

\$7,375,000
TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE, UNLIMITED TAX BONDS, SERIES 2016

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February 25, 2016

The Attorney General of Texas
Public Finance Division
William P. Clements Building, 7th Floor
300 West 15th Street
Austin, Texas 78701

The Comptroller of Public Accounts
Public Finance Division
208 East 10th Street
Austin, Texas 78701

Re: Travis County Water Control and Improvement District - Point Venture Unlimited
Tax Bonds, Series 2016

Ladies and Gentlemen:

The captioned Bonds are being sent to the Office of the Attorney General and it is requested that such office examine and approve the Bonds in accordance with law. After such approval, it is requested that the Attorney General deliver the Bonds to the Comptroller of Public Accounts for registration.

Enclosed with the Bonds is a signed but undated copy of the GENERAL AND NO LITIGATION CERTIFICATE relating to the Bonds. The Attorney General is hereby authorized and directed to date the GENERAL AND NO LITIGATION CERTIFICATE concurrently with the date of approval of the Bonds. If any litigation or contest should develop pertaining to the Bonds or any other matters covered by said GENERAL AND NO LITIGATION CERTIFICATE, the undersigned will notify the Attorney General thereof immediately by telephone. With this assurance the Attorney General can rely on the absence of any such litigation or contest, and on the veracity and currency of said GENERAL AND NO LITIGATION CERTIFICATE, at the time the Attorney General approves the Bonds unless the Attorney General is notified otherwise as aforesaid.

The Comptroller is hereby requested to register the Bonds as required by law and the proceedings authorizing the Bonds. After such registration the Comptroller is hereby authorized and directed to deliver the Bonds, together with three copies of each of the Attorney General's approving Opinion and Comptroller's Certificate to Greg Shields, Andrews Kurth LLP, 111 Congress Avenue, Suite 1700, Austin, Texas 78701.

TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT-POINT VENTURE

By:

Title:  President, Board of Directors

SECRETARY'S CERTIFICATE

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

The undersigned officer of the Board of Directors of TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE, hereby certifies as follows:

1. The Board of Directors of said District convened at a SPECIAL MEETING, on the 26th day of February, 2015, at 18606 Venture Drive, Point Venture, Texas 78645; and the roll was called of the duly constituted officers and members of said Board, to-wit:

- Fred Marshall - President
- Carolyn Cook - Vice President
- John Franz – Secretary/Treasurer
- Brian Probst - Vice Treasurer
- Barry Pasarew - Director

and all said persons were present, except (all present), thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting;

**ORDER CALLING A SYSTEM FACILITIES BOND ELECTION
FOR TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE AND MAKING PROVISION FOR CONDUCTING
SUCH ELECTIONS AND
OTHER PROVISIONS INCIDENTAL AND RELATED THERETO**

was duly introduced for the consideration of the Board. It was then duly moved and seconded that said Resolution be passed; and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

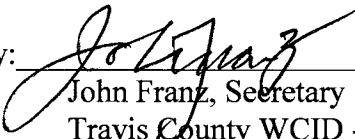
AYES: 5

NOES: 0

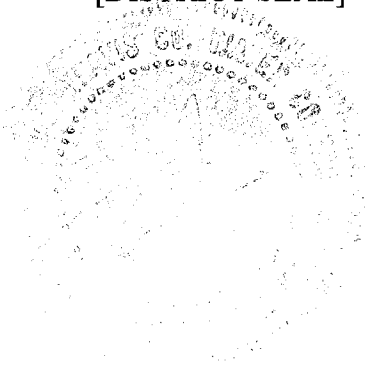
2. That a true, full, and correct copy of the aforesaid Order passed at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said Order has been duly recorded in said Board's minutes of said meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said meeting pertaining to the passage of said Order; that the persons named in the above and foregoing paragraphs are duly chosen, qualified, and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that said Order would be

introduced and considered for passage at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the time, place, and subject of said meeting was given as required by Chapter 551, Government Code, and Sec. 49.063, Water Code.

SIGNED AND SEALED the 26th day of February, 2015.

By: 
John Franz, Secretary
Travis County WCID - Point Venture

[DISTRICT SEAL]



**ORDER CALLING A SYSTEM FACILITIES BOND ELECTION
FOR TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE AND MAKING PROVISION FOR CONDUCTING
SUCH ELECTIONS AND
OTHER PROVISIONS INCIDENTAL AND RELATED THERETO**

**THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §**

**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT - POINT VENTURE**

WHEREAS, Travis County Water Control and Improvement District - Point Venture (the "District") was duly created by Order of the Texas Water Rights Commission dated October 14, 1970, as a conservation and reclamation district created under and essential to accomplish the purposes of Section 59, Article XVI of the Texas Constitution and operating pursuant to Chapters 49 and 51 of the Texas Water Code; and

WHEREAS, the District currently operates pursuant to Chapters 49 and 51, Texas Water Code, as amended; and

WHEREAS, the District was created to provide water, wastewater, drainage and storm sewer facilities, including water quality facilities to serve land development within its boundaries; and

WHEREAS, there has been filed in the office of the District, open to inspection by the public, the Travis County Water Control and Improvement District - Point Venture Preliminary Engineering Report for Bond Authorization Election, signed and sealed by David Kneuper on February 16, 2015 (the "Engineering Report") covering the facilities to be voted including the plans and improvements to be constructed together with maps, plats, profiles, and data showing and explaining the Engineering Report, and the report has been carefully considered by the Board of Directors of the District (the "Board") and has been fully approved by the Board; however, the Engineering Report is not part of the propositions to be voted on and is not a contract with the voters; and

WHEREAS, said works, improvements, facilities, land, plants, equipment, appliances, property, contract rights, rights of use and interests in property are designed and intended to furnish a waterworks, wastewater system and a drainage and storm sewer system (including water quality facilities) for the District; and

WHEREAS, the Engineering Report heretofore filed and approved contains an estimate of the cost of the purchase, acquisition and construction of the proposed works, improvements, facilities, land, plants, equipment, appliances and an estimate of the District's costs due or to become due under contracts and the cost of purchasing and acquiring such property, contract rights, rights of use and interest in property, administrative facilities and expenses incident thereto with respect to three projects, as generally follows:

PRELIMINARY COST SUMMARY FOR FIRST PROPOSITION

Construction Costs	
Water Treatment Plant Expansion	\$2,516,000
Effluent Storage Tank Improvements	\$2,410,000
SUBTOTAL:	\$4,926,000

