000	248,000
2027	160,000	82,800	242,800
2028	160,000	77,500	237,500
2029	160,000	72,100	232,100
2030	160,000	66,400	226,400
2031	160,000	60,400	220,400
2032	160,000	54,200	214,200
2033	160,000	47,800	207,800
2034	160,000	41,400	201,400
2035	160,000	35,000	195,000
2036	160,000	28,600	188,600
2037	160,000	22,200	182,200
2038	225,000	14,500	239,500
2039	250,000	5,000	255,000
	$ 3,150,000	$ 1,204,138	$ 4,354,138

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2020

	SERIES-2015		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2021	$ 350,000	$ 219,657	$ 569,657
2022	350,000	209,157	559,157
2023	350,000	198,656	548,656
2024	350,000	188,156	538,156
2025	350,000	177,656	527,656
2026	350,000	167,156	517,156
2027	350,000	156,656	506,656
2028	350,000	146,156	496,156
2029	350,000	135,437	485,437
2030	350,000	124,281	474,281
2031	350,000	112,906	462,906
2032	350,000	101,312	451,312
2033	350,000	89,281	439,281
2034	350,000	77,031	427,031
2035	350,000	64,562	414,562
2036	350,000	51,875	401,875
2037	350,000	38,750	388,750
2038	350,000	25,187	375,187
2039	475,000	9,203	484,203
	$ 6,775,000	$ 2,293,075	$ 9,068,075

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2020

	S E R I E S - 2 0 1 6		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2021	$ 150,000	$ 51,037	$ 201,037
2022	150,000	48,037	198,037
2023	150,000	45,037	195,037
2024	150,000	42,038	192,038
2025	150,000	39,038	189,038
2026	150,000	36,038	186,038
2027	150,000	33,038	183,038
2028	150,000	29,944	179,944
2029	150,000	26,663	176,663
2030	150,000	23,288	173,288
2031	80,000	20,400	100,400
2032	80,000	18,000	98,000
2033	80,000	15,600	95,600
2034	80,000	13,200	93,200
2035	80,000	10,800	90,800
2036	80,000	8,400	88,400
2037	80,000	6,000	86,000
2038	80,000	3,600	83,600
2039	80,000	1,200	81,200
	$ 2,220,000	$ 471,358	$ 2,691,358

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2020

	SERIES-2017 PARK		
Due During Fiscal Years Ending July 31	Principal Due March 1	Interest Due September 1/ March 1	Total
2021	$ 300,000	$ 29,000	$ 329,000
2022	300,000	23,000	323,000
2023	300,000	17,000	317,000
2024	275,000	11,000	286,000
2025	275,000	5,500	280,500
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
	$ 1,450,000	$ 85,500	$ 1,535,500

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2020

	SERIES-2019 REFUNDING		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2021	$ 260,000	$ 162,926	$ 422,926
2022	275,000	154,900	429,900
2023	285,000	146,500	431,500
2024	300,000	137,725	437,725
2025	315,000	130,075	445,075
2026	325,000	123,675	448,675
2027	330,000	117,126	447,126
2028	340,000	110,424	450,424
2029	355,000	103,031	458,031
2030	360,000	94,537	454,537
2031	375,000	84,880	459,880
2032	390,000	74,363	464,363
2033	400,000	63,000	463,000
2034	415,000	50,775	465,775
2035	435,000	38,025	473,025
2036	455,000	24,675	479,675
2037	460,000	10,950	470,950
2038	135,000	2,025	137,025
2039			
	$ 6,210,000	$ 1,629,612	$ 7,839,612

See accompanying independent auditor's report.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2020

Due During Fiscal Years Ending July 31	ANNUAL REQUIREMENTS FOR ALL SERIES Total Principal Due	Total Interest Due	Total Principal Interest Due
2021	$ 1,210,000	$ 572,308	$ 1,782,308
2022	1,225,000	541,219	1,766,219
2023	1,235,000	509,193	1,744,193
2024	1,225,000	476,419	1,701,419
2025	1,245,000	445,194	1,690,194
2026	985,000	414,869	1,399,869
2027	990,000	389,620	1,379,620
2028	1,000,000	364,024	1,364,024
2029	1,015,000	337,231	1,352,231
2030	1,020,000	308,506	1,328,506
2031	965,000	278,586	1,243,586
2032	980,000	247,875	1,227,875
2033	990,000	215,681	1,205,681
2034	1,005,000	182,406	1,187,406
2035	1,025,000	148,387	1,173,387
2036	1,045,000	113,550	1,158,550
2037	1,050,000	77,900	1,127,900
2038	790,000	45,312	835,312
2039	805,000	15,403	820,403
	$ 19,805,000	$ 5,683,683	$ 25,488,683

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JULY 31, 2020

Description	Original Bonds Issued	Bonds Outstanding August 1, 2019
Harris County Municipal Utility District No. 282 Unlimited Tax Bonds - Series 2011	$ 4,490,000	$ 125,000
Harris County Municipal Utility District No. 282 Unlimited Tax Bonds - Series 2013	2,600,000	70,000
Harris County Municipal Utility District No. 282 Unlimited Tax Bonds - Series 2014	3,750,000	3,300,000
Harris County Municipal Utility District No. 282 Unlimited Tax Bonds - Series 2015	8,175,000	7,125,000
Harris County Municipal Utility District No. 282 Unlimited Tax Bonds - Series 2016	2,670,000	2,370,000
Harris County Municipal Utility District No. 282 Unlimited Tax Park Bonds - Series 2017	2,750,000	1,750,000
Harris County Municipal Utility District No. 282 Unlimited Tax Refunding Bonds - Series 2019	6,210,000	6,210,000
TOTAL	$ 30,645,000	$ 20,950,000

Bond Authority:	Tax Bonds	Refunding Bonds	Recreational Facility Bonds
Amount Authorized by Voters	$ 46,200,000	$ 46,200,000	$ 3,725,000
Amount Issued	21,685,000	300,000	2,750,000
Remaining to be Issued	$ 24,515,000	$ 45,900,000	$ 975,000

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements			
Bonds Sold	Principal	Interest	Bonds Oustanding July 31, 2020	
$	$ 125,000	$ 2,187	$ - 0 -	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	70,000	1,137	- 0 -	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	150,000	112,875	3,150,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	350,000	230,157	6,775,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	150,000	54,037	2,220,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	300,000	35,000	1,450,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
		123,729	6,210,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
$ - 0 -	$ 1,145,000	$ 559,122	$ 19,805,000	

Debt Service Fund cash and investment balances as of July 31, 2020:	$ 2,085,376
Average annual debt service payament (principal and interest) for remaining term of all debt:	$ 1,341,510

See Note 3 for interest rate, interest payment dates and maturity dates.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2020	2019	2018
REVENUES			
Property Taxes	$ 602,960	$ 438,341	$ 474,573
Water Service	326,700	317,524	336,349
Wastewater Service	504,069	506,260	482,455
Regional Water Authority Fee	657,434	517,343	517,582
Penalty and Interest	12,964	14,720	13,355
Tap Connection and Inspection Fees	47,335	49,544	34,303
Investment Revenues	61,313	54,561	28,805
Water Plant No. 3 Expansion Surplus		66,599	
Miscellaneous Revenues	10,295	12,274	7,815
TOTAL REVENUES	$ 2,223,070	$ 1,977,166	$ 1,895,237
EXPENDITURES			
Service Operations:			
Professional Fees	$ 96,656	$ 104,864	$ 130,632
Contracted Services	337,319	323,727	332,516
Purchased Water Service	738,750	611,935	658,203
Purchased Wastewater Service	120,444	110,608	144,845
Repairs and Maintenance	133,835	225,193	366,974
Other	128,518	110,603	108,572
Bond Issuance Costs			3,900
TOTAL EXPENDITURES	$ 1,555,522	$ 1,486,930	$ 1,745,642
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 667,548	$ 490,236	$ 149,595
OTHER FINANCING SOURCES (USES)			
Transfers In(Out)	$ - 0 -	$ 223	$ 52,883
NET CHANGE IN FUND BALANCE	$ 667,548	$ 490,459	$ 202,478
BEGINNING FUND BALANCE	2,817,020	2,326,561	2,124,083
ENDING FUND BALANCE	$ 3,484,568	$ 2,817,020	$ 2,326,561

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2017	2016	2020	2019	2018	2017	2016
$ 658,793	$ 399,172	27.0 %	22.1 %	25.1 %	32.6 %	24.9 %
323,021	314,494	14.7	16.1	17.7	16.0	19.6
466,300	437,820	22.7	25.6	25.5	23.1	27.3
436,450	345,216	29.6	26.2	27.3	21.6	21.6
12,587	12,391	0.6	0.7	0.7	0.6	0.8
100,861	78,348	2.1	2.5	1.8	5.0	4.9
13,257	6,062	2.8	2.8	1.5	0.7	0.4
			3.4			
8,635	7,370	0.5	0.6	0.4	0.4	0.5
$ 2,019,904	$ 1,600,873	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 180,469	$ 121,450	4.3 %	5.3 %	6.9 %	8.9 %	7.6 %
321,587	299,363	15.2	16.4	17.5	15.9	18.7
574,533	486,858	33.2	31.0	34.7	28.4	30.4
133,367	119,445	5.4	5.6	7.6	6.6	7.5
95,747	71,308	6.0	11.4	19.4	4.7	4.5
119,961	101,431	5.8	5.6	5.7	5.9	6.3
				0.2		
$ 1,852,948	$ 1,199,855	69.9 %	75.3 %	92.0 %	91.6 %	75.0 %
$ 166,956	$ 401,018	30.1 %	24.7 %	8.0 %	8.4 %	25.0 %
$ 17,724	$ 255,978					
$ 184,680	$ 656,996					
1,939,403	1,282,407					
$ 2,124,083	$ 1,939,403					

See accompanying independent auditor’s report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2020	2019	2018
REVENUES			
Property Taxes	$ 1,870,743	$ 1,981,906	$ 1,896,566
Penalty and Interest	10,301	10,543	5,193
Investment Revenues	25,408	32,249	22,938
Miscellaneous Revenues	97	2,020	31
TOTAL REVENUES	$ 1,906,549	$ 2,026,718	$ 1,924,728
EXPENDITURES			
Tax Collection Expenditures	$ 47,255	$ 50,118	$ 49,142
Debt Service Principal	1,145,000	1,330,000	1,325,000
Debt Service Interest and Fees	563,372	751,584	739,992
Payment to Refunded Bond Escrow Agent		99,000	
Bond Issuance Costs		233,300	
TOTAL EXPENDITURES	$ 1,755,627	$ 2,464,002	$ 2,114,134
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 150,922	$ (437,284)	$ (189,406)
OTHER FINANCING SOURCES (USES)			
Bond Discounts	$	$ (55,010)	$
Transfer to Refunding Escrow Agent		(5,920,354)	
Long-Term Debt Issued		6,210,000	27,500
TOTAL OTHER FINANCING SOURCES (USES)	$ - 0 -	$ 234,636	$ 27,500
NET CHANGE IN FUND BALANCE	$ 150,922	$ (202,648)	$ (161,906)
BEGINNING FUND BALANCE	1,898,038	2,100,686	2,262,592
ENDING FUND BALANCE	$ 2,048,960	$ 1,898,038	$ 2,100,686
TOTAL ACTIVE RETAIL WATER CONNECTIONS	1,055	1,062	1,037
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	1,035	1,041	1,018

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2017	2016	2020	2019	2018	2017	2016
$ 1,664,711	$ 1,515,591	98.2 %	97.8 %	98.5 %	98.8 %	99.1 %
8,074	7,791	0.5	0.5	0.3	0.5	0.5
12,589	5,971	1.3	1.6	1.2	0.7	0.4
765	120		0.1			
$ 1,686,139	$ 1,529,473	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 48,690	$ 42,355	2.5 %	2.5 %	2.6 %	2.9 %	2.8 %
665,000	155,000	60.1	65.6	68.8	39.4	10.1
725,733	603,946	29.5	37.1	38.4	43.0	39.5
			4.9			
			11.5			
$ 1,439,423	$ 801,301	92.1 %	121.6 %	109.8 %	85.3 %	52.4 %
$ 246,716	$ 728,172	7.9 %	(21.6) %	(9.8) %	14.7 %	47.6 %
$	$					
	30,769					
$ - 0 -	$ 30,769					
$ 246,716	$ 758,941					
2,015,876	1,256,935					
$ 2,262,592	$ 2,015,876					
1,007	950					
986	866					

See accompanying independent auditor’s report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2020

District Mailing Address	-	Harris County Municipal Utility District No. 282 c/o Schwartz, Page & Harding, L.L.P. 1300 Post Oak Blvd., Suite 1400 Houston, TX 77056-3012
District Telephone Number	-	(713) 623-4531

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended July 31, 2020	Expense Reimbursements for the year ended July 31, 2020	Title
Robert J. Grainger	05/18 05/22 (Elected)	$ 1,950	$ 329	President
Victoria Caldwell	05/20 05/24 (Elected)	$ 2,700	$ 328	Vice President
Dawn Mouton	05/20 05/24 (Elected)	$ 2,400	$ 1,219	Secretary
P. Al Gosen	05/20 05/24 (Elected)	$ 3,300	$ 107	Assistant Secretary
Angela Howes	05/18 05/22 (Elected)	$ 2,700	$ 728	Assistant Secretary

Note: No Director has any business or family relationships (as defined by the Texas Water Code) with the District's developer or with any of the District's consultants.

Submission Date of most recent District Registration Form: May 6, 2020

The limit on Fees of Office that a Director may receive during a fiscal year is $7,200 as set by Board Resolution on November 18, 2003. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 282
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2020

Consultants:	Date Hired	Fees for the year ended July 31, 2020	Title
Schwartz, Page & Harding, L.L.P.	06/27/86	$ 67,986	General Counsel
McCall Gibson Swedlund Barfoot PLLC	08/02/06	$ 16,000 $ 500	Auditor Other Services
Municipal Accounts & Consulting, L.P.	07/25/00	$ 29,993	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	11/02/05	$ 1,380	Delinquent Tax Attorney
LJA Engineering, Inc.	11/06/13	$ 14,130	Engineer
Masterson Advisors LLC	05/02/18	$ -0-	Financial Advisor
Mark Burton	08/12/04	$ -0-	Investment Officer
Water District Management Co., Inc.	06/01/05	$ 200,792	Operator
Wheeler & Associates, Inc.	06/27/86	$ 26,419	Tax Assessor/ Collector

See accompanying independent auditor's report.

APPENDIX B

Specimen Municipal Bond Insurance Policy

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _________

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

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

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

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

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ______________________________________
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

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