OFFICIAL STATEMENT DATED NOVEMBER 15, 2022

IN THE OPINION OF BOND COUNSEL, THE BONDS ARE VALID OBLIGATIONS OF FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215, AND INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION UNDER STATUTES, REGULATIONS, PUBLISHED RULINGS, AND COURT DECISIONS EXISTING ON THE DATE OF SUCH OPINION, SUBJECT TO THE MATTERS DESCRIBED UNDER "LEGAL MATTERS" HEREIN, INCLUDING THE ALTERNATIVE MINIMUM TAX ON CERTAIN CORPORATIONS. SEE "LEGAL MATTERS" HEREIN FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

The Bonds are **not** designated as "qualified tax-exempt obligations" for financial institutions. See "LEGAL MATTERS—Not Qualified Tax-Exempt Obligations."

NEW ISSUE – Book-Entry-Only

Insured Ratings (AGM):	S&P "AA"	
	Moody's "A1"	
Underlying Rating:	Moody's "Baa1"	

See "MUNICIPAL BOND RATING" and "MUNICIPAL BOND INSURANCE."

$5,275,000

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215

(A Political Subdivision of the State of Texas located within Fort Bend County)

UNLIMITED TAX BONDS

SERIES 2022B

Dated: December 1, 2022
Interest Accrual Date: Date of Delivery **Due: September 1, as shown on inside cover**

The $5,275,000 Unlimited Tax Bonds, Series 2022B (the "Bonds"), are obligations of Fort Bend County Municipal Utility District No. 215 (the "District") and are not obligations of the State of Texas; Fort Bend County, Texas; the City of Richmond, Texas; or any entity other than the District. Neither the faith and credit nor the taxing power of the State of Texas; Fort Bend County, Texas; the City of Richmond, Texas; nor any entity other than the District is pledged to the payment of the principal of or interest on the Bonds.

Principal of the Bonds is payable at maturity or earlier redemption by the paying agent/registrar, initially, Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas (the "Paying Agent/Registrar"). Interest accrues from the initial date of delivery (expected on December 21, 2022) (the "Date of Delivery"), and is payable on March 1, 2023, and on each September 1 and March 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption, and will be calculated on the basis a 360-day year consisting of twelve 30-day months. The Bonds are fully registered bonds in principal denominations of $5,000 or any integral multiple thereof. See "THE BONDS" herein.

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

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

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY MUNICIPAL CORP. ("AGM")**.

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

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

The Bonds are offered when, as and if issued by the District, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Schwartz, Page & Harding, L.L.P., Houston, Texas, Bond Counsel. Certain legal matters will be passed on for the District by Orrick, Herrington & Sutcliffe LLP, Houston, Texas, as Disclosure Counsel. Delivery of the Bonds in book-entry form through DTC is expected on or about December 21, 2022.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, AND INITIAL REOFFERING YIELDS

Maturity (September 1)	Principal Amount		Interest Rate		Initial Reoffering Yield (a)		CUSIP Number (b)	Maturity (September 1)	Principal Amount		Interest Rate		Initial Reoffering Yield (a)		CUSIP Number (b)
2024	$ 110,000		6.750	%	3.500	%	34683N LK6	2030	$ 145,000	(c)	4.250	%	4.100	%	34683N LR1
2025	115,000		6.750		3.600		34683N LL4	***	***		***		***		***
2026	120,000		6.750		3.700		34683N LM2	2035	190,000	(c)	4.250		4.500		34683N LW0
2027	125,000		6.750		3.800		34683N LN0	2036	200,000	(c)	4.500		4.650		34683N LX8
2028	135,000		6.750		3.900		34683N LP5	2037	210,000	(c)	4.500		4.750		34683N LY6
2029	140,000	(c)	4.500		4.000		34683N LQ3	2038	220,000	(c)	4.500		4.800		34683N LZ3

$320,000 Term Bond due September 1, 2032 (c), 34683N LT7 (b), 4.250% Interest Rate, 4.250% Yield (a)
$350,000 Term Bond due September 1, 2034 (c), 34683N LV2 (b), 4.250% Interest Rate, 4.400% Yield (a)
$470,000 Term Bond due September 1, 2040 (c), 34683N MB5 (b), 4.625% Interest Rate, 4.850% Yield (a)
$1,095,000 Term Bond due September 1, 2044 (c), 34683N MF6 (b), 4.750% Interest Rate, 4.900% Yield (a)
$635,000 Term Bond due September 1, 2046 (c), 34683N MH2 (b), 4.750% Interest Rate, 4.950% Yield (a)
$695,000 Term Bond due September 1, 2048 (c), 34683N MK5 (b), 4.750% Interest Rate, 5.000% Yield (a)

(a) The initial reoffering yields on the Bonds are established by, and are the sole responsibility of, the Initial Purchaser (defined herein) and may subsequently be changed.

(b) CUSIP numbers have been assigned to the Bonds by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association and are included solely for the convenience of the owners of the Bonds.

(c) The Bonds maturing on and after September 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 September 1, 2028, or any date thereafter, at a price equal to the principal thereof plus accrued interest to the date fixed for redemption. The Term Bonds (as defined herein) are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."

USE OF INFORMATION IN OFFICIAL STATEMENT

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

This Official Statement does not constitute, and is not authorized by the District for use in connection with, an offer to sell or the solicitation of any offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

All of the summaries of the statutes, resolutions, contracts, audited financial statements, engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from the District c/o Schwartz, Page & Harding, L.L.P., 1300 Post Oak Boulevard, Suite 2400, Houston, Texas 77056 upon payment of the costs for duplication thereof.

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

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 offering document for any purposes.

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 headings "MUNICIPAL BOND INSURANCE" and "APPENDIX B."

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SALE AND DISTRIBUTION OF THE BONDS

Award and Marketing of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the lowest bid, which was tendered by SAMCO Capital Markets, Inc. (referred to herein as the "Initial Purchaser"). The Initial Purchaser has agreed to purchase the Bonds, bearing the interest rates on the inside cover page of this Official Statement, at a price of 97.0028% of the principal amount thereof, which resulted in a net effective interest rate of 4.886218%, calculated pursuant to Chapter 1204, Texas Government Code, as amended.

Prices and Marketability

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

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Initial Purchaser on or before the Date of Delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity has been sold to the public. For this purpose, the term "public" shall not include any person who is a bond house, broker, or similar person acting in the capacity of Initial Purchaser or wholesaler. Other than as set forth in the Official Notice of Sale, the District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Initial Purchaser.

The prices and other terms with respect to the offering and 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 reoffering 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-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

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

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, 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 October 21, 2022, 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, 2022, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On 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.

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 September 30, 2022:

- The policyholders' surplus of AGM was approximately $2,660 million.
- The contingency reserve of AGM was approximately $915 million.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,102 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 documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) 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);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022 (filed by AGL with the SEC on May 6, 2022;

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2022 (filed by AGL with the SEC on August 4, 2022); and

(iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022 (filed by AGL with the SEC on November 8, 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 herein.

MUNICIPAL BOND RATING

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

The Bonds are expected to receive an insured rating of "A1" (stable outlook) from Moody's solely in reliance upon the issuance and delivery of the municipal bond insurance policy by AGM at the time of delivery of the Bonds. Moody's has also assigned an underlying credit rating of "Baa1" to the Bonds. An explanation of the rating may be obtained from Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's, if in their judgment, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds. The District will pay the rating fee associated with the District's underlying rating that will be charged by Moody's.

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OFFICIAL STATEMENT SUMMARY

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

THE BONDS

The District .... Fort Bend County Municipal Utility District No. 215 (the "District"), a political subdivision of the State of Texas, is located in Fort Bend County, Texas. See "THE DISTRICT."

The Bonds .... The District is issuing its $5,275,000 Unlimited Tax Bonds, Series 2022B (the "Bonds"). The Bonds are dated December 1, 2022, and mature serially on September 1 in each of the years 2024 through 2030, both inclusive, and 2035 through 2038, both inclusive, and as term bonds on September 1 in each of the years 2032, 2034, 2040, 2044, 2046, and 2048 (the "Term Bonds") and in the principal amounts and pay interest at the rates set forth on the inside cover page hereof. Interest on the Bonds accrues from the initial date of delivery (expected on December 21, 2022) (the "Date of Delivery"), and is payable March 1, 2023, and on each September 1 and March 1 thereafter until maturity or prior redemption. See "THE BONDS."

Redemption .... The Bonds that mature on or after September 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 September 1, 2028, or on any date thereafter, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption. The Term Bonds are also subject to mandatory sinking fund redemption as more fully described herein. See "THE BONDS—Redemption Provisions."

Book-Entry-Only System .... The Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in principal denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners (herein defined) thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (herein defined) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the Beneficial Owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM."

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

Outstanding Bonds .... The District has issued five series of unlimited tax bonds in the aggregate principal amount of $36,870,000 for the purpose of constructing or acquiring a waterworks, sanitary sewer, and storm drainage system serving the District (the "Utility System"), of which $35,405,000 principal amount is outstanding as of October 1, 2022, ("Outstanding Utility Bonds"). In addition, the District has previously issued five series of unlimited tax road bonds in the aggregate principal amount of $17,895,000 for the purpose of constructing or acquiring a road system serving the District (the "Road System"), of which $16,950,000 principal amount is outstanding as of October 1, 2022 ("Outstanding Road Bonds"). The Outstanding Utility Bonds and the Outstanding Road Bonds are collectively referred to herein as the "Outstanding Bonds." See "THE BONDS—Outstanding Bonds."

Payment Record.. The District has never defaulted on the timely payment of debt service due on its prior bonded indebtedness.

Authority for Issuance.. At an election held within the District on May 9, 2015, voters of the District authorized the District's issuance of a total of $112,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Utility System, $39,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Road System, $18,700,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring parks and recreational facilities in the District (the "Park System"), $130,700,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System or the Park System, and $39,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System. The Bonds represent the District's sixth series of bonds to be issued for the purpose of constructing or acquiring the Utility System. After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: $69,855,000 for constructing or acquiring the Utility System, $21,105,000 for constructing or acquiring the Road System, $18,700,000 for constructing or acquiring the Park System, $130,700,000 for refunding bonds issued by the District for the Utility System or the Park System, and $39,000,000 for refunding bonds issued by the District for the Road System.

The Bonds are issued by the District pursuant to the terms and provisions of the Bond Order (herein defined); Article XVI, Section 59 of the Texas Constitution; Chapters 49 and 54 of the Texas Water Code, as amended; an order of the Texas Commission on Environmental Quality dated October 4, 2022; and the election held within the District described above. See "THE BONDS—Authority for Issuance."

Use of Bond Proceeds.. Proceeds from the sale of the Bonds will be used to reimburse the Developer for expenditures associated with certain utility improvements for the Utility System serving the District. In addition, proceeds from sale of the Bonds will be used to pay six (6) months of capitalized interest on the Bonds and to pay costs of issuance of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Not Qualified Tax-Exempt Obligations........... The Bonds are **<u>not</u>** designated "qualified tax-exempt obligations" for financial institutions. See "LEGAL MATTERS—Not Qualified Tax-Exempt Obligations."

Municipal Bond Insurance & Rating................ S&P Global Ratings (AGM Insured): "AA." Moody's Investors Service, Inc. (AGM Insured): "A1." Moody's Investors Service, Inc. (Underlying): "Baa1." See "MUNICIPAL BOND INSURANCE" and "MUNICIPAL BOND RATING."

Bond Counsel... Schwartz, Page & Harding, L.L.P., Houston, Texas.

Disclosure Counsel... Orrick, Herrington & Sutcliffe LLP, Houston, Texas.

Financial Advisor... Robert W. Baird & Co. Incorporated, Houston, Texas.

THE DISTRICT

Description .... The District was created by order of the Texas Commission on Environmental Quality ("TCEQ") dated November 13, 2014, under Article XVI, Section 59 of the Texas Constitution and operates pursuant to Chapters 49 and 54 of the Texas Water Code and the general laws of the State of Texas applicable to municipal utility districts. The District consists of approximately 589.14 total acres of land, all within Fort Bend County, Texas. The District is located approximately 25 miles southwest of the central business district of the City of Houston, Texas, and approximately 2 miles south of the City of Richmond, Texas (the "City"). With the exception of a small 30-foot wide strip of land along Williams Way Boulevard (a utility easement) that is within the corporate limits of the City, the District is located entirely within the extraterritorial jurisdiction of the City. All of the land in the District also lies within Fort Bend County Levee Improvement District No. 6 ("LID 6"), which encompasses approximately 1,637 total acres of land. See "THE DISTRICT."

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

The Developer .... HW 589 Holdings LLC, a Delaware limited liability company (the "Developer"), is the developer of land in the District. The Developer is an affiliate of The Johnson Development Corp. Established in 1975, The Johnson Development Corp. is a leading land developer of properties across the country, particularly master-planned residential communities in the major markets of Texas. See "THE DEVELOPER."

Status of Development .... The District is being developed as the master-planned residential community known as Veranda. To date, approximately 1,561 single-family lots have been developed within the following single-family residential subdivisions: Veranda, Sections 1 through 9, 11, 12, 14 through 34, 37 and 39 through 41. Veranda, Section 35 will be constructed exclusively as build-to-rent and will not include individual homeowners. As of October 18, 2022, development within the District consisted of approximately 1,417 completed homes (approximately 1,389 occupied, 16 unoccupied, and 12 model homes), approximately 88 homes under construction, and approximately 146 vacant, developed lots. Additionally, 90 single-family residential lots are under construction in Veranda, Section 35. The single-family residential subdivisions referenced above encompass approximately 526 total acres. The remainder of the land within the District consists of approximately 31 acres for a recreation center, approximately 32 undevelopable acres, and no additional undeveloped developable acreage. See "STATUS OF DEVELOPMENT."

Homebuilders Within the District..................... Homebuilders active within the District include Coventry Homes, David Weekley Homes, Highland Homes, Lennar Homes, Newmark Homes, Perry Homes, Sitterle Homes, and Westin Homes. New homes being constructed in the District range in price from approximately $175,000 to approximately $913,000 and in size from 1,400 to over 4,700 square feet. See "STATUS OF DEVELOPMENT—Homebuilders Active within the District."

Overlapping Districts and Taxes....................... LID 6 is the levee improvement district created to provide the levee, detention ponds, external drainage channel and various interior drainage channels necessary to serve the District. The entirety of the District is located within LID 6. LID 6 intends to finance facilities to accomplish flood protection and accommodate storm water drainage within LID 6, including the District. LID 6 currently levies a tax on property located within its boundaries, including the District, which is in addition to the tax levied by the District. LID 6 levied a total tax of $0.45 per $100 of assessed valuation for the 2022 tax year. At the delivery of the Bonds, LID 6 will have $40,595,000 principal amount of unlimited tax levee improvement bonds outstanding. See "TAX DATA—Estimated Overlapping Taxes," "INVESTMENT CONSIDERATIONS—Factors Affecting Taxable Values and Tax Payments," and "INVESTMENT CONSIDERATIONS—District Tax Levy and Overlapping District Taxes and Functions."

Infectious Disease Outlook (COVID-19).......... The purchase and ownership of the Bonds is subject to certain investment considerations, including certain factors related to the current COVID-19 pandemic. See "INVESTMENT CONSIDERATIONS—Infectious Disease Outbreak (COVID-19)."

INVESTMENT CONSIDERATIONS

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

SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2022 Certified Taxable Assessed Valuation	$ 513,871,136	(a)
Estimated Taxable Assessed Valuation as of October 1, 2022	$ 736,267,339	(b)
Direct Debt:		
The Outstanding Utility Bonds	$ 35,405,000	
The Outstanding Road Bonds	16,950,000	
The Bonds	5,275,000	
Total	$ 57,630,000	
Estimated Overlapping Debt	$ 46,853,730	(c)
Total Direct and Estimated Overlapping Debt	$ 104,483,730	(c)
Direct Debt Ratios:		
As a Percentage of 2022 Certified Taxable Assessed Valuation	11.21 %	
As a Percentage of Estimated Taxable Assessed Valuation as of October 1, 2022	7.83 %	
Direct and Estimated Overlapping Debt Ratios:		
As a Percentage of 2022 Certified Taxable Assessed Valuation	20.33 %	
As a Percentage of Estimated Taxable Assessed Valuation as of October 1, 2022	14.19 %	
Debt Service Funds Available for Utility System Bonds (as of October 18, 2022)	$703,523	(d)
Debt Service Funds Available for Road System Bonds (as of October 18, 2022)	$313,560	(e)
Operating Fund Balance (as of October 18, 2022)	$2,382,014	
Utility System Capital Projects Fund Balance (as of October 18, 2022)	$801,049	
Road System Capital Projects Fund Balance (as of October 18, 2022)	$1,431,373	

(a) Represents the taxable assessed valuation of all taxable property in the District as of January 1, 2022, as certified by the Fort Bend Central Appraisal District. See "TAX DATA" and "TAXING PROCEDURES."

(b) Provided by the Fort Bend Central Appraisal District for informational purposes only, this amount is an estimate of the taxable value of all taxable property located within the District as of October 1, 2022, and includes an estimate of additional taxable value resulting from the construction of taxable improvements from January 1,2022 through October 1, 2022. No taxes will be levied on this estimated value. See "TAX DATA" and "TAXING PROCEDURES."

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

(d) Such funds are reserved for payment of debt service on bonds issued by the District for the Utility System, including the Bonds and are not available for payment of debt service on bonds issued for the Road System. See "THE BONDS—Funds." Although the Outstanding Utility Bonds and the Bonds have been and are being issued on a parity basis and are payable from an unlimited tax pledge, portions of the District's ad valorem tax revenue will be allocated on a pro rata basis between debt service on bonds issued for the purpose of financing the Utility System or to refund such bonds ("Utility System Bonds") and bonds issued for the purpose of financing the Road System or to refund such bonds ("Road System Bonds"). Approximately $230,000 of such funds will be applied towards this issuance of Bonds. In addition, upon closing and delivery of the Bonds, an amount equal to six (6) months of capitalized interest will be deposited into the District's Utility System debt service fund. Such amount is not shown above.

(e) Such funds are reserved for payment of debt service on bonds issued by the District for the Road System, and are not available for payment of debt service on bonds issued for the Utility System, including the Bonds. See "THE BONDS—Funds." Although the Outstanding Road Bonds have been issued on a parity basis and are payable from an unlimited tax pledge, portions of the District's ad valorem tax revenue will be allocated on a pro rata basis between debt service on Utility System Bonds and Road System Bonds

SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2022 Tax Rate:		
Utility System Debt Service	$0.63	
Road System Debt Service	0.21	
Maintenance and Operations	0.16	
Total	$1.00	
Average Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2023–2048)	$2,338,202	(a)
Maximum Annual Debt Service Requirement on the Outstanding Utility Bonds And the Bonds (2043)	$2,595,638	(a)
Utility System Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2023–2048) at 95% Tax Collections		
Based on 2022 Certified Taxable Assessed Valuation	$0.48	
Based on Estimated Taxable Assessed Valuation as of October 1, 2022	$0.34	
Utility System Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2043) at 95% Tax Collections		
Based on 2022 Certified Taxable Assessed Valuation	$0.54	
Based on Estimated Taxable Assessed Valuation as of October 1, 2022	$0.38	
Average Annual Debt Service Requirement on the Outstanding Road Bonds (2023–2047)	$930,382	(b)
Maximum Annual Debt Service Requirement on the Outstanding Road Bonds (2043)	$1,079,181	(b)
Road System Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement on the Outstanding Road Bonds (2023–2047) at 95% Tax Collections		
Based on 2022 Certified Taxable Assessed Valuation	$0.20	
Based on Estimated Taxable Assessed Valuation as of October 1, 2022	$0.14	
Road System Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement on the Outstanding Road Bonds (2043) at 95% Tax Collections		
Based on 2022 Certified Taxable Assessed Valuation	$0.23	
Based on Estimated Taxable Assessed Valuation as of October 1, 2022	$0.16	

(a) Requirement of debt service on the Outstanding Utility Bonds and the Bonds. See "DISTRICT DEBT—Utility Debt Service Requirements."

(b) Requirement of debt service on the Outstanding Road Bonds. See "DISTRICT DEBT—Road Debt Service Requirements."

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Fort Bend County Municipal Utility District No. 215 (the "District") of its $5,275,000 Unlimited Tax Bonds, Series 2022B (the "Bonds").

The Bonds are issued pursuant to (i) the bond order adopted by the Board of Directors of the District on the date of the sale of the Bonds authorizing the issuance of the Bonds (the "Bond Order"), (ii) Article XVI, Section 59 of the Texas Constitution and general laws of the State of Texas, particularly Chapters 49 and 54 of the Texas Water Code, as amended, (iii) an election held within the District on May 9, 2015, and (iv) an order issued by the Texas Commission on Environmental Quality ("TCEQ") dated October 4, 2022.

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meaning assigned to such terms in the Bond Order. This Official Statement also includes information about the District and certain reports and other statistical data. The summaries and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive and each summary and reference is qualified in its entirety by reference to each such document, statute, report, or instrument.

THE BONDS

General

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

Description

The Bonds will be dated December 1, 2022, with interest payable on March 1, 2023, and on each September 1 and March 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. Interest on the Bonds initially accrues from the initial date of delivery (expected on December 21, 2022) (the "Date of Delivery"), and thereafter, from the most recent Interest Payment Date. The Bonds mature on September 1 in each of the years and in the principal amounts shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, AND INITIAL REOFFERING YIELDS" on the inside cover page hereof. The Bonds are issued in fully registered form only in denominations of $5,000 or any integral multiple of $5,000 for any one maturity. The Bonds will be registered and delivered only to The Depository Trust Company, New York, New York ("DTC"), in its nominee name of Cede & Co., pursuant to the book-entry system described herein ("Registered Owners"). No physical delivery of the Bonds will be made to the purchasers thereof. See "BOOK-ENTRY-ONLY SYSTEM." Interest calculations are based upon a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months.

Authority for Issuance

At an election held within the District on May 9, 2015, voters of the District authorized a total of $112,000,000 in principal amount of unlimited tax bonds for the purpose of acquiring or constructing a waterworks, sanitary sewer and storm drainage system serving the District (the "Utility System"). The Bonds constitute the sixth issuance of bonds from such authorization. After the issuance of the Bonds, a total of $69,855,000 in principal amount of unlimited tax bonds for the Utility System will remain authorized but unissued.

The Bonds are issued by the District pursuant to the terms and provisions of the Bond Order; Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas, particularly Chapters 49 and 54 of the Texas Water Code, as amended; an order of the TCEQ dated October 4, 2022; and the election held within the District described above.

At an election held within the District on May 9, 2015, voters of the District authorized a total of $39,000,000 in principal amount of unlimited tax bonds for the purpose of constructing or acquiring a road system serving the District (the "Road System"). To date, the District has issued five series of bonds from such voted authorization, and $21,105,000 in principal amount of unlimited tax bonds for the Road System remains authorized but unissued.

At such election, voters in the District also authorized the District's issuance of a total of $18,700,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parks and recreational facilities in the District (the "Park System"). To date, the District has issued no bonds from such voted authorization. See "Financing Recreational Facilities" below.

Source and Security for Payment

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

Funds

The Bond Order confirms the prior creation of the District's Debt Service Fund used to pay debt service on the District's bonds (the "Debt Service Fund"), including the sub-accounts which are used to separate funds received to pay debt service on bonds issued to finance the Utility System ("Utility System Bonds") from funds received to pay debt service on bonds issued to finance the Road System ("Road System Bonds"). The Bond Order also confirms the District's Construction Fund used to pay certain costs of construction (the "Construction Fund"), including the sub-accounts which are used to separate proceeds from Utility System Bonds and Road System Bonds.

Six (6) months of capitalized interest on the Bonds will be deposited from the proceeds from sale of the Bonds into the subaccount of the Debt Service Fund created in respect of Utility System Bonds. All remaining proceeds of the Bonds will be deposited in the sub-account of the Construction Fund created in respect of Utility System Bonds.

The proceeds from all taxes levied, appraised, and collected for and on account of the Bonds authorized by the Bond Order shall be deposited, as collected, into the sub-account of the Debt Service Fund created in respect of Utility System Bonds. The Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Outstanding Bonds (herein defined), the Bonds, and any additional tax bonds issued by the District, is to be kept separate from all other funds of the District.

Funds in the sub-account of the Debt Service Fund created in respect of Utility System Bonds are to be used for payment of debt service on the Bonds and any of the District's duly authorized Utility System Bonds, whether heretofore, hereunder, or hereafter issued, payable in whole or part from taxes. Amounts on deposit in the sub-account of the Debt Service Fund created in respect of Utility System Bonds may also be used to pay the fees and expenses of the Paying Agent/Registrar (herein defined), to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds and any of the District's duly authorized Utility System Bonds, whether heretofore, hereunder, or hereafter issued, payable in whole or in part from taxes, and to pay any tax anticipation notes issued in respect of debt service due to or become due on Utility System Bonds, together with interest thereon, as such tax anticipation notes become due. Funds otherwise on deposit in the Debt Service Fund, including funds in a sub-account created in respect of Road System Bonds, will not be allocated to the payment of the Bonds.

Funds in the sub-account of the Debt Service Fund created in respect of Road System Bonds are to be used for payment of debt service on the District's duly authorized Road System Bonds, whether heretofore, hereunder, or hereafter issued, payable in whole or part from taxes. Amounts on deposit in the sub-account of the Debt Service Fund created in respect of Road System Bonds may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the District's duly authorized Road System Bonds, whether heretofore, hereunder, or hereafter issued, payable in whole or in part from taxes, and to pay any tax anticipation notes issued in respect of debt service due to or become due on Road System Bonds, together with interest thereon, as such tax anticipation notes become due.

Record Date

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

Redemption Provisions

Mandatory Redemption: The Bonds maturing on September 1 in the years 2032, 2034, 2040, 2044, 2046 and 2048 (the "Term Bonds") shall be redeemed at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, on September 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):

$320,000 Term Bonds Due September 1, 2032

Mandatory Redemption Date	Principal Amount
2031	$155,000
2032 (maturity)	165,000

$350,000 Term Bonds Due September 1, 2034

Mandatory Redemption Date	Principal Amount
2033	$ 170,000
2034 (maturity)	180,000

$470,000 Term Bonds Due September 1, 2040

Mandatory Redemption Date	Principal Amount
2039	$230,000
2040 (maturity)	240,000

$1,095,000 Term Bonds Due September 1, 2044

Mandatory Redemption Date	Principal Amount
2041	$255,000
2042	265,000
2043	280,000
2044 (maturity)	295,000

$635,000 Term Bonds Due September 1, 2046

Mandatory Redemption Date	Principal Amount
2045	$ 310,000
2046 (maturity)	325,000

$695,000 Term Bonds Due September 1, 2048

Mandatory Redemption Date	Principal Amount
2047	$340,000
2048 (maturity)	355,000

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

Optional Redemption: The District reserves the right, at its option, to redeem the Bonds (including any Term Bonds) maturing on and after September 1, 2029, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000, on September 1, 2028, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. If fewer than all of the Bonds are to be redeemed, the particular maturity or maturities and the amounts thereof to be redeemed shall be determined by the District. If fewer than all of the Serial Bonds of the same maturity are to be redeemed, the particular Bonds shall be selected by DTC in accordance with its procedures, so long as the Bonds are registered in accordance with the Book-Entry-Only System. See "BOOK-ENTRY-ONLY SYSTEM." If less than all of the entire outstanding principal amount of a Term Bond is to be redeemed, the District will notify the Paying Agent/Registrar of the reductions in the remaining mandatory redemption amounts to result from the optional redemption. Notice of each exercise of the reserved right of optional redemption shall be given at least thirty (30) calendar days prior to the redemption date, in the manner specified in the Bond Order.

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

Method of Payment of Principal and Interest

The Board of Directors of the District (the "Board") has appointed Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas, as the initial Paying Agent/Registrar for the Bonds (the "Paying Agent/Registrar"). The principal of and interest on the Bonds shall be paid to DTC, which will make distribution of the amounts so paid. See "BOOK-ENTRY-ONLY SYSTEM."

Registration

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

Replacement of Paying Agent/Registrar

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

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

Issuance of Additional Debt

Voters of the District authorized the District's issuance of a total of $112,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Utility System, $39,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Road System, $18,700,000 principal amount of unlimited tax bonds for constructing or acquiring the Park System, $130,700,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System or the Park System, and $39,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System, and could authorize additional amounts.

The Bonds represent the District's sixth series of bonds to be issued for the purpose of constructing or acquiring the Utility System. After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: $69,855,000 for constructing or acquiring the Utility System, $21,105,000 for constructing or acquiring the Road System, $18,700,000 for constructing or acquiring the Park System, $130,700,000 for refunding bonds issued by the District for the Utility System or the Park System, and $39,000,000 for refunding bonds issued by the District for the Road System. The Bond Order imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District.

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

Financing Road Facilities

Pursuant to the provisions of the Texas Constitution and Chapter 54 Texas Water Code, as amended, conservation and reclamation districts created pursuant to said Chapter 54 are authorized to develop and finance with property taxes certain road facilities following the granting of road powers by the TCEQ and a successful District election to approve the issuance of road bonds payable from taxes. The TCEQ granted road powers to the District, and, at election held within the District on May 9, 2015, voters of the District authorized a total of $39,000,000 principal amount of unlimited tax bonds for financing and constructing the Road System. From such voted authorization, the District has previously issued five series of bonds, and, currently, $21,105,000 principal amount of unlimited tax bonds for financing and constructing the Road System remains authorized but unissued.

In addition, voters of the District authorized a total of $39,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System. To date, the District has issued no bonds from such voted authorization for refunding bonds issued by the District for the Road System.

Financing Recreational Facilities

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

The District is authorized to issue bonds payable from an ad valorem tax to pay for the development and maintenance of recreational facilities if (i) the District duly adopts a plan for the facilities; (ii) the bonds are authorized at an election; (iii) the bonds payable from any source do not exceed 1% of the value of the taxable property in the District at the time of issuance of the bonds, or, in the event the District meets certain conditions, 3% of the value of the taxable property in the District at the time of issuance of the bonds, but in no event in an amount greater than the estimated cost in the plan; (iv) the District obtains any necessary governmental consents allowing the issuance of such bonds; (v) the issuance of the bonds is approved by the TCEQ in accordance with its rules with respect to same; and (vi) the bonds are approved by the Attorney General of Texas. The District may issue bonds for such purposes payable solely from net operating revenues without an election. In addition, the District is authorized to levy an operation and maintenance tax to support recreational facilities at a rate not to exceed 10 cents per $100 of assessed valuation of taxable property in the District, after such tax is approved at an election. Said maintenance tax is in addition to any other maintenance tax authorized to be levied by the District. Issuance of bonds for recreational facilities could dilute the investment security for the Bonds. At election held within the District on May 9, 2015, voters of the District authorized a total of $18,700,000 in bonds for the purpose of acquiring or constructing the Park System and could authorize additional amounts.

Annexation

Under existing Texas law, since all of the land within the District, except a 30-foot wide strip which is within the corporate limits of the City, is situated within the extraterritorial jurisdiction of the City, the District may be annexed for full purposes by the City, subject to compliance by the City with various requirements of Chapter 43 of the Texas Local Government Code, as amended. Such requirements may include the requirement that the City hold an election in the District whereby the qualified voters of the District approve the proposed annexation. If the District is annexed, the City must assume the District's assets and obligations (including the Bonds and the Outstanding Bonds) and abolish the District within ninety (90) days of the date of annexation. Annexation of territory by the City 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 attempt to annex the District for full purposes and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should such annexation occur. Under the terms of the SPA (as hereinafter defined) between the District and the City, however, the City has agreed not to annex the District for full purposes (a traditional municipal annexation) until such time as (i) ninety percent (90%) of the Utility System, Park System, and Road System to serve property in the District has been constructed, and (ii) the District has reimbursed the Developer for such facilities to the maximum extent permitted by the rules of the TCEQ or the City assumes the District's obligation to reimburse the Developer under such rules. See "THE DISTRICT—Strategic Partnership Agreement with the City of Richmond."

Consolidation

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

Remedies in Event of Default

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

Defeasance

The District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal of and interest on the Bonds and may defease the Bonds in accordance with the provisions of applicable laws, including, without limitation, Chapter 1207, Texas Government Code, as amended.

BOOK-ENTRY-ONLY SYSTEM

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

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 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 Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

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

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

Use of Certain Terms in Other Sections of this Official Statement

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

USE AND DISTRIBUTION OF BOND PROCEEDS

Proceeds from the sale of the Bonds will be used to reimburse the Developer for expenditures associated with certain improvements for the waterworks, sanitary sewer, and storm drainage system serving the District. In addition, proceeds from sale of the Bonds will be used to pay six (6) months of capitalized interest on the Bonds and to pay costs of issuance of the Bonds.

The construction costs below were compiled by the Engineer (herein defined). Non-construction costs are based upon either contract amounts or estimates of various costs by the Engineer and the Financial Advisor (herein defined). The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the District's auditor.

I.	**CONSTRUCTION RELATED COSTS**	
	Developer Items	$ 3,995,776
	District Items	717,307
	Less: Surplus Funds Applied	(230,000)
	Total Construction Costs	**$ 4,483,083**
II.	**NON-CONSTRUCTION COSTS**	
	Developer Interest (Estimated)	$ 118,421
	Capitalized Interest (a)	127,563
	Bond Discount (a)	158,100
	Total Non-Construction Costs	**$ 404,084**
III.	**ISSUANCE COSTS AND FEES**	
	Issuance Costs and Professional Fees	$ 301,720
	Bond Application Report Costs	50,000
	State Regulatory Fees	18,463
	Contingency (a)	17,650
	Total Issuance Costs and Fees	**$ 387,833**
	TOTAL BOND ISSUE REQUIREMENT	**$ 5,275,000**

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

In the instance that estimated amounts exceed actual costs, the difference comprises a surplus which may be expended for uses approved by the TCEQ. The Engineer has advised the District that proceeds of the sale of the Bonds should be sufficient to pay the costs of the above-described facilities. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

DISTRICT DEBT

General

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

2022 Certified Taxable Assessed Valuation	$ 513,871,136	(a)
Estimated Taxable Assessed Valuation as of October 1, 2022	$ 736,267,339	(b)
Direct Debt:		
The Outstanding Utility Bonds	$ 35,405,000	
The Outstanding Road Bonds	16,950,000	
The Bonds	5,275,000	
Total	$ 57,630,000	
Estimated Overlapping Debt	$ 46,853,730	(c)
Total Direct and Estimated Overlapping Debt	$ 104,483,730	(c)
Direct Debt Ratios:		
As a Percentage of 2022 Certified Taxable Assessed Valuation	11.21	%
As a Percentage of Estimated Taxable Assessed Valuation as of October 1, 2022	7.83	%
Direct and Estimated Overlapping Debt Ratios:		
As a Percentage of 2022 Certified Taxable Assessed Valuation	20.33	%
As a Percentage of Estimated Taxable Assessed Valuation as of October 1, 2022	14.19	%
Debt Service Funds Available for Utility System Bonds (as of October 18, 2022)	$703,523	(d)
Debt Service Funds Available for Road System Bonds (as of October 18, 2022)	$313,560	(e)
Operating Fund Balance (as of October 18, 2022)	$2,382,014	
Utility System Capital Projects Fund Balance (as of October 18, 2022)	$801,049	
Road System Capital Projects Fund Balance (as of October 18, 2022)	$1,431,373	

(a) Represents the taxable assessed valuation of all taxable property in the District as of January 1, 2022, as certified by the Fort Bend Central Appraisal District. See "TAX DATA" and "TAXING PROCEDURES."

(b) Provided by the Fort Bend Central Appraisal District for informational purposes only, this amount is an estimate of the taxable value of all taxable property located within the District as of October 1, 2022, and includes an estimate of additional taxable value resulting from the construction of taxable improvements from January 1,2022 through October 1, 2022. No taxes will be levied on this estimated value. See "TAX DATA" and "TAXING PROCEDURES."

(c) See "Direct and Estimated Overlapping Debt Statement" herein.

(d) Such funds are reserved for payment of debt service on bonds issued by the District for the Utility System and are not available for payment of debt service on bonds issued for the Road System. See "THE BONDS—Funds." Although the Outstanding Utility Bonds and the Bonds have been and are being issued on a parity basis and are payable from an unlimited tax pledge, portions of the District's ad valorem tax revenue will be allocated on a pro rata basis between debt service on bonds issued for the purpose of financing the Utility System or to refund such bonds ("Utility System Bonds") and bonds issued for the purpose of financing the Road System or to refund such bonds ("Road System Bonds"). Approximately $230,000 of such funds will be applied towards this issuance of Bonds. In addition, upon closing and delivery of the Bonds, an amount equal to six (6) months of capitalized interest will be deposited into the District's Utility System debt service fund. Such amount is not shown above.

(e) Such funds are reserved for payment of debt service on bonds issued by the District for the Road System, and are not available for payment of debt service on bonds issued for the Utility System. See "THE BONDS—Funds." Although the Outstanding Road Bonds have been issued on a parity basis and are payable from an unlimited tax pledge, portions of the District's ad valorem tax revenue will be allocated on a pro rata basis between debt service on Utility System Bonds and Road System Bonds.

2022 Tax Rate:		
Utility System Debt Service	$0.63	
Road System Debt Service	0.21	
Maintenance and Operations	0.16	
Total	$1.00	
Average Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2023–2048)	$2,338,202	(a)
Maximum Annual Debt Service Requirement on the Outstanding Utility Bonds And the Bonds (2043)	$2,595,638	(a)
Utility System Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2023–2048) at 95% Tax Collections		
Based on 2022 Certified Taxable Assessed Valuation	$0.48	
Based on Estimated Taxable Assessed Valuation as of October 1, 2022	$0.34	
Utility System Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2043) at 95% Tax Collections		
Based on 2022 Certified Taxable Assessed Valuation	$0.54	
Based on Estimated Taxable Assessed Valuation as of October 1, 2022	$0.38	
Average Annual Debt Service Requirement on the Outstanding Road Bonds (2023–2047)	$930,382	(b)
Maximum Annual Debt Service Requirement on the Outstanding Road Bonds (2043)	$1,079,181	(b)
Road System Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement on the Outstanding Road Bonds (2023–2047) at 95% Tax Collections		
Based on 2022 Certified Taxable Assessed Valuation	$0.20	
Based on Estimated Taxable Assessed Valuation as of October 1, 2022	$0.14	
Road System Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement on the Outstanding Road Bonds (2043) at 95% Tax Collections		
Based on 2022 Certified Taxable Assessed Valuation	$0.23	
Based on Estimated Taxable Assessed Valuation as of October 1, 2022	$0.16	

(a) Requirement of debt service on the Outstanding Utility Bonds and the Bonds. See “Utility Debt Service Requirements” herein.
(b) Requirement of debt service on the Outstanding Road Bonds. See “Road Debt Service Requirements” herein.

Direct and Estimated Overlapping Debt Statement

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

Taxing Jurisdiction	Tax Year	AV	Debt as of 9/30/2022	Overlapping Percent	Overlapping Amount
Fort Bend County, Texas	2021	$ 81,690,999,396	$ 839,325,542	0.39%	$ 3,297,622
Fort Bend County Drainage District	2021	81,124,392,920	24,530,000	0.40%	97,049
Fort Bend Co. LID No. 6 (a)	2021	756,620,295	40,595,000	42.42%	17,220,240
Lamar Consolidated Independent School District	2021	20,867,196,872	1,705,940,000	1.54%	26,238,819
Total Estimated Overlapping Debt					$ 46,853,730
The District Direct Debt (b)					$ 57,630,000
Total Direct Debt and Estimated Overlapping Debt (b)					$104,483,730

(a) See "INVESTMENT CONSIDERATIONS—Levy" and "THE UTILITY SYSTEM—Flood Protection."
(b) Includes the Outstanding Bonds and the Bonds.

Debt Ratios

Direct Debt Ratio (a):

As a Percentage of 2022 Certified Taxable Assessed Valuation	11.21%
As a Percentage of Estimated Taxable Assessed Valuation as of October 1, 2022	7.83%

Direct and Estimated Overlapping Debt Ratio (a):

As a Percentage of 2022 Certified Taxable Assessed Valuation	20.33%
As a Percentage of Estimated Taxable Assessed Valuation as of October 1, 2022	14.19%

(a) Includes the Outstanding Bonds and the Bonds.

Outstanding Bonds

The District has previously five series of unlimited tax bonds in the aggregate principal amount of $36,870,000 for the purpose of constructing or acquiring the Utility System, of which $35,405,000 principal amount is currently outstanding as of October 1, 2022 ("Outstanding Utility Bonds"). In addition, the District has issued five series of unlimited tax road bonds in the aggregate principal amount of $17,895,000 for the purpose of constructing or acquiring the Road System, of which $16,950,000 principal amount is currently outstanding as of October 1, 2022 ("Outstanding Road Bonds") The Outstanding Utility Bonds and the Outstanding Road Bonds are collectively referred to herein as the "Outstanding Bonds." See table below.

Series		Original Principal Amount	Principal Currently Outstanding
2018		$ 7,025,000	$ 6,480,000
2018A	(a)	3,695,000	3,410,000
2019		4,240,000	3,915,000
2019A	(a)	5,525,000	5,090,000
2020		7,515,000	7,080,000
2020A	(a)	1,230,000	1,160,000
2021		6,005,000	5,845,000
2021A	(a)	5,475,000	5,320,000
2022		12,085,000	12,085,000
2022A	(a)	1,970,000	1,970,000
Total		$ 54,765,000	$ 52,355,000

(a) Unlimited tax road bonds.

Utility Debt Service Requirements

The following schedule sets forth the annual debt service requirements on the Outstanding Utility Bonds and the principal and interest requirements on the Bonds.

Year Ending	Outstanding Utility	Plus: The Bonds			Total Utility
12/31	Debt Service	Principal	Interest	Debt Service	Debt Service
2023	$ 2,201,861	$ -	$ 177,170	$ 177,170	$ 2,379,031
2024	2,212,216	110,000	255,125	365,125	2,577,341
2025	2,205,304	115,000	247,700	362,700	2,568,004
2026	2,200,541	120,000	239,938	359,938	2,560,479
2027	2,198,191	125,000	231,838	356,838	2,555,029
2028	2,198,979	135,000	223,400	358,400	2,557,379
2029	2,198,076	140,000	214,288	354,288	2,552,364
2030	2,204,831	145,000	207,988	352,988	2,557,819
2031	2,207,675	155,000	201,825	356,825	2,564,500
2032	2,203,525	165,000	195,238	360,238	2,563,763
2033	2,207,306	170,000	188,225	358,225	2,565,531
2034	2,209,344	180,000	181,000	361,000	2,570,344
2035	2,214,356	190,000	173,350	363,350	2,577,706
2036	2,212,481	200,000	165,275	365,275	2,577,756
2037	2,213,381	210,000	156,275	366,275	2,579,656
2038	2,212,269	220,000	146,825	366,825	2,579,094
2039	2,214,181	230,000	136,925	366,925	2,581,106
2040	2,217,500	240,000	126,288	366,288	2,583,788
2041	2,218,000	255,000	115,188	370,188	2,588,188
2042	2,220,200	265,000	103,075	368,075	2,588,275
2043	2,225,150	280,000	90,488	370,488	2,595,638
2044	1,760,675	295,000	77,188	372,188	2,132,863
2045	1,502,713	310,000	63,175	373,175	1,875,888
2046	1,086,013	325,000	48,450	373,450	1,459,463
2047	757,375	340,000	33,013	373,013	1,130,388
2048	-	355,000	16,863	371,863	371,863
	$51,502,143	$5,275,000	$4,016,108	$ 9,291,108	$ 60,793,251

Average Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2023–2048) $2,338,202

Maximum Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds (2043) $2,595,638

Road Debt Service Requirements

The following schedule sets forth the annual debt service requirements on the Outstanding Road Bonds.

Year Ending 12/31	The Outstanding Road Bonds Principal	Interest	Debt Service
2023	$ 500,000	$ 476,076	$ 976,076
2024	525,000	454,396	979,396
2025	545,000	434,469	979,469
2026	550,000	416,919	966,919
2027	570,000	400,269	970,269
2028	590,000	385,581	975,581
2029	620,000	372,419	992,419
2030	640,000	358,263	998,263
2031	660,000	344,075	1,004,075
2032	680,000	328,888	1,008,888
2033	705,000	311,469	1,016,469
2034	730,000	293,094	1,023,094
2035	755,000	273,344	1,028,344
2036	785,000	252,869	1,037,869
2037	810,000	231,194	1,041,194
2038	840,000	208,813	1,048,813
2039	865,000	185,175	1,050,175
2040	900,000	160,788	1,060,788
2041	930,000	134,738	1,064,738
2042	970,000	107,725	1,077,725
2043	1,000,000	79,181	1,079,181
2044	780,000	49,763	829,763
2045	465,000	28,719	493,719
2046	410,000	16,325	426,325
2047	125,000	5,000	130,000
	$16,950,000	$6,309,547	$23,259,547

Average Annual Debt Service Requirement on the Outstanding Road Bonds (2023–2047) $930,382

Maximum Annual Debt Service Requirement on the Outstanding Road Bonds (2043) $1,079,181

TAXING PROCEDURES

Property Tax Code and County-Wide Appraisal District

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

Property Subject to Taxation by the District

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

In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older or under a disability for purposes of payment of disability insurance benefits under the Federal Old-Age Survivors and Disability Insurance Act to the extent deemed advisable by the Board. The District would be required to call an election on such residential homestead exemption upon petition by at least twenty percent (20%) of the number of qualified voters who voted in the District's preceding election and would be required to offer such an exemption if a majority of voters approve it at such election. For the 2022 tax year, the District has not granted any such exemptions.

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

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

General Residential Homestead Exemption

Texas law authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads, but not less than $5,000 if any exemption is granted, from ad valorem taxation. The law provides, however, that where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. For the 2022 tax year, the District has not granted a general residential homestead exemption.

Valuation of Property for Taxation

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

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

District and Taxpayer Remedies

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

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

Agricultural, Open Space, Timberland and Inventory Deferment

The Property Tax Code permits land designated for agricultural use (including wildlife management), open space, or timberland to be appraised at its value based on the land's capacity to produce agriculture or timber products rather than at its fair market value. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of any of such designations must apply for the designation, and the Appraisal District is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions and not as to others. If a claimant receives the designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use for the three (3) years prior to the loss of the designation for agricultural, timberland or open space land. According to the District's Tax Assessor/Collector, as of January 1, 2022, no land within the District was designated for agricultural use, open space, timberland, or inventory deferment.

Tax Abatement

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

Levy and Collection of Taxes

The District is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. The District adopts its tax rate each year after it receives a tax roll certified by the Appraisal District. Taxes are due upon receipt of a bill therefor, and become delinquent after January 31 of the following year or thirty (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 twenty-first (21st) day after such taxes are billed. A delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid beginning the first calendar month it is delinquent. A delinquent tax also incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent plus a one percent (1%) penalty for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, a tax delinquent on July 1 incurs a total penalty of twelve percent (12%) of the amount of the delinquent tax without regard to the number of months the tax has been delinquent, which penalty remains at such rate without further increase. If the tax is not paid by July 1, an additional penalty of up to the amount of the compensation specified in the District's contract with its delinquent tax collection attorney, but not to exceed twenty percent (20%) of the total tax, penalty, and interest, may, under certain circumstances, be imposed by the District. With respect to personal property taxes that become delinquent on or after February 1 of a year and that remain delinquent sixty (60) days after the date on which they become delinquent, as an alternative to the penalty described in the foregoing sentence, an additional penalty on personal property of up to the amount specified in the District's contract with its delinquent tax attorney, but not to exceed twenty percent (20%) of the total tax, penalty and interest, may, under certain circumstances, be imposed by the District prior to July 1. The District's contract with its delinquent tax collection attorney currently specifies a twenty percent (20%) additional penalty. The District may waive penalties and interest on delinquent taxes only for the items specified in the Property Tax Code. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency of taxes under certain circumstances.

The owner of a residential homestead property who is (i) a person sixty-five (65) years of age or older, (ii) under a disability for purpose of payment of disability insurance benefits under the Federal Old Age Survivors and Disability Insurance Act, or (iii) qualifies as a disabled veteran under Texas law is also entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership. Additionally, a person who is delinquent on taxes for a residential homestead is entitled to an agreement with the District to pay such taxes in installments over a period of between 12 and 36 months (as determined by the District) when such person has not entered into another installment agreement with respect to delinquent taxes with the District in the preceding 24 months.

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code, as amended, classifies certain municipal utility districts, including the District, differently based on their current operation and maintenance tax rate or on the percentage of projected build-out that a district has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per $100 of taxable value are classified herein as "Low Tax Rate Districts." Districts that have financed, completed, and issued bonds to pay for all land, improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate 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.

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

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

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

The District: A determination as to a district's status as a Low Tax Rate District, Developed District or Developing District will be made by the Board of Directors on an annual basis. For the 2022 tax year, the Board of Directors determined that the District's status is that of a Developing District. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

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

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

TAX DATA

General

Taxable property within the District is subject to the assessment, levy, and collection by the District of an annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds and any future tax-supported bonds that may be issued from time to time as authorized. Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due September 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements, and its available funds. The District also has the power and authority to assess, levy, and collect ad valorem taxes, not to exceed $1.00 per $100 of assessed valuation, for operation and maintenance purposes. In 2022, the Board levied a total tax rate of $1.00 per $100 of assessed valuation composed a tax for operation and maintenance purposes in the amount of $0.16 per $100 of assessed valuation, a utility system debt service tax of $0.63 per $100 of assessed valuation, and a road system debt service tax of $0.21 per $100 of assessed valuation.

Historical Tax Collections

The following table illustrates the collection history of the District for tax years 2017–2022:

Year	Assessed Valuation	Tax Rate per $100 (a)	Tax Levy	% of Current Collections	Tax Year Ended 9/30	Collections as 9/30/2022
2017	$17,681,997	$ 1.00	$ 176,820	100.00%	2018	100.00%
2018	65,027,835	1.00	650,278	100.00%	2019	100.00%
2019	141,197,917	1.00	1,411,979	100.00%	2020	100.00%
2020	210,201,824	1.00	2,105,018	100.00%	2021	100.00%
2021	320,955,368	1.00	3,209,605	99.43%	2022	99.43%
2022	513,871,136	1.00	5,138,711	(b)	2023	(b)

(a) See "Tax Rate Distribution" herein.
(b) In process of collection. 2022 taxes are due January 31, 2023.

Tax Rate Distribution

	2022	2021	2020	2019	2018
Road Debt Service	$ 0.21	$ 0.27	$ 0.26	$ 0.32	$ 0.27
Utility Debt Service	0.63	0.43	0.46	0.42	0.50
M&O	0.16	0.30	0.28	0.26	0.23
Total	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00

Analysis of Tax Base

The following table illustrates the District's total taxable assessed value in the 2018–2022 tax years by type of property.

Type of Property	2022 Certified Taxable Assessed Valuation	2021 Certified Taxable Assessed Valuation	2020 Certified Taxable Assessed Valuation	2019 Certified Taxable Assessed Valuation	2018 Certified Taxable Assessed Valuation
Land	$ 84,513,890	$ 75,298,170	$ 54,818,110	$ 40,779,720	$ 28,457,329
Improvements	493,562,506	255,463,769	160,006,297	102,929,180	36,926,510
Personal Property	465,480	721,650	433,090	387,470	366,620
Exemptions	(64,670,740)	(10,528,221)	(5,055,673)	(2,898,453)	(722,624)
Total	$513,871,136	$320,955,368	$210,201,824	$141,197,917	$65,027,835

Principal Taxpayers

The following represents the principal taxpayers, type of property, and their taxable assessed values as of the Appraisal District's most recent supplement to the 2022 Certified Taxable Assessed Valuation:

Taxpayer	2022 Tax Year	% of Tax Roll
Sitterle Homes-Houston LLC (a)	3,217,050	0.63%
Weekley Homes LLC (a)	2,776,960	0.54%
Newmark Homes Houston LLC (a)	1,479,080	0.29%
Perry Homes LLC (a)	1,415,170	0.28%
Individual	992,220	0.19%
Individual	957,420	0.19%
Westin Homes & Properities LP (a)	851,880	0.17%
Individual	828,900	0.16%
Individual	817,370	0.16%
Individual	816,300	0.16%
Total	$ 14,152,350	2.75%

(a) See "STATUS OF DEVELOPMENT—Homebuilders Active within the District."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of taxable assessed valuation that would be required to meet certain debt service requirements on the Outstanding Utility Bonds and the Bonds if no growth in the District occurs beyond the District's 2022 Certified Taxable Assessed Valuation as of January 1, 2022 ($513,871,136), and the District's Estimated Taxable Assessed Valuation as of October 1, 2022 ($736,267,339). The following further assumes collection of 95% of taxes levied and the sale of no additional bonds:

Average Annual Debt Service Requirement on the Outstanding Utility Bonds and the Bonds(2023–2048) $2,338,202
Tax Rate of $0.48 on the 2022 Certified Taxable Assessed Valuation produces $2,343,252
Tax Rate of $0.34 on the Estimated Taxable Assessed Valuation as of October 1, 2022, produces $2,378,144

Maximum Annual Debt Service Requirement on the Outstanding Utility Bonds And the Bonds (2043) $2,595,638
Tax Rate of $0.54 on the 2022 Certified Taxable Assessed Valuation produces $2,636,159
Tax Rate of $0.38 on the Estimated Taxable Assessed Valuation as of October 1, 2022, produces $2,657,925

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of taxable assessed valuation that would be required to meet certain debt service requirements on the Outstanding Road Bonds if no growth in the District occurs beyond the District's 2022 Certified Taxable Assessed Valuation as of January 1, 2022 ($513,871,136), and the District's Estimated Taxable Assessed Valuation as of October 1, 2022 ($736,267,339). The following further assumes collection of 95% of taxes levied and the sale of no additional bonds:

Average Annual Debt Service Requirement on the Outstanding Road Bonds (2023–2047) $930,382
Tax Rate of $0.20 on the 2022 Certified Taxable Assessed Valuation produces $976,355
Tax Rate of $0.14 on the Estimated Taxable Assessed Valuation as of October 1, 2022, produces $979,236

Maximum Annual Debt Service Requirement on the Outstanding Road Bonds (2043) $1,079,181
Tax Rate of $0.23 on the 2022 Certified Taxable Assessed Valuation produces $1,122,808
Tax Rate of $0.16 on the Estimated Taxable Assessed Valuation as of October 1, 2022, produces $1,119,126

Estimated Overlapping Taxes

Property within the District is subject to taxation by several taxing authorities in addition to the District. Under Texas law, if ad valorem taxes levied by a taxing authority become delinquent, a lien is created upon the property which has been taxed. A tax lien on property in favor of the District is on parity with tax liens of other taxing jurisdictions. In addition to ad valorem taxes required to make debt service payments on bonded debt of the District and of such other jurisdictions (see "DISTRICT DEBT—Direct and Estimated Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Set forth below is a compilation of all 2022 taxes levied by such jurisdictions per $100 of assessed valuation. Such levies do not include local assessments for community associations, fire department contributions, charges for solid waste disposal, or any other dues or charges made by entities other than political subdivisions.

Taxing Jurisdiction		2022 Tax Rate
The District	$	1.000000
Fort Bend County, Texas (a)		0.451200
Lamar Consolidated Independent School District		1.242000
Fort Bend Co. LID No. 6		0.450000
Estimated Total Tax Rate	$	3.143200

(a) Includes Fort Bend County Drainage District 2022 tax rate.

THE DISTRICT

General

The District is a municipal utility district created by an order of the TCEQ, dated November 13, 2014, under Article XVI, Section 59 of the Texas Constitution, and operates under the provisions of Chapter 49 and Chapter 54 of the Texas Water Code, as amended, and other general statutes of Texas applicable to municipal utility districts. The District is subject to the continuing supervisory jurisdiction of the TCEQ, and, except for a small 30-foot strip of land (a utility easement) in the District that is within the city limits of the City, lies wholly within the extraterritorial jurisdiction of the City.

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

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

Description

Upon its creation, the District encompassed an area of approximately 577.89 acres. Following one subsequent annexation in May of 2016, the District currently encompasses approximately 589.14 acres. The District is located wholly within Fort Bend County, Texas, approximately 25 miles southwest of the central business district of the City of Houston, Texas, and approximately 2 miles south of the City. The District is located primarily within the extraterritorial jurisdiction of the City and entirely within the boundaries of the Lamar Consolidated Independent School District.

Strategic Partnership Agreement with the City of Richmond

The District and the City have entered into a Strategic Partnership Agreement dated effective June 15, 2015 (the "SPA"), pursuant to Chapter 43 of the Texas Local Government Code. The SPA establishes terms and provisions for the potential future limited purpose and full purpose annexation of the District by the City. Under an annexation for limited purposes, the SPA generally provides that the City may annex property in the District associated with commercial development and impose a sales and use tax thereon. Under an annexation for full purposes, the City assumes all rights, powers, and obligations (including the Bonds) of the District, the District is dissolved, and all property within the District is made part of the City. The SPA provides that the City will not annex the District for full purposes until such time as (i) ninety percent (90%) of the Utility System, Park System, and Road System to serve property in the District has been constructed and (ii) the District has reimbursed the Developer for such facilities to the maximum extent permitted by the rules of the TCEQ or the City assumes the District's obligation to reimburse the Developer under such rules. The procedures for full-purpose annexation under the SPA may differ from those otherwise applicable under Chapter 43, Texas Local Government Code, including any requirements for an election. See "THE BONDS—Annexation."

Management of the District

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

Name	Position	Term
Gary Gillen	President	May 2026
Billy Johnson	Vice President	May 2026
Nick Deacon	Secretary	May 2024
Jessica Huang	Assistant Vice President	May 2026
Noe Farias	Assistant Secretary	May 2024

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

Tax Assessor/Collector: The District's tax assessor/collector is Tax Tech, Inc. (the "Tax Assessor/Collector"). The Tax Assessor/Collector applies the District's tax levy to tax rolls prepared by the Appraisal District and bills and collects such levy.

Bookkeeper: The District's bookkeeper is Myrtle Cruz, Inc.

Operator: The City serves as operator of the Utility System pursuant to that Water Supply and Wastewater Services Contract described herein under "THE UTILITY SYSTEM."

Auditor: The District engaged McCall Gibson Swedlund Barfoot PLLC, Certified Public Accountants, to perform an audit of its financial statements for the fiscal year ended July 31, 2021. Such financial statements are attached as "APPENDIX A" to this Official Statement.

Engineer: The District has engaged Costello, Inc. (the "Engineer") to perform engineering services for the design and construction of the Utility System, Road System, and other District facilities.

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

Disclosure Counsel: Orrick, Herrington & Sutcliffe LLP, Houston, Texas, serves as Disclosure Counsel to the District for issuance of the Bonds. The fee to be paid Disclosure Counsel for services rendered in connection with the issuance of the Bonds is contingent on the issuance, sale and delivery of the Bonds.

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

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STATUS OF DEVELOPMENT

Status of Development

The District is being developed as the master-planned residential community known as Veranda. To date, approximately 1,561 single-family lots have been developed within the following single-family residential subdivisions: Veranda, Sections 1 through 9, 11, 12, 14 through 35, 37 and 39 through 41. Veranda, Section 35 will be constructed exclusively as build-to-rent and will not include individual homeowners. As of October 18, 2022, development within the District consisted of approximately 1,417 completed homes (approximately 1,389 occupied, 16 unoccupied, and 12 model homes), approximately 88 homes under construction, and approximately 146 vacant, developed lots. Additionally, 90 single-family residential lots are under construction in Veranda, Section 35. The single-family residential subdivisions referenced above encompass approximately 526 total acres. The remainder of the land within the District consists of approximately 31 acres for a recreation center, approximately 32 undevelopable acres, and no additional undeveloped developable acreage. The table below summarizes the development within the District as of October 18, 2022.

Section	Type of Development	Acreage	No. of Lots	Homes Complete	Homes Under Construction	Vacant Lots
Veranda - Section 1	Single Family	10	12	11	-	1
Veranda - Section 2	Single Family	20	28	28	-	-
Veranda - Section 3	Single Family	16	49	49	-	-
Veranda - Section 4	Single Family	16	40	40	-	-
Veranda - Section 5	Single Family	18	61	61	-	-
Veranda - Section 6	Single Family	7	48	48	-	-
Veranda - Section 7	Single Family	22	60	60	-	-
Veranda - Section 8	Single Family	10	30	26	4	-
Veranda - Section 9	Single Family	29	58	58	-	-
Veranda - Section 11	Single Family	6	28	28	-	-
Veranda - Section 12	Single Family	22	29	19	3	7
Veranda - Section 14	Single Family	7	29	29	-	-
Veranda - Section 15	Single Family	5	26	26	-	-
Veranda - Section 16	Single Family	4	44	44	-	-
Veranda - Section 17	Single Family	10	48	48	-	-
Veranda - Section 18	Single Family	12	55	55	-	-
Veranda - Section 19	Single Family	8	38	38	-	-
Veranda - Section 20	Single Family	8	29	29	-	-
Veranda - Section 21	Single Family	14	39	39	-	-
Veranda - Section 22	Single Family	13	42	42	-	-
Veranda - Section 23	Single Family	8	31	31	-	-
Veranda - Section 24	Single Family	20	83	83	-	-
Veranda - Section 25	Single Family	27	52	52	-	-
Veranda - Section 26	Single Family	19	68	68	-	-
Veranda - Section 27	Single Family	13	45	44	1	-
Veranda - Section 28	Single Family	11	53	53	-	-
Veranda - Section 29	Single Family	8	20	20	-	-
Veranda - Section 30	Single Family	17	65	65	-	-
Veranda - Section 31	Single Family	9	43	43	-	-
Veranda - Section 32	Single Family	20	34	4	23	7
Veranda - Section 33	Single Family	25	25	25	-	-
Veranda - Section 34	Single Family	13	63	62	1	-
Veranda - Section 35 (a)	Single Family	17	90	-	-	90
Veranda - Section 37	Single Family	10	46	46	-	-
Veranda - Section 39	Single Family	7	25	22	3	-
Veranda - Section 40	Single Family	19	68	21	18	29
Veranda - Section 41	Single Family	26	47	-	35	12
Subtotal		526	1,651	1417	88	146
Total		**526**	**1,651**	**1,417**	**88**	**146**
Under Development	-					
Recreation Center	31					
Undevelopable	32					
Remaining Developable	-					
Total District Acreage	589					

(a) Veranda, Section 35 will be constructed exclusively as build-to-rent and will not include individual homeowners.

Homebuilders Active within the District

Homebuilders active within the District include Coventry Homes, David Weekley Homes, Highland Homes, Lennar Homes, Newmark Homes, Perry Homes, Sitterle Homes, and Westin Homes. New homes being constructed in the District range in price from approximately $175,000 to approximately $913,000 and in size from 1,400 to over 4,700 square feet.

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PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

(May 2022)

PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

(May 2022)

AERIAL PHOTOGRAPH

THE DEVELOPER

The Role of a Developer

In general, the activities of a developer in a municipal utility district such as the District include purchasing the land within the District, designing the utilities and streets to be constructed in the community, designing any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, wastewater, and drainage facilities pursuant to the rules of the TCEQ, as well as gas, telephone and electric service) and selling commercial reserves to builders, developers, or other third parties. In certain instances, the developer will be required to pay up to thirty percent of the cost of constructing certain of the water, wastewater and drainage and recreational facilities in a municipal utility district pursuant to the rules of the TCEQ. The relative success or failure of a developer to perform such activities in development of its property within a municipal utility district may have a profound effect on the security of the unlimited tax bonds issued by a district. A developer is generally under no obligation to a district to develop the property which it owns in a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land which it owns within a district. In addition, a developer is ordinarily a major taxpayer within a municipal utility district during the development phase of the property.

Prospective purchasers of the Bonds should note that the prior real estate experience of a developer should not be construed as an indication that further development within the District will occur, construction of taxable improvements upon property within the District will occur, or that marketing or leasing of taxable improvements constructed upon property within the District will be successful. Circumstances surrounding development within the District may differ from circumstances surrounding development of other land in several respects, including the existence of different economic conditions, financial arrangements, homebuilders, geographic location, market conditions, and regulatory climate.

Description

HW 589 Holdings LLC, a Delaware limited liability company (the "Developer"), is the developer of land in the District. The Developer is an affiliate of The Johnson Development Corp. ("JDC").

Established in 1975, JDC is a leading land developer of residential and commercial properties across the country, and, since its establishment in 1975, has been involved in over 100 projects resulting in the development of over 40,000 acres devoted to multiple-use commercial parks, office buildings, retail centers, championship golf courses, and residential communities. In Texas, in addition to Veranda, JDC is responsible for the development of master-planned communities including Riverstone, Sienna, Cross Creek Ranch, Harvest Green, Imperial, Fall Creek, Tuscan Lakes, Edgewater, Woodforest, Harmony, Grand Central Park, Willow Creek Farms, Trinity Falls, and Viridian.

Lot-Sales Contracts

The Developer has entered into lot-sales contracts with each of Highland Homes, Lennar Homes, Coventry Homes, Newmark Homes, Perry Homes, Sitterle Homes, Weekley Homes, and Westin Homes. The contracts for the sale of lots between the Developer and the builders require that earnest money be deposited with a title company, typically 10% of the total price of the completed lots. The sales contracts establish certain required lot purchases quarterly, with pro rata earnest money credit being given to the builders at lot closings stated in each contract. The Developer has no remedy for builders not purchasing lots in accordance with the contracts. According to the Developer, each of the builders is in compliance with their respective lot-sales contract. As of October 21, 2022, the total number of lots contracted and purchased by each builder is listed below:

Homebuilder	Total Lots Contracted	Total Lots Purchased
Highland Homes	171	171
Lennar Homes	343	343
Conventry Homes	142	142
Newmark Homes	229	229
Perry Homes	287	287
Sitterle Homes	60	60
Weekley Homes	209	209
Westin Homes	119	119
Totals	1,560	1,560

Development Financing

On November 12, 2015, the Developer obtained a development loan from Trustmark Bank. On November 12, 2018, the loan was amended, and, as amended, the loan matures on November 12, 2023. The loan is secured by approximately 39 acres of land. The loan has a maximum principal balance of $7,500,000, and, as of September 30, 2022, the outstanding balance was $2,885,664. According to the Developer, it is in compliance with all material conditions of the loan.

THE UTILITY SYSTEM

Contract with City of Richmond

The District receives water and wastewater services through contractual agreement with the City. Effective May 19, 2014, The Henderson-Wessendorff Foundation, a Texas non-profit corporation and predecessor to the Developer in title to the lands of the District, entered into that certain Water Supply and Wastewater Services Contract ("Contract") with the City on behalf of itself and the District. The Contract was assigned to the District on March 17, 2015, and sets out the terms and provisions relative to the provision of water supply, wastewater treatment, and other services from the City to serve the District, as more fully described below.

Water Supply

The City supplies water to the District through facilities owned and operated by the City. Under the Contract, the City agreed to construct a water plant (named the "Edgar Water Plant" in the Contract) from which it will deliver wholesale water to connection points on the District's internal water supply system, and the District agreed to pay its pro rata share of the costs to construct the Edgar Water Plant based on the District's reserved capacity in the plant as a proportion of the plant's total capacity.

The Contract stipulates that the Edgar Water Plant will be constructed in two phases in order to provide ultimate capacity sufficient to serve 5,000 equivalent single-family connections ("esfc"). By execution of the Contract, the District reserved 1,550 esfc of such capacity. Connections in excess of 1,550 esfc are purchased by the District in accordance with the City of Richmond, Texas ordinance.

Wastewater

Wastewater treatment for the District is provided by the City under the terms and provisions of the Contract. The City's current wastewater facilities have adequate capacity to service ultimate build out in the District, and, under the Contract, the District reserved 1,550 esfc of such capacity and agreed to pay the City the then-current connection fees for permanent capacity in the wastewater treatment plant prior to final plat recordation in accordance with the City's ordinance, rule, or regulation regarding such connection fee. Connections in excess of 1,550 esfc are purchased by the District in accordance with the City of Richmond, Texas ordinance.

Drainage

The area of Fort Bend County, Texas, in and around the District is generally flat. Storm water in the District drains to a series of detention ponds and ditches, which were constructed by Fort Bend County Levee Improvement District No. 6, that outfall to Rabbs Bayou and then to the Brazos River. The subdivisions within the District are drained by curb and gutter to an underground storm sewer system. The storm sewer system drains to a collection of detention ponds that outfall to Rabbs Bayou. See "Flood Protection" below.

Regulation

According to the Engineer, the water and sanitary sewer facilities to be acquired and or constructed by the District will be designed and constructed in accordance with accepted engineering practices and recommendations and requirements of the City, the Texas Department of Health, and the TCEQ. Construction and operation of the facilities are subject to inspection and regulation by the City, TCEQ, the EPA, and other governmental agencies. According to the Engineer, District improvements financed with the proceeds of the Bonds have been approved by all required regulatory agencies and have been constructed in compliance with applicable standards and specifications.

Fort Bend Subsidence District

As noted above, the District obtains its water supply from facilities owned and operated by the City. The City's authority to pump groundwater is subject to an annual permit issued by the Fort Bend Subsidence District (the "Subsidence District"). The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District's jurisdiction, including the area within the City and the District. The Subsidence District's regulations required the City, individually or collectively with other water users, to prepare a groundwater reduction plan ("GRP") and obtain certification of the GRP from the Subsidence District by the applicable water well permit expiration date in the year 2010. The City has prepared its GRP and obtained the required certification from the Subsidence District. By execution of the Contract, the District has agreed to be part of the City's GRP and to pay certain associated costs, and the imposition of a monthly fee charged to the customers of the District by the City based on the volume of water supplied to such customers each month.

The Subsidence District's regulations further require the City individually or collectively with other water users to: (i) limit groundwater withdrawals to no more than 70% of the total annual water demand of the water users within the GRP, beginning January 2016; and (ii) limit groundwater withdrawals to no more than 40% of the total annual water demand of the water users within the GRP, beginning October 2025.

If the City fails to comply with the above Subsidence District regulations, the City will be subject to a $6.50 per 1,000 gallons disincentive fee penalty imposed by the Subsidence District for any groundwater withdrawn in excess of 40% of the total annual water demand. If the District failed to comply with surface water conversion requirements mandated by the City, the District would be subject to monetary or other penalties imposed by the City.

Flood Protection

All of the land in the District lies within Fort Bend County Levee Improvement District No. 6 ("LID 6"), which encompasses approximately 1,637 total acres of land. LID 6 has constructed and operates levee and drainage improvements to serve lands within its boundaries, including the District, and finances such facilities with the proceeds of unlimited tax bonds. To date, LID 6 has issued nine series of unlimited tax bonds of which $40,595,000 principal amount remains outstanding as of October 1, 2022.

Construction and operation of the levee and drainage system serving the land in the District as it now exists may be expanded from time to time by and is subject to the regulatory jurisdiction of federal, state, and local authorities. Construction of drainage facilities is also subject to the regulatory authority of the Fort Bend County Drainage District and plans are reviewed and approved by the City. The Federal Emergency Management Agency ("FEMA") Flood Insurance Rate Maps dated April 2, 2014, indicate that all of the developable property within the District lies outside the 100-year flood plain due to the perimeter levee system constructed by LID 6, which removed the District from the flood plain.

LID 6's levee and drainage system has been designed and constructed to all current standards. However, while the District has never experienced structural flooding or other material damage as a result of any of the following, the levee system does not protect against all flooding scenarios and flooding could occur in the District as a result of 1) an overtopping of the levee, or 2) a failure (or breach) of the levee system, or 3) localized rainfall in excess of the 100-year event.

An overtopping of the levee could occur if the Brazos River or its tributaries reach flood stages higher than the 100-year event. The "100-year event" means the river elevation has a statistical 1% chance of occurring in any given year. Current FEMA regulations require an earthen levee to be constructed a minimum of three feet above the level of a 100-year event and current Fort Bend County, Texas regulations require an additional 1 foot of height above FEMA minimum requirements.

In addition to the risk of overtopping, a portion of the District would experience flooding if the levee failed (or breached) while the Brazos River (or its tributaries) were at a flood state of less than the 100-year event. In order to mitigate the risk, LID 6 performs weekly inspections of the levee to observe any visible damage or deterioration of the levee that is in need of repair. Repairs of damage or deterioration are addressed through active maintenance and inspection by LID 6 to identify and correct any deficiencies.

The District could experience flooding if a localized rainfall event in excess of the 100-year event were to happen within the District. The statistical chance of this happening is 1% in any given year, with this risk being independent of the levee system.

THE ROAD SYSTEM

The District is primarily served by one major thoroughfare, Richmond Parkway (formerly known as Williams Way Boulevard), and several collector roads, including Wildwood Park Road and Veranda Trails Parkway. The internal subdivision streets direct residents to Wildwood Park Road and Veranda Trails Parkway, each of which connects to Richmond Parkway (formerly known as Williams Way Boulevard), which then connects and provides access to Highway 59.

INVESTMENT CONSIDERATIONS

General

The Bonds are obligations solely of the District and are not obligations of the State of Texas; Fort Bend County, Texas; the City; or any political subdivision or entity other than the District. The Bonds are secured by the levy of an annual ad valorem tax, without legal limitation as to rate or amount, levied by the District on all taxable property located within the District. See "THE BONDS—Source and Security for Payment." The ultimate security for payment of the principal of and interest on the Bonds depends upon the ability of the District to collect from the property owners within the District taxes levied against all taxable property located within the District or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representations that over the life of the Bonds the property within the District will maintain a value sufficient to justify continued payment of taxes by the property owners. The potential increase in taxable valuation of District property is directly related to the economics of the residential housing and commercial retail industries, not only due to general economic conditions, but also due to the particular factors discussed below.

Factors Affecting Taxable Values and Tax Payments

Economic Factors and Construction of Improvements: The rate of development within the District is directly related to the vitality of the single-family housing industry in the Houston, Texas metropolitan area. Construction of new single-family homes can be significantly affected by factors such as interest rates, construction costs, and consumer demand. Decreased levels of such construction activity would restrict the growth of property values in the District. Although, as of October 18, 2022, the District included approximately 1,417 completed single-family homes and approximately 88 additional homes under construction, the District cannot predict the pace or magnitude of any future development in the District. See "STATUS OF DEVELOPMENT." Unless the District's tax base grows as a result of construction of additional housing and other taxable improvements, the District may be required to levy taxes at a substantially higher rate than customarily levied by other similar utility districts. An increase in the tax rate of the District to a higher level may have an adverse impact on future development in the District and on the District's ability to collect such tax. See "TAX DATA—Tax Rate Calculations."

Competition: The demand for and construction of taxable improvements in the District could be affected by competition from other developments near the District. In addition to competition for new single-family home sales from other developments, there are numerous previously owned single-family homes in more established commercial centers and neighborhoods closer to the City of Houston, Texas, that are for sale. Such existing developments could represent additional competition for new development proposed to be constructed within the District. The competitive position of the Developer (herein defined) or the principal landowners in the sale of land, and the sale or leasing of residences is affected by most of the factors discussed in this section. Such a competitive position is directly related to the growth and maintenance of taxable values in the District and tax revenues to be received by the District. The District can give no assurance that building and marketing programs in the District by the Developer will be implemented or, if implemented, will be successful.

Location and Access: The District is located approximately 25 miles southwest from the central business district of the City of Houston, Texas. Many of the single-family developments with which the District competes are in a more developed state and have lower taxes. As a result, particularly during times of increased competition, the Developer within the District may be at a competitive disadvantage to the developers in other single-family projects located closer to major urban centers or in a more developed state. See "THE DISTRICT" and "STATUS OF DEVELOPMENT."

Developer's Obligations to the District: There is no commitment by or legal requirement of the Developer (herein defined), or any other landowner to the District to proceed at any particular rate or according to any specified plan with the development of land in the District, or of any homebuilder to proceed at any particular pace with the construction of homes in the District. Moreover, there is no restriction on any landowner's right to sell its land. Therefore, the District can make no representation about the probability of future development, if any, or the rate of future home construction activity in the District. Failure to construct taxable improvements on developed lots would restrict the rate of growth of taxable values in the District and result in higher tax rates. See "STATUS OF DEVELOPMENT" and "THE DEVELOPER."

Maximum Impact on District Tax Rate: Assuming no further development or construction of taxable improvements, the value of the land and other taxable property currently within the District will be the major determinant of the ability or willingness of property owners in the District to pay their taxes. The 2022 Certified Taxable Assessed Valuation as of January 1, 2022 is $513,871,136, and the Estimated Taxable Assessed Valuation as of October 1, 2022, is $736,267,339. See "TAX DATA."

After issuance of the Bonds, the maximum annual debt service requirement of the Outstanding Utility Bonds (herein defined) and the Bonds will be $2,595,638 (2043), and the average annual debt service requirement of the Outstanding Utility Bonds and the Bonds will be $2,338,202 (2023–2048). Based on the District's 2022 Certified Taxable Assessed Valuation as of January 1, 2022, and no use of funds on hand, a tax rate of $0.54 per $100 assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement, and a tax rate of $0.48 per $100 assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirement. Based on the District's Estimated Taxable Assessed Valuation as of October 1, 2022, and no use of funds on hand, a tax rate of $0.38 per $100 assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement, and a tax rate of $0.34 per $100 assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirement. See "DISTRICT DEBT—Utility Debt Service Requirements" and "TAX DATA—Tax Rate Calculations."

The maximum annual debt service requirement of the Outstanding Road Bonds (herein defined) is $1,079,181 (2043), and the average annual debt service requirement of the Outstanding Road Bonds is $930,382 (2023–2047). Based on the District's 2022 Certified Taxable Assessed Valuation as of January 1, 2022, and no use of funds on hand, a tax rate of $0.23 per $100 assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement, and a tax rate of $0.20 per $100 assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirement. Based on the District's Estimated Taxable Assessed Valuation as of October 1, 2022, and no use of funds on hand, a tax rate of $0.16 per $100 assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement, and a tax rate of $0.14 per $100 assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirement. See "DISTRICT DEBT—Road Debt Service Requirements" and "TAX DATA—Tax Rate Calculations."

The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners. Increases in the District's tax rate to rates substantially higher than the levels discussed above may have an adverse impact upon future development of the District, the sale and construction of property within the District, and the ability of the District to collect, and the willingness of owners of property located within the District to pay ad valorem taxes levied by the District.

Infectious Disease Outbreak – 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 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.

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

With the easing or removal of COVID-19 associated governmental restrictions, economic activity has increased. However, there are no assurances that such increased economic activity will continue or continue at the same rate, especially if there are future outbreaks of COVID-19. The District has not experienced any decrease in property values, unusual tax delinquencies, or interruptions to 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 re-imposition of restrictions.

District Tax Levy and Overlapping District Taxes and Functions

The entirety of the District is located within LID 6, a levee improvement district that covers approximately 1,637 acres of land. LID 6 has constructed certain improvements to remove land within LID 6 from the flood plain and to accommodate storm water drainage within LID 6, including the District. As of October 1, 2022, LID 6 has $40,595,000 principal amount of unlimited tax bonds outstanding. The principal of and interest on LID 6 bonds are payable from the proceeds of a continuing direct annual ad valorem tax, without legal limit as to rate or amount, levied against all taxable property located within LID 6, including the District. For the 2022 tax year, LID 6 levied a debt service tax rate of $0.27 per $100 of assessed valuation, plus a maintenance tax rate of $0.18 per $100 of assessed valuation, for a total tax rate of $0.45 per $100 of assessed valuation. Since LID 6's debt is payable from an unlimited tax, the full and timely payment of such tax by the owners of property located within LID 6 will directly affect LID 6's ability to meet its debt obligations. Furthermore, the absence of continued development and growth of taxable values in LID 6 or other factors could result in increases in LID 6's tax rate.

The combined tax rates of the District and LID 6 (which total $1.45 per $100 valuation) are higher than the tax levy of many municipal utility districts in the Houston, Texas metropolitan area.

In the event that LID 6's debt service tax rate of $0.27 per $100 of assessed valuation, plus its maintenance tax rate of $0.18 per $100 of assessed valuation, prove to be insufficient to enable LID 6 to meet debt service requirements on its indebtedness and/or its maintenance and operating requirements, LID 6 would be required to increase its tax rate to a level sufficient to meet such requirements. LID 6's 2022 taxable assessed valuation is approximately $1,051,465,297.

The District cannot guarantee whether any of the land development projects which are planned for or are underway in the District will be successful or whether the assessed valuation of the land located within the District will increase sufficiently to justify continued payment of the District tax by property owners. Increases in LID 6's tax rate so that the combined tax rate between the District and LID 6 rises above $1.50 per $100 valuation would have an adverse impact upon future development within the District and the ability of the District to collect, and the willingness of owners of property located within the District to pay, ad valorem taxes levied by the District.

The tax rate that may be required to service debt on any bonds issued by the District or LID 6 is subject to numerous uncertainties such as the growth of taxable values within such districts, the amount of the bonds issued, regulatory approvals, construction costs, and market interest rates. There can be no assurances that composite tax rates imposed by overlapping jurisdictions on property situated in LID 6's participating districts, including the District, will be competitive with the tax rates of competing projects. To the extent that such composite tax rates are not competitive with competing developments, the growth of property tax values in the District and the investment quality or security of the Bonds could be adversely affected.

Hurricane Harvey

The Texas Gulf Coast area, including Fort Bend County, Texas, sustained widespread rain damage and flooding as a result of Hurricane Harvey's landfall along the Texas Gulf Coast on August 25, 2017, and historic levels of rainfall during the succeeding four days.

According to the Engineer (herein defined), the water and sewer facilities serving the District, which are owned and operated by the City, and LID 6 sustained no material damage as a result of Hurricane Harvey, and there was no interruption of water and sewer service to the District. Furthermore, according to the Developer and the Engineer, there were no homes in the District that experienced flooding or structural damage. The District cannot predict the effect that additional extreme weather events may have upon the District and the surrounding region. Additional extreme weather events have the potential to cause damage within the District and along the Gulf Coast generally that could have a negative effect on taxable assessed valuations in the District and the economy of the District and the region. See "TAXING PROCEDURES—Valuation of Property for Taxation."

Potential Impact of Natural Disaster

The District could be impacted by a natural disaster such as wide-spread fires, earthquakes, or weather events such as hurricanes, tornados, tropical storms, or other severe weather events that could produce high winds, heavy rains, hail, and flooding. In the event that a natural disaster should damage or destroy improvements and personal property in the District, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the taxable assessed value of the District or an increase in the District's tax rates.

There can be no assurance that a casualty will be covered by insurance (certain casualties, including flood, are usually excepted unless specific insurance is purchased), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild, repair, or replace any taxable properties in the District that were damaged. Even if insurance proceeds are available and damaged properties are rebuilt, there could be a lengthy period in which assessed values in the District would be adversely affected. There can be no assurance the District will not sustain damage from such natural disasters.

Levee System

Fort Bend County Levee Improvement District No. 6 has constructed and operates levee and drainage improvements that serve to protect lands within the District from flooding. The levee and drainage system has been designed and constructed to all current standards, however, the system does not protect against all flooding scenarios, and flooding could occur in the District as a result of overtopping of the levee, failure, or breach of the levee, or excessive rainfall. See "THE UTILITY SYSTEM—Flood Protection" for further information.

Environmental Regulations

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

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

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

Air Quality Issues: Air quality control measures required by the United States Environmental Protection Agency (the “EPA”) and the TCEQ may impact new industrial, commercial and residential development in the Houston, Texas 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 TCEQ issued the General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit") on January 24, 2019. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. While the District is currently not subject to the MS4 Permit, if the District's inclusion were required at a future date, the District could incur substantial costs to develop, implement, and maintain 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 will become effective on June 20, 2020, which is 60 days after the date of its publication in the Federal Register and will likely become the subject of further litigation.

On July 30, 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 ongoing rulemaking activity, as well as existing and possible future litigation, there remains uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction. Depending on the final outcome of such proceedings, operations of municipal utility districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements.

Fort Bend Subsidence District

The District obtains its water supply from facilities owned and operated by the City. The City's authority to pump groundwater is subject to an annual permit issued by the Subsidence District. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District's jurisdiction, including the area within the City and the District. The Subsidence District's regulations required the City, individually or collectively with other water users, to prepare a groundwater reduction plan ("GRP") and obtain certification of the GRP from the Subsidence District by the applicable water well permit expiration date in the year 2010. The City has prepared its GRP and obtained the required certification from the Subsidence District. By execution of the Contract, as hereinafter defined, the District has agreed to be part of the City's GRP and to pay certain associated costs, and the imposition of a monthly fee charged to the customers of the District by the City based on the volume of water supplied to such customers each month.

The Subsidence District's regulations further require the City individually or collectively with other water users to: (i) limit groundwater withdrawals to no more than 70% of the total annual water demand of the water users within the GRP, beginning January 2016; and (ii) limit groundwater withdrawals to no more than 40% of the total annual water demand of the water users within the GRP, beginning October 2025.

If the City fails to comply with the above Subsidence District regulations, the City will be subject to a $6.50 per 1,000 gallons disincentive fee penalty imposed by the Subsidence District for any groundwater withdrawn in excess of 40% of the total annual water demand. If the District failed to comply with surface water conversion requirements mandated by the City, the District would be subject to monetary or other penalties imposed by the City.

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by difficulties in collecting ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by judicial foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time-consuming, and expensive collection procedures; (b) a bankruptcy court's stay of tax collection proceedings against a taxpayer; (c) market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property; or (d) the taxpayer's right to redeem the property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Attorney's fees and other costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, a 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 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 (6) 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. See "TAXING PROCEDURES."

Registered Owners' Remedies and Bankruptcy

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 of the Bonds ("Registered Owners") have the right to seek of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Order. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners.

Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Order may not be reduced to a judgment for money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of Registered Owners may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Texas law requires a district, such as the District, to obtain the approval of the TCEQ as a condition to seeking relief under the Federal Bankruptcy Code.

Notwithstanding noncompliance by the District with Texas law requirements, the District could file a voluntary bankruptcy petition under Chapter 9 of the Federal Bankruptcy Code, 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 the petitioning District were allowed to proceed voluntarily under Chapter 9 of the Federal Bankruptcy Code, it could file a plan for an adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect Registered Owners by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of the Registered Owners' claims against a district.

The District may not be placed into bankruptcy involuntarily.

Future Debt

At an election held within the District on May 9, 2015, voters of the District authorized the District's issuance of the following: a total of $112,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Utility System; a total of $18,700,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Park System; a total of $130,700,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System or the Park System; a total of $39,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Road System; and a total of $39,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System.

The Bonds represent the sixth series of bonds to be issued by the District for the purpose of constructing or acquiring the Utility System. After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: $69,855,000 for the Utility System; $18,700,000 for the Park System; $130,700,000 for refunding bonds issued for the Utility System or the Park System; $21,105,000 for the Road System; and $39,000,000 for refunding bonds issued by the District for the Road System.

All of the remaining bonds described above, which have heretofore been authorized by the voters of the District, may be issued by the District from time to time as needed. In the Bond Order, the District reserves the right to issue the remaining authorized but unissued bonds and such additional bonds as may hereafter be approved by the voters of the District.

The District's issuance of the remaining unlimited tax bonds for the Utility System and for the Park System shall be subject to approval by the TCEQ. The District's issuance of the bonds for purpose of constructing or acquiring the Road System is not subject to approval of the TCEQ however.

According to the Developer, following the issuance of the Bonds, the District will have fulfilled its obligations to the Developer for its expenditures to construct the Utility System. In addition, approximately $6,300,000 will be owed to the Developer for expenditures to construct the Park System. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt-to-property-valuation ratios and thereby adversely affect the investment quality or security of the Bonds. See "THE BONDS—Issuance of Additional Debt."

Marketability of the Bonds

The District has no understanding with the initial purchaser of the Bonds (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 may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers, since such bonds are more generally bought, sold and traded in the secondary market.

Continuing Compliance with Certain Covenants

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

Approval of the Bonds

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

Future and Proposed Legislation

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

Bond Insurance Risk Factors

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

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

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

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

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

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

LEGAL MATTERS

Legal Opinions

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

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

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

Legal Review

In its capacity as Bond Counsel, Schwartz, Page & Harding, L.L.P., has reviewed the information appearing in this Official Statement under the captioned sections "THE BONDS," "THE DISTRICT—General," "—Strategic Partnership Agreement with the City of Richmond," "—Management of the District—Bond Counsel and General Counsel," "TAXING PROCEDURES," and "LEGAL MATTERS" solely to determine whether such information fairly summarizes the law and documents referred to therein. Such firm has not independently verified factual information contained in this Official Statement, nor has such firm conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firm's limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of any of the other information contained herein.

Tax Exemption

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

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

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

Not Qualified Tax-Exempt Obligations

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

The Bonds are **not** designated as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code.

Collateral Federal Income Tax Consequences

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

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences. The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, including financial institutions, life insurance and property and casualty insurance companies, owners of interests in a FASIT, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, certain S corporations with accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and individuals allowed an earned income credit. THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING

THOSE WHO ARE SUBJECT TO SPECIFIC PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP, AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Interest on the Bonds may be includable in certain corporations "adjusted financial statement income" determined under Section 56A of the Code to calculate the alternative minimum tax imposed by Section 55 of the Code.

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

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

State, Local and Foreign Taxes

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

Tax Accounting Treatment of Original Issue Discount Bonds and Premium Bonds

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

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

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

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

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

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

NO MATERIAL ADVERSE CHANGE

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

NO-LITIGATION CERTIFICATE

With the delivery of the Bonds, the President or Vice President and Secretary or Assistant Secretary of the Board will, on behalf of the District, execute and deliver to the 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.

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB annually. The financial information and operating data which will be provided with respect to the District is found under the headings "DISTRICT DEBT," "TAX DATA," and "APPENDIX A." The District will update and provide this information within six months after the end of each of its fiscal years ending in or after 2022.

Any information so provided shall be prepared in accordance with generally accepted accounting principles or other such principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to EMMA within such six month period, and audited financial statements when the audit report becomes available. The District's current fiscal year end is July 31. Accordingly, it must provide updated information by January 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify EMMA of the change.

Material Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other 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 District or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or 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 the financial obligation of the District or obligated person, any of which reflect financial difficulties. The term "financial obligation" when used in this paragraph shall have the meaning ascribed to it under federal securities laws including meaning a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities for which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from MSRB

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

Limitations and Amendments

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

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

Compliance with Prior Undertakings

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

GENERAL CONSIDERATIONS

General

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

The District's financial statements for the fiscal year ended July 31, 2021, were audited by McCall Gibson Swedlund Barfoot PLLC, Certified Public Accountants, and have been included herein as "APPENDIX A." McCall Gibson Swedlund Barfoot PLLC, Certified Public Accountants, has agreed to the publication of its audit opinion on such financial statements in this Official Statement. The District did not request McCall Gibson Swedlund Barfoot PLLC to perform any updating procedures subsequent to the date of its audit report on the July 31, 2021 financial statements.

Updating of Official Statement

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

Certification as to Official Statement

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

Concluding Statement

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

This Official Statement was approved by the Board of Directors of Fort Bend County Municipal Utility District No. 215 as of the date shown on the first page hereof.

/s/ Gary Gillen
President, Board of Directors
Fort Bend County Municipal Utility District No. 215

ATTEST:

/s/ Nick Deacon
Secretary, Board of Directors
Fort Bend County Municipal Utility District No. 215

APPENDIX A

Financial Statements of the District

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215

FORT BEND COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JULY 31, 2021

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215

FORT BEND COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JULY 31, 2021

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McCALL GIBSON SWEDLUND BARFOOT PLLC

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Fort Bend County Municipal Utility District No. 215
Fort Bend County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 215 (the "District"), as of and for the year ended July 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
Fort Bend County Municipal
Utility District No. 215

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of July 31, 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

November 16, 2021

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2021

Management's discussion and analysis of the financial performance of Fort Bend County Municipal Utility District No. 215 (the "District") provides an overview of the District's financial activities for the year ended July 31, 2021.

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 presents information that 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 fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for property tax revenues, City of Richmond service revenues, operating costs and administrative expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

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") and other supplementary information. A budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities exceeded assets by $18,716,913 as of July 31, 2021. A portion of the District's net position reflects its net investment in capital assets (land and landscaping, as well as water, wastewater and drainage infrastructure, less any debt used to acquire those assets that is still outstanding).

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following is a comparative analysis of government-wide changes in net position:

	Summary of Changes in the Statement of Net Position		
	2021	2020	Change Positive (Negative)
Current and Other Assets	$ 4,042,048	$ 3,017,453	$ 1,024,595
Capital Assets (Net of Accumulated Depreciation)	30,037,881	25,681,349	4,356,532
Total Assets	$ 34,079,929	$ 28,698,802	$ 5,381,127
Due to Landowner/Developer	$ 17,624,980	$ 19,718,444	$ 2,093,464
Bonds/BAN Payable	34,670,309	24,517,814	(10,152,495)
Other Liabilities	501,553	429,184	(72,369)
Total Liabilities	$ 52,796,842	$ 44,665,442	$ (8,131,400)
Net Position:			
Net Investment in Capital Assets	$ (21,849,755)	$ (18,011,335)	$ (3,838,420)
Restricted	1,534,103	1,195,812	338,291
Unrestricted	1,598,739	848,883	749,856
Total Net Position	$ (18,716,913)	$ (15,966,640)	$ (2,750,273)

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

	Summary of Changes in the Statement of Activities		
	2021	2020	Change Positive (Negative)
Revenues:			
Property Taxes	$ 2,103,411	$ 1,411,978	$ 691,433
Service Revenues	1,219,700	861,736	357,964
Miscellaneous Revenues	18,611	12,661	5,950
Total Revenues	$ 3,341,722	$ 2,286,375	$ 1,055,347
Total Expenses	6,091,995	6,586,449	494,454
Change in Net Position	$ (2,750,273)	$ (4,300,074)	$ 1,549,801
Net Position, Beginning of Year	(15,966,640)	(11,666,566)	(4,300,074)
Net Position, End of Year	$ (18,716,913)	$ (15,966,640)	$ (2,750,273)

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of July 31, 2021, were $3,868,162, an increase of $1,018,442 from the prior year.

The General Fund fund balance increased by $749,686, primarily due to property tax and City of Richmond service revenues exceeding operating and administrative expenditures.

The Debt Service Fund fund balance increased by $404,677, primarily due to the structure of the District's long-term debt and the receipt of capitalized interest from the sale of bonds in the current fiscal year.

The Capital Projects Fund fund balance decreased by $135,921. The District issued debt during the current fiscal year and used the proceeds to reimburse the developer and landowner (see Notes 13, 14 and 16).

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the current fiscal year. Actual revenues were $907,150 more than budgeted revenues and actual expenditures were $478,714 more than budgeted expenditures which resulted in a positive variance of $428,436. See the budget to actual comparison for more information.

CAPITAL ASSETS

The District's capital assets as of July 31, 2021, total $30,037,881 (net of accumulated depreciation) and include the District's capacity interest in the City of Richmond's facilities, land, landscaping, and the water, wastewater and drainage infrastructure. See Notes 13, 14 and 16 for information on assets financed by the District through the sale of bonds and bond anticipation notes.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2021	2020	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 3,161	$	$ 3,161
Capital Assets, Net of Accumulated Depreciation:			
Water System	8,477,726	7,686,256	791,470
Wastewater System	8,376,475	7,202,545	1,173,930
Drainage System	11,391,620	10,017,133	1,374,487
Landscaping	1,788,899	775,415	1,013,484
Total Net Capital Assets	$ 30,037,881	$ 25,681,349	$ 4,356,532

LONG-TERM DEBT ACTIVITY

At the end of the current fiscal year, the District had total bond debt payable of $34,725,000. The changes in the debt position of the District during the fiscal year ended July 31, 2021, are summarized as follows:

Bond Debt Payable, August 1, 2020	$ 20,485,000
Add: Bond Sales	14,750,000
Less: Bond Principal Paid	510,000
Bond Debt Payable, July 31, 2021	$ 34,725,000

With the exception of the District's Series 2018 and Series 2018A Bonds (which are not rated), the District's bonds carry underlying ratings of Baa3 and insured ratings of AA by virtue of bond insurance issued by either Build America Mutual Assurance Company or Assured Guaranty Municipal.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Fort Bend County Municipal Utility District No. 215, c/o Schwartz, Page & Harding, L.L.P., 1300 Post Oak Blvd., Suite 1400, Houston, Texas 77056-3012.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCES SHEET
JULY 31, 2021

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 1,588,038	$ 1,883,572
Receivables:		
Property Taxes	2,176	5,596
Penalty and Interest on Delinquent Taxes		
Due from Other Funds	10,524	
Prepaid Costs	5,083	
Due from the City of Richmond	36,927	
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 1,642,748	$ 1,889,168

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 519,708	$ 3,991,318	$	$ 3,991,318
	7,772		7,772
		948	948
	10,524	(10,524)	
	5,083		5,083
	36,927		36,927
		3,161	3,161
		30,034,720	30,034,720
$ 519,708	$ 4,051,624	$ 30,028,305	$ 34,079,929

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
JULY 31, 2021

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	$ 44,009	$ 1,442
Accrued Interest Payable		
Due to Developer		
Due to Other Funds		10,524
Accrued Interest at Time of Sale		7,660
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 44,009	$ 19,626
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 2,176	$ 5,596
FUND BALANCES		
Nonspendable: Prepaid Costs	$ 5,083	$
Restricted for Authorized Construction		
Restricted for Debt Service		1,863,946
Unassigned	1,591,480	
TOTAL FUND BALANCES	$ 1,596,563	$ 1,863,946
TOTAL LIABILITIES AND FUND BALANCES	$ 1,642,748	$ 1,889,168
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.

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 112,055	$ 157,506	$	$ 157,506
		344,047	344,047
		17,624,980	17,624,980
	10,524	(10,524)	
	7,660	(7,660)	
		775,000	775,000
		33,895,309	33,895,309
$ 112,055	$ 175,690	$ 52,621,152	$ 52,796,842
$ -0-	$ 7,772	$ (7,772)	$ -0-
$	$ 5,083	$ (5,083)	$
407,653	407,653	(407,653)	
	1,863,946	(1,863,946)	
	1,591,480	(1,591,480)	
$ 407,653	$ 3,868,162	$ (3,868,162)	$ -0-
$ 519,708	$ 4,051,624		
		$ (21,849,755)	$ (21,849,755)
		1,534,103	1,534,103
		1,598,739	1,598,739
		$ (18,716,913)	$ (18,716,913)

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JULY 31, 2021

Total Fund Balances - Governmental Funds		$ 3,868,162
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		30,037,881
Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2020 tax levy became part of recognized revenue in the governmental activities of the District.		8,720
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 the following:		
Accrued Interest Payable	$ (336,387)	
Due to Developer	(17,624,980)	
Bonds Payable	(34,670,309)	(52,631,676)
Total Net Position - Governmental Activities		$ (18,716,913)

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

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FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JULY 31, 2021

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 588,785	$ 1,514,569
Garbage Service	183,473	
City of Richmond Service Revenues	1,036,227	
Investment and Miscellaneous Revenues	665	11,359
TOTAL REVENUES	$ 1,809,150	$ 1,525,928
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 114,175	$ 965
Contracted Services	218,608	31,131
City of Richmond Operations Fees	634,805	
Repairs and Maintenance	62,276	
Depreciation		
Other	29,600	8,868
Conveyance of Assets		
Capital Outlay		
Developer Interest		
Debt Service:		
Bond Principal		510,000
Bond Anticipation Note Payoff		
Bond Interest and BAN Interest		724,740
Debt Issuance Costs		
TOTAL EXPENDITURES/EXPENSES	$ 1,059,464	$ 1,275,704
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	$ 749,686	$ 250,224
OTHER FINANCING SOURCES (USES)		
Proceeds from Issuance of Long-Term Debt	$	$ 154,453
Bond Discounts		
Bond Premiums		
TOTAL OTHER FINANCING SOURCES (USES)	$ -0-	$ 154,453
NET CHANGE IN FUND BALANCES	$ 749,686	$ 404,677
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - AUGUST 1, 2020	846,877	1,459,269
FUND BALANCES/NET POSITION - JULY 31, 2021	$ 1,596,563	$ 1,863,946

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 2,103,354	$ 57	$ 2,103,411
	183,473		183,473
	1,036,227		1,036,227
6,760	18,784	(173)	18,611
$ 6,760	$ 3,341,838	$ (116)	$ 3,341,722
$ 21,602	$ 136,742	$	$ 136,742
	249,739		249,739
	634,805		634,805
	62,276		62,276
		823,330	823,330
3,540	42,008		42,008
		1,609,880	1,609,880
8,883,205	8,883,205	(8,883,205)	
242,194	242,194		242,194
	510,000	(510,000)	
4,125,000	4,125,000	(4,125,000)	
23,537	748,277	68,965	817,242
1,473,779	1,473,779		1,473,779
$ 14,772,857	$ 17,108,025	$ (11,016,030)	$ 6,091,995
$ (14,766,097)	$ (13,766,187)	$ 11,015,914	$ (2,750,273)
$ 14,595,547	$ 14,750,000	$ (14,750,000)	$
(189,393)	(189,393)	189,393	
224,022	224,022	(224,022)	
$ 14,630,176	$ 14,784,629	$ (14,784,629)	$ -0-
$ (135,921)	$ 1,018,442	$ (1,018,442)	$
		(2,750,273)	(2,750,273)
543,574	2,849,720	(18,816,360)	(15,966,640)
$ 407,653	$ 3,868,162	$ (22,585,075)	$ (18,716,913)

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

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JULY 31, 2021

Net Change in Fund Balances - Governmental Funds	$ 1,018,442
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.	57
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.	(173)
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.	(823,330)
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.	8,883,205
Certain capital assets constructed by the landowner/developer on behalf of the District are conveyed upon completion to other entities for ownership, maintenance, and operation. These costs are reflected as an expense in the government-wide financial statements.	(1,609,880)
Governmental funds report bond premiums and bond discounts as other financing sources/uses in the year received or paid. However, in the Statement of Net Position, bond premiums and bond discounts are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.	(34,629)
Governmental funds report principal payments on debt as expenditures. However, in the Statement of Net Position, principal payments on debt are reported as decreases in long-term liabilities.	4,635,000
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.	(68,965)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.	(14,750,000)
Change in Net Position - Governmental Activities	$ (2,750,273)

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

NOTE 1. CREATION OF DISTRICT

Fort Bend County Municipal Utility District No. 215 (the "District") was created effective November 13, 2014, by an Order of the Texas Commission on Environmental Quality (the "Commission"). 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, and to construct roads as well as parks and recreational facilities for the residents of the District. The Board of Directors held its organizational meeting on February 17, 2015.

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

<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").

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- 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 in 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 Statement of Revenues, Expenditures and Changes in Fund Balances.

Governmental Funds

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds (Continued)

General Fund - To account for property tax revenues, City of Richmond service revenues, operating costs and administrative 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.

Capital Projects Fund - To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

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 year-end, the Debt Service Fund owed the General Fund $10,524 for maintenance tax collections.

Pensions

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 $5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Water System	45
Wastewater System	45
Drainage System	45
Landscaping	10

Budgeting

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

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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

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

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

	August 1, 2020	Additions	Retirements	July 31, 2021
Bonds Payable	$ 20,485,000	$ 14,750,000	$ 510,000	$ 34,725,000
Unamortized Discount	(92,186)	(189,393)	(7,706)	(273,873)
Unamortized Premiums		224,022	4,840	219,182
Bonds Payable, Net	$ 20,392,814	$ 14,784,629	$ 507,134	$ 34,670,309

Amount Due Within One Year	$ 775,000
Amount Due After One Year	33,895,309
Bonds Payable, Net	$ 34,670,309

As of July 31, 2021, the District had authorized but unissued tax bonds in the amount of $87,215,000 for utility facilities, $18,700,000 for park bonds, $130,700,000 for refunding purposes for utility and park bonds, $28,550,000 for road bonds, and $39,000,000 for refunding purposes for road bonds. 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.

The District's bonds payable at July 31, 2021, consists of the following bonds:

	Series 2018 Utility	Series 2018A Road	Series 2019 Utility	Series 2019A Road
Amount Outstanding – July 31, 2021	$6,850,000	$3,605,000	$4,140,000	$5,380,000
Interest Rates	2.40% - 4.00%	2.25% - 3.875%	2.00% - 4.50%	2.00% - 4.00%
Maturity Dates – Serially Beginning/Ending	September 1, 2021/2043	September 1, 2021/2043	September 1, 2021/2044	September 1, 2021/2044
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2023 (1)	September 1, 2023 (1)	September 1, 2024 (1)	September 1, 2024 (1)

(1) Or any date thereafter at par plus accrued interest from the most recent payment date to the date fixed for redemption. Series 2018 term bonds maturing September 1, 2025, 2033, 2036, 2038, 2040, and 2043 are subject to mandatory redemption by lot or other customary method beginning September 1, 2024, 2032, 2035, 2037, 2039, and 2041, respectively. Series 2018A term bonds maturing September 1, 2031, 2035, 2037, 2039, and 2043 are subject to mandatory redemption by lot or other customary method beginning September 1, 2030, 2034, 2036, 2038, and 2040, respectively. Series 2019 term bonds maturing September 2044 are subject to mandatory redemption by lot or other customary method beginning September 1, 2043. Series 2019A term bonds maturing September 1, 2044 are subject to mandatory redemption by lot or other customary method beginning September 1, 2040.

NOTE 3. LONG-TERM DEBT (Continued)

	Series 2020 Utility	Series 2020A Road	Series 2021 Utility
Amount Outstanding – July 31, 2021	$7,515,000	$1,230,000	$6,005,000
Interest Rates	2.00% - 2.25%	2.00% - 4.50%	1.00% - 3.50%
Maturity Dates – Serially Beginning/Ending	September 1, 2021/2045	September 1, 2021/2045	September 1, 2022/2046
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2025 (2)	September 1, 2025 (2)	September 1, 2026 (2)

(2) Series 2020 term bonds maturing on September 1, 2042 and 2045 are subject to mandatory redemption by lot or other customary method beginning September 1, 2040 and 2043, respectively. Series 2020A term bonds maturing September 1, 2032, 2036, and 2045 are subject to mandatory redemption by lot or other customary method beginning September 1, 2030, 2033, and 2037, respectively. Series 2021 term bonds maturing September 1, 2039, 2042, and 2046 are subject to mandatory redemption by lot or other customary method beginning September 1, 2038, 2040, and 2043, respectively.

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

Fiscal Year	Principal	Interest	Total
2022	$ 775,000	$ 885,632	$ 1,660,632
2023	970,000	910,524	1,880,524
2024	1,015,000	879,156	1,894,156
2025	1,055,000	846,074	1,901,074
2026	1,090,000	815,266	1,905,266
2027-2031	6,005,000	3,660,183	9,665,183
2032-2036	7,115,000	2,840,840	9,955,840
2037-2041	8,440,000	1,775,264	10,215,264
2042-2046	7,940,000	497,942	8,437,942
2047	320,000	3,600	323,600
	$ 34,725,000	$ 13,114,481	$ 47,839,481

During the current fiscal year, the District levied an ad valorem debt service tax rate of $0.72 ($0.46 for utilities and $0.26 for roads) per $100 of assessed valuation, which resulted in a tax levy of $1,514,455 on the adjusted taxable valuation of $210,340,990 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.

NOTE 3. LONG-TERM DEBT (Continued)

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

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

The bond orders state that the District is required to provide continuing disclosure of certain general financial information and operating data to certain information repositories. This information is of the general type included in the audited annual financial statements and is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

The bond orders state that the District should 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.

During the current fiscal year, bond proceeds totaling $154,453 were deposited into the Debt Service Fund and restricted for the payment of bond interest in the upcoming fiscal year.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At year end, the carrying amount of the District's deposits was $3,991,318 and the bank balance was $3,997,670. The District was not exposed to custodial credit risk at year-end.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

The carrying values of the deposits are as follows:

		Cash
GENERAL FUND	$	1,588,038
DEBT SERVICE FUND		1,883,572
CAPITAL PROJECTS FUND		519,708
TOTAL DEPOSITS	$	3,991,318

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.

The District did not own any investments during the current fiscal year.

Restrictions

All cash of the Debt Service Fund are restricted for the payment of debt service and the costs of assessing and collecting taxes. All cash of the Capital Projects Fund are restricted for the purchase of capital assets.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended July 31, 2021 is as follows:

	August 1, 2020	Increases	Decreases	July 31, 2021
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ -0-	$ 3,161	$ -0-	$ 3,161
Capital Assets Subject to Depreciation				
Water System	$ 8,261,384	$ 985,500	$	$ 9,246,884
Wastewater System	7,537,858	1,358,681		8,896,539
Drainage System	10,429,778	1,640,074		12,069,852
Landscaping	923,939	1,192,446		2,116,385
Total Capital Assets Subject to Depreciation	$ 27,152,959	$ 5,176,701	$ -0-	$ 32,329,660
Accumulated Depreciation				
Water System	$ 575,128	$ 194,030	$	$ 769,158
Wastewater System	335,313	184,751		520,064
Drainage System	412,645	265,587		678,232
Landscaping	148,524	178,962		327,486
Total Accumulated Depreciation	$ 1,471,610	$ 823,330	$ -0-	$ 2,294,940
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 25,681,349	$ 4,353,371	$ -0-	$ 30,034,720
Total Capital Assets, Net of Accumulated Depreciation	$ 25,681,349	$ 4,356,532	$ -0-	$ 30,037,881

NOTE 7. MAINTENANCE TAX

On May 9, 2015, the voters of the District approved the levy and collection of a maintenance tax not to exceed $1.00 per $100 of assessed valuation of taxable property within the District. During the year ended July 31, 2021, the District levied an ad valorem maintenance tax rate of $0.28 per $100 of assessed valuation, which resulted in a tax levy of $588,955 on the adjusted taxable valuation of $210,340,990 for the 2020 tax year. This maintenance tax is to be used by the District for operating, maintaining, constructing, acquiring, and repairing District facilities and for the payment of other lawful organization, general and administrative expenditures.

NOTE 8. UNREIMBURSED COSTS

The District has executed construction and purchase agreements with a Landowner and Developer which call for them to fund costs associated with the construction of District facilities as well as the provision of operating advances when needed. During the current fiscal year, the Landowner was fully reimbursed. The following table summarizes the current year activity related to unreimbursed Developer costs for completed projects and operating advances:

Due to Landowner/Developer, beginning of year	$ 19,718,444
Additions	6,070,989
Reimbursements	(8,164,453)
Due to Developer, end of year	$ 17,624,980

NOTE 9. WATER SUPPLY AND WASTEWATER SERVICES CONTRACT

The District receives water and wastewater services through contractual agreement with the City of Richmond, Texas (the "City"). Effective May 19, 2014, The Henderson-Wessendorff Foundation, a Texas non-profit corporation and predecessor to the Developer in title to the lands of the District, entered into that certain Water Supply and Wastewater Services Contract ("Contract") with the City on behalf of itself and the District. The Contract was assigned to the District on March 17, 2015, and sets out the terms and provisions relative to the provision of water supply, wastewater treatment, and other services from the City to serve the District, as more fully described below.

Water Supply to the District

The City supplies water to the District through facilities owned and operated by the City. Under the Contract, the City agreed to construct a water plant (named the "Edgar Water Plant" in the Contract) from which it will deliver wholesale water to connection points on the District's internal water supply system, and the District agreed to pay its pro rata share of the costs to construct the Edgar Water Plant based on the District's reserved capacity in the plant as a proportion of the plant's total capacity. The Contract stipulates that the Edgar Water Plant will be constructed in two phases in order to provide ultimate capacity sufficient to serve 5,000 equivalent single-family connections ("esfc"). By execution of the Contract, the District reserved 1,550 esfc of such capacity.

Wastewater Service to the District

Wastewater treatment for the District is provided by the City under the terms and provisions of the Contract. The City's current wastewater facilities have adequate capacity to service ultimate build out in the District, and, under the Contract, the District reserved 1,550 esfc of such capacity and agreed to pay the City the then-current connection fees for permanent capacity in the wastewater treatment plant prior to final plat recordation in accordance with the City's ordinance, rule, or regulation regarding such connection fee.

NOTE 10. STRATEGIC PARTNERSHIP AGREEMENT

The District and the City have entered into a Strategic Partnership Agreement dated effective June 15, 2015 (the "SPA"), pursuant to Chapter 43 of the Texas Local Government Code. The SPA establishes terms and provisions for the potential future limited purpose and full purpose annexation of the District by the City. Under an annexation for limited purposes, the SPA generally provides that the City may annex property in the District associated with commercial development and impose a sales and use tax thereon. Under an annexation for full purposes, the City assumes all rights, powers, and obligations of the District, the District is dissolved, and all property within the District is made part of the City.

The SPA provides that the City will not annex the District for full purposes until such time as (i) ninety percent (90%) of the Utility System, Park System, and Road System to serve property in the District has been constructed and (ii) the District has reimbursed the Developer for such facilities to the maximum extent permitted by the rules of the TCEQ or the City assumes the District's obligation to reimburse the Developer under such rules. The procedures for full-purpose annexation under the SPA may differ from those otherwise applicable under Chapter 43, Texas Local Government Code, including any requirements for an election.

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss and carries commercial insurance for general liability, directors and officer's liability, public employees blanket crime and director's bond. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage since inception of the District.

NOTE 12. FIRE PROTECTION AGREEMENT

On August 21, 2017, the District entered into a Fire Protection Agreement with the City of Richmond, Texas. On December 1, 2017, after the successful fire plan election on November 7, 2017, the City started providing fire protection services to District persons, buildings and property located within the City's extraterritorial jurisdiction. The District makes monthly payments of (1) \$15.27 for each residential unit in the District that is connected to and receiving service from the District's water supply system; and (2) \$15.27 for each 2,000 square feet or part thereof of building floor area for every improved non-residential property located in the District that is connected to and receiving service from the District's water supply system. The term of the agreement is 15 years and is automatically renewed for successive one-year terms.

NOTE 13. SALE OF BOND ANTICIPATION NOTE

On November 17, 2020, the District closed on the sale of its $4,190,000 Series 2020 Bond Anticipation Note (2020 BAN). The District used the 2020 BAN proceeds to reimburse the Developer and Landowner for a portion of the construction and engineering costs associated with the water, wastewater, and drainage facilities serving: Veranda, Sections 22, 24 and 28; Old Blue Lane and Wildwood Park Extension; and Circle Seven, Wildwood Park and Great Blue Heron Road. 2020 BAN proceeds also were used to reimburse Lift Station No. 1 costs and water and wastewater connection fees. The 2020 BAN was redeemed with proceeds from the Series 2021 bonds (see Note 14).

NOTE 14. BOND SALES

On September 17, 2020, the District issued its $7,515,000 Series 2020 Unlimited Tax Bonds. Proceeds from the bond sale were used to reimburse the Developer and Landowner for a portion of the construction and engineering costs associated with the water, wastewater and drainage facilities serving Veranda, Sections 12, 14, 15, 16, 17, 18, 19, 20, 21 and 24. Additional proceeds were used to redeem the Series 2019 BAN, pay for BAN and bond issuance costs, pay capitalized interest and reimburse water and wastewater connection fees made by the Developer/Landowner.

On September 17, 2020, the District issued its $1,230,000 Series 2020A Unlimited Tax Road Bonds. Proceeds from the bond sale were used to reimburse the Developer for the construction and engineering costs for paving facilities for the Old Blue Lane and Wildwood Park Road Extension along with associated land acquisition. Additional proceeds were used to pay for bond issuance costs.

On July 22, 2021, the District issued its $6,005,000 Series 2021 Unlimited Tax Bonds. Proceeds from the bond sale and $1,000,000 of surplus funds were used to reimburse the Developer for a portion of the construction and engineering costs associated with the water, wastewater and drainage facilities serving: Veranda, Sections 22, 24 and 28; Old Blue Lane and Wildwood Park Road Extension; and Circle Seven, Wildwoood Park Road and Great Blue Heron Lane. Proceeds were also used to reimburse Lift Station No. 1 costs and water and wastewater connection fees. Additional bond proceeds were used to redeem the 2020 BAN and pay issuance costs of the 2020 BAN and 2021 bonds.

NOTE 15. 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.

NOTE 16. SUBSEQUENT EVENT – BOND SALE

On August 19, 2021, subsequent to year end, the District issued its $5,475,000 Series 2021A Unlimited Tax Road Bonds. Proceeds from the bond sale were used to reimburse the Developer for the construction and engineering costs for paving facilities for: Old Blue Lane and Wildwood Park Road Extension; Circle Seven North of Williams Way; Veranda, Sections 24, 27, 29, 33 and 34 Collectors; Traffic Impact Analysis; Veranda Miscellaneous Improvements; Veranda Trails Landscape; Circle Seven, Wildwood Park Road and Great Blue Heron Collector Walks; Williams Way, Phase 3; Veranda, Sections 24B, 28, 29 and Old Blue Lane; Wildwood Park Bridge over Rabb; and Collector Right-of-Way. Additional proceeds were used to fund capitalized interest and pay bond issuance costs.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215

REQUIRED SUPPLEMENTARY INFORMATION

JULY 31, 2021

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JULY 31, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 365,000	$ 588,785	$ 223,785
Garbage Service	174,000	183,473	9,473
City of Richmond Service Revenues	362,000	1,036,227	674,227
Investment and Miscellaneous Revenues	1,000	665	(335)
TOTAL REVENUES	$ 902,000	$ 1,809,150	$ 907,150
EXPENDITURES			
Service Operations:			
Professional Fees	$ 108,750	$ 114,175	$ (5,425)
Contracted Services	198,600	218,608	(20,008)
City of Richmond Operations Fees	192,000	634,805	(442,805)
Repairs and Maintenance	50,000	62,276	(12,276)
Other	31,400	29,600	1,800
TOTAL EXPENDITURES	$ 580,750	$ 1,059,464	$ (478,714)
NET CHANGE IN FUND BALANCE	$ 321,250	$ 749,686	$ 428,436
FUND BALANCE - AUGUST 1, 2020	846,877	846,877	
FUND BALANCE - JULY 31, 2021	$ 1,168,127	$ 1,596,563	$ 428,436

See accompanying independent auditor's report.

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FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

JULY 31, 2021

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
SERVICES AND RATES
FOR THE YEAR ENDED JULY 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	X	Fire Protection		Security
X	Solid Waste/Garbage		Flood Control		Roads
	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
	Other (specify):				

The District has a Water Supply and Wastewater Services Contract in place with the City of Richmond, Texas. The contract outlines the terms by which the District purchased capacity in the City's water and wastewater treatment facilities. In addition, the District receives water and wastewater services from the City and the City operates the District's internal water and wastewater lines (see Note 9).

2. RETAIL SERVICE PROVIDERS:

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

Based on the rate order effective October 1, 2020.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$ 25.45*	2,000	N	$ 2.70	2,001 to 5,000
				$ 2.96	5,001 to 10,000
				$ 3.21	10,001 to 20,000
				$ 3.47	20,001 to 50,000
				$ 3.73	50,001 to 75,000
				$ 3.99	75,001 and up
WASTEWATER:	$ 22.00	2,000	N	$ 3.30	2,001 and up
SURCHARGE:					
Groundwater Reduction Fees			N	$ 2.42	Each 1,000
Fire Protection Services	$ 15.27		Y		
Garbage Services	$ 19.55		Y		

District employs winter averaging for wastewater usage?	Yes	No
		X

Total monthly charges per 10,000 gallons usage: Water: $48.35 Wastewater: $ 48.40 Surcharge: $ 59.02
* includes $10.00 Administrative Fee

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2021

3. **WATER CONSUMPTION:** Services provided by the City of Richmond (see Note 9).

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:

   Fort Bend 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 Richmond, Texas.

   Are Board Members appointed by an office outside the District?

   Yes _____ No __X__

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JULY 31, 2021

PROFESSIONAL FEES:		
Auditing	$	16,000
Engineering		32,074
Legal		66,101
TOTAL PROFESSIONAL FEES	$	114,175
CONTRACTED SERVICES:		
Bookkeeping	$	12,600
Garbage Collection		206,008
TOTAL CONTRACTED SERVICES	$	218,608
REPAIRS AND MAINTENANCE	$	62,276
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes	$	10,357
Election Costs		1,470
Insurance		7,864
Office Supplies and Postage		1,925
Other		1,221
TOTAL ADMINISTRATIVE EXPENDITURES	$	22,837
OTHER EXPENDITURES:		
Bond Related Costs	$	5,475
Utilities		1,288
City of Richmond Operations Fees		634,805
TOTAL OTHER EXPENDITURES	$	641,568
TOTAL EXPENDITURES	$	1,059,464

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JULY 31, 2021

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE - AUGUST 1, 2020	$ 2,006		$ 5,709	
Adjustments to Beginning Balance		$ 2,006	1	$ 5,710
Original 2020 Tax Levy	$ 578,172		$ 1,486,727	
Adjustment to 2020 Tax Levy	10,783	588,955	27,728	1,514,455
TOTAL TO BE ACCOUNTED FOR		$ 590,961		$ 1,520,165
TAX COLLECTIONS:				
Prior Years	$ 2,006		$ 5,710	
Current Year	586,779	588,785	1,508,859	1,514,569
TAXES RECEIVABLE - JULY 31, 2021		$ 2,176		$ 5,596
TAXES RECEIVABLE BY YEAR:				
2020		$ 2,176		$ 5,596

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JULY 31, 2021

	2020	2019	2018	2017
PROPERTY VALUATIONS:				
Land	$ 54,818,110	$ 40,779,710	$ 28,457,329	$ 17,694,270
Improvements	160,006,307	103,067,260	36,926,510	1,030
Personal Property	433,090	387,470	366,620	
Exemptions	(4,916,517)	(3,036,563)	(722,624)	(13,303)
TOTAL PROPERTY VALUATIONS	$ 210,340,990	$ 141,197,877	$ 65,027,835	$ 17,681,997
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.72	$ 0.74	$ 0.77	$ 0.00
Maintenance Tax	0.28	0.26	0.23	1.00
TOTAL TAX RATES PER $100 VALUATION	$ 1.00	$ 1.00	$ 1.00	$ 1.00
ADJUSTED TAX LEVY*	$ 2,103,410	$ 1,411,980	$ 650,278	$ 176,820
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	99.63 %	100.00 %	100.00 %	100.00 %

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

Maintenance Tax – Maximum tax rate of $1.00 per $100 of assessed valuation was approved by voters on May 9, 2015.

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021

	SERIES-2018 UTILITY		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2022	$ 180,000	$ 244,766	$ 424,766
2023	190,000	240,136	430,136
2024	195,000	234,498	429,498
2025	205,000	228,254	433,254
2026	215,000	221,954	436,954
2027	225,000	215,185	440,185
2028	235,000	207,823	442,823
2029	240,000	199,984	439,984
2030	255,000	191,629	446,629
2031	265,000	182,656	447,656
2032	275,000	173,069	448,069
2033	285,000	162,775	447,775
2034	300,000	151,806	451,806
2035	310,000	140,369	450,369
2036	325,000	128,463	453,463
2037	340,000	115,994	455,994
2038	355,000	102,963	457,963
2039	365,000	89,463	454,463
2040	385,000	75,159	460,159
2041	400,000	59,950	459,950
2042	415,000	43,900	458,900
2043	435,000	26,900	461,900
2044	455,000	9,100	464,100
2045			
2046			
2047			
	$ 6,850,000	$ 3,446,796	$ 10,296,796

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021

	SERIES-2018A ROAD		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2022	$ 95,000	$ 125,600	$ 220,600
2023	100,000	123,281	223,281
2024	105,000	120,614	225,614
2025	110,000	117,601	227,601
2026	115,000	114,281	229,281
2027	115,000	110,831	225,831
2028	120,000	107,156	227,156
2029	125,000	103,175	228,175
2030	135,000	98,866	233,866
2031	140,000	94,138	234,138
2032	145,000	89,150	234,150
2033	150,000	83,988	233,988
2034	155,000	78,650	233,650
2035	165,000	72,844	237,844
2036	170,000	66,563	236,563
2037	180,000	60,000	240,000
2038	185,000	53,156	238,156
2039	195,000	46,031	241,031
2040	200,000	38,625	238,625
2041	210,000	30,806	240,806
2042	220,000	22,475	242,475
2043	230,000	13,756	243,756
2044	240,000	4,650	244,650
2045			
2046			
2047			
	$ 3,605,000	$ 1,776,237	$ 5,381,237

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021

	S E R I E S - 2 0 1 9 U T I L I T Y		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2022	$ 110,000	$ 116,875	$ 226,875
2023	115,000	111,813	226,813
2024	120,000	106,825	226,825
2025	125,000	101,925	226,925
2026	125,000	98,175	223,175
2027	130,000	95,625	225,625
2028	135,000	92,975	227,975
2029	140,000	90,225	230,225
2030	145,000	87,375	232,375
2031	155,000	84,084	239,084
2032	160,000	80,244	240,244
2033	165,000	76,078	241,078
2034	170,000	71,681	241,681
2035	175,000	67,044	242,044
2036	185,000	62,094	247,094
2037	190,000	56,700	246,700
2038	195,000	50,925	245,925
2039	205,000	44,925	249,925
2040	210,000	38,700	248,700
2041	220,000	32,250	252,250
2042	230,000	25,500	255,500
2043	235,000	18,525	253,525
2044	245,000	11,325	256,325
2045	255,000	3,825	258,825
2046			
2047			
	$ 4,140,000	$ 1,625,713	$ 5,765,713

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021

	S E R I E S - 2 0 1 9 A R O A D		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2022	$ 140,000	$ 136,906	$ 276,906
2023	150,000	131,106	281,106
2024	155,000	125,006	280,006
2025	160,000	118,706	278,706
2026	165,000	113,856	278,856
2027	170,000	110,506	280,506
2028	175,000	107,056	282,056
2029	185,000	103,456	288,456
2030	190,000	99,706	289,706
2031	200,000	95,806	295,806
2032	205,000	91,756	296,756
2033	215,000	87,422	302,422
2034	220,000	82,663	302,663
2035	230,000	77,456	307,456
2036	240,000	71,875	311,875
2037	245,000	65,963	310,963
2038	255,000	59,713	314,713
2039	265,000	53,047	318,047
2040	275,000	45,959	320,959
2041	285,000	38,431	323,431
2042	295,000	30,456	325,456
2043	310,000	22,138	332,138
2044	320,000	13,475	333,475
2045	330,000	4,538	334,538
2046			
2047			
	$ 5,380,000	$ 1,887,002	$ 7,267,002

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021

	S E R I E S - 2 0 2 0 U T I L I T Y		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2022	$ 215,000	$ 152,494	$ 367,494
2023	220,000	148,144	368,144
2024	225,000	143,694	368,694
2025	230,000	139,144	369,144
2026	240,000	134,444	374,444
2027	245,000	129,594	374,594
2028	250,000	124,644	374,644
2029	260,000	119,544	379,544
2030	265,000	114,294	379,294
2031	270,000	108,944	378,944
2032	280,000	103,444	383,444
2033	285,000	97,794	382,794
2034	295,000	91,994	386,994
2035	305,000	85,994	390,994
2036	310,000	79,844	389,844
2037	320,000	73,544	393,544
2038	330,000	67,044	397,044
2039	340,000	60,344	400,344
2040	345,000	53,494	398,494
2041	355,000	46,272	401,272
2042	365,000	38,622	403,622
2043	375,000	30,759	405,759
2044	385,000	22,444	407,444
2045	395,000	13,669	408,669
2046	410,000	4,613	414,613
2047			
	$ 7,515,000	$ 2,184,815	$ 9,699,815

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021

	SERIES - 2020A ROAD		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2022	$ 35,000	$ 29,113	$ 64,113
2023	35,000	27,538	62,538
2024	35,000	25,963	60,963
2025	40,000	24,275	64,275
2026	40,000	22,475	62,475
2027	40,000	21,175	61,175
2028	40,000	20,375	60,375
2029	40,000	19,575	59,575
2030	45,000	18,725	63,725
2031	45,000	17,825	62,825
2032	45,000	16,925	61,925
2033	45,000	16,025	61,025
2034	50,000	15,075	65,075
2035	50,000	14,075	64,075
2036	50,000	13,075	63,075
2037	55,000	12,025	67,025
2038	55,000	10,891	65,891
2039	55,000	9,722	64,722
2040	55,000	8,553	63,553
2041	60,000	7,331	67,331
2042	60,000	6,056	66,056
2043	60,000	4,781	64,781
2044	65,000	3,453	68,453
2045	65,000	2,072	67,072
2046	65,000	691	65,691
2047			
	$ 1,230,000	$ 367,789	$ 1,597,789

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021

	S E R I E S - 2 0 2 1 U T I L I T Y		
Due During Fiscal Years Ending July 31	Principal Due September 1	Interest Due September 1/ March 1	Total
2022	$	$ 79,878	$ 79,878
2023	160,000	128,506	288,506
2024	180,000	122,556	302,556
2025	185,000	116,169	301,169
2026	190,000	110,081	300,081
2027	195,000	103,819	298,819
2028	200,000	99,406	299,406
2029	205,000	97,381	302,381
2030	210,000	95,044	305,044
2031	215,000	91,581	306,581
2032	220,000	87,231	307,231
2033	225,000	82,781	307,781
2034	230,000	78,231	308,231
2035	235,000	73,581	308,581
2036	245,000	68,781	313,781
2037	250,000	63,831	313,831
2038	255,000	58,781	313,781
2039	260,000	53,631	313,631
2040	270,000	48,332	318,332
2041	275,000	42,709	317,709
2042	280,000	36,813	316,813
2043	290,000	30,756	320,756
2044	295,000	24,356	319,356
2045	305,000	17,606	322,606
2046	310,000	10,688	320,688
2047	320,000	3,600	323,600
	$ 6,005,000	$ 1,826,129	$ 7,831,129

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2021

	ANNUAL REQUIREMENTS FOR ALL SERIES		
Due During Fiscal Years Ending July 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2022	$ 775,000	$ 885,632	$ 1,660,632
2023	970,000	910,524	1,880,524
2024	1,015,000	879,156	1,894,156
2025	1,055,000	846,074	1,901,074
2026	1,090,000	815,266	1,905,266
2027	1,120,000	786,735	1,906,735
2028	1,155,000	759,435	1,914,435
2029	1,195,000	733,340	1,928,340
2030	1,245,000	705,639	1,950,639
2031	1,290,000	675,034	1,965,034
2032	1,330,000	641,819	1,971,819
2033	1,370,000	606,863	1,976,863
2034	1,420,000	570,100	1,990,100
2035	1,470,000	531,363	2,001,363
2036	1,525,000	490,695	2,015,695
2037	1,580,000	448,057	2,028,057
2038	1,630,000	403,473	2,033,473
2039	1,685,000	357,163	2,042,163
2040	1,740,000	308,822	2,048,822
2041	1,805,000	257,749	2,062,749
2042	1,865,000	203,822	2,068,822
2043	1,935,000	147,615	2,082,615
2044	2,005,000	88,803	2,093,803
2045	1,350,000	41,710	1,391,710
2046	785,000	15,992	800,992
2047	320,000	3,600	323,600
	$ 34,725,000	$ 13,114,481	$ 47,839,481

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JULY 31, 2021

Description	Original Bonds Issued	Bonds Outstanding August 1, 2020
Fort Bend County Municipal Utility District No. 215 Unlimited Tax Bonds - Series 2018	$ 7,025,000	$ 7,025,000
Fort Bend County Municipal Utility District No. 215 Unlimited Tax Road Bonds - Series 2018A	3,695,000	3,695,000
Fort Bend County Municipal Utility District No. 215 Unlimited Tax Bonds - Series 2019	4,240,000	4,240,000
Fort Bend County Municipal Utility District No. 215 Unlimited Tax Road Bonds - Series 2019A	5,525,000	5,525,000
Fort Bend County Municipal Utility District No. 215 Unlimited Tax Bonds - Series 2020	7,515,000	
Fort Bend County Municipal Utility District No. 215 Unlimited Tax Road Bonds - Series 2020A	1,230,000	
Fort Bend County Municipal Utility District No. 215 Unlimited Tax Bonds - Series 2021	6,005,000	
TOTAL	$ 35,235,000	$ 20,485,000

Bond Authority:	Utility Bonds	Park Bonds	Road Bonds
Amount Authorized by Voters	$ 112,000,000	$ 18,700,000	$ 39,000,000
Amount Issued	24,785,000		10,450,000
Remaining to be Issued	$ 87,215,000	$ 18,700,000	$ 28,550,000

Debt Service Fund cash balances as of July 31, 2021:	$ 1,883,572
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 1,839,980

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 July 31, 2021	Paying Agent
$	$ 175,000	$ 248,895	$ 6,850,000	Zions Bancorporation Houston, TX
	90,000	127,569	3,605,000	Zions Bancorporation Houston, TX
	100,000	121,600	4,140,000	Zions Bancorporation Houston, TX
	145,000	142,606	5,380,000	Zions Bancorporation Houston, TX
7,515,000		70,449	7,515,000	Zions Bancorporation Houston, TX
1,230,000		13,621	1,230,000	Zions Bancorporation Houston, TX
6,005,000			6,005,000	Zions Bancorporation Houston, TX
$ 14,750,000	$ 510,000	$ 724,740	$ 34,725,000	

Utility and Park Refunding Bonds	Road Refunding Bonds
$ 130,700,000	$ 39,000,000
$ 130,700,000	$ 39,000,000

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2021	2020	2019
REVENUES			
Property Taxes	$ 588,785	$ 365,789	$ 149,110
Garbage Service	183,473	116,399	61,594
City of Richmond Service Revenues	1,036,227	745,337	607,159
Investment and Miscellaneous Revenues	665	886	731
TOTAL REVENUES	$ 1,809,150	$ 1,228,411	$ 818,594
EXPENDITURES			
Professional Fees	$ 114,175	$ 118,134	$ 109,244
Contracted Services	218,608	139,484	82,723
City of Richmond Operations Fees	634,805	474,436	398,110
Repairs and Maintenance	62,276	70,846	34,100
Other	29,600	31,068	26,256
Capital Outlay			540,144
TOTAL EXPENDITURES	$ 1,059,464	$ 833,968	$ 1,190,577
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 749,686	$ 394,443	$ (371,983)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	$	$ 9,765	$ 3,695
Landowner/Developer Advances			540,144
TOTAL OTHER FINANCING SOURCES (USES)	$ - 0 -	$ 9,765	$ 543,839
NET CHANGE IN FUND BALANCE	$ 749,686	$ 404,208	$ 171,856
BEGINNING FUND BALANCE	846,877	442,669	270,813
ENDING FUND BALANCE	$ 1,596,563	$ 846,877	$ 442,669

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2018	2017	2021	2020	2019	2018	2017
$ 176,593	$ 89,402	32.6 %	29.7 %	18.2 %	26.3 %	34.2 %
13,692		10.1	9.5	7.5	2.0	
480,905	172,226	57.3	60.7	74.2	71.5	65.8
1,165	127		0.1	0.1	0.2	
$ 672,355	$ 261,755	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 87,310	$ 149,889	6.3 %	9.6 %	13.3 %	13.0 %	57.3 %
45,181	26,228	12.1	11.4	10.1	6.7	10.0
281,114	71,496	35.1	38.6	48.6	41.8	27.3
51,391		3.4	5.8	4.2	7.6	
30,140	13,290	1.6	2.5	3.2	4.5	5.1
				66.0		
$ 495,136	$ 260,903	58.5 %	67.9 %	145.4 %	73.6 %	99.7 %
$ 177,219	$ 852	41.5 %	32.1 %	(45.4) %	26.4 %	0.3 %
$	$					
	80,000					
$ -0-	$ 80,000					
$ 177,219	$ 80,852					
93,594	12,742					
$ 270,813	$ 93,594					

See accompanying independent auditor’s report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2021	2020	2019
REVENUES			
Property Taxes	$ 1,514,569	$ 1,041,434	$ 498,435
Investment and Miscellaneous Revenues	11,359	10,089	5,465
TOTAL REVENUES	$ 1,525,928	$ 1,051,523	$ 503,900
EXPENDITURES			
Tax Collection and Other Costs	$ 38,534	$ 22,116	$ 18,666
Debt Service Principal	510,000		
Debt Service Interest and Fees	727,170	510,976	256,470
TOTAL EXPENDITURES	$ 1,275,704	$ 533,092	$ 275,136
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 250,224	$ 518,431	$ 228,764
OTHER FINANCING SOURCES (USES)			
Proceeds from Issuance of Long-Term Debt	$ 154,453	$ 207,141	$ 128,469
NET CHANGE IN FUND BALANCE	$ 404,677	$ 725,572	$ 357,233
BEGINNING FUND BALANCE	1,459,269	733,697	376,464
ENDING FUND BALANCE	$ 1,863,946	$ 1,459,269	$ 733,697

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2018	2017	2021	2020	2019	2018	2017
$	$	99.3 %	99.0 %	98.9 %	%	%
204		0.7	1.0	1.1	100.0	
$ 204	$ -0-	100.0 %	100.0 %	100.0 %	100.0 %	%
$ 36	$	2.5 %	2.1 %	3.7 %	17.6 %	%
		33.4				
		47.7	48.6	50.9		
$ 36	$ -0-	83.6 %	50.7 %	54.6 %	17.6 %	%
$ 168	$ -0-	16.4 %	49.3 %	45.4 %	82.4 %	N/A %
$ 376,296	$ -0-					
$ 376,464	$ -0-					
$ 376,464	$ -0-					

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2021

District Mailing Address	-	Fort Bend County Municipal Utility District No. 215 c/o Schwartz Page & Harding, L.L.P. 1300 Post Oak Blvd., Suite 1400 Houston, TX 77056-3012
District Telephone Number	-	(713) 623-4531

Board Members:	Term of Office (Elected or Appointed)	Fees of Office for the year ended July 31, 2021	Expense Reimbursements for the year ended July 31, 2021	Title
Winston McKnight	06/2018 05/2022 (Appointed)	$ 2,100	$ -0-	President
Gina Torres	05/2018 05/2022 (Elected)	$ 1,950	$ -0-	Vice President
Diana Etzler	05/2020 05/2024 (Elected)	$ 1,800	$ -0-	Assistant Vice President
Sandra Thompson	05/2020 05/2024 (Elected)	$ 1,800	$ -0-	Secretary
Gary Gillen	05/2018 05/2022 (Elected)	$ 1,950	$ -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 or with any of the District's consultants.

Submission date of most recent District Registration Form: November 18, 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 February 17, 2015. Fees of Office are the amounts actually paid to a Director during the District's fiscal year.

See accompanying independent auditor's report.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2021

Consultants:	Date Hired	Fees / Compensation for the year ended July 31, 2021	Title
Schwartz, Page & Harding, L.L.P.	02/17/15	$ 89,173	General Counsel
		$ 441,607	Bond Counsel
McCall Gibson Swedlund Barfoot PLLC	07/19/16	$ 15,500	Auditor
		$ 50,600	Bond Related
		$ 500	Other Services
Myrtle Cruz, Inc.	02/17/15	$ 13,943	Bookkeeper
		$ 11,500	Bond Related
Costello, Inc.	02/16/16	$ 32,074	Engineer
		$ 85,000	Bond Related
Robert W. Baird & Co. Incorporated	02/16/16	$ 342,305	Financial Advisor
Mary Jarmon of Myrtle Cruz, Inc.	02/17/15	$ -0-	Investment Officer
Tax Tech, Incorporated	07/19/16	$ 29,502	Tax Assessor/ Collector
Perdue, Brandon, Fielder, Collins & Mott, LLP	01/17/17	$ 965	Delinquent Tax Attorney

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