Non-Construction Costs	
Legal Fees (2%)	\$107,800
Financial Advisor Fees (2%)	\$107,800
Bond Discount (3%)	\$161,700
TCEQ Bond Proceeds Fee (0.25%)	\$13,475
Bond Application Report	\$45,000
Administration and Issuance Costs (0.50%)	\$26,950
Contingency	\$1,275
SUBTOTAL:	\$464,000

TOTAL ESTIMATED BOND ISSUE REQUIREMENT:	\$5,390,000
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PRELIMINARY COST SUMMARY FOR SECOND PROPOSITION

Construction Costs	
Water System Improvements	\$1,784,000
SUBTOTAL:	\$1,784,000

Non-Construction Costs	
Legal Fees (2%)	\$39,700

Financial Advisor Fees (2%)	\$39,700
Bond Discount (3%)	\$59,550
TCEQ Bond Proceeds Fee (0.25%)	\$4,963
Bond Application Report	\$45,000
Administration and Issuance Costs (0.50%)	\$9,925
Contingency	\$2,162
SUBTOTAL:	\$201,000

TOTAL ESTIMATED BOND ISSUE REQUIREMENT:	\$1,985,000
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WHEREAS, the Board finds that the above estimates of \$5,390,000 and \$1,985,000 are reasonable and proper and hereby approve the same and all items thereof but reserves the right to authorize amendments to the Engineering Report and to reallocate costs and make such other changes as necessary to meet the changing requirements of the District's system; and

WHEREAS, Section 51.411, Texas Water Code, provides that bonds payable wholly or partially from ad valorem taxes shall not be issued until authorized by a majority vote of the resident electors of the District voting in an election called and held for that purpose; and

WHEREAS, the Board desires to call an election for the purpose of submitting two propositions on the issuance of the bonds for system facilities of the District in the amounts of \$5,390,000 and \$1,985,000 and the levy of taxes in payment of such bonds; and

WHEREAS, the Board wishes to proceed with the ordering of said elections.

BE IT ORDERED BY THE BOARD OF DIRECTORS OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE THAT:

Section 1. The matters and facts set out in the preamble of this Order are hereby found and declared to be true and complete.

Section 2. The Engineering Report and the estimates of costs hereinabove mentioned are hereby approved; provided, however, the District reserves the right to authorize amendments to the Engineering Report and to reallocate costs and make such other changes as necessary to meet the changing requirements of the District's System.

Section 3. A special election shall be held within the District on May 9, 2015 between the hours of 7:00 a.m. and 7:00 p.m. Travis County is conducting the election pursuant to a Contract for Election Services between the District and Travis County as authorized under Section 31.092 of the Election Code. The election shall be held as a joint election pursuant to Chapter 271 of the Election Code and a Joint Election Agreement to be entered into between the District and other participating entities located in Travis County which are holding an election on May 9, 2015. Travis County's election equipment shall be used in the election. The election judges and clerks shall be appointed in accordance with the Contract for Election Services and the Election Code, as amended. In accordance with Section 43.007 of the Election Code the election day polling locations shall be the Travis County Vote Centers for the May 9, 2015 election, the list of which is attached hereto as Exhibit "A". At the election there shall be submitted the questions of the issuance of system facilities bonds.

Section 4. The following propositions shall be submitted to the resident qualified electors of the District:

PROPOSITION I

SHALL THE BOARD OF DIRECTORS OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AMOUNT OF \$5,390,000 MATURING SERIALY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OF DIRECTORS OVER A PERIOD OR PERIODS NOT EXCEEDING FORTY (40) YEARS FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE, ON ANY ISSUE OR SERIES SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF THE ISSUANCE OF EACH SUCH ISSUES OR SERIES OF SAID BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF ADDING AN ADDITIONAL 0.5 MGD TREATMENT PLANT WHICH WILL OPERATE IN PARALLEL WITH THE DISTRICT'S EXISTING PLANT, SO AS TO PROVIDE A TOTAL TREATMENT CAPACITY OF 1.0 MGD, AND A 2.0 MGD EFFLUENT STORAGE TANK AND ASSOCIATED YARD PIPING TO SERVE THE TANK, ALL AS DESCRIBED IN THE ENGINEERING REPORT, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS NOW OR HEREAFTER AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

PROPOSITION II

SHALL THE BOARD OF DIRECTORS OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AMOUNT

OF \$1,985,000 MATURING SERIALLY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OF DIRECTORS OVER A PERIOD OR PERIODS NOT EXCEEDING FORTY (40) YEARS FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE, ON ANY ISSUE OR SERIES SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF THE ISSUANCE OF EACH SUCH ISSUES OR SERIES OF SAID BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF MAKING IMPROVEMENTS TO THE DISTRICT'S WATER SYSTEM, AS DESCRIBED IN THE ENGINEERING REPORT, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS NOW OR HEREAFTER AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

Section 5. Voting in the election for the propositions shall be by the use of Travis County's voting system which shall utilize English and Spanish and shall conform to the Election Code, as amended. The ballots used in the election shall have printed thereon the following:

Proposition I

- | | | |
|----------------------------------|---|--|
| <input type="checkbox"/> For |) | The issuance of bonds in the amount of \$5,390,000 |
| |) | and the levy of taxes to pay for the bonds (additional water |
| <input type="checkbox"/> Against |) | treatment plant and effluent storage tank) |

Proposition II

- | | | |
|----------------------------------|---|--|
| <input type="checkbox"/> For |) | The issuance of bonds in the amount of \$1,985,000 |
| |) | and the levy of taxes to pay for the bonds (water system |
| <input type="checkbox"/> Against |) | improvements) |

Each voter shall vote on the proposition by darkening the oval or other shape beside the statement indicating the way he or she wishes to vote.

Section 6. Oral assistance in Spanish shall be made available to all persons requiring such assistance. Any person requiring oral assistance in Spanish should contact the Presiding Judge or the Early Voting Clerk.

Section 7. The Early Voting Ballot Board Presiding Judge and Alternative Presiding Judge shall be appointed in accordance with the Contract for Election Services, the Joint Election Agreement and the Election Code.

The Central Counting Station Presiding Judge and the Alternate Presiding Judge shall be appointed in accordance with the Contract for Election Services, the Joint Election Agreement and the Election Code.

Early voting in the election by personal appearance shall be conducted at the times, dates and polling places used for the Travis County General Election which are attached hereto as **Exhibit "B"**. The Travis County Elections Administrator is the Early Voting Clerk. Applications for ballots by mail should be sent to Travis County Elections Division, Travis County Clerk, P.O. Box 149325, Austin, Texas 78714; or delivered by common carrier to Elections Division, Travis County Clerk, 5501 Airport Boulevard, Austin, Texas 78751-1410.

Section 8. The election shall be held and conducted and returns shall be made to the Board of Directors in accordance with the Election Code as modified by Chapters 49 and 51, Texas Water Code and in accordance with applicable federal law.

Section 9. All qualified resident electors of the District shall be entitled to vote in the election.

Section 10. The information required by Sec. 3.009, Texas Election Code is as follows:

(1) the proposition language that will appear on the ballot is set forth previously in this Order;

(2) the purpose for which the debt obligations are to be authorized is described previously in this Order;

(3) the principal amount of the debt obligations to be authorized is \$7,375,000;

(4) taxes sufficient to pay the annual principal of and interest on the debt obligations may be imposed;

(5) the estimated tax rate if the debt obligations are authorized is \$0.07. The maximum interest rate of the debt obligations or any series of the debt obligations based on the market conditions at the time of this election order is set forth in the propositions appearing earlier in this Order;

(6) the maximum maturity date of the debt obligations to be authorized is stated in the propositions set forth earlier in this Order;

(7) the aggregate amount of the outstanding principal of the District's debt obligations as of the beginning of the District's fiscal year in which this election is ordered is \$1,070,000;

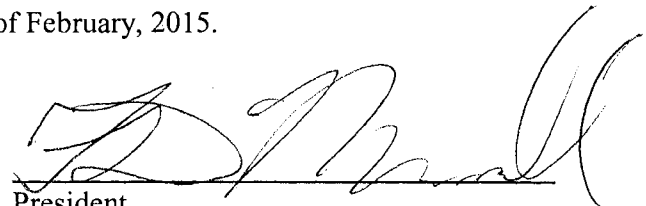
(8) the aggregate amount of the outstanding interest on debt obligations of the District as of the beginning of the District's fiscal year in which this election was ordered is \$138,026.25;

(9) the ad valorem debt service tax rate for the District at the time election is ordered, expressed as an amount per \$100 valuation of taxable property, is \$0.1533.

Section 11. In accordance with Section 4.003(a)(1) of the Texas Election Code, a notice conforming to the requirements of Section 4.004, Election Code, appearing in English and Spanish shall serve as proper notice of said election, and the President of the Board or other representatives of the District shall cause the notice to be published one time, not earlier than the 30th day nor later than the 10th day prior to the date set for the election, in a newspaper published in the District or, if none is published in the District, in a newspaper of general circulation in the District. In addition, substantial copies of this Order, in English and Spanish, shall be posted at the times and in the places required by Section 4.003 of the Texas Election Code.


Section 12. The President or Vice President and Secretary or Assistant Secretary of the Board are authorized and directed to take any actions necessary to carry out the provisions of this Order.

PASSED AND APPROVED this 26th day of February, 2015.



President
Travis County WCID - Point Venture

ATTEST:



Secretary
Travis County WCID - Point Venture

[SEAL]

NOTICE OF ELECTION

TO THE RESIDENTS QUALIFIED ELECTORS OF PILOT KNOS MUNICIPAL UTILITY DISTRICT NO. 1:

TAKE NOTICE that an election will be held for PILOT KNOS MUNICIPAL UTILITY DISTRICT No. 1 on May 5, 2015, between the hours of 7:00 a.m. and 7:00 p.m. in the polling place on Exhibit A. The following propositions shall be submitted to the resident electors of the District:

PROPOSITION I
(1) FOR
(2) AGAINST
CONFIRMING CREATION OF PILOT KNOS MUNICIPAL UTILITY DISTRICT NO. 1.

PROPOSITION II
(1) FOR
(2) AGAINST
AN OPERATION AND MAINTENANCE TAX FOR THE LIMITED DISTRICT NO. 1 EXCEEDING ONE DOLLAR AND FIFTY CENTS (\$1.50) PER ONE HUNDRED DOLLARS (\$100) VALUATION OF TAXABLE PROPERTY.

PROPOSITION III
(1) FOR
(2) AGAINST
THE ISSUANCE OF \$144,130,000 BONDS FOR SYSTEM FACILITIES AND THE LEVY OF TAXES IN PAYMENT OF THE BONDS.

PROPOSITION IV
(1) FOR
(2) AGAINST
THE ISSUANCE OF \$5,000,000 BONDS FOR PARKLAND RECREATIONAL FACILITIES AND THE LEVY OF TAXES IN PAYMENT OF THE BONDS.

PROPOSITION V
(1) FOR
(2) AGAINST
THE ISSUANCE OF \$72,344,400 BONDS FOR ROADS AND THE LEVY OF TAXES IN PAYMENT OF THE BONDS.

The ballot used in the election for the proposition districts shall have the names of the trustees or directors, approved by the Texas Commission on Environmental Quality, or their representatives as follows:

- (1) Cheryl Hines
- (2) Amy Low
- (3) Denise Colquhoun-Grant

The resident electors may vote in person, one, two, three or four persons for electors by placing an "X" in the appropriate precinct name.

Early voting in the election by internet appearance shall be available in the times, dates and polling places as determined by Travis County. Early voting shall be conducted on all votes by internet appearance and shall be the designated early voting place and during the hours set forth in Exhibit B. Applications for ballots by mail should be sent to the Travis County Election Department, 5501 Airport Boulevard, Austin, Texas 78751.

A copy of the entire notice calling elections is on file with the District's General Counsel, Amylund & Brown, PLLC, 100 Congress Avenue, Suite 1500, Austin, Texas 78701.

NOTICE OF ELECTION

TAKE NOTICE that an election will be held for Pilot Knos Municipal Utility District No. 1 on May 5, 2015, between the hours of 7:00 a.m. and 7:00 p.m. in the polling place on Exhibit A. The following propositions shall be submitted to the resident electors of the District:

PROPOSITION I
(1) FOR
(2) AGAINST
CONFIRMING CREATION OF PILOT KNOS LIMITED DISTRICT NO. 1.

PROPOSITION II
(1) FOR
(2) AGAINST
AN OPERATION AND MAINTENANCE TAX FOR THE LIMITED DISTRICT NO. 1 EXCEEDING ONE DOLLAR AND FIFTY CENTS (\$1.50) PER ONE HUNDRED DOLLARS (\$100) VALUATION OF TAXABLE PROPERTY.

Early voting in the election by internet appearance shall be available in the times, dates and polling places as determined by Travis County. Early voting shall be conducted on all votes by internet appearance and shall be the designated early voting place and during the hours set forth in Exhibit B. Applications for ballots by mail should be sent to the Travis County Election Department, 5501 Airport Boulevard, Austin, Texas 78751.

A copy of the entire notice calling elections is on file with the District's General Counsel, Amylund & Brown, PLLC, 100 Congress Avenue, Suite 1500, Austin, Texas 78701.

AÑO DE ELECCIÓN

A LOS VOTANTES CALIFICADOS, RESIDENTES DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES No. 1 DE PILOT KNOS:

SE NOTIFICA que se celebrará una elección general dentro del Distrito de Servicios Públicos Municipales No. 1 de Pilot Knos el 9 de mayo de 2015 de 7:00 a.m. a 7:00 p.m. en el lugar de votación indicado en el Anexo A. Las siguientes proposiciones se presentarán ante los votantes residentes del Distrito:

PROPOSICIÓN I
(1) A FAVOR
(2) EN CONTRA
CONFIRMAR LA CREACIÓN DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES No. 1 DE PILOT KNOS.

PROPOSICIÓN II
(1) A FAVOR
(2) EN CONTRA
UN IMPUESTO DE OPERACIÓN Y MANTENIMIENTO PARA EL DISTRITO QUE NO EXCEDA DE UN DÓLAR CINCUENTA CENTAVOS (\$1.50) POR CADA CEN DÓLAR (\$100) DEL VALOR DE LA PROPIEDAD GRABABLE.

PROPOSICIÓN III
(1) A FAVOR
(2) EN CONTRA
LA EMISIÓN DE \$144,130,000 EN BONDS PARA INSTALACIONES DEL SISTEMA Y LA IMPOSICIÓN DE IMPUESTOS PARA EL PAGO DE LOS BONDS.

PROPOSICIÓN IV
(1) A FAVOR
(2) EN CONTRA
LA EMISIÓN DE \$5,000,000 EN BONDS PARA PARQUES E INSTALACIONES RECREATIVAS Y LA IMPOSICIÓN DE IMPUESTOS PARA EL PAGO DE LOS BONDS.

PROPOSICIÓN V
(1) A FAVOR
(2) EN CONTRA
LA EMISIÓN DE \$72,344,400 EN BONDS PARA CAMINOS Y LA IMPOSICIÓN DE IMPUESTOS PARA EL PAGO DE LOS BONDS.

Las listas de votantes que serán utilizadas en la elección de electores presentados serán las listas de electores de nuestro distrito que se publican en la Consulta de Calidad Ambiental de Texas, o sus representantes, de la siguiente manera:

- (1) Cheryl Hines
- (2) David Kane
- (3) Amy Low
- (4) Denise Colquhoun-Grant

Los votantes calificados que residen en el Distrito pueden votar en persona, uno, dos, tres o cuatro personas por electores colocando una "X" en la celda apropiada en la papeleta.

La votación anticipada es permitida en la elección si el votante, antes de la hora de votación, solicita y recibe de manera autorizada por el Condado de Travis, su papeleta y la muestra adicional en persona y por correo, por todos los votantes, en los sitios designados de votación adelantada y devuelve la papeleta en cualquier momento antes de la hora de votación. Las solicitudes de ballots de votación por correo deben ser enviadas a Travis County Election Department, 5501 Airport Boulevard, Austin, Texas 78751.

Solo si los electores del condado con la Sección 3.009(b) del Código Electoral de Texas, desista en el Anexo C adjunto al presente documento, se requiere la información en un sitio de elección de ballots de votación de acuerdo a la Sección 3.009(b) del Código Electoral de Texas.

Una copia de la papeleta por correo con una de elección anticipada se encuentra en archivo en la oficina del Asesor Legal del Distrito, ubicada en Amylund & Brown, PLLC, 100 Congress Avenue, Suite 1500, Austin, Texas 78701.

AÑO DE ELECCIÓN

A LOS VOTANTES CALIFICADOS, RESIDENTES DEL DISTRITO DE SERVICIOS PÚBLICOS MUNICIPALES No. 1 DE PILOT KNOS:

SE NOTIFICA que se celebrará una elección general dentro del Distrito de Servicios Públicos Municipales No. 1 de Pilot Knos el 9 de mayo de 2015 de 7:00 a.m. a 7:00 p.m. en el lugar de votación indicado en el Anexo A. Las siguientes proposiciones se presentarán ante los votantes residentes del Distrito:

PROPOSICIÓN I
(1) A FAVOR
(2) EN CONTRA
CONFIRMAR LA CREACIÓN DEL DISTRITO LIMITADO No. 1 DE PILOT KNOS.

PROPOSICIÓN II
(1) A FAVOR
(2) EN CONTRA
UN IMPUESTO DE OPERACIÓN Y MANTENIMIENTO PARA EL DISTRITO LIMITADO QUE NO EXCEDA DE UN DÓLAR CINCUENTA CENTAVOS (\$1.50) POR CADA CEN DÓLAR (\$100) DEL VALOR DE LA PROPIEDAD GRABABLE.

La votación anticipada es permitida en la elección si el votante, antes de la hora de votación, solicita y recibe de manera autorizada por el Condado de Travis, su papeleta y la muestra adicional en persona y por correo, por todos los votantes, en los sitios designados de votación adelantada y devuelve la papeleta en cualquier momento antes de la hora de votación. Las solicitudes de ballots de votación por correo deben ser enviadas a Travis County Election Department, 5501 Airport Boulevard, Austin, Texas 78751.

Una copia de la papeleta por correo con una de elección anticipada se encuentra en archivo en la oficina del Asesor Legal del Distrito, ubicada en Amylund & Brown, PLLC, 100 Congress Avenue, Suite 1500, Austin, Texas 78701.

EXHIBIT "A"

MOBILE VOTING PLACES

See attached schedule provided by Travis County. Consult the link in the program for more information on the County of Travis.

Subject to Change. Subject to Confirmation.

EXHIBIT "B"

EARLY VOTING SCHEDULE

See attached schedule provided by Travis County. Consult the link in the program for more information on the County of Travis.

Subject to Change. Subject to Confirmation.

EXHIBIT "C"

INFORMATION REQUIRED BY SECTION 3.009(b) OF THE TEXAS ELECTION CODE

In accordance with the provisions of 3.009(b) of the Texas Election Code, it is hereby found that the following:

- (1) The proposition language that will appear on the ballot is set forth in this notice and in the ballot questions below.
- (2) The persons for which the ballots are to be submitted are set forth in the notice and in the ballot questions below.
- (3) The precinct names of the ballots to be submitted are set forth in the notice and in the ballot questions below.
- (4) All ballots in the ballot questions are: (a) If the ballots are approved by the voters, there will be no need to pay the amount proposed; and (b) subject to the ballot question to be held.
- (5) Ballot papers for the ballot questions shall be the date of adoption of the ballot questions under the provisions of the Texas Election Code. The ballot questions shall be held on the date of adoption of the ballot questions under the provisions of the Texas Election Code. The ballot questions shall be held on the date of adoption of the ballot questions under the provisions of the Texas Election Code. The ballot questions shall be held on the date of adoption of the ballot questions under the provisions of the Texas Election Code.
- (6) If the ballot questions are approved by the voters, there will be no need to pay the amount proposed; and (b) subject to the ballot question to be held.
- (7) The District Board shall not be held on the date of adoption of the ballot questions under the provisions of the Texas Election Code. The ballot questions shall be held on the date of adoption of the ballot questions under the provisions of the Texas Election Code.
- (8) The District Board shall not be held on the date of adoption of the ballot questions under the provisions of the Texas Election Code. The ballot questions shall be held on the date of adoption of the ballot questions under the provisions of the Texas Election Code.
- (9) There is no need to pay the amount proposed; and (b) subject to the ballot question to be held.

This information is provided solely for purposes of compliance with Section 3.009(b) of the Texas Election Code and for illustrative purposes only. The information is not a part of the proposition to be held and does not create a contract with the voters.

ANEXO C

INFORMACIÓN REQUERIDA POR LA SECCIÓN 3.009(b) DEL CÓDIGO ELECTORAL DE TEXAS

De acuerdo con la Sección 3.009(b) del Código Electoral de Texas, se halló y determinó por la presente que:

- (1) El lenguaje de las proposiciones que aparecerán en la boleta de votación se establece en el presente aviso y en el contenido de las boletas de votación.
- (2) Las personas por las cuales se emitirán las boletas de votación se describen en el presente aviso y en el contenido de las boletas de votación.
- (3) Los nombres de los distritos de las boletas que se han de emitir se establecen en el presente aviso y en el contenido de las boletas de votación.
- (4) Todas las boletas de votación en las boletas de votación que se han de emitir se: (a) Si las boletas de votación son aprobadas por los votantes, no será necesario pagar el monto propuesto; y (b) estarán sujetos a la pregunta de la boleta de votación que se ha de emitir.
- (5) Los papeletos para las preguntas de la boleta de votación se emitirán el día de la adopción de las preguntas de la boleta de votación. Las preguntas de la boleta de votación se emitirán el día de la adopción de las preguntas de la boleta de votación. Las preguntas de la boleta de votación se emitirán el día de la adopción de las preguntas de la boleta de votación. Las preguntas de la boleta de votación se emitirán el día de la adopción de las preguntas de la boleta de votación.
- (6) Si las boletas de votación son aprobadas por los votantes, no será necesario pagar el monto propuesto; y (b) estarán sujetos a la pregunta de la boleta de votación que se ha de emitir.
- (7) El Distrito no será celebrado el día de la adopción de las preguntas de la boleta de votación. Las preguntas de la boleta de votación se emitirán el día de la adopción de las preguntas de la boleta de votación. Las preguntas de la boleta de votación se emitirán el día de la adopción de las preguntas de la boleta de votación. Las preguntas de la boleta de votación se emitirán el día de la adopción de las preguntas de la boleta de votación.
- (8) El Distrito no será celebrado el día de la adopción de las preguntas de la boleta de votación. Las preguntas de la boleta de votación se emitirán el día de la adopción de las preguntas de la boleta de votación. Las preguntas de la boleta de votación se emitirán el día de la adopción de las preguntas de la boleta de votación. Las preguntas de la boleta de votación se emitirán el día de la adopción de las preguntas de la boleta de votación.
- (9) No hay necesidad de pagar el monto propuesto; y (b) estarán sujetos a la pregunta de la boleta de votación que se ha de emitir.

* Esta información se provee únicamente a los efectos del cumplimiento con la Sección 3.009(b) del Código Electoral de Texas y sólo a título informativo. La información no es una parte de la proposición sometida a votación y no crea un contrato con los votantes.

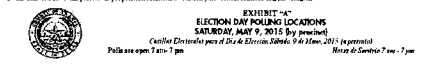


EXHIBIT "A"

ELECTION DAY POLLING LOCATIONS

SAURDAY, MAY 9, 2015 (By precinct)

Castillo Electoral para el Día de Elección Sábado 9 de Mayo, 2015 (por precintos)

Pollin en el día 9 de mayo

NOTE: ELECTION DAY POLLING LOCATIONS

Castillo Electoral para el Día de Elección Sábado 9 de Mayo, 2015 (por precintos)

Pollin en el día 9 de mayo

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NOTE: ELECTION DAY POLLING LOCATIONS

Castillo Electoral para el Día de Elección Sábado 9 de Mayo, 2015 (por precintos)

Pollin en el día 9 de mayo

AFFIDAVIT OF PUBLICATION

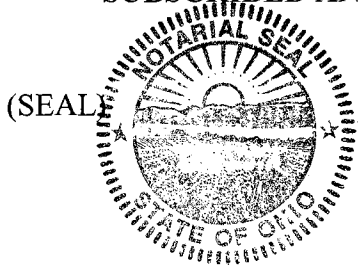
THE STATE OF TEXAS '
COUNTY OF TRAVIS '
TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT '
DISTRICT – POINT VENTURE OF TRAVIS COUNTY '

BEFORE ME, a Notary Public in and for the State of Texas, on this day personally appeared the person whose name is subscribed below, who, having been duly sworn, says upon oath that he or she is a duly authorized officer or employee of the *Austin American-Statesman*, which is a newspaper as defined in Section 2051.044, Government Code, as amended, and which is of general circulation in the District; and that a true and correct copy of the **NOTICE OF ELECTION**, a clipping of which is attached to this affidavit, was published in said Newspaper on April 9, 2015.

Maria Vagedes

Authorized Officer or Employee

SUBSCRIBED AND SWORN TO BEFORE ME on the 9th day of April, 2015.



KARIE BELL
NOTARY PUBLIC - OHIO
MY COMMISSION EXPIRES 4-12-15

Karie Bell

Notary Public



Dana DeBeauvoir *Travis County Clerk*

PO Box 149325, Austin TX 78714-9325 | Phone: (512) 854-9188 | Website: www.traviscountyclerk.org

CERTIFICATE OF POSTING BOND ELECTION ORDER

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

Dana DeBeauvoir, County Clerk and Chief Elections Officer for Travis County, Texas certifies that the Orders and Ordinance calling a Bond election or other debt obligation election for the following entities:

Eanes ISD
Pilot Knob MUD No. 1
Travis County WCID #10
Travis County WCID – Point Venture

were duly posted during the period of Early Voting and on Election Day, May 9, 2015 in a prominent location at each polling station in Travis County, in which Early Voting and Election Day voting was conducted for each of the aforementioned elections as provided for in said Orders and Ordinance.

Dana DeBeauvoir, Travis County Chief Elections Officer

May 13, 2015





AFFIDAVIT OF POSTING NOTICE

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE

BEFORE ME, a notary public in and for the State of Texas, on this day personally appeared the person whose name is subscribed below, who, having duly sworn, says upon oath that on April 9, 2015, a true and correct copy of the attached and following **ELECTION ORDER** was duly posted on Election Day and during Early Voting by personal appearance, in a prominent location at each polling place, and not later than the 21st day before the election, was posted in three (3) public places in the boundaries of Travis County Water Control and Improvement District - Point Venture, namely:

1. The WCID Maintenance Office located at 18606 Venture Drive, Point Venture, Texas 78645; and
2. The Property Owners Association located at 555 Venture Boulevard South, Point Venture, Texas 78645; and
3. The Point Venture Golf Club located at 422 Venture Boulevard South, Point Venture, Texas 78645.

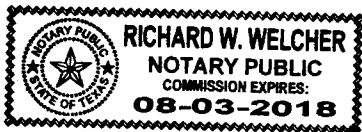
I posted the Order on the District’s website on April 9, 2015.

The Orders remained posted continuously through the May 9, 2015 election day.




Affiant, Chance Chatham

SUBSCRIBED AND SWORN TO BEFORE ME on the 22nd day of March, 2016.



[NOTARY SEAL]



Notary Public, State of Texas

**ORDER CALLING A SYSTEM FACILITIES BOND ELECTION
FOR TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE AND MAKING PROVISION FOR CONDUCTING
SUCH ELECTIONS AND
OTHER PROVISIONS INCIDENTAL AND RELATED THERETO**

**THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §**

**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT - POINT VENTURE**

WHEREAS, Travis County Water Control and Improvement District - Point Venture (the "District") was duly created by Order of the Texas Water Rights Commission dated October 14, 1970, as a conservation and reclamation district created under and essential to accomplish the purposes of Section 59, Article XVI of the Texas Constitution and operating pursuant to Chapters 49 and 51 of the Texas Water Code; and

WHEREAS, the District currently operates pursuant to Chapters 49 and 51, Texas Water Code, as amended; and

WHEREAS, the District was created to provide water, wastewater, drainage and storm sewer facilities, including water quality facilities to serve land development within its boundaries; and

WHEREAS, there has been filed in the office of the District, open to inspection by the public, the Travis County Water Control and Improvement District - Point Venture Preliminary Engineering Report for Bond Authorization Election, signed and sealed by David Kneuper on February 16, 2015 (the "Engineering Report") covering the facilities to be voted including the plans and improvements to be constructed together with maps, plats, profiles, and data showing and explaining the Engineering Report, and the report has been carefully considered by the Board of Directors of the District (the "Board") and has been fully approved by the Board; however, the Engineering Report is not part of the propositions to be voted on and is not a contract with the voters; and

WHEREAS, said works, improvements, facilities, land, plants, equipment, appliances, property, contract rights, rights of use and interests in property are designed and intended to furnish a waterworks, wastewater system and a drainage and storm sewer system (including water quality facilities) for the District; and

WHEREAS, the Engineering Report heretofore filed and approved contains an estimate of the cost of the purchase, acquisition and construction of the proposed works, improvements, facilities, land, plants, equipment, appliances and an estimate of the District's costs due or to become due under contracts and the cost of purchasing and acquiring such property, contract rights, rights of use and interest in property, administrative facilities and expenses incident thereto with respect to three projects, as generally follows:

PRELIMINARY COST SUMMARY FOR FIRST PROPOSITION

Construction Costs	
Water Treatment Plant Expansion	\$2,516,000
Effluent Storage Tank Improvements	\$2,410,000
SUBTOTAL:	\$4,926,000

Non-Construction Costs	
Legal Fees (2%)	\$107,800
Financial Advisor Fees (2%)	\$107,800
Bond Discount (3%)	\$161,700
TCEQ Bond Proceeds Fee (0.25%)	\$13,475
Bond Application Report	\$45,000
Administration and Issuance Costs (0.50%)	\$26,950
Contingency	\$1,275
SUBTOTAL:	\$464,000

TOTAL ESTIMATED BOND ISSUE REQUIREMENT:	\$5,390,000
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PRELIMINARY COST SUMMARY FOR SECOND PROPOSITION

Construction Costs	
Water System Improvements	\$1,784,000
SUBTOTAL:	\$1,784,000

Non-Construction Costs	
Legal Fees (2%)	\$39,700

Financial Advisor Fees (2%)	\$39,700
Bond Discount (3%)	\$59,550
TCEQ Bond Proceeds Fee (0.25%)	\$4,963
Bond Application Report	\$45,000
Administration and Issuance Costs (0.50%)	\$9,925
Contingency	\$2,162
SUBTOTAL:	\$201,000

TOTAL ESTIMATED BOND ISSUE REQUIREMENT:	\$1,985,000
--	--------------------

WHEREAS, the Board finds that the above estimates of \$5,390,000 and \$1,985,000 are reasonable and proper and hereby approve the same and all items thereof but reserves the right to authorize amendments to the Engineering Report and to reallocate costs and make such other changes as necessary to meet the changing requirements of the District's system; and

WHEREAS, Section 51.411, Texas Water Code, provides that bonds payable wholly or partially from ad valorem taxes shall not be issued until authorized by a majority vote of the resident electors of the District voting in an election called and held for that purpose; and

WHEREAS, the Board desires to call an election for the purpose of submitting two propositions on the issuance of the bonds for system facilities of the District in the amounts of \$5,390,000 and \$1,985,000 and the levy of taxes in payment of such bonds; and

WHEREAS, the Board wishes to proceed with the ordering of said elections.

BE IT ORDERED BY THE BOARD OF DIRECTORS OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE THAT:

Section 1. The matters and facts set out in the preamble of this Order are hereby found and declared to be true and complete.

Section 2. The Engineering Report and the estimates of costs hereinabove mentioned are hereby approved; provided, however, the District reserves the right to authorize amendments to the Engineering Report and to reallocate costs and make such other changes as necessary to meet the changing requirements of the District's System.

Section 3. A special election shall be held within the District on May 9, 2015 between the hours of 7:00 a.m. and 7:00 p.m. Travis County is conducting the election pursuant to a Contract for Election Services between the District and Travis County as authorized under Section 31.092 of the Election Code. The election shall be held as a joint election pursuant to Chapter 271 of the Election Code and a Joint Election Agreement to be entered into between the District and other participating entities located in Travis County which are holding an election on May 9, 2015. Travis County's election equipment shall be used in the election. The election judges and clerks shall be appointed in accordance with the Contract for Election Services and the Election Code, as amended. In accordance with Section 43.007 of the Election Code the election day polling locations shall be the Travis County Vote Centers for the May 9, 2015 election, the list of which is attached hereto as Exhibit "A". At the election there shall be submitted the questions of the issuance of system facilities bonds.

Section 4. The following propositions shall be submitted to the resident qualified electors of the District:

PROPOSITION I

SHALL THE BOARD OF DIRECTORS OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AMOUNT OF \$5,390,000 MATURING SERIALLY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OF DIRECTORS OVER A PERIOD OR PERIODS NOT EXCEEDING FORTY (40) YEARS FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE, ON ANY ISSUE OR SERIES SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF THE ISSUANCE OF EACH SUCH ISSUES OR SERIES OF SAID BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF ADDING AN ADDITIONAL 0.5 MGD TREATMENT PLANT WHICH WILL OPERATE IN PARALLEL WITH THE DISTRICT'S EXISTING PLANT, SO AS TO PROVIDE A TOTAL TREATMENT CAPACITY OF 1.0 MGD, AND A 2.0 MGD EFFLUENT STORAGE TANK AND ASSOCIATED YARD PIPING TO SERVE THE TANK, ALL AS DESCRIBED IN THE ENGINEERING REPORT, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS NOW OR HEREAFTER AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

PROPOSITION II

SHALL THE BOARD OF DIRECTORS OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AMOUNT

OF \$1,985,000 MATURING SERIALY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OF DIRECTORS OVER A PERIOD OR PERIODS NOT EXCEEDING FORTY (40) YEARS FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE, ON ANY ISSUE OR SERIES SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF THE ISSUANCE OF EACH SUCH ISSUES OR SERIES OF SAID BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF MAKING IMPROVEMENTS TO THE DISTRICT'S WATER SYSTEM, AS DESCRIBED IN THE ENGINEERING REPORT, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS NOW OR HEREAFTER AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

Section 5. Voting in the election for the propositions shall be by the use of Travis County's voting system which shall utilize English and Spanish and shall conform to the Election Code, as amended. The ballots used in the election shall have printed thereon the following:

Proposition I

- | | | |
|-------------|---|--|
| () For |) | The issuance of bonds in the amount of \$5,390,000 |
| |) | and the levy of taxes to pay for the bonds (additional water |
| () Against |) | treatment plant and effluent storage tank) |

Proposition II

- | | | |
|-------------|---|--|
| () For |) | The issuance of bonds in the amount of \$1,985,000 |
| |) | and the levy of taxes to pay for the bonds (water system |
| () Against |) | improvements) |

Each voter shall vote on the proposition by darkening the oval or other shape beside the statement indicating the way he or she wishes to vote.

Section 6. Oral assistance in Spanish shall be made available to all persons requiring such assistance. Any person requiring oral assistance in Spanish should contact the Presiding Judge or the Early Voting Clerk.

Section 7. The Early Voting Ballot Board Presiding Judge and Alternative Presiding Judge shall be appointed in accordance with the Contract for Election Services, the Joint Election Agreement and the Election Code.

The Central Counting Station Presiding Judge and the Alternate Presiding Judge shall be appointed in accordance with the Contract for Election Services, the Joint Election Agreement and the Election Code.

Early voting in the election by personal appearance shall be conducted at the times, dates and polling places used for the Travis County General Election which are attached hereto as **Exhibit "B"**. The Travis County Elections Administrator is the Early Voting Clerk. Applications for ballots by mail should be sent to Travis County Elections Division, Travis County Clerk, P.O. Box 149325, Austin, Texas 78714; or delivered by common carrier to Elections Division, Travis County Clerk, 5501 Airport Boulevard, Austin, Texas 78751-1410.

Section 8. The election shall be held and conducted and returns shall be made to the Board of Directors in accordance with the Election Code as modified by Chapters 49 and 51, Texas Water Code and in accordance with applicable federal law.

Section 9. All qualified resident electors of the District shall be entitled to vote in the election.

Section 10. The information required by Sec. 3.009, Texas Election Code is as follows:

(1) the proposition language that will appear on the ballot is set forth previously in this Order;

(2) the purpose for which the debt obligations are to be authorized is described previously in this Order;

(3) the principal amount of the debt obligations to be authorized is \$7,375,000;

(4) taxes sufficient to pay the annual principal of and interest on the debt obligations may be imposed;

(5) the estimated tax rate if the debt obligations are authorized is \$0.07. The maximum interest rate of the debt obligations or any series of the debt obligations based on the market conditions at the time of this election order is set forth in the propositions appearing earlier in this Order;

(6) the maximum maturity date of the debt obligations to be authorized is stated in the propositions set forth earlier in this Order;

(7) the aggregate amount of the outstanding principal of the District's debt obligations as of the beginning of the District's fiscal year in which this election is ordered is \$1,070,000;

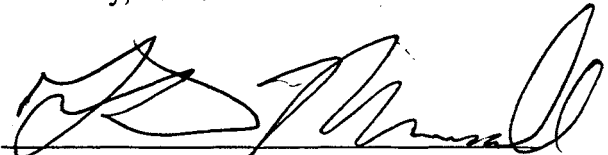
(8) the aggregate amount of the outstanding interest on debt obligations of the District as of the beginning of the District's fiscal year in which this election was ordered is \$138,026.25;

(9) the ad valorem debt service tax rate for the District at the time election is ordered, expressed as an amount per \$100 valuation of taxable property, is \$0.1533.

Section 11. In accordance with Section 4.003(a)(1) of the Texas Election Code, a notice conforming to the requirements of Section 4.004, Election Code, appearing in English and Spanish shall serve as proper notice of said election, and the President of the Board or other representatives of the District shall cause the notice to be published one time, not earlier than the 30th day nor later than the 10th day prior to the date set for the election, in a newspaper published in the District or, if none is published in the District, in a newspaper of general circulation in the District. In addition, substantial copies of this Order, in English and Spanish, shall be posted at the times and in the places required by Section 4.003 of the Texas Election Code.

Section 12. The President or Vice President and Secretary or Assistant Secretary of the Board are authorized and directed to take any actions necessary to carry out the provisions of this Order.

PASSED AND APPROVED this 26th day of February, 2015.



President
Travis County WCID - Point Venture

ATTEST:



Secretary
Travis County WCID - Point Venture

[SEAL]

**ORDEN PARA CONVOCAR UNA ELECCIÓN DE BONOS PARA INSTALACIONES
DEL SISTEMA PARA EL DISTRITO DE CONTROL Y MEJORAS DE AGUA
DEL CONDADO DE TRAVIS - POINT VENTURE Y PARA DISPONER
LA CELEBRACIÓN DE DICHAS ELECCIONES Y OTRAS
DISPOSICIONES INCIDENTALS Y RELATIVAS A ESTO**

**EL ESTADO DE TEXAS §
 §
CONDADO DE TRAVIS §**

**DISTRITO DE CONTROL Y MEJORAS DE AGUA
DEL CONDADO DE TRAVIS - POINT VENTURE**

EN VISTA DE QUE el Distrito de Control y Mejoras de Agua del Condado de Travis - Point Venture (el “Distrito”) fue debidamente creado por una Orden de la Comisión de Derechos de Agua de Texas con fecha 14 de octubre de 1970, como un distrito de conservación y reclamación creado para cumplir con los fines de la Sección 59, Artículo XVI de la Constitución de Texas y fundamental para ello, y que opera en conformidad con los Capítulos 49 y 51 del Código de Agua de Texas; y

EN VISTA DE QUE el Distrito actualmente opera en conformidad con los Capítulos 49 y 51 del Código de Agua de Texas y sus enmiendas; y

EN VISTA DE QUE el Distrito fue creado para suministrar instalaciones de abastecimiento de agua, de agua residual, alcantarillado de drenaje y agua de tormentas, incluidas instalaciones para calidad del agua para prestar servicio a los desarrollos de tierras dentro de sus límites territoriales; y

EN VISTA DE QUE se ha presentado en la oficina del Distrito, abierto para inspección del público, el Informe de Ingeniería Preliminar del Distrito de Control y Mejoras de Agua del Condado de Travis - Point Venture para la elección de autorización de bonos, firmado y sellado por David Kneuper el 16 de febrero de 2015 (el “Informe de Ingeniería”) que abarca las instalaciones a ser sometidas a votación que incluyen los proyectos y las mejoras a ser construidos, junto con mapas, planos catastrales, perfiles y datos que muestran y explican el Informe de Ingeniería, y la Junta Directiva del Distrito (la “Junta”) ha considerado atentamente el informe y lo ha aprobado completamente; sin embargo, el Informe de Ingeniería no forma parte de las proposiciones por las que se han de votar ni es un contrato con los votantes; y

EN VISTA DE QUE dichos trabajos, mejoras, instalaciones, terrenos, plantas, equipos, aparatos, propiedad, derechos de contratos, derechos de uso e intereses en la propiedad se han diseñado y tienen el propósito de proveer un sistema de suministro de agua, sistema de aguas residuales y un sistema de alcantarillado de drenaje y aguas de tormenta (incluidas instalaciones de calidad de agua) para el Distrito; y

EN VISTA DE QUE el Informe de Ingeniería archivado y aprobado hasta el presente contiene un estimado del costo de la compra, adquisición y construcción de los trabajos, mejoras, instalaciones, terrenos, plantas, equipo y aparatos propuestos, y un estimado de los costos del Distrito adeudados o que serán adeudados en conformidad con los contratos, y el costo de la compra y adquisición de dicha propiedad, derechos de contratos, derechos de uso e intereses sobre la propiedad, instalaciones administrativas y gastos incidentales a esto relativos a tres proyectos, que de forma general son de la siguiente manera:

RESUMEN DE COSTOS PRELIMINARES PARA LA PRIMERA PROPOSICIÓN

Costos de construcción	
Ampliación de la planta de tratamiento de aguas	\$2,516,000
Mejoras al tanque de almacenamiento de efluente	\$2,410,000
SUBTOTAL:	\$4,926,000

Costos ajenos la construcción	
Honorarios legales (2%)	\$107,800
Honorarios del asesor financiero (2%)	\$107,800
Descuento de bonos (3%)	\$161,700
Cargo de TCEQ por los ingresos de bonos (0.25%)	\$13,475
Informe de solicitud de bonos	\$45,000
Costos de emisión y administrativos (0.50%)	\$26,950
Contingencia	\$1,275
SUBTOTAL:	\$464,000

REQUISITO TOTAL ESTIMADO DE EMISIÓN DE BONOS:	\$5,390,000
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RESUMEN DE COSTOS PRELIMINARES PARA LA SEGUNDA PROPOSICIÓN

Costos de construcción	
Mejoras al sistema de agua	\$1,784,000
SUBTOTAL:	\$1,784,000

Costos ajenos la construcción	
Honorarios legales (2%)	\$39,700
Honorarios del asesor financiero (2%)	\$39,700
Descuento de bonos (3%)	\$59,550
Cargo de TCEQ por los ingresos de bonos (0.25%)	\$4,963
Informe de solicitud de bonos	\$45,000
Costos de emisión y administrativos (0.50%)	\$9,925
Contingencia	\$2,162
SUBTOTAL:	\$201,000

REQUISITO TOTAL ESTIMADO DE EMISIÓN DE BONOS:	\$1,985,000
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EN VISTA DE QUE la Junta determina que los estimados anteriores de \$5,390,000 y \$1,985,000 son razonables y adecuados, y los aprueba por la presente, y a todos sus puntos, pero se reserva el derecho de autorizar modificaciones al Informe de Ingeniería y de reasignar costos y hacer otros cambios según sean necesarios para satisfacer los requisitos cambiantes del sistema del Distrito; y

EN VISTA DE QUE la Sección 51.411 del Código de Agua de Texas dispone que los bonos pagaderos en su totalidad o en parte con impuestos ad valorem no pueden ser emitidos hasta que sean autorizados por una mayoría de los votantes residentes del Distrito que voten en una elección convocada y celebrada para dicho fin; y

EN VISTA DE QUE la Junta desea también convocar una elección con el propósito de presentar dos proposiciones sobre la emisión de bonos para las instalaciones del sistema del Distrito en las cantidades de \$5,390,000 y \$1,985,000 y la imposición de impuestos para el pago de dichos bonos; y

EN VISTA DE QUE la Junta desea proceder con la orden de dichas elecciones.

LA JUNTA DIRECTIVA DEL DISTRITO DE CONTROL Y MEJORAS DE AGUA DEL CONDADO DE TRAVIS - POINT VENTURE ORDENA QUE:

Sección 1. Por la presente se halla y declara que los asuntos y hechos descritos en el preámbulo de esta orden son verdaderos y completos.

Sección 2. Por la presente se aprueban los estimados de costos del Informe de Ingeniería indicados anteriormente; bajo la condición, sin embargo, de que el Distrito se reserva el derecho

de autorizar modificaciