OFFICIAL STATEMENT DATED APRIL 27, 2022

THE DELIVERY OF THE BONDS IS SUBJECT TO THE OPINION OF BOND COUNSEL TO THE EFFECT THAT, UNDER EXISTING LAW AND ASSUMING CONTINUING COMPLIANCE WITH COVENANTS IN THE BOND ORDER, AND SUBJECT TO THE MATTERS DESCRIBED IN "LEGAL MATTERS—TAX EXEMPTION" HEREIN, INTEREST ON THE BONDS FOR FEDERAL INCOME TAX PURPOSES WILL BE EXCLUDABLE FROM GROSS INCOME OF THE OWNERS THEREOF AND WILL NOT BE INCLUDED IN COMPUTING THE ALTERNATIVE MINIMUM TAXABLE INCOME OF THE OWNERS THEREOF.

The District has designated the Bonds as "qualified tax-exempt obligations" for purposes of the calculation of interest expense by financial institutions which may own the Bonds. See "LEGAL MATTERS—Qualified Tax-Exempt Obligations for Financial Institutions."

BOOK-ENTRY-ONLY

Insured Rating (AGM): S&P "AA"
Underlying Rating: S&P "A+"
See "MUNICIPAL BOND RATING" and "MUNICIPAL BOND INSURANCE" herein.

$5,225,000
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
(A political subdivision of the State of Texas located within Harris County)
UNLIMITED TAX BONDS
SERIES 2022

Dated: May 1, 2022 **Due: August 1, as shown below**
Interest Accrual Date: Date of Delivery

Principal of the bonds described above (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 date of delivery (expected to be May 26, 2022) (the "Date of Delivery") and will be payable on February 1 and August 1 of each year commencing August 1, 2022 until maturity or prior redemption. 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 ASSURED GUARANTY MUNICIPAL CORP. See "MUNICIPAL BOND INSURANCE" herein.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS

Due (Aug. 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (c)	CUSIP Number (b)	Due (Aug. 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (c)	CUSIP Number (b)
2026	$ 500,000	3.00%	2.50%	414951 HM8	2028	$ 525,000	3.00%	2.70%	414951 HP1
2027	525,000	3.00	2.60	414951 HN6	2029	525,000 (a)	3.00	2.80	414951 HQ9

$1,050,000 Term Bonds due August 1, 2031 (a), 414951 HS5 (b), 3.00% Interest Rate, 3.00% Yield (c)
$1,050,000 Term Bonds due August 1, 2033 (a), 414951 HU0 (b), 3.00% Interest Rate, 3.10% Yield (c)
$1,050,000 Term Bonds due August 1, 2035 (a), 414951 HW6 (b), 3.00% Interest Rate, 3.20% Yield (c)

(a) The Bonds maturing on or after August 1, 2029 are subject to redemption prior to maturity at the option of the District, in whole or, from time to time in part, on August 1, 2028, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. The Term Bonds (as defined herein) also are subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."
(b) CUSIP Numbers have been assigned to the Bonds by the CUSIP Global Services and are included solely for the convenience of the purchasers of the Bonds. Neither the District nor the Initial Purchaser shall be responsible for the selection or correctness of the CUSIP Numbers set forth herein.
(c) Initial reoffering yield represents the initial offering yield to the public, which has been established by the Initial Purchaser for offers to the public and which may be subsequently changed by the Initial Purchaser and is the sole responsibility of the Initial Purchaser. The initial reoffering yields indicated above represent the lower of the yields resulting when priced to maturity or to the first call date.

The Bonds, when issued, will constitute valid and legally binding obligations of Harris County Municipal Utility District No. 152 (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 Norton Rose Fulbright US LLP, Houston, Texas, Bond Counsel. Delivery of the Bonds in book-entry form through DTC is expected on or about May 26, 2022.

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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 representation 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, 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 Norton Rose Fulbright US LLP, 1301 McKinney, Suite 5100, Houston, Texas, 77010 upon payment of the costs of duplication.

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 relevant information actually comes to its attention, the other matters described in this Official Statement until delivery of the Bonds to the Initial Purchaser, and thereafter only as specified in "UPDATING OF OFFICIAL STATEMENT."

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

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.

THE FINANCING

The Issuer .... Harris County Municipal Utility District No. 152 (the "District"), a political subdivision of the State of Texas, is located in Harris County, Texas. See "THE DISTRICT."

The Issue .... $5,225,000 Harris County Municipal Utility District No. 152, Unlimited Tax Bonds, Series 2022 (the "Bonds"), dated May 1, 2022. The Bonds mature serially on August 1 in each of the years from 2026 through 2029, both inclusive, and as term bonds on August 1 in each of the years 2031, 2033 and 2035 (the "Term Bonds") in the respective principal amounts and bearing interest at the rates for each maturity shown on the cover page hereof. Interest on the Bonds will accrue from the Date of Delivery and will be payable February 1 and August 1 of each year commencing August 1, 2022, until maturity or prior redemption.

The Bonds maturing on or after August 1, 2029 are subject to optional redemption, in whole or, from time to time, in part, on August 1, 2028, or on any date thereafter, at a price equal to the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption. The Term Bonds (as defined herein) also are subject to mandatory sinking fund redemption as more fully described herein. If less than all the Bonds are redeemed, the particular maturity or maturities and the amounts thereof to be redeemed shall be selected by the District in integral multiples of $5,000 in any one maturity. If less than all the Bonds within a maturity are redeemed, the Bonds to be redeemed shall be selected by DTC in accordance with its procedures. See "BOOK-ENTRY-ONLY SYSTEM" and "THE BONDS—Redemption Provisions." The Bonds will be issued in fully registered form only, in denominations of $5,000 or any integral multiple thereof. See "THE BONDS."

Book-Entry-Only .... The Bonds will be registered in the name of, and delivered only to, Cede & Co., the nominee of DTC, pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC, which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the Beneficial Owners of the Bonds. See "BOOK-ENTRY- ONLY SYSTEM."

Source of Payment .... The Bonds are payable from 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 solely of the District and are not obligations of the State of Texas, Harris County, the City of Houston or any entity other than the District. See "THE BONDS—Source and Security for Payment."

Payment Record .... The District has previously issued six series of unlimited tax bonds and five series of unlimited tax refunding bonds, of which an aggregate of $4,040,000 principal amount remained outstanding as of March 1, 2022 (the "Outstanding Bonds"). The District has never defaulted on the payment of principal of or interest on any of its previously issued debt. See "FINANCIAL STATEMENT."

Use of Proceeds .... Proceeds from the sale of the Bonds will be used to finance improvements and rehabilitation costs related to various water and sewer facilities in the District and for installation of smart meters in the District. Bond proceeds will also be used to capitalize six (6) months of interest on the Bonds, and to pay costs associated with the issuance of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Authority for Issuance .... The Bonds are the seventh series of bonds issued out of an aggregate of $44,955,000 principal amount of unlimited tax bonds authorized by the District's voters for the purpose of purchasing and constructing a water, wastewater and/or storm drainage system. After the issuance of the Bonds, the District will have $16,300,000 in authorized but unissued bonds. The Bonds are issued pursuant to an order of the Texas Commission on Environmental Quality (the "Commission"), the Bond Order (as defined herein), Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas, including Chapters 49 and 54 of the Texas Water Code as amended. See “THE BONDS—Authority for Issuance,” “—Issuance of Additional Debt” and “INVESTMENT CONSIDERATIONS—Future Debt.”

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, and will represent that the total amount of tax-exempt bonds (including the Bonds) issued by it during calendar year 2022 is not reasonably expected to exceed $10,000,000. See “LEGAL MATTERS—Qualified Tax-Exempt Obligations for Financial Institutions.”

Municipal Bond Insurance and 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 the issue of Bonds with the understanding that, upon delivery of the Bonds, a Policy insuring the timely payment of the principal of and interest on the Bonds will be issued by ASSURED GUARANTY MUNICIPAL CORP. (“AGM” or the “Insurer”). S&P has also assigned an underlying rating of “A+” to the Bonds. An explanation of the ratings may be obtained from S&P. See “INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance,” “MUNICIPAL BOND RATING,” “MUNICIPAL BOND INSURANCE” and “APPENDIX B.”

Bond Counsel .... Norton Rose Fulbright US LLP, Houston, Texas.

Engineer .... IDS Engineering Group, Houston, Texas.

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

Financial Advisor .... Masterson Advisors LLC, Houston, Texas.

Paying Agent/Registrar .... The Bank of New York Mellon Trust Company, N.A., Dallas, Texas.

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.

Impact.. There are currently no COVID-19 related operating limits imposed by executive order of the Governor for any business or other establishment in the State of Texas. 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.

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. See “INVESTMENT CONSIDERATIONS—Infectious Disease Outlook (COVID-19).”

THE DISTRICT

Description and Location .... The District is a political subdivision of the State of Texas located in northeastern Harris County, Texas, approximately 25 miles from the central business district of the City of Houston. The District is a part of Atascocita, a master planned community adjacent to and west of West Lake Houston Parkway and bounded to the north by Atascocita Road. The District, which is located wholly within the extraterritorial jurisdiction of the City of Houston, contains approximately 787 acres of land.

Status of Development .... Water, sanitary sewer, and drainage facilities have been constructed to serve Atascocita South Sections 1 through 6 and Atasca Woods Sections 1 through 7 (containing in the aggregate approximately 533 acres developed into 2,400 single family residential lots). As of February 23, 2022, the District had 2,387 active single-family connections, and 10 inactive single-family connections. The average value of the houses in the District on the 2021 tax rolls of the District is $209,000.

Commercial development in the District includes four retail centers and several individual commercial tracts on approximately 54 acres. Retail businesses include a Best Buy, a Lifetime Fitness, a Walgreens, a Discount Tire, a Pep Boys, a Michael's craft store, an emergency care center, a dental office, two day care centers and five restaurants. In addition, a Berkeley Eye Center on an approximately 1 acre tract and an Assisted Living/Independent Living facility on an approximately 7 acre tract have been constructed.

The 11-acre Humble ISD Timbers Elementary School, the 97-acre Humble ISD Atascosita High School, the 11-acre Fellowship of the Woodlands Church and the 9-acre North Houston Baptist Church are located in the District, but are not subject to ad valorem taxation by the District.

The District has approximately 57 acres of land contained in easements, rights of way, recreation and a water plant site. Additionally, an aggregate of approximately 7 acres owned by various entities are served by water, sewer and drainage trunk facilities, but no vertical improvements have been constructed on such acreage and the District is not aware of any development plans. See "THE DISTRICT—Status of Development."

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."

FINANCIAL INFORMATION (UNAUDITED)

2021 Taxable Assessed Valuation	$625,788,547	(a)
Gross Direct Debt Outstanding (including the Bonds)	$9,265,000	(b)
Estimated Overlapping Debt (including Gross Debt)	$33,833,814	(c)
Ratio of Gross Direct Debt to: 2021 Taxable Assessed Valuation	1.48%	
Ratio of Estimated Overlapping Debt (including Gross Debt) to: 2021 Taxable Assessed Valuation	6.89%	
2021 Tax Rate		
Debt Service Tax Rate	$0.1750	
Maintenance Tax Rate	0.0894	
Total	$0.2644	
Average percentage of total tax collections (2017-2021)	98.67%	
Maximum Annual Debt Service Requirement (2023) of the Outstanding Bonds and the Bonds ("Maximum Requirement")	$1,176,100	(d)
Average Annual Debt Service Requirement (2023-2035) of the Outstanding Bonds and the Bonds ("Average Requirement")	$757,515	(d)
Tax Rate Required to Pay Maximum Requirement based upon 2021 Taxable Assessed Valuation at a 95% collection rate	$0.20	(d)
Tax Rate Required to Pay Average Requirement based upon 2021 Taxable Assessed Valuation at a 95% collection rate	$0.13	(d)
Status of Water Connections as of February 23, 2022 (e):		
Single family residential – active	2,387	
Single family residential – inactive	10	
Commercial	40	
Other	32	
Total	2,469	
Estimated 2022 Population	8,355	(f)

(a) The Harris County Appraisal District (the "Appraisal District") has certified $624,447,920 of taxable value and an additional $1,340,627 of taxable value remains uncertified as of January 1, 2021. The uncertified value is the land owners' opinion of the value; however, such value is subject to review and downward revision prior to certification. No tax will be levied on said uncertified value until it is certified by the Appraisal District. See "TAX DATA—Summary of Assessed Valuation."
(b) Including the Bonds. See "FINANCIAL STATEMENT—Outstanding Bonds."
(c) See "ESTIMATED OVERLAPPING DEBT STATEMENT."
(d) See "DEBT SERVICE REQUIREMENTS" and "TAX DATA—Tax Adequacy for Debt Service."
(e) See "THE DISTRICT—Status of Development."
(f) Based upon 3.5 persons per occupied single-family residence.

OFFICIAL STATEMENT

$5,225,000
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
(A political subdivision of the State of Texas located within Harris County)

UNLIMITED TAX BONDS
SERIES 2022

This Official Statement provides certain information in connection with the issuance by Harris County Municipal Utility District No. 152 (the "District") of its $5,225,000 Unlimited Tax Bonds, Series 2022 (the "Bonds").

The Bonds are issued pursuant to the Article XVI, Section 59 of the Texas Constitution, the general laws of the State of Texas, relating to the issuance of bonds by political subdivisions of the State of Texas including, without limitation, Chapters 49 and 54 of the Texas Water Code, as amended, 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 March 1, 1986.

This Official Statement includes descriptions, among others, of the Bonds and the Bond Order, and certain other information about 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 Norton Rose Fulbright US LLP, Bond Counsel, 1301 McKinney, Suite 5100, Houston, Texas 77010, 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.

The Bonds are dated May 1, 2022 and mature on August 1 in each of the years and in the principal amounts shown on the cover page hereof. Interest will accrue from the Date of Delivery and will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on each February 1 and August 1, commencing August 1, 2022. The definitive Bonds will be issued only in fully registered form in any integral multiple of $5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the partnership nominee of The Depository Trust Company ("DTC"), pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Bonds will be made to the owners thereof.** Initially, principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., as registered owner. DTC will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM."

In the event the Book-Entry-Only System is discontinued and physical bond certificates are issued, interest on the Bonds shall be payable by check on or before each interest payment date, mailed by the Paying Agent/Registrar to the registered owners ("Registered Owners") as shown on the bond register (the "Register") kept by the Paying Agent/Registrar at the close of business on the 15th calendar day of the month immediately preceding each interest payment date to the address of such Registered Owner as shown on the Register, or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and a Registered Owner at the risk and expense of such Registered Owner.

The record date for payment of 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. If the date for payment of the principal of or interest on any Bond is not a business day, then the date for such payment shall be the next succeeding business day, as defined in the Bond Order, without additional interest and with the same force and effect as if made on the specified date for such payment.

Source of Payment

The Bonds are payable as to principal and interest from the proceeds of an annual ad valorem tax, without legal limit as to rate or amount, levied against all taxable property within the District.

Tax Pledge: The Board covenants in the Bond Order that, while any of the Bonds are outstanding and the District is in existence, it will levy an annual ad valorem tax, without legal limit as to rate or amount, and will undertake to collect such a tax against all taxable property within the District at a rate from year to year sufficient, with full allowance being made for anticipated delinquencies, together with revenues and receipts from other sources which are legally available for such purposes, to pay interest on the Bonds as it becomes due, to provide a sinking fund for the payment of principal when due or the redemption price at any earlier required redemption date, and to pay the expenses of assessing and collecting such a tax. The net proceeds from taxes levied to pay debt service on the Bonds are required to be placed in the Bond Fund for the Bonds and other tax-supported debt of the District. This account may be used solely to pay the principal of and interest on the Bonds and other tax-supported debt of the District.

Annexation: Under Texas law, a city is authorized to annex property within its extraterritorial jurisdiction and to abolish the municipal utility district in which such property is located, subject to compliance with various requirements of Chapter 43 of the Texas Local Government Code, including the following: (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, a petition has been signed by more than 50 percent of the landowners consenting to the annexation. If a city and a municipal utility district existing within its extraterritorial jurisdiction have entered into a strategic partnership agreement, however, the election and petition process specified above does not apply during the term of the agreement. The agreement may provide for a full purpose annexation or a limited purpose annexation. See "THE DISTRICT—Strategic Partnership Agreement."

If the City were to successfully annex the property within the District, the City would assume the District's assets and obligations (including the Bonds) and dissolve the District. The commencement of annexation proceedings by the City is a policy-making matter within the discretion of the Mayor and City Council of the City, and therefore, the District makes no representation that the City will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should annexation occur. See "THE DISTRICT—Strategic Partnership Agreement."

Consolidation: A district (such as the District) has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its assets, such as cash and the utility system, with the water and wastewater systems of districts with which it is consolidating as well as its liabilities (which would include the Bonds). No representation is made concerning the likelihood of consolidation.

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

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

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

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

Redemption Provisions

Mandatory Redemption: The Bonds maturing on August 1 in each of the years 2031, 2033, and 2035 (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 "Mandatory Redemption Date"), on August 1 in each of the years and in the principal amounts 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):

$1,050,000 Term Bonds Due August 1, 2031		$1,050,000 Term Bonds Due August 1, 2033		$1,050,000 Term Bonds Due August 1, 2035	
Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount
2030	$ 525,000	2032	$ 525,000	2034	$ 525,000
2031 (maturity)	525,000	2033 (maturity)	525,000	2035 (maturity)	525,000

On or before 30 days prior to each Mandatory Redemption Date set forth above, the Registrar shall (i) determine the principal amount of such Term Bond that must be mandatorily redeemed on such Mandatory Redemption Date, after taking into account deliveries for cancellation and optional redemptions as more fully provided for below, (ii) select, by lot or other customary random method, the Term Bond or portions of the Term Bond of such maturity to be mandatorily redeemed on such Mandatory Redemption Date, and (iii) give notice of such redemption as provided in the Bond Resolutions. At the option of the District, the principal amount of any Term Bond to be mandatorily redeemed on such Mandatory Redemption Date shall be reduced by the principal amount of such Term Bond, which, by the 45th day prior to such Mandatory Redemption Date, either has been purchased in the open market and delivered or tendered for cancellation by or on behalf of the District to the Registrar or optionally redeemed and which, in either case, has not previously been made the basis for a reduction under this sentence.

Optional Redemption: The District reserves the right, at its option, to redeem the Bonds maturing on or after August 1, 2029, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000 on August 1, 2028, or any date thereafter, at a price of par value plus unpaid accrued interest on the principal amounts called for redemption from the most recent Interest Payment Date to the date fixed for redemption. The Term Bonds also are subject to mandatory sinking fund redemption as more fully described herein. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed will be selected by the District. If less than all the Bonds of a certain maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent/Registrar by lot or other random method (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

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.

Paying Agent/Registrar

The Board has selected The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar") as the initial Paying Agent and Registrar for the Bonds. The initial designated payment office for the Bonds is located in Dallas, Texas. Provision is made in the Bond Order for removal of the Paying Agent/Registrar, provided that no such removal shall be effective until a successor paying agent/registrar shall have accepted the duties of the Paying Agent/Registrar under the provisions of the Bond Order. Any successor paying agent/registrar selected by the District shall be a corporation organized and doing business under the laws of the United States of America or of any state authorized under such laws to exercise trust powers, shall have a combined capital and surplus of at least $10,000,000, shall be subject to supervision or examination by federal or state authority, shall be registered as a transfer agent with the Securities and Exchange Commission and shall have a corporate trust office in the State of Texas.

Registration, Transfer, and Exchange

So long as any Bonds remain outstanding, the Paying Agent/Registrar will keep the register at its principal payment office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar will provide for the registration and transfer of Bonds in accordance with the Bond Order. While the Bonds are in the Book-Entry-Only system, Bonds will be registered in the name of Cede & Co. and will not be transferred. See "BOOK-ENTRY-ONLY SYSTEM."

Authority for Issuance

At elections held within the District on April 1, 1978 and September 21, 2001, voters of the District authorized the issuance of a total of $44,955,000 principal amount of unlimited tax or combination unlimited tax and revenue bonds for the purpose of purchasing, constructing, acquiring, owning, leasing, operating, repairing or extending facilities for a waterworks, sanitary sewer and drainage system, making certain contract payments, for refunding purposes, and paying various expenses of the District. The Bonds are issued by the District pursuant to the terms and provisions of an order of the Commission, the Bond Order, Article XVI, Section 59 of the Texas Constitution, and the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended. By order, the Commission authorized the District to sell the Bonds subject to certain restrictions, including the use of Bond proceeds as summarized in "USE AND DISTRIBUTION OF BOND PROCEEDS."

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

Issuance of Additional Debt

The District's voters have authorized the issuance of $44,955,000 of unlimited tax or combination unlimited tax and revenue bonds for purpose of purchasing, constructing, acquiring, owning, leasing, operating, repairing or extending facilities for a waterworks, sanitary sewer and drainage system, making certain contract payments, and paying various expenses of the District, and could authorize additional amounts. The District's voters have also authorized the issuance of $26,605,000 principal amount of unlimited tax bonds for refunding purposes. The District has previously issued six series of unlimited tax bonds and five series of unlimited tax refunding bonds, of which an aggregate of $4,040,000 principal amount was outstanding as of March 1, 2022. After the issuance of the Bonds, the District will have $16,300,000 of the original $44,955,000 unlimited tax or combination tax and revenue bonds authorized but unissued and $26,190,000 of the original $26,605,000 unlimited tax refunding bonds authorized but unissued. 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 that may ultimately be issued by the District. See "INVESTMENT CONSIDERATIONS—Future Debt."

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 Texas Commission on Environmental Quality (the "Commission"); and (c) approval of bonds by the Attorney General of Texas. The Board has not considered calling such an election at this time.

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) preparation of a detailed park plan; (b) authorization of park bonds by the qualified voters in the District; (c) approval of the park project and bonds by the Commission; and (d) approval of the bonds by the Attorney General of Texas. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent of the value of the taxable property in the District, unless effective June 14, 2021, the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent but not more than three percent of the value of the taxable property in the District.. The Board has not considered calling a park bond election at this time.

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.

The issuance of additional debt for any of the above-described purposes and levy of taxes to pay debt service on such debt may dilute the security for the Bonds.

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.

Funds and Accounts

The Bond Order confirms establishment and maintenance by the District of a Bond Fund and a Construction Fund (as both are further described in the Bond Order).

The Bond Fund is the District's interest and sinking fund. The Bond Order requires that the District credit to the Bond Fund (i) all net receipts of District ad valorem taxes (and penalty and interest thereon) levied to pay debt service requirements on (or fees and expenses of the Paying Agent with respect of) the Bonds, the Outstanding Bonds, and any other tax-supported obligations of the District, (ii) any capitalized interest on the Bonds, (iii) all earnings from investment of the Bond Fund and (iv) any other funds of the District deposited to the Bond Fund. Six (6) months of capitalized interest from Bond proceeds will be deposited into the Bond Fund. The Bond Order requires that the Bond Fund be applied solely to pay the principal or redemption price of, interest on, and the Paying Agent fees with respect to the Bonds, the Outstanding Bonds, and any other tax-supported obligations of the District when due.

The Construction Fund is the capital improvements fund of the District. The Bond Order requires the District to deposit into the Construction Fund the balance of the proceeds of the sale of the Bonds remaining after deposit of the amounts required to be deposited into the Bond Fund. The Construction Fund may be applied solely (i) to pay the costs necessary or appropriate to accomplish the purposes for which the Bonds were issued and (ii) to the extent the proceeds of any series of bonds deposited to the Construction Fund and investment income attributable thereto are in excess of the amounts required for such purposes, then in the discretion of the District to transfer such unexpended proceeds or income to the District's interest and sinking fund or with the approval of the Commission to apply the same to one or more other lawful purposes for which surplus construction funds may be used.

Bond Order Covenants

In the Bond Order, the District has additionally covenanted that it will (1) maintain insurance on its facilities of a kind and in an amount which usually would be carried by private companies engaged in a similar type of business, but considering any governmental immunities to which the District may be entitled, (2) keep accurate records and accounts and engage an independent certified public accountant to audit its financial statements at the close of each fiscal year, such audit to be in accordance with applicable law, rules and regulations, and open to inspection in the office of the District during normal office hours, (3) maintain its facilities in good condition and repair, ordinary wear and tear and obsolescence excepted, and operate its facilities in an efficient manner and at a reasonable cost and (4) secure the Bond Fund in the manner and to the fullest extent required by law for the security of District funds.

Tax Covenants

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

Amendments to the Bond Order

The District may, without the consent of or notice to any Registered Owner, amend the Bond Order in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, inconsistency or formal defect or omission therein. In addition, the District may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding affected thereby, amend, add to or rescind any of the provisions of the Bond Order; provided that, without the consent of the Registered Owners of all of the Bonds affected, no such amendment, addition or rescission may (1) change the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof, the redemption price therefore or the rate of interest thereon, change the place or places at or the coin or currency in which any Bond is payable or in any other way modify the terms of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, (3) modify the provisions of the proviso to the definition of the term "Outstanding" in the Bond Order, or (4) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition or rescission. In addition, a state, consistent with federal law, may in the exercise of its police power make such modifications in the terms and conditions of contractual covenants relating to the payment of indebtedness of a political subdivision as are reasonable and necessary for attainment of an important public purpose.

Remedies in Event of Default

The Bond Order provides that, in addition to all other rights and remedies of any Registered Owners provided by the laws of the State of Texas, in the event the District defaults in the observance or performance of any covenant in the Bond Order including payment when due of the principal of and interest on the Bonds, any Registered Owner may apply for a writ of mandamus from a court of competent jurisdiction requiring the Board of Directors or other officers of the District to observe or perform such covenants.

The Bond Order provides no additional remedies to a Registered Owner. Specifically, the Bond Order does not provide for the appointment of a trustee to protect and enforce the interests of the Registered Owners or for the acceleration of maturity of the Bonds upon the occurrence of a default in the District's obligations. Consequently, the remedy of mandamus is a remedy which may have to be enforced from year-to-year by the Registered Owners and may prove time consuming, costly and difficult to enforce.

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. The Bonds are not secured by an interest in any improvements or any other property of the District. Under Texas law, no judgment obtained against the District may be enforced by execution of a levy against the District's public purpose property. The Registered Owners themselves cannot foreclose on property within the District or sell property within the District in order to pay principal of or interest on the Bonds. In addition, the enforceability of the rights and remedies of the Registered Owners may be delayed, reduced or otherwise affected or limited by federal bankruptcy laws or other similar laws affecting the rights of creditors of a political subdivision or by a state statute reasonably required to attain an important public purpose. See "INVESTMENT CONSIDERATIONS—Registered Owners' Remedies and Bankruptcy Limitations."

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York, ("DTC") while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book- Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District and the Financial Advisor believe the source of such information to be reliable, but neither of the District or the Financial Advisor take any responsibility for the accuracy or completeness thereof.

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

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds 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, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

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

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 neither the District nor the Initial Purchasers take any responsibility for the accuracy thereof.

THE DISTRICT

General

The District was created in 1976 by the Texas Water Rights Commission, predecessor to the Commission, and operates as a municipal utility district pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code and other general statutes of the State of Texas applicable to municipal utility districts. The District is empowered to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water, among other things. The District may also provide solid waste collection, disposal service and law enforcement services. The District is empowered to establish, operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, and provide parks and recreational facilities. Additionally, the District may, subject to certain limitations and the granting of road powers by the Commission, develop and finance roads. The District is subject to the continuing supervision of the Commission and is located within the exclusive extraterritorial jurisdiction of the City of Houston.

The District, which contains approximately 787 acres of land, is located in the northeastern portion of Harris County approximately 25 miles from the downtown business area of Houston. The District is west of West Lake Houston Parkway and bounded to the north by Atascocita Road. The incorporated City of Humble, Texas is located west of the District; however, the District is located wholly within the exclusive extraterritorial jurisdiction of the City of Houston. The District is located within the boundaries of the Humble Independent School District.

Strategic Partnership Agreement

Effective December 20, 2007, the District entered into a Strategic Partnership Agreement with the City of Houston (the "City") as authorized by Texas Local Government Code Chapter 43 (the "SPA"). The SPA provides for a "limited purpose annexation" of that portion of the District developed for retail and commercial purposes for purposes of applying certain City health, safety, planning and zoning ordinances within the District. The portion of the District consisting of residential development is not subject to the SPA. The SPA also provides that, without the consent of the District, the City will not annex the District for "full purposes" (a traditional municipal annexation) for at least 30 years.

As a result of the SPA, the City is authorized to impose a one percent retail City sales tax within the portion of the District included in the limited purpose annexation. Pursuant to the SPA, the City pays to the District an amount equal to one-half of all retail sales tax revenues generated within such area of the District and received by the City from the Texas Comptroller of Public Accounts (herein defined as the "Sales Tax Revenue"). Pursuant to State law, the District is authorized to use the Sales Tax Revenue generated pursuant to the SPA for any lawful purpose. None of the anticipated Sales Tax Revenue is pledged toward the payment of principal of and interest on the Bonds.

Status of Development

Water, sanitary sewer, and drainage facilities have been constructed to serve Atascocita South Sections 1 through 6 and Atasca Woods Sections 1 through 7 (containing in the aggregate approximately 533 acres developed into 2,400 single family residential lots). As of February 23, 2022, the District had a total of 2,387 active single-family connections, and 10 inactive single family connections. The average value of the houses in the District on the 2021 tax rolls of the District was $209,000.

Commercial development in the District includes four retail centers and several individual commercial tracts on approximately 54 acres. Retail businesses include a Best Buy, a Lifetime Fitness, a Walgreens, a Discount Tire, a Pep Boys, a Michael's craft store, an emergency care center, a dental office, two day care centers and five restaurants. In addition, a Berkeley Eye Center on an approximately 1 acre tract and an Assisted Living/Independent Living facility on an approximately 7 acre tract have been constructed.

The 11-acre Humble ISD Timbers Elementary School, the 97-acre Humble ISD Atascosita High School, the 11-acre Fellowship of the Woodlands Church and the 9-acre North Houston Baptist Church are located in the District but are not subject to ad valorem taxation by the District.

The District has approximately 57 acres of land contained in easements, rights of way, recreation and a water plant site. Additionally, an aggregate of approximately 7 acres owned by various entities are served by water, sewer and drainage trunk facilities, but no vertical improvements have been constructed on such acreage, and the District is not aware of any development plans.

Community Facilities

Land within the District is a part of the Atascocita development. Numerous neighborhood shopping facilities are located in the Atascocita development and regional shopping facilities, including Deerbrook Mall, are located within seven miles of the District. The Humble Independent School District has constructed three elementary schools, one middle school and a high school within Atascocita.

The District receives fire protection services from the Atascocita Volunteer Fire Department. Additional fire protection is provided by other area volunteer fire departments and the City of Humble pursuant to mutual aid agreements. Medical care for District residents is available from the Northeast Medical Center Hospital in the City of Humble, approximately four and one-half miles west of the District.

MANAGEMENT

Board of Directors

The District is governed by a Board of Directors consisting of five members. The Directors and Officers of the District are listed below:

Name	Title	Term Expires
Ernest Bezdek	President	May 2024
Asdrubal "Dru" Gutierrez	Vice President	May 2022
Curtis W. McMinn	Secretary	May 2022
Charlie Crocker	Assistant Secretary	May 2024
Lissette Walker	Assistant Secretary	May 2024

Four of the five Directors listed above reside within the District. Directors are elected by the voters within the District for four-year staggered terms. Director elections are held only in even numbered years on the second Saturday in May.

The District has no full time employees but instead contracts with the following entities for professional services:

Tax Assessor/Collector

Land and improvements in the District are being appraised for taxation by the Harris Central Appraisal District. The District contracts with Wheeler & Associates, Inc. to act as Tax Assessor/Collector for the District.

System Operator

The operator of the District's water, wastewater and storm sewer systems is Inframark (the "Operator").

Bookkeeper

The District contracts with Myrtle Cruz, Inc. (the "Bookkeeper") for bookkeeping services for the District.

Engineer

The District's consulting engineer is IDS Engineering Group (the "Engineer").

Auditor

As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which annual audit is filed with the Commission. The District employed McCall Gibson Swedlund Barfoot, PLLC, Certified Public Accountants (the "District's Auditor") to audit its books of account for the period ended May 31, 2021. The results of such audit are included as APPENDIX A to this Official Statement.

Financial Advisor

Masterson Advisors LLC (the "Financial Advisor") serves as financial advisor to the District. The fee to be paid the Financial Advisor is contingent upon the sale and delivery of the Bonds.

Attorney

The District has engaged Norton Rose Fulbright US LLP as general counsel to the District and as Bond Counsel in connection with the issuance of District bonds. The fees of Norton Rose Fulbright US LLP, as Bond Counsel, are contingent upon the sale and delivery of the Bonds.

Disclosure Counsel

The District has engaged McCall, Parkhurst & Horton L.L.P. as disclosure counsel ("Disclosure Counsel"). The fees paid to Disclosure Counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

THE SYSTEM

Construction of the District's water, sanitary sewer and drainage system (the "System") has been financed from proceeds of the Outstanding Bonds and funds advanced by various developers within the District. The System has been constructed in accordance with the requirements, at the time of construction, of Harris County, the Harris County Flood Control District, the Commission and the City of Houston.

Water Supply

The District owns and operates two water plants. Water Plant No. 1 consists of one 1,500 gallons per minute ("gpm") water well, 840,000 gallons ground storage tank capacity, booster pumps totaling 4,200 gpm capacity, 40,000 gallons of pressure tank capacity, an emergency generator, and appurtenant equipment. Water Plant No. 2 consists of one 1,250 gpm water well, one 500,000 gallon ground storage tank, booster pumps totaling 3,000 gpm capacity, 20,000 gallons of pressure tank capacity, an emergency generator, and appurtenant equipment. According to the Engineer, the District's water supply facilities are capable of serving approximately 3,000 equivalent single family connections ("ESFC"). According to the Engineer, the District's water supply facilities are adequate to serve the District at full development and build out, assuming current regulatory criteria and land use plans. A portion of Bond proceeds will be used to finance improvements and rehabilitation to District water plants.

The District also has an emergency water interconnect agreement with Harris County Municipal Utility District No. 153.

Subsidence and Conversion to Surface Water Supply

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 2001, the Texas legislature created the West Harris County Regional Water Authority ("Authority") to, among other things, reduce groundwater usage in, and to provide surface water to, the western portion of Harris County and a small portion of Fort Bend County. Although the District is not included within the Authority's boundaries, it has entered into a Contract to be included within the Authority's GRP effective May 31, 2002. Pursuant to such Contract, the Authority will meet the requirements of the Subsidence District for surface water conversion on behalf of the District and the District will pay a fee to the Authority, based on water pumpage in the District, for meeting those requirements. 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.
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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 $9.80 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 for future years, but anticipates the need to pass such fees through its customers in higher water and sewer rates. In addition, conversion to surface water could necessitate improvements to the District's water supply system which could require issuance of additional bonds. In the event the Authority fails to reduce groundwater withdrawal to the levels specified in the 1999 plan by the deadlines established by the Subsidence District, then the District and others within the Authority's GRP group will be required to pay a disincentive fee on withdrawn groundwater. This fee is expected to be substantial and the District expects it would need to pass such fee through to its customers in higher water and sewer rates. This fee would be in addition to the Authority's fee.

Source of Wastewater Treatment

Permanent wastewater treatment for the entire Atascocita and Walden on Lake Houston development (Harris County MUD Nos. 46, 109, 132, 151, 152 and 153) is being provided by the Atascocita Central Wastewater Treatment Plant (the "Regional Plant"), the cost of which, together with an interceptor sewer to convey waste to the Regional Plant, is shared on a pro rata basis (based on capacity) by the participating districts (which includes the districts listed above and Harris County MUD No. 106). The Regional Plant is operated by a joint operating board comprised of one member from each participating district known as the Atascocita Joint Operations Board. Charges for maintenance and operation of the Regional Plant are made on a pro rata basis as determined by the contract between the participating districts. The Regional Plant has a capacity of nine million gallons per day (gpd), of which the District owns 1,302,650 gpd of capacity, which is adequate to serve approximately 4,070 equivalent single family connections assuming 320 gpd per ESFC. According to the Engineer, the District's wastewater treatment capacity is adequate to serve the District at full development and build out, assuming current regulatory criteria and present land use plans.

100-Year Flood Plain

Flood Insurance Rate Map or "FIRM" means an official map of a community on which the Federal Emergency Management Agency (FEMA) has delineated the appropriate areas of flood hazards. The one percent chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or one percent 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 l00-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. According to the Engineer, none of the land in the District is within the 100-year flood plain. See "INVESTMENT CONSIDERATIONS—Extreme Weather Events; Hurricane Harvey."

USE AND DISTRIBUTION OF BOND PROCEEDS

The estimated use and distribution of Bond proceeds is shown below. Of proceeds to be received from sale of the Bonds, $4,654,600 is estimated for construction costs, and $570,400 is estimated for nonconstruction costs, including $78,375 of capitalized interest on the Bonds (six months of interest). The District's present estimate of construction costs has been provided by the Engineer, based on the actual cost of completed facilities. To the extent surplus funds are available from sale of the Bonds, such funds may be expended for any lawful purpose for which surplus construction funds may be used with approval of the Commission.

CONSTRUCTION COSTS		
Water Plant No. 1 Modifications and Rehabilitation	$	900,000
Water Plant No. 2 Rehabilitation		190,000
Well No. 2 Inspection and Pump Replacement		195,000
Smart Meter Installation		1,210,000
Sanitary Sewer Rehabilitation, Sections 1-3		495,000
Sanitary Sewer Rehabilitation, Sections 4-6		335,000
Sanitary Sewer CCTV, Sections 4-6		80,000
AJOB Capital Improvement Items		635,000
Contingencies		219,500
Engineering		395,100
Total Construction Costs	**$**	**4,654,600**
NON-CONSTRUCTION COSTS		
Legal Fees	$	98,938
Financial Advisory Fees		93,375
Capitalized Interest (6 months)		78,375
Bond Discount (a)		78,911
Bond Issuance Expenses		45,080
Bond Application Report Costs		60,000
Attorney General Fee		5,225
TCEQ Bond Issuance Fee (0.25%)		13,063
Contingency (a)		97,433
Total Non-Construction Costs	**$**	**570,400**
TOTAL BOND ISSUE	**$**	**5,225,000**

(a) Contingency represents the difference in the estimated and actual amount of Bond Discount and capitalized interest.

UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED

Date of Authorization	Purpose	Authorized	Issued to Date	Unissued
4/1/78 & 9/21/01	Water, Sanitary Sewer & Drainage	$44,955,000	$28,655,000*	$16,300,000
9/21/01	Refunding	$26,605,000	$415,000	$26,190,000

* Includes the Bonds.

FINANCIAL STATEMENT

2021 Taxable Assessed Valuation	$625,788,547 (a)
District Debt	
Outstanding Bonds (as of March 1, 2022)	$4,040,000
Plus: The Bonds	5,225,000
Gross Debt Outstanding	$9,265,000
Ratio of Gross Debt to: 2021 Taxable Assessed Valuation	1.48%

Area of District – 787 Acres
Estimated 2022 Population – 8,355 (b)

(a) The Harris County Appraisal District (the "Appraisal District") has certified $624,447,920 of taxable value and an additional $1,340,627 of taxable value remains uncertified as of January 1, 2021. The uncertified value is the land owners' opinion of the value; however, such value is subject to review and downward revision prior to certification. No tax will be levied on said uncertified value until it is certified by the Appraisal District. See "TAX DATA—Summary of Assessed Valuation."

(b) Based upon 3.5 persons per occupied home.

Cash and Investment Balances (unaudited as of March 23, 2022)

Debt Service Fund	Cash and Temporary Investments	$1,324,248 (a)
General Fund	Cash and Temporary Investments	$4,206,599

(a) An amount equal to six (6) months of interest on the Bonds will be capitalized from proceeds of the issue and deposited to the Debt Service Fund. Neither Texas law nor the Bond Order requires the District to maintain any minimum balance in the Bond Fund.

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 (as of March 1, 2022)

Series		Original Principal Amount	Outstanding Bonds
2019	(a)	$ 4,060,000	$ 4,040,000

(a) Unlimited Tax Refunding Bonds.

ESTIMATED OVERLAPPING DEBT STATEMENT

Other governmental entities whose boundaries overlap the District have outstanding bonds payable from ad valorem taxes. The following statement of direct and estimated overlapping ad valorem tax debt was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas or other publicly available information. Except for the amount relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person is entitled to rely upon such information as being accurate or complete. Political subdivisions overlapping the District are authorized by Texas law to levy and collect ad valorem taxes for operation, maintenance, and/or general revenue purposes in addition to taxes for payment of their debt, and some are presently levying and collecting such taxes.

Taxing Jurisdiction	Outstanding Bonds	As of	Overlapping Percent	Overlapping Amount
Harris County	$ 1,682,992,125	2/28/2022	0.12%	$ 2,019,591
Harris County Flood Control District	584,900,000	2/28/2022	0.12%	701,880
Harris County Hospital District	76,385,000	2/28/2022	0.12%	91,662
Harris County Department of Education	20,185,000	2/28/2022	0.12%	24,222
Port of Houston Authority	469,434,397	2/28/2022	0.12%	563,321
Humble Independent School District	955,445,000	2/28/2022	3.01%	28,758,895
Lone Star College System	643,940,000	2/28/2022	0.26%	1,674,244
Total Estimated Overlapping Debt				$ 33,833,814
The District	9,265,000 (a)	Current	100.00%	9,265,000
Total Direct and Estimated Overlapping Debt				$ 43,098,814
Ratio of Total Direct and Estimated Overlapping Debt to 2021 Taxable Assessed Valuation				6.89%

(a) Includes the Bonds and the Outstanding Bonds.

Overlapping Tax Rates for 2021

	2021 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)	$ 0.58634
Lone Star College System	0.10780
Humble Independent School District	1.33890
Harris County ESD No. 46	0.10000
The District	0.26440
Total Overlapping Tax Rate	$ 2.39744

TAX DATA

Tax Collections

The following statement of tax collections set forth in condensed form the historical tax collection experience of the District. This summary has been prepared for inclusion herein, based upon information from District records. Reference is made to such records for further and more complete information. Differences in totals may vary slightly from other information herein due to differences in dates of data.

Tax Year	Taxable Assessed Valuation	Tax Rate	Total Tax Levy	Total Collections as of February 28, 2022 (a)	
				Amount	Percent
2017	$ 512,727,476	$ 0.2900	$ 1,486,898	$ 1,482,952	99.73%
2018	519,657,587	0.2800	1,455,030	1,451,939	99.79%
2019	551,397,773	0.2800	1,543,902	1,539,796	99.73%
2020	589,944,398	0.2700	1,592,949	1,584,340	99.46%
2021	625,788,547	0.2644	1,651,028	1,562,256	94.62%

(a) Taxes are due upon receipt of 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. No split payments are allowed and no discounts are allowed.

Tax Rate Distribution

	2021	2020	2019	2018	2017
Debt Service	$ 0.1750	$ 0.1900	$ 0.2100	$ 0.2300	$ 0.2400
Maintenance and Operations	0.0894	0.0800	0.0700	0.0500	0.0500
Total	$ 0.2644	$ 0.2700	$ 0.2800	$ 0.2800	$ 0.2900

Tax Rate Limitations

Debt Service: Unlimited (no legal limit as to rate or amount)
Maintenance: $1.00 per $100 Assessed Valuation

Maintenance and Operations Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements, and such maintenance tax has been authorized by vote of the District's electors and is limited to a rate of $1.00 per $100 assessed valuation. Such tax is in addition to taxes which the District is authorized to levy for paying principal and interest on the District's bonds. The District levied a maintenance tax for 2021 at the rate of $0.0894 per $100 assessed valuation.

Tax Exemptions

As discussed in the section titled “TAX PROCEDURES” herein, certain property in the District may be exempt from taxation by the District. The District does not exempt any percentage of the market value of any residential homesteads from taxation. For 2022, the District adopted an exemption of $20,000 of the appraised value of a residential homestead of persons who are disabled or 65 years of age or older. Church and public school facilities located in the District are exempt from ad valorem taxation by the District.

Principal Taxpayers

The following table represents the principal taxpayers, the type of property, the certified taxable assessed value of such property and such property's certified assessed value as a percentage of the certified portion ($624,447,920) of the 2021 Taxable Assessed Valuation of $625,788,547, which represents ownership as of January 1, 2021. A principal taxpayer list related to the uncertified portion of the 2021 Taxable Assessed Valuation ($1,340,627) is not available.

Taxpayer	Type of Property	2021 Certified Taxable Assessed Valuation	% of 2021 Certified Taxable Assessed Valuation
TM Senior Living LLC	Senior Living Facility	$ 24,950,015	4.00%
Zenda Channing Orleans Square LP	Shopping Center	14,533,146	2.33%
Alpine West Lake LLC	Shopping Center	13,686,060	2.19%
LTF Real Estate Company Inc.	Fitness Club	13,550,913	2.17%
Sona Colonnades LP	Shopping Center	10,300,000	1.65%
17903 West Lake Houston ICJV LLC	Medical Office	8,210,350	1.31%
LAACO LTD	Storage Facility	6,309,924	1.01%
LY Star Investments LLC	Shopping Center	3,943,365	0.63%
Alpha Tecc LLC	Medical Office	3,619,561	0.58%
Panem Investments LLC	Gas Station	3,387,417	0.54%
Total		$ 102,490,751	16.41%

Summary of Assessed Valuation

The District's assessed value as of January 1 of each year is used by the District in establishing its tax rate (see "TAX PROCEDURES—Valuation of Property for Taxation"). The following represents the composition of certified property comprising the 2019 through 2021 Taxable Assessed Valuations. Differences in totals may vary slightly from other information herein due to differences in dates of data. A breakdown of the uncertified portion ($1,340,627) of the 2021 Taxable Assessed Valuation is not available.

	2021 Taxable Assessed Value	2020 Taxable Assessed Value	2019 Taxable Assessed Value
Land	$ 143,330,198	$ 142,950,566	$ 118,238,150
Improvements	559,781,695	528,604,395	512,541,414
Personal Property	16,178,768	18,198,108	17,852,817
Exemptions	(94,842,741)	(99,767,709)	(97,234,608)
Certified Value	$ 624,447,920	$ 589,985,360	$ 551,397,773
Uncertified Value	1,340,627	-	-
Total Value	$ 625,788,547	$ 589,985,360	$ 551,397,773

Tax Adequacy for Debt Service

The calculation shown below assumes, solely for purpose of illustration, no increase or decrease in assessed valuation over the 2021 Taxable Assessed Valuation of $625,788,547 ($624,447,920 of certified value plus $1,340,627 of uncertified value) and utilizes a tax rate necessary to pay the District's estimated maximum annual debt service requirement and average annual debt service requirement on the District's Outstanding Bonds and the Bonds.

Maximum Annual Debt Service Requirement (2023)	$1,176,100
$0.20 Tax Rate on 2021 Taxable Assessed Valuation of $625,788,547 at 95% collections rate produces	$1,188,998
Average Annual Debt Service Requirement (2023-2035)	$757,515
$0.13 Tax Rate on 2021 Taxable Assessed Valuation of $625,788,547 at 95% collections rate produces	$772,849

TAX PROCEDURES

Authority to Levy Taxes

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

Property Tax Code and County-Wide Appraisal District

The Texas Property Tax Code (the "Property Tax Code") specifies the tax procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized here.

The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the appraisal district. The Harris County Appraisal District (the "Appraisal District") has the responsibility for appraising property for all taxing units 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").

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually owned automobiles.

Veterans Exemptions: The District must grant certain 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 of the veteran, if such rating is less than 100%. A veteran who receives a disability rating of 100% and the surviving spouse of such a veteran is entitled to an exemption for the full amount of the veteran's or surviving spouse's residential homestead. A partially disabled veteran or the surviving spouse of a partially disabled veteran is entitled to an exemption from taxation of a percentage of the appraised value of their residential homestead in an amount equal to the partially disabled veteran's disability rating if the residential homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces or a first responder as defined under Texas law, who was killed or fatally injured in the line of duty is, subject to certain conditions, entitled to a total tax exemption on such surviving spouse's residential homestead. If the surviving spouse changes homesteads, but does not remarry, then the amount of the exemption as of the last year of the first qualifying residential homestead is applicable to subsequent homesteads.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to 20% of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption by the District may be considered each year, but must be adopted by May 1.

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

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. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code.

Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. In November 1997, Texas voters approved a constitutional amendment to limit increases in the appraised value of residence homesteads to ten percent (10%) annually regardless of the market value of the property. The Property Tax Code permits land designated for agricultural use or timber production to be appraised at its value based on the land's capacity to produce agricultural 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. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to others. If a claimant receives the agricultural or timberland designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three (3) years.

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

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.

Tax Abatement

Harris County may designate all or part of the area within the District as a reinvestment zone. Thereafter, Harris County, the District, and the City (if it were to annex the District), at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions.

Taxpayer Remedies

The Appraisal Review Board is responsible for resolving disputes between taxpayers and the Appraisal District. It is also empowered to determine challenges initiated by taxing units, correct clerical errors in the appraisal records and the appraisal rolls, act on motions to correct appraisal rolls, and determine whether an exemption or a partial exemption is improperly granted. The appraisal review board is independent of the appraisal district. In counties with more than 120,000 in population, the local administrative district judge appoints the appraisal review board members.

A property owner is entitled to protest the value of a tract of property before the appraisal review board in the following circumstances: the value the appraisal district placed on the property is too high; the property was unequally appraised; the appraisal district denied a special appraisal, such as open-space land; the appraisal district failed to provide the property owner with required notices; or as otherwise permitted under the Property Tax Code.

Owners of certain property with a taxable value in excess of the current year "minimum eligibility amount," as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount is set at $50 million for the 2020 tax year, and is adjusted annually by the State Comptroller to reflect the inflation rate.

A property owner who files a protest must pay the amount of taxes due on the portion of the taxable value of the property subject to the protest that is not in dispute before the delinquency date or the property owner forfeits the right to proceed to a final determination of the protest.

Property owners who are dissatisfied with the decision of the appraisal review board may appeal the decision. Depending upon the circumstances, the property owner may be able to require the appraisal district to go to binding arbitration or to have the appeal heard by the State Office of Administrative Hearings.

If those remedies are not available or if the property owner prefers, it has the right to appeal the decision of the appraisal review board to the state district court in which the property is located. The district court review is by trial de novo, and the district court is required to try all issues of fact and law raised by the pleadings in the manner applicable to civil suits generally. Any party is entitled to trial by jury on demand. The district court will grant relief if it determines that the appraised value of the property exceeds the appraised value required by law or the property is appraised unequally.

A party may appeal the final judgment of the district court as provided by law for appeal of civil suits generally, except that an appeal bond is not required of the chief appraiser, the county, the comptroller, or the commissioners court.

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board of Directors, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes, and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent of the amount of the tax for the first calendar month it is delinquent, plus one percent for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. A delinquent tax on personal property incurs an additional penalty, in an amount established by the District and a delinquent tax attorney, 60 days after the date the taxes become delinquent. The delinquent tax accrues interest at a rate of one percent for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, which may be rejected by taxing units. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) 65 years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continue to accrue during the period of deferral.

Rollback of Operation and Maintenance Tax Rate

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

Special Taxing Units

Special Taxing Units that adopt a total tax rate that would impose more than1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Special Taxing Unit is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

Developed Districts

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

Developing Districts

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

The District

A determination as to a district’s status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis. The District is designated as a “Developed District” for the 2021 tax year. 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 as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each local taxing unit, including the District, having power to tax the property. The District’s tax lien is on a parity with tax liens of such other taxing units. See “ESTIMATED OVERLAPPING DEBT STATEMENT—Overlapping Tax Rates for 2021.” 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; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

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 subject to the restrictions on residential homesteads described above under "Levy and Collection of Taxes." In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights or by bankruptcy proceedings which restrict the collection of taxpayer debts. A taxpayer may redeem property within two (2) years for residential and agricultural use property and six (6) months for all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. See "INVESTMENT CONSIDERATIONS—General" and "—Tax Collection Limitations and Foreclosure Remedies."

Tax Payment Installments after Disaster

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

WATER AND SEWER OPERATIONS

General

The Bonds and the Outstanding Bonds are payable from the levy of an ad valorem tax, without legal limitation as to rate or amount, upon all taxable property in the District. Although not pledged to the payment of the Bonds, net revenues from operations of the District's system, if any, are available for any legal purpose, including, upon Board action, the payment of debt service on the Bonds. It is anticipated that no significant revenues from water and sewer operations will be available for debt service on the Bonds in the foreseeable future.

Waterworks and Sewer System Operating Statement

The following statement sets forth in condensed form the historical results of operation of the District's General Fund. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Such summary is based upon information obtained from the District's audited financial statements for fiscal years ending May 31, 2018 through 2021, and an unaudited summary for the seven-month period ending January 31, 2022 prepared by the District's Bookkeeper. Reference is made to such statements and records for further and more complete information. See APPENDIX A hereto for the District's Audited Financial Statements for the fiscal year ended May 31, 2021.

	6/1/2021 to 1/31/2022 (a)	Fiscal Year Ended May 31, 2021	2020	2019	2018
REVENUES:					
Property Taxes	$ 373,048	$ 473,598	$ 381,827	$ 256,511	$ 253,913
Water Service	565,993	647,909	521,915	422,584	441,259
Wastewater Service	270,042	412,943	408,063	410,942	413,829
Water Authority Fees	560,503	770,464	735,627	641,032	642,855
Penalty and Interest	23,022	19,203	22,455	24,549	28,816
Tap Connections and Inspection Fees	15,206	72,791	225,949	65,502	28,440
Sales Tax Revenues	176,684	245,778	208,952	349,642	375,637
Sale of Capacity	-	-	-	129,354	112,776
Investment and Miscellaneous Earnings	5,562	47,424	70,677	38,027	34,868
TOTAL REVENUES	$ 1,990,058	$ 2,690,110	$ 2,575,465	$ 2,338,143	$ 2,332,393
EXPENDITURES:					
Professional Fees	$ 133,269	$ 114,022	$ 115,590	$ 109,505	$ 78,942
Contracted Services	326,156	609,911	263,370	124,932	105,719
Purchased Wastewater Service	118,327	281,112	273,726	288,905	266,096
Utilities	50,194	78,682	67,134	64,555	47,565
Repairs and Maintenance	255,355	342,544	531,610	495,335	285,933
Water Authority Assessments	597,273	850,859	803,463	726,166	726,124
Other	99,076	140,125	250,792	162,380	143,273
Capital Outlay	73,902	86,603	111,338	164,074	193,038
TOTAL EXPENDITURES	$ 1,653,551	$ 2,503,858	$ 2,417,023	$ 2,135,852	$ 1,846,690
NET REVENUES	$ 336,507	$ 186,252	$ 158,442	$ 202,291	$ 485,703
FUND BALANCE, BEGINNING OF YEAR	$ 4,237,793	$ 4,051,541	$ 3,893,099	$ 3,690,808	$ 3,205,105
FUND BALANCE, END OF YEAR	$ 4,574,300	$ 4,237,793	$ 4,051,541	$ 3,893,099	$ 3,690,808

(a) Unaudited. Prepared by the District's Bookkeeper.

DEBT SERVICE REQUIREMENTS

The following sets forth the debt service requirements for the Outstanding Bonds plus the Bonds.

Year	Outstanding Bonds Debt Service Requirements		Plus: Debt Service on the Bonds			Total Debt Service Requirements
			Principal	Interest	Total	
2022	$ 1,003,850	(a)		$ 28,302	$ 28,302	$ 1,032,152
2023	1,019,350			156,750	156,750	1,176,100
2024	971,450			156,750	156,750	1,128,200
2025	939,150			156,750	156,750	1,095,900
2026	357,000		$ 500,000	156,750	656,750	1,013,750
2027	-		525,000	141,750	666,750	666,750
2028	-		525,000	126,000	651,000	651,000
2029	-		525,000	110,250	635,250	635,250
2030	-		525,000	94,500	619,500	619,500
2031	-		525,000	78,750	603,750	603,750
2032	-		525,000	63,000	588,000	588,000
2033	-		525,000	47,250	572,250	572,250
2034	-		525,000	31,500	556,500	556,500
2035	-		525,000	15,750	540,750	540,750
Total	$ 4,290,800		$ 5,225,000	$ 1,364,052	$ 6,589,052	$ 10,879,852

(a) Excludes the District's February 1, 2022 debt service payment in the amount of $58,850.

Maximum Annual Debt Service Requirement (2023) $1,176,100
Average Annual Debt Service Requirements (2023-2035) $757,515

INVESTMENT CONSIDERATIONS

General

The Bonds are obligations solely of the District and are not obligations of the City of Houston, Harris County, the State of Texas, 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. See "THE BONDS—Source of Payment." The collection by the District of delinquent taxes owed to it and the enforcement by Registered Owners of the District's obligation to collect sufficient taxes may be a costly and lengthy process. Furthermore, the District cannot and does not make any representations that continued development of taxable property within the District will accumulate or maintain taxable values sufficient to justify continued payment of taxes by property owners or that there will be a market for the property or that owners of the property will have the ability to pay taxes. See "Registered Owners' Remedies and Bankruptcy Limitations" below.

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.

There are currently no COVID-19 related operating limits imposed by executive order of the Governor for any business or other establishment in the State of Texas. 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.

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 Declines on the Houston Area

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. The District cannot predict the impact that negative conditions in the oil and gas industry will have on property values in the District.

Extreme Weather Events; Hurricane Harvey

The greater Houston area, including the District, is subject to occasional severe weather events, including tropical storms and hurricanes. If the District were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected. The greater Houston area 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 Operator and the Engineer the system serving the District 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 is not aware of any improvements 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.

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 STATEMENT—Overlapping Tax Rates for 2021"), 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 and Bankruptcy Limitations

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 statutory right 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.

Subject to the requirements of Texas law discussed below, a political subdivision such as the District may voluntarily file a petition for relief from creditors under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Sections 901-946. The filing of such petition would automatically stay the enforcement of Registered Owner's remedies, including mandamus. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismisses the petition, enters an order granting relief from the stay or otherwise allows creditors to proceed against the petitioning political subdivision. A political subdivision such as the District may qualify as a debtor eligible to proceed in a Chapter 9 case only if it (1) is authorized to file for federal bankruptcy protection by applicable state law, (2) is insolvent or unable to meet its debts as they mature, (3) desires to effect a plan to adjust such debts, and (4) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Special districts such as the District must obtain the approval of the TCEQ as a condition to seeking relief under the Federal Bankruptcy Code. The TCEQ is required to investigate the financial condition of a financially troubled district and authorize such district to proceed under federal bankruptcy law only if such district has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

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 the 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.

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 Taxable Assessed Valuation is $625,788,57 ($624,447,920 certified plus $1,340,627 uncertified). After issuance of the Bonds, the maximum annual debt service requirement will be $1,176,100 (2023), and the average annual debt service requirement will be $757,515 (2023-2035, inclusive). Assuming no increase or decrease from the 2021 Taxable Assessed Valuation, the issuance of no additional debt, and no other funds available for the payment of debt service, tax rates of $0.20 and $0.13 per $100 of taxable assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the maximum and average annual debt service requirements, respectively. See "DEBT SERVICE REQUIREMENTS." The District makes no representations that over the term of the Bonds the property within a value sufficient to justify continued payment of taxes by property owners. See "TAX DATA—Tax Adequacy for Debt Service."

Future Debt

The District reserves the right to issue the remaining $16,300,000 principal amount of unlimited tax bonds or combination unlimited tax and revenue bonds for purpose of purchasing, constructing, acquiring, owning, leasing, operating, repairing or extending facilities for a waterworks, sanitary sewer and drainage system, making certain contract payments, and paying various expenses of the District and the remaining $26,190,000 unlimited tax bonds for refunding purposes, which have been authorized at elections held within the District, and such additional bonds as may be voted hereafter. The issuance of any future obligations may adversely affect the investment security of the Bonds. The District is not obligated to 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 to construct its utility facilities, must be approved by the Commission, the Attorney General of Texas and the Board of Directors of the District.

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—Tax Exemption."

Environmental and Air Quality Regulations

Wastewater treatment and water supply facilities are subject to stringent and complex environmental laws and regulations. Facilities must comply with environmental laws at the federal, state, and local levels. These laws and regulations can restrict or prohibit certain activities that affect the environment in many ways such as:

- Requiring permits for construction and operation of water supply wells and wastewater treatment facilities;
- Restricting the manner in which wastes are released into the air, water, or soils;
- Restricting or regulating the use of wetlands or other property; 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 has developed a formal request that the HGB Area be redesignated to attainment under the 1997 Ozone Standards. The TCEQ Commissioners adopted the request and maintenance plan for the 1997 one-hour and eight-hour standards on December 12, 2018. On May 16, 2019, the EPA proposed a determination that the HGB Area has met the redesignation criteria and continues to attain the 1997 one-hour and eight-hour standards, the termination of the anti-backsliding obligations, and approval of the proposed maintenance plan.

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

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

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

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

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

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

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

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

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

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

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

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

On June 9, 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. On November 18, 2021, the EPA and USACE issued a Notice Proposed Rulemaking to put back into place the pre-2015 definition of "waters of the United States." 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.

Marketability

The District has no agreement with the Initial Purchaser 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 generally bought, sold or traded in the secondary market.

Changes in Tax Legislation

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

Risk Factors Related to the Purchase of Municipal Bond Insurance

The Initial Purchaser has entered into an agreement with ASSURED GUARANTY MUNICIPAL CORP. ("AGM" 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 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 Initial Purchaser have made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE" and "MUNICIPAL BOND RATING" for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

Atlas 14

In 2018, the National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States ("Atlas 14"). Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in interim floodplain regulations applying to a larger number of properties and consequently leaving less developable property within the District. Such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain. See "THE SYSTEM—100-Year Flood Plain."

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 the issue of Bonds with the understanding that upon delivery of the Bonds, a Policy insuring the timely payment of the principal of and interest on the Bonds will be issued by Assured Guaranty Municipal Corp. S&P has also assigned an underlying rating of "A+" to the Bonds. An explanation of the ratings may be obtained from S&P. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance" and "MUNICIPAL BOND INSURANCE."

There is no assurance that such ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by S&P 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.

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as 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.

Assured Guaranty Municipal Corp.

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

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On March 18, 2022, Moody's announced it had upgraded AGM's insurance financial strength rating to "A1" (stable outlook) from "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

On October 20, 2021, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 8, 2021, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Capitalization of AGM

At December 31, 2021:

- The policyholders' surplus of AGM was approximately $3,053 million.

- The contingency reserve of AGM was approximately $877 million.

- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,127 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty UK Limited ("AGUK") and Assured Guaranty (Europe) SA ("AGE").

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

Incorporation of Certain Documents by Reference

Portions of the following document filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (filed by AGL with the SEC on February 25, 2022).

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

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

Miscellaneous Matters

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

LEGAL MATTERS

Legal Opinions

The District will furnish the Initial Purchaser a transcript of certain certified proceedings held incident to the authorization and issuance of the Bonds, including (i) a certified copy of the approving 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 Bonds are valid and binding obligations of the District payable from an annual ad valorem tax levied without limit as to rate or amount upon all taxable property in the District and (ii) based upon the examination of such transcript, the legal opinion of Bond Counsel to the effect that the Bonds are valid and binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity. Bond Counsel's opinion will also address the matters described below under "Tax Exemption." Such opinions will express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds.

Bond Counsel has reviewed the information appearing in this Official Statement under "THE BONDS," "THE DISTRICT—General," "TAX PROCEDURES," "LEGAL MATTERS," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION" solely to determine whether such information fairly summarizes matters of law and the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein.

In addition to serving as Bond Counsel, Norton Rose Fulbright US LLP also acts as counsel to the District on matters not related to the issuance of bonds. The legal fees to be paid 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.

TAX MATTERS

Tax Exemption

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

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

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

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

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

Tax Accounting Treatment of Discount and Premium on Certain Bonds

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

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

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

The purchase price of certain Bonds (the "Premium Bonds") paid by an owner is greater than the amount payable on such Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium that is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity (or, in some cases with respect to a callable Bond, the yield based on a call date that results in the lowest yield on the Bond).

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Qualified Tax-Exempt Obligations for Financial Institutions

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

The District has designated the Bonds as "qualified tax-exempt obligations" and will certify its expectation that the above-described $10,000,000 ceiling will not be exceeded. Accordingly, it is anticipated that financial institutions which purchase the Bonds will not be subject to the one-hundred percent (100%) disallowance of interest expense allocable to interest on the Bonds under Section 265(b) of the Code. However, twenty percent (20%) of the interest expense incurred by a financial institution which is allocable to the interest on the Bonds will not be deductible pursuant to Section 291 of the Code.

NO MATERIAL ADVERSE CHANGE

The obligations of the Initial Purchaser 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 financial condition 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 Initial Purchaser 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.

REGISTRATION AND QUALIFICATION UNDER SECURITIES LAWS

The offer and sale of the Bonds have not been registered or qualified 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 jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated 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 provisions.

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 interest cost, which bid was rendered by SAMCO Capital Markets, Inc. (the "Initial Purchaser") bearing the interest rates shown on the cover page of this Official Statement, at a price of 98.4897% of the principal amount thereof, which resulted in a net effective interest rate of 3.173551% as calculated pursuant to Chapter 1204, Texas Government Code (the "IBA" method).

Prices and Marketability of the Bonds

The prices and other terms with respect to the offering and the sale of the Bonds may be changed from time to time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial prices, including sales to dealers who may sell the Bonds into investment accounts. In connection with the offering of the Bonds, the Initial Purchaser may over-allocate 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 municipal utility district 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, which 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 United States Securities and Exchange Commission (the "SEC") 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.

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 Developers, the Engineer, the Tax Assessor/Collector, the Appraisal District and information from other sources believed to be reliable. No guarantee is made by the District as to the accuracy or completeness of the information derived from sources other than the District, and the inclusion herein of information from sources other than the District is not to be construed as a representation on the part of the District to such effect, except as described below under "CERTIFICATION OF OFFICIAL STATEMENT." 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 in addition to the Financial Advisor.

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" (as it relates to District facilities) has been provided by IDS Engineering Group and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

Appraisal District: The information contained in this Official Statement relating to the assessed valuations has been provided by the Harris County Appraisal District and has been included herein in reliance upon the authority of such entity as experts in assessing the values of property in Harris County, including the District.

Tax Assessor Collector: The information contained in this Official Statement relating to the historical breakdown of the Taxable Assessed Valuations, principal taxpayers, and certain other historical data concerning tax rates and tax collections has been provided by Wheeler & Associates, Inc. and is included herein in reliance upon Wheeler & Associates, Inc. as an expert in collecting taxes.

Auditor: The District's audited financial statements for the year ended May 31, 2021, were prepared by McCall Gibson Swedlund Barfoot, PLLC, Certified Public Accountants. See APPENDIX A for a copy of the District's May 31, 2021, audited financial statement.

Bookkeeper: The information related to the unaudited summary of the District's General Operating Fund as it appears in "WATER AND SEWER OPERATIONS" has been provided by Myrtle Cruz, Inc. and is included herein in reliance upon the authority of such firm as experts in the tracking and managing the various funds of municipal utility districts.

Updating of 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 Initial Purchaser, of any adverse event which causes the Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement satisfactory to the Initial Purchaser; provided, however, that the obligation of the District to the Initial Purchaser to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser, unless the Initial Purchaser 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 as required by law (but not more than 90 days after the date the District delivers the Bonds).

Certification of Official Statement

The District, acting through its Board in its official capacity and in reliance upon the experts listed above, 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.

CONTINUING DISCLOSURE OF INFORMATION

The offering of the Bonds qualifies for the Rule 15c2-12(d)(2) exemption from Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission (the "SEC") regarding the District's continuing disclosure obligations because the District does not have more than $10,000,000 in aggregate amount of bonds outstanding and no person is committed by contract or other arrangement with respect to payment of the Bonds; accordingly, in the Bond Order, the District has made the following agreement for the benefit of the registered 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 financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board ("MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain financial information and operating data which is customarily prepared by the District and publicly available annually 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 "APPENDIX A (District's Audited Financial Statements)." The District will provide this information within six months after the end of each fiscal year ending in or after 2022. If audited financial statements are not available when the information is provided, the District will provide audited financial statements when and if they become available and unaudited financial statements with the financial information and operating data/within six months after fiscal year end, unless audited financial statements are sooner provided. 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 may provide updated information in full text or may incorporate by reference documents available on EMMA or filed with the U.S. Securities and Exchange Commission (the "SEC").

The District's current fiscal year end is May 31. Accordingly, it must provide updated information by November 30 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB via EMMA of the change. If the District fails to provide updated information as described above, it will provide timely notice of the failure to the MSRB.

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 material events affecting the tax-exempt status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District 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; (15) incurrence of a financial obligation of the obligated person (as defined by the Rule, which includes certain debt, debt-like, and debt-related obligations), if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide 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. Investors can access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of 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 and beneficial 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 SEC Rule 15c2-12, taking into account any amendments and interpretations of SEC Rule 15c2-12 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 outstanding 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 SEC Rule 15c2-12 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 Initial Purchaser 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 its previous continuing disclosure agreements in accordance with SEC Rule 15c2-12, with the exception of the following. Due to an administrative oversight, the District failed to timely file its annual financial and operating reports for the fiscal years ending May 31, 2017 and May 31, 2018. Event notices and audits were filed on April 19, 2019 and May 31, 2019, respectively. In addition, the District failed to timely file its annual financial and operating report for the fiscal year ending May 31, 2021. The financial and operating report and audit were filed on April 18, 2022 along with a notice of late filing. The District has instituted procedures to avoid such administrative oversights in the future.

MISCELLANEOUS

All estimates, statements and assumptions in this Official Statement and the Appendix 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.

This Official Statement was approved by the Board of Directors of Harris County Municipal Utility District No. 152, as of the date shown on the cover page.

/s/ Ernest Bezdek
President, Board of Directors

ATTEST:

/s/ Curtis W. McMinn
Secretary, Board of Directors

AERIAL PHOTOGRAPH

(Approximate boundaries as of March 2022)


F.M. 1960
Harris County Municipal
Utility District No. 152
Atascocita Rd.
West Lake Houston Pkwy.
N

PHOTOGRAPHS

The following photographs were taken in the District in March 2022 solely to illustrate the type of improvements existing in the District. The District cannot predict if additional improvements will be constructed in the future.


Fountainwood
AT LAKE HOUSTON
LUXURY SENIOR LIVING
FIRE LANE
NO PARKING


Michaels
the arts and crafts store
BEST BUY


BERKELEY
EYE CENTER


PEPBOYS AUTO
SERVICE & TIRES
PEPBOYS AUTO
SERVICE & TIRES


LOUISIANA KITCHEN
POPEYES
10PC BUNDLE
2 LG SIDES & 5 BISC
Michaels
EMERGENCY ROOM
NUGGETS
POPEYES
LOUISIANA KITCHEN

APPENDIX A

District Audited Financial Statements for the fiscal year ended May 31, 2021

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

MAY 31, 2021

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

MAY 31, 2021

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McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harris County Municipal
Utility District No. 152
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. 152 (the "District"), as of and for the year ended May 31, 2021, 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. 152

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 May 31, 2021, 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

August 25, 2021

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2021

Management's discussion and analysis of Harris County Municipal Utility District No. 152's (the "District") financial performance provides an overview of the District's financial activities for the year ended May 31, 2021. 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. Evaluation of the overall 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 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, operating 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"). The 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, assets exceeded liabilities and deferred inflows of resources by $10,669,760 as of May 31, 2021. A portion of the District's net position reflects its net investment in capital assets (land and the water, wastewater and drainage facilities as well as the District's capacity interest in the Atascocita joint facilities, less any debt used to acquire those assets that is still outstanding). The following is a comparative analysis of government-wide changes in net position:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Summary of Changes in the Statement of Net Position

	2021	2020	Change Positive (Negative)
Current and Other Assets	$ 6,028,706	$ 5,872,689	$ 156,017
Capital Assets (Net of Accumulated Depreciation)	10,182,802	10,620,640	(437,838)
Total Assets	$ 16,211,508	$ 16,493,329	$ (281,821)
Bonds Payable	$ 5,193,979	$ 6,156,481	$ 962,502
Other Liabilities	266,260	287,497	21,237
Total Liabilities	$ 5,460,239	$ 6,443,978	$ 983,739
Deferred Inflows of Resources	$ 81,509	$ 97,269	$ 15,760
Net Position:			
Net Investment in Capital Assets	$ 4,907,314	$ 4,366,890	$ 540,424
Restricted	1,513,590	1,523,022	(9,432)
Unrestricted	4,248,856	4,062,170	186,686
Total Net Position	$ 10,669,760	$ 9,952,082	$ 717,678

The following table provides a summary of the District's operations for the years ended May 31, 2021, and May 31, 2020.

Summary of Changes in the Statement of Activities

	2021	2020	Change Positive (Negative)
Revenues:			
Property Taxes	$ 1,599,717	$ 1,535,835	$ 63,882
Charges for Services	1,936,067	1,930,905	5,162
Other Revenues	294,123	282,746	11,377
Total Revenues	$ 3,829,907	$ 3,749,486	$ 80,421
Expenses for Services	3,112,229	3,190,837	78,608
Change in Net Position	$ 717,678	$ 558,649	$ 159,029
Net Position, Beginning of Year	9,952,082	9,393,433	558,649
Net Position, End of Year	$ 10,669,760	$ 9,952,082	$ 717,678

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of May 31, 2021, were $5,748,435, an increase of $172,920 from the prior year.

The General Fund fund balance increased by $186,252, primarily due to service revenues, property tax revenues, and sales tax revenues exceeding operating and administrative expenditures.

The Debt Service Fund fund balance decreased by $13,332, primarily due to the structure of the District's outstanding debt requirements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District adopted an unappropriated budget for the current fiscal year. The General Fund budget was amended to increase the budgeted amounts for property tax revenues and investment revenues along with increasing the budgeted amount for contracted services, purchased wastewater service, and repairs and maintenance costs while decreasing the budgeted amounts for several categories of expenditures. Actual revenues were $156,110 more than budgeted revenues and actual expenditures were $58,099 less than budgeted expenditures which resulted in a positive variance of $214,209. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of May 31, 2021, total $10,182,802 (net of accumulated depreciation) and include land and the District's capacity interest in joint facilities as well as the water, wastewater and drainage systems. Significant current year capital costs include the sanitary sewer rehabilitation project.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2021	2020	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 196,101	$ 196,101	$
Capital Assets, Net of Accumulated Depreciation:			
Water System	3,075,600	3,259,058	(183,458)
Wastewater System	2,633,868	2,660,720	(26,852)
Drainage System	3,323,670	3,499,770	(176,100)
Capacity Interest in Joint Facilities	953,563	1,004,991	(51,428)
Total Net Capital Assets	$ 10,182,802	$ 10,620,640	$ (437,838)

LONG-TERM DEBT ACTIVITY

At year end, the District had total bond debt payable of $5,000,000. The changes in the debt position of the District during the year ended May 31, 2021, are summarized as follows:

Bond Debt Payable, June 1, 2020	$ 5,925,000
Less: Bond Principal Paid	925,000
Bond Debt Payable, May 31, 2021	$ 5,000,000

The District carries an underlying rating of "A+" by Standards and Poor's Rating Agency. The 2010, 2012 and 2019 bonds carry insured ratings of "AA" by virtue of bond insurance issued by Assured Guaranty Municipal. The ratings above reflect any changes through May 31, 2021.

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. 152, c/o Norton Rose Fulbright US L.L.P., 1301 McKinney Avenue, Suite 5100, Houston, TX 77010-3095.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
MAY 31, 2021

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 2,549,491	$ 1,532,737
Investments	1,267,099	
Receivables:		
Property Taxes	11,063	39,685
Penalty and Interest on Delinquent Taxes		
Service Accounts	175,265	
Accrued Interest	3,511	
City of Houston	64,733	
Due from Other Funds	10,227	
Prepaid Costs	93,332	
Due from Other Governmental Units	85,603	
Advance for Wastewater Pump Station and Force Main	2,176	
Wastewater Treatment Facilities Operating Advance	189,508	
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 4,452,008	$ 1,572,422

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

Total	Adjustments	Statement of Net Position
$ 4,082,228	$	$ 4,082,228
1,267,099		1,267,099
50,748		50,748
	14,503	14,503
175,265		175,265
3,511		3,511
64,733		64,733
10,227	(10,227)	
93,332		93,332
85,603		85,603
2,176		2,176
189,508		189,508
	196,101	196,101
	9,986,701	9,986,701
$ 6,024,430	$ 10,187,078	$ 16,211,508

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
MAY 31, 2021

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	$ 58,053	$ 11,868
Accrued Interest Payable		
Due to Other Funds		10,227
Security Deposits	145,099	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 203,152	$ 22,095
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 11,063	$ 39,685
Deferred Charges on Refunding Bonds		
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 11,063	$ 39,685
FUND BALANCES		
Nonspendable:		
Prepaid Costs	$ 93,332	$
Operating Advances	191,684	
Restricted for Debt Service		1,510,642
Unassigned	3,952,777	
TOTAL FUND BALANCES	$ 4,237,793	$ 1,510,642
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 4,452,008	$ 1,572,422
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
$ 69,921	$	$ 69,921
	51,240	51,240
10,227	(10,227)	
145,099		145,099
	960,000	960,000
	4,233,979	4,233,979
$ 225,247	$ 5,234,992	$ 5,460,239
$ 50,748	$ (50,748)	$
	81,509	81,509
$ 50,748	$ 30,761	$ 81,509
$ 93,332	$ (93,332)	$
191,684	(191,684)	
1,510,642	(1,510,642)	
3,952,777	(3,952,777)	
$ 5,748,435	$ (5,748,435)	$ -0-
$ 6,024,430		
	$ 4,907,314	$ 4,907,314
	1,513,590	1,513,590
	4,248,856	4,248,856
	$ 10,669,760	$ 10,669,760

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
MAY 31, 2021

Total Fund Balances - Governmental Funds		$ 5,748,435
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Deferred charges on refunding bonds are systematically charged to interest expense over the remaining life of the new debt or the old debt, whichever is shorter.		(81,509)
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		10,182,802
Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2020 and prior tax levies became part of recognized revenue in the governmental activities of the District.		65,251
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	$ (51,240)	
Bonds Payable	(5,193,979)	(5,245,219)
Total Net Position - Governmental Activities		$ 10,669,760

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

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MAY 31, 2021

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 473,598	$ 1,130,604
Water Service	647,909	
Wastewater Service	412,943	
Water Authority Fees	770,464	
Penalty and Interest	19,203	11,700
Tap Connection and Inspection Fees	72,791	
Sales Tax Revenues	245,778	
Investment and Miscellaneous Revenues	47,424	921
TOTAL REVENUES	$ 2,690,110	$ 1,143,225
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 114,022	$ 3,641
Contracted Services	609,911	48,413
Purchased Wastewater Service	281,112	
Utilities	78,682	
Repairs and Maintenance	342,544	
Water Authority Assessments	850,859	
Depreciation		
Other	140,125	14,140
Capital Outlay	86,603	
Debt Service:		
Bond Principal		925,000
Bond Interest		165,363
TOTAL EXPENDITURES/EXPENSES	$ 2,503,858	$ 1,156,557
NET CHANGE IN FUND BALANCES	$ 186,252	$ (13,332)
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JUNE 1, 2020	4,051,541	1,523,974
FUND BALANCES/NET POSITION - MAY 31, 2021	$ 4,237,793	$ 1,510,642

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

Total	Adjustments	Statement of Activities
$ 1,604,202	$ (4,485)	$ 1,599,717
647,909		647,909
412,943		412,943
770,464		770,464
30,903	1,057	31,960
72,791		72,791
245,778		245,778
48,345		48,345
$ 3,833,335	$ (3,428)	$ 3,829,907
$ 117,663	$	$ 117,663
658,324		658,324
281,112		281,112
78,682		78,682
342,544		342,544
850,859		850,859
	524,441	524,441
154,265		154,265
86,603	(86,603)	
925,000	(925,000)	
165,363	(61,024)	104,339
$ 3,660,415	$ (548,186)	$ 3,112,229
$ 172,920	$ (172,920)	$
	717,678	717,678
5,575,515	4,376,567	9,952,082
$ 5,748,435	$ 4,921,325	$ 10,669,760

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2021

Net Change in Fund Balances - Governmental Funds	$	172,920
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.		(4,485)
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.		1,057
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.		(524,441)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		86,603
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.		925,000
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.		61,024
Change in Net Position - Governmental Activities	$	717,678

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2021

NOTE 1. CREATION OF DISTRICT

Harris County Municipal Utility District No. 152 was created effective December 29, 1976, by an Order of the Texas Water Rights Commission, presently known as the Texas Commission on Environmental Quality (the "Commission"). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, 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 subject to certain regulatory approvals, 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 March 28, 1977, and the first bonds were sold on March 6, 1979.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying 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 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. See Note 9 for information concerning the District's participation in a regional sewage treatment plant.

<u>Financial Statement Presentation</u>

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:

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- 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 assets 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.

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 funds, if any, are eliminated by adjustment to obtain net total revenue and expense 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 financial statements. The fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Governmental Funds

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

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

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. As of May 31, 2021, the Debt Service Fund owed the General Fund $10,227 for maintenance tax collections.

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 cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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 other costs are capitalized as part of the asset. Assets are capitalized, including infrastructure assets, if they have an original cost greater than $10,000 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:

	Years
Water System	10-45
Wastewater System	10-45
Drainage System	10-45

Budgeting

In compliance with governmental accounting principles, the Board of Directors annually adopts an unappropriated budget for the General Fund. The budget is prepared using the same method of accounting as for financial reporting. The budget was amended during the current fiscal year. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and revised 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 has determined that fees of office received by Directors are considered to be wages subject to federal income tax withholding for 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Fund balances in governmental funds using the following hierarchy:

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

	Refunding Series 2010	Refunding Series 2012	Refunding Series 2019
Amount Outstanding – May 31, 2021	$ 365,000	$ 585,000	$ 4,050,000
Interest Rates	3.375%	4.00%	2.00% - 3.00%
Maturity Dates – Serially Beginning/Ending	August 1, 2021	August 1, 2021	August 1, 2021/2026
Interest Payment Dates	August 1/ February 1	August 1/ February 1	August 1/ February 1
Callable Dates	August 1, 2019*	August 1, 2019*	August 1, 2025*

* Or any date thereafter, callable at the principal amount plus accrued interest from the date of the most recent interest payment date to the date fixed for redemption.

The following is a summary of transactions regarding bonds payable for the year ended May 31, 2021:

	June 1, 2020	Additions	Retirements	May 31, 2021
Bonds Payable	$ 5,925,000	$	$ 925,000	$ 5,000,000
Unamortized Premiums	231,481		37,502	193,979
Bonds Payable, Net	$ 6,156,481	$ -0-	$ 962,502	$ 5,193,979

Amount Due Within One Year	$ 960,000
Amount Due After One Year	4,233,979
Bonds Payable, Net	$ 5,193,979

As of May 31, 2021, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2022	$ 960,000	$ 135,709	$ 1,095,709
2023	945,000	103,525	1,048,525
2024	930,000	75,400	1,005,400
2025	910,000	47,800	957,800
2026	905,000	20,575	925,575
2027	350,000	3,500	353,500
	$ 5,000,000	$ 386,509	$ 5,386,509

NOTE 3. LONG-TERM DEBT (Continued)

As of May 31, 2021, the District had authorized but unissued bonds in the amount of $21,525,000 for utility facilities and $26,190,000 for refunding purposes. 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 May 31, 2021, the District levied an ad valorem debt service tax rate of $0.19 per $100 of assessed valuation, which resulted in a tax levy of $1,122,910 on the adjusted taxable valuation of $591,009,461 for the 2020 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.

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 the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data to certain information repositories. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year shall continue to be provided through the life of the bonds.

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 the five-year anniversary of the issue.

NOTE 5. DEPOSITS AND INVESTMENTS

<u>Deposits</u>

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. 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

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

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 $5,349,327 and the bank balance was $5,571,751. 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 May 31, 2021, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	$ 2,549,491	$ 1,267,099	$ 3,816,590
DEBT SERVICE FUND	1,532,737		1,532,737
TOTAL DEPOSITS	$ 4,082,228	$ 1,267,099	$ 5,349,327

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. As of May 31, 2021, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
Certificates of Deposit	$ 1,267,099	$ 1,267,099

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District records its investments in certificates of deposit at acquisition cost. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District manages credit risk by investing in certificates of deposit with balances below FDIC insurance. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages interest rate risk by investing in certificates of deposit with maturities of less than one year.

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 year ended May 31, 2021 is as follows:

	June 1, 2020	Increases	Decreases	May 31, 2021
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 196,101	$ - 0 -	$ - 0 -	$ 196,101
Capital Assets Subject to Depreciation				
Water System	$ 6,659,400	$	$	$ 6,659,400
Wastewater System	5,125,490	86,603		5,212,093
Drainage System	7,934,251			7,934,251
Capacity Interest in Joint Facilities	3,098,123			3,098,123
Total Capital Assets Subject to Depreciation	$ 22,817,264	$ 86,603	$ - 0 -	$ 22,903,867
Accumulated Depreciation				
Water System	$ 3,400,342	$ 183,458	$	$ 3,583,800
Wastewater System	2,464,770	113,455		2,578,225
Drainage System	4,434,481	176,100		4,610,581
Capacity Interest in Joint Facilities	2,093,132	51,428		2,144,560
Total Accumulated Depreciation	$ 12,392,725	$ 524,441	$ - 0 -	$ 12,917,166
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 10,424,539	$ (437,838)	$ - 0 -	$ 9,986,701
Total Capital Assets, Net of Accumulated Depreciation	$ 10,620,640	$ (437,838)	$ - 0 -	$ 10,182,802

NOTE 7. MAINTENANCE TAX

On April 1, 1978, the voters of the District approved the levy and collection of a maintenance tax of not more than $1.00 per $100 of assessed valuation of taxable property within the District. A maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and wastewater system. During the year ended May 31, 2021, the District levied an ad valorem maintenance tax rate of $0.08 per $100 of assessed valuation, which resulted in a tax levy of $472,804 on the adjusted taxable valuation of $591,009,461 for the 2020 tax year.

NOTE 8. EMERGENCY WATER SUPPLY CONTRACTS

On February 16, 1982, the District entered into an Interim and Emergency Water Supply contract with Harris County Municipal Utility District No. 153 (District No. 153). This agreement was amended on August 8, 1983, October 15, 1985, February 10, 1992 and November 17, 1999.

On September 15, 2004, the District entered into an Amended and Restated Water Supply Contract with District No. 153. The contract was amended on December 18, 2013. The District will charge $1.00 per 1,000 gallons of water plus a pumpage fee for emergency water service. This contract also states the District will continue to supply water to District No. 153 sufficient to serve the Atascocita Middle School at the rates for customers in the District. The term of this agreement is 40 years, but may be terminated by either district giving 180 days' notice of termination.

On May 4, 1987, the District entered into a contract with Harris County Municipal Utility District No. 132 (District No. 132) to provide emergency water supply services. The districts jointly operate and maintain the interconnect facilities. The amendment dated March 20, 2014, enables the district providing emergency water service for more than five days to either bill the receiving district at the out-of-district water service rate or to receive repayment in kind. For the first five days the water is required to be repaid in-kind. The agreement has been extended to June 1, 2037.

NOTE 9. JOINT SEWAGE TREATMENT OPERATIONS

Harris County Municipal Utility District Nos. 46, 106, 109, 132, 151, 152 and 153 previously entered into a Waste Disposal Contract to operate and maintain a regional sewage treatment plant to serve surrounding areas. The agreement calls for each district to pay its pro rata share of operating costs of the plant based upon a budget of the estimated costs. The agreement provides for the establishment of a Joint Operations Board. The Joint Operations Board is responsible for adopting of a budget for both Exhibit B and C costs for the fiscal year June 1 through May 31 and determining the rates to be charged based upon the expected operating budgets. Exhibit B costs are insurance and maintenance of the plant and Exhibit C costs are costs related to the operation of the plant.

NOTE 9. JOINT SEWAGE TREATMENT OPERATIONS (Continued)

On December 1, 2012, the participants in the plant executed a Fourth Amended and Restated Waste Disposal Contract whereby certain participants agreed to sell and assign capacity to Harris County Municipal Utility District No. 494 (District No. 494). The term of the agreement ends August 1, 2048.

The participants, with the exception of District No. 109, entered into a separate Sanitary Sewer Line Contract to transport waste from the participating districts to the plant. The term of this agreement remains in effect so long as the Waste Disposal Contract is in effect. On December 1, 2012, the participants executed an amended Sanitary Sewer Line Contract which provides for the participants to sell capacity in the line to District No. 494.

As of May 31, 2021, the District's advance for operation and maintenance of the regional sewage treatment plant was $189,508 and the District recorded a total of $281,112 for its share of operating costs of the plant.

The following summary financial data of the Atascocita Central Plant is presented for the fiscal year ended May 31, 2021. A copy of the financial statements for the plant can be obtained by contacting Norton Rose Fulbright US L.L.P. at 1301 McKinney, Suite 5100, Houston, Texas 77010-3095.

	Joint Venture
Total Assets	$ 1,988,291
Total Liabilities	669,341
Total Fund Balance	$ 1,318,950
Total Revenues	$ 1,977,664
Total Expenditures	1,977,664
Excess Revenues (Expenditures)	$ -0-
Other Financing Sources (Uses)	
Reserve Adjustment	$ 42,750
Net Change in Fund Balance	$ 42,750
Fund Balance, Beginning of Year	1,276,200
Fund Balance, End of Year	$ 1,318,950

NOTE 10. AGREEMENT FOR CONSTRUCTION, MAINTENANCE, SALE AND LEASE OF WASTEWATER PUMP STATION, FORCE MAIN AND SITE

On March 11, 1983, the District entered into an agreement with Harris County Municipal Utility District No. 153 to acquire, construct, operate and maintain a wastewater pump station and force main for the transportation of waste from the land within their boundaries to the Atascocita Central Sewage Treatment Plant. This agreement was amended on June 14, 2006. Under the terms of the agreement, each district agrees to pay its pro-rata share of the construction costs. District No. 153 will operate and maintain the facilities and each district will pay its pro-rata share of operating and maintenance costs. The term of the agreement is 40 years. As of May 31, 2021, the District's advance for operations and maintenance was $2,176.

NOTE 11. GROUNDWATER REDUCTION PLAN PARTICIPATION AGREEMENT

On April 30, 2002, the District entered into a Groundwater Reduction Plan Participation Agreement with the West Harris County Regional Water Authority (the "Authority"). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 1842 (the "Act"), as passed by the 77th Texas Legislature, in 2001. The Act empowers the Authority for purposes including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, recharge, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, and the control of subsidence caused by withdrawal of water from those groundwater reservoirs or their subdivisions. The term of this agreement is 40 years.

The District agrees to pay the Authority a water well pumpage fee, based on the amount of water pumped from all well(s) owned and operated by the District. This fee will enable the Authority to fulfill its purpose and regulatory functions. The current fee charged is $3.45 per 1,000 gallons of water pumped from each well. During the current year, the District paid pumpage fees of $850,859.

NOTE 12. 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. The District carries commercial insurance for its fidelity bonds and participates in the Texas Municipal League Intergovernmental Risk Pool (TML) to provide property, general liability, automobile, boiler and machinery, errors and omissions and workers compensation coverage. The District, along with other participating entities, contributes annual amounts determined by TML's management. As claims arise they are submitted and paid by TML. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 13. STRATEGIC PARTNERSHIP AGREEMENT

The District entered into a Strategic Partnership Agreement with the City of Houston, Texas. The Agreement provides that in accordance with Subchapter F of Chapter 43 of the Local Government Code and Act, the City shall annex a tract of land defined as the "Tract" for the limited purposes of applying the City's Planning, Zoning, Health, and Safety Ordinances within the Tract within the boundaries of the District. The District will continue to develop, to own, and to operate and maintain a water, wastewater, and drainage system in the District.

The City imposes a Sales and Use Tax within the boundaries of the Tract on the receipts from the sale and use at retail of taxable items at the rate of one percent or the rate specified under the future amendments to Chapter 321 of the Tax Code. The City pays the District one-half of all Sales and Use Tax revenues generated within the boundaries of the Tract within 30 days of the City receiving the funds from the State Comptroller's office.

The City agrees that it will not annex the District for full purposes or commence any action to annex the District for full purposes during the term of this Agreement. The term of this Agreement is 30 years from is effective date. During the year ended May 31, 2021, the District received $245,778 in sales tax revenues, of which $64,733 was recorded as a receivable at year-end.

NOTE 14. ECONOMIC UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. Since that time, the District has not experienced any decrease in property values, unusual tax delinquencies, or interruptions to service as a result of COVID-19. The District will continue to carefully monitor the situation and evaluate the financial statement impact, if any, that results from the pandemic.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152

REQUIRED SUPPLEMENTARY INFORMATION

MAY 31, 2021

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED MAY 31, 2021

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Taxes	$ 377,000	$ 456,000	$ 473,598	$ 17,598
Water Service	700,000	700,000	647,909	(52,091)
Wastewater Service	400,000	400,000	412,943	12,943
Water Authority Fees	755,000	755,000	770,464	15,464
Penalty and Interest	35,000	35,000	19,203	(15,797)
Tap Connection and Inspection Fees	8,000	8,000	72,791	64,791
Sales Tax Revenues	150,000	150,000	245,778	95,778
Investment and Miscellaneous Revenues	25,000	30,000	47,424	17,424
TOTAL REVENUES	$ 2,450,000	$ 2,534,000	$ 2,690,110	$ 156,110
EXPENDITURES				
Service Operations:				
Professional Fees	$ 97,250	$ 97,250	$ 114,022	$ (16,772)
Contracted Services	587,324	591,859	609,911	(18,052)
Purchased Wastewater Service	280,000	374,865	281,112	93,753
Utilities	68,000	68,000	78,682	(10,682)
Water Authority Assessments	820,000	820,000	850,859	(30,859)
Repairs/Maintenance/Capital Outlay	450,000	463,300	429,147	34,153
Other	198,983	146,683	140,125	6,558
TOTAL EXPENDITURES	$ 2,501,557	$ 2,561,957	$ 2,503,858	$ 58,099
NET CHANGE IN FUND BALANCE	$ (51,557)	$ (27,957)	$ 186,252	$ 214,209
FUND BALANCE - JUNE 1, 2020	4,051,541	4,051,541	4,051,541	
FUND BALANCE - MAY 31, 2021	$ 3,999,984	$ 4,023,584	$ 4,237,793	$ 214,209

See accompanying independent auditor’s report.

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HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

MAY 31, 2021

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2021

1. SERVICES PROVIDED BY THE DISTRICT DURING THE FISCAL YEAR:

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

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 5/8" METER (OR EQUIVALENT):

Based on the rate order approved May 26, 2021.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$ 17.00	8,000	N	$ 1.50	8,001 to 20,000
				$ 1.75	20,001 and up
WASTEWATER:	$ 13.00		Y		
SURCHARGE: Water Authority Fees			N	$ 3.59	0,001 and up

District employs winter averaging for wastewater usage? ____ Yes   X No

Total monthly charges per 10,000 gallons usage: Water: $20.00 Wastewater: $13.00 Surcharge: $35.90 Total: $68.90

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"	2,394	2,380	x 1.0	2,380
1"	18	17	x 2.5	43
1½"	12	12	x 5.0	60
2"	38	38	x 8.0	304
3"	1	1	x 15.0	15
4"	3	3	x 25.0	75
6"			x 50.0	
8"	2	2	x 80.0	160
10"			x 115.0	
Total Water Connections	2,468	2,453		3,037
Total Wastewater Connections	2,436	2,422	x 1.0	2,422

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

Gallons pumped into system:	252,661,000	Water Accountability Ratio: 93.7% (Gallons billed and sold/Gallons pumped)
Gallons billed to customers:	235,660,000	
Gallons sold:	1,200,000	To: Harris County Municipal Utility District No. 153

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
SERVICES AND RATES
FOR THE YEAR ENDED MAY 31, 2021

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 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 extraterritorial jurisdiction (ETJ)?

Entirely X Partly _______ Not at all _____

ETJ in which District is located:

City of Houston, Texas

Are Board Members appointed by an office outside the District?

Yes _____ No X

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED MAY 31, 2021

PROFESSIONAL FEES:		
Auditing	$	15,750
Engineering		38,234
Legal		60,038
TOTAL PROFESSIONAL FEES	$	114,022
PURCHASED WASTEWATER SERVICE	$	281,112
CONTRACTED SERVICES:		
Bookkeeping	$	17,915
Operations and Billing		153,957
Security		438,039
TOTAL CONTRACTED SERVICES	$	609,911
UTILITIES	$	78,682
REPAIRS AND MAINTENANCE	$	342,544
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes	$	17,808
Insurance		18,571
Office Supplies and Postage		25,669
Travel, Meetings, Website, Miscellaneous		19,392
TOTAL ADMINISTRATIVE EXPENDITURES	$	81,440
CAPITAL OUTLAY	$	86,603
TAP CONNECTIONS	$	8,440
OTHER EXPENDITURES:		
Chemicals	$	14,863
Laboratory Fees		5,370
Permit Fees		5,961
Inspection Fees		18,905
Water Authority Assessments		850,859
Regulatory Assessment		5,146
TOTAL OTHER EXPENDITURES	$	901,104
TOTAL EXPENDITURES	$	2,503,858

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
INVESTMENTS
MAY 31, 2021

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
Certificate of Deposit	XXXX8829	0.45%	09/10/21	$ 241,795	$ 784
Certificate of Deposit	XXXX7218	0.75%	09/01/21	109,863	614
Certificate of Deposit	XXXX0809	0.70%	09/10/21	246,687	1,244
Certificate of Deposit	XXXX2127	0.55%	12/23/21	214,666	514
Certificate of Deposit	XXXX6254	0.20%	08/28/21	214,088	109
Certificate of Deposit	XXXX3741	0.45%	03/09/22	240,000	246
TOTAL GENERAL FUND				$ 1,267,099	$ 3,511

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MAY 31, 2021

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
JUNE 1, 2020	$ 10,629		$ 44,604	
Adjustments to Beginning Balance	1,228	$ 11,857	2,775	$ 47,379
Original 2020 Tax Levy	$ 426,970		$ 1,014,054	
Adjustment to 2020 Tax Levy	45,834	472,804	108,856	1,122,910
TOTAL TO BE ACCOUNTED FOR		$ 484,661		$ 1,170,289
TAX COLLECTIONS:				
Prior Years	$ 7,475		$ 23,561	
Current Year	466,123	473,598	1,107,043	1,130,604
TAXES RECEIVABLE - MAY 31, 2021		$ 11,063		$ 39,685
TAXES RECEIVABLE BY YEAR:				
2020		$ 6,681		$ 15,867
2019		1,386		4,161
2018		582		2,678
2017		710		3,408
2016		519		2,700
2015		215		1,245
2014		262		1,621
2013		148		1,224
2012		106		682
2011		116		808
2010		92		831
2009 and prior		246		4,460
TOTAL		$ 11,063		$ 39,685

See accompanying independent auditor’s report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152

TAXES LEVIED AND RECEIVABLE

FOR THE YEAR ENDED MAY 31, 2021

	2020	2019	2018	2017
PROPERTY VALUATIONS:				
Land	$ 142,950,566	$ 116,600,831	$ 113,051,379	$ 107,238,621
Improvements	529,418,284	512,125,801	478,871,344	475,232,657
Personal Property	17,058,409	16,671,980	16,175,132	16,931,863
Exemptions	(98,417,798)	(95,789,486)	(87,602,229)	(85,475,860)
TOTAL PROPERTY VALUATIONS	$ 591,009,461	$ 549,609,126	$ 520,495,626	$ 513,927,281
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.19	$ 0.21	$ 0.23	$ 0.24
Maintenance	0.08	0.07	0.05	0.05
TOTAL TAX RATES PER $100 VALUATION	$ 0.27	$ 0.28	$ 0.28	$ 0.29
ADJUSTED TAX LEVY*	$ 1,595,714	$ 1,538,894	$ 1,457,376	$ 1,490,377
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	98.59 %	99.64 %	99.78 %	99.72 %

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

Maintenance Tax – Maximum tax rate of $1.00 per $100 of assessed valuation approved by voters on April 1, 1978.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152

LONG-TERM DEBT SERVICE REQUIREMENTS

MAY 31, 2021

	SERIES - 2010 REFUNDING		
Due During Fiscal Years Ending May 31	Principal Due August 1	Interest Due August 1/ February 1	Total
2022	$ 365,000	$ 6,159	$ 371,159
2023			
2024			
2025			
2026			
2027			
	$ 365,000	$ 6,159	$ 371,159

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2021

	SERIES-2012 REFUNDING		
Due During Fiscal Years Ending May 31	Principal Due August 1	Interest Due August 1/ February 1	Total
2022	$ 585,000	$ 11,700	$ 596,700
2023			
2024			
2025			
2026			
2027			
	$ 585,000	$ 11,700	$ 596,700

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2021

	SERIES-2019 REFUNDING		
Due During Fiscal Years Ending May 31	Principal Due August 1	Interest Due August 1/ February 1	Total
2022	$ 10,000	$ 117,850	$ 127,850
2023	945,000	103,525	1,048,525
2024	930,000	75,400	1,005,400
2025	910,000	47,800	957,800
2026	905,000	20,575	925,575
2027	350,000	3,500	353,500
	$ 4,050,000	$ 368,650	$ 4,418,650

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
LONG-TERM DEBT SERVICE REQUIREMENTS
MAY 31, 2021

	ANNUAL REQUIREMENTS FOR ALL SERIES		
Due During Fiscal Years Ending May 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2022	$ 960,000	$ 135,709	$ 1,095,709
2023	945,000	103,525	1,048,525
2024	930,000	75,400	1,005,400
2025	910,000	47,800	957,800
2026	905,000	20,575	925,575
2027	350,000	3,500	353,500
	$ 5,000,000	$ 386,509	$ 5,386,509

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED MAY 31, 2021

Description	Original Bonds Issued	Bonds Outstanding June 1, 2020
Harris County Municipal Utility District No. 152 Unlimited Tax Refunding Bonds - Series 2010	$ 4,360,000	$ 740,000
Harris County Municipal Utility District No. 152 Unlimited Tax Refunding Bonds - Series 2012	7,630,000	1,125,000
Harris County Municipal Utility District No. 152 Unlimited Tax Refunding Bonds - Series 2019	4,060,000	4,060,000
TOTAL	$ 16,050,000	$ 5,925,000

Bond Authority:	Tax Bonds	Refunding Bonds
Amount Authorized by Voters	$ 44,955,000	$ 26,605,000
Amount Issued	23,430,000	415,000
Remaining to be Issued	$ 21,525,000	$ 26,190,000

Debt Service Fund cash balances as of May 31, 2021:	$ 1,532,737
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 897,752

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

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements			
Bonds Sold	Principal	Interest	Bonds Outstanding May 31, 2021	Paying Agent
$	$ 375,000	$ 18,413	$ 365,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	540,000	28,800	585,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	10,000	118,150	4,050,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
$ - 0 -	$ 925,000	$ 165,363	$ 5,000,000	

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2021	2020	2019
REVENUES			
Property Taxes	$ 473,598	$ 381,827	$ 256,511
Water Service	647,909	521,915	422,584
Wastewater Service	412,943	408,063	410,942
Water Authority Fees	770,464	735,627	641,032
Penalty and Interest	19,203	22,455	24,549
Tap Connection and Inspection Fees	72,791	225,949	65,502
Sales Tax Revenues	245,778	208,952	349,642
Sale of Capacity			129,354
Investment and Miscellaneous Revenues	47,424	70,677	38,027
TOTAL REVENUES	$ 2,690,110	$ 2,575,465	$ 2,338,143
EXPENDITURES			
Professional Fees	$ 114,022	$ 115,590	$ 109,505
Contracted Services	609,911	263,370	124,932
Purchased Wastewater Service	281,112	273,726	288,905
Utilities	78,682	67,134	64,555
Repairs and Maintenance	342,544	531,610	495,335
Water Authority Assessments	850,859	803,463	726,166
Other	140,125	250,792	162,380
Capital Outlay	86,603	111,338	164,074
Bond Principal			
Bond Interest			
TOTAL EXPENDITURES	$ 2,503,858	$ 2,417,023	$ 2,135,852
NET CHANGE IN FUND BALANCE	$ 186,252	$ 158,442	$ 202,291
BEGINNING FUND BALANCE	4,051,541	3,893,099	3,690,808
ENDING FUND BALANCE	$ 4,237,793	$ 4,051,541	$ 3,893,099

See accompanying independent auditor's report.

2018	2017	Percentage of Total Revenues 2021	2020	2019	2018	2017
$ 253,913	$ 248,377	17.6 %	14.8 %	11.0 %	11.0 %	11.0 %
441,259	451,150	24.1	20.3	18.1	18.9	20.0
413,829	405,667	15.4	15.8	17.6	17.7	18.0
642,855	606,565	28.6	28.6	27.4	27.6	26.9
28,816	32,931	0.7	0.9	1.0	1.2	1.5
28,440	8,180	2.7	8.8	2.8	1.2	0.4
375,637	361,171	9.1	8.1	15.0	16.1	16.0
112,776	108,964			5.5	4.8	4.8
34,868	31,164	1.8	2.7	1.6	1.5	1.4
$ 2,332,393	$ 2,254,169	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 78,942	$ 58,088	4.2 %	4.5 %	4.7 %	3.4 %	2.6 %
105,719	107,095	22.7	10.2	5.3	4.5	4.8
266,096	196,234	10.4	10.6	12.4	11.4	8.7
47,565	104,526	2.9	2.6	2.8	2.0	4.6
285,933	304,375	12.7	20.6	21.2	12.3	13.5
726,124	696,539	31.6	31.2	31.1	31.1	30.9
143,273	103,489	5.2	9.7	6.9	6.1	4.6
193,038		3.2	4.3	7.0	8.3	
	1,130,000					50.1
	18,204					0.8
$ 1,846,690	$ 2,718,550	92.9 %	93.7 %	91.4 %	79.1 %	120.6 %
$ 485,703	$ (464,381)	7.1 %	6.3 %	8.6 %	20.9 %	(20.6) %
3,205,105	3,669,486					
$ 3,690,808	$ 3,205,105					

See accompanying independent auditor’s report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2021	2020	2019
REVENUES			
Property Taxes	$ 1,130,604	$ 1,152,091	$ 1,180,490
Penalty and Interest	11,700	15,088	11,129
Investment and Miscellaneous Revenues	921	3,117	3,124
TOTAL REVENUES	$ 1,143,225	$ 1,170,296	$ 1,194,743
EXPENDITURES			
Tax Collection Expenditures	$ 64,194	$ 64,188	$ 61,742
Debt Service Principal	925,000	935,000	925,000
Debt Service Interest and Fees	167,363	202,056	254,775
Bond Issuance Costs		155,349	
TOTAL EXPENDITURES	$ 1,156,557	$ 1,356,593	$ 1,241,517
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (13,332)	$ (186,297)	$ (46,774)
OTHER FINANCING SOURCES (USES)			
Proceeds from Issuance of Long-Term Debt	$	$ 4,060,000	$
Payment to Refunded Bond Escrow Agent		(4,110,174)	
Bond Premium		209,003	
TOTAL OTHER FINANCING SOURCES (USES)	$ - 0 -	$ 158,829	$ - 0 -
NET CHANGE IN FUND BALANCE	(13,332)	(27,468)	(46,774)
BEGINNING FUND BALANCE	1,523,974	1,551,442	1,598,216
ENDING FUND BALANCE	$ 1,510,642	$ 1,523,974	$ 1,551,442
TOTAL ACTIVE RETAIL WATER CONNECTIONS	2,453	2,453	2,453
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	2,422	2,423	2,424

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2018	2017	2021	2020	2019	2018	2017
$ 1,219,255	$ 1,292,773	98.9 %	98.4 %	98.8 %	98.8 %	98.9 %
10,482	13,063	1.0	1.3	0.9	0.9	1.0
3,401	1,745	0.1	0.3	0.3	0.3	0.1
$ 1,233,138	$ 1,307,581	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 62,251	$ 57,255	5.6 %	5.5 %	5.2 %	5.0 %	4.4 %
920,000	990,000	80.9	79.9	77.4	74.6	75.7
276,519	323,693	14.6	17.3	21.3	22.4	24.8
			13.3			
$ 1,258,770	$ 1,370,948	101.1 %	116.0 %	103.9 %	102.0 %	104.9 %
$ (25,632)	$ (63,367)	(1.1) %	(16.0) %	(3.9) %	(2.0) %	(4.9) %
$	$					
$ - 0 -	$ - 0 -					
(25,632)	(63,367)					
1,623,848	1,687,215					
$ 1,598,216	$ 1,623,848					
2,448	2,448					
2,420	2,420					

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MAY 31, 2021

District Mailing Address - Harris County Municipal Utility District No. 152
c/o Norton Rose Fulbright US L.L.P.
1301 McKinney Ave., Suite 5100
Houston, TX 77010-3095

District Telephone Number - (713) 651-5151

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended May 31, 2021	Expense Reimbursements for the year ended May 31, 2021	Title
Charlie Crocker	05/20 – 05/24 (Elected)	$ 1,500	$ -0-	President
Ernest Bezdek	05/20 – 05/24 (Elected)	$ 4,200	$ 132	Vice President
Asdrubal Gutierrez	05/18 – 05/22 (Elected)	$ 3,900	$ -0-	Secretary
Curtis McMinn	11/18 – 05/22 (Appointed)	$ 4,200	$ -0-	Assistant Secretary
Lissette Walker	10/20 – 05/24 (Appointed)	$ 1,500	$ -0-	Assistant Secretary

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

The submission date of the most recent District Registration Form: March 26, 2021

The limit on Fees of Office that a Director may receive during a fiscal year is $7,200 as set by Board Resolution on August 20, 2003. Fees of Office are the amounts actually paid to a Director during the District's current period.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MAY 31, 2021

Consultants:	Date Hired	Fees for the year ended May 31, 2021	Title
Norton Rose Fulbright US L.L.P.	03/28/77	$ 60,038	General Counsel
McCall Gibson Swedlund Barfoot PLLC	08/18/87	$ 15,750	Auditor
Myrtle Cruz, Inc.	1981	$ 20,278	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, LLP	03/20/96	$ 2,681	Delinquent Tax Attorney
IDS Engineering Group	01/20/99	$ 50,386	Engineer
Masterson Advisors LLC	05/23/18	$ -0-	Financial Advisor
Mary Jarmon	05/19/04	$ -0-	Investment Officer
Inframark, LLC	08/01/95	$ 527,132	Operator
Wheeler & Associates, Inc.	02/02/78	$ 47,272	Tax Assessor/ Collector

See accompanying independent auditor's report.

APPENDIX B

Specimen Municipal Bond Insurance Policy

ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

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

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

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

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

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

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

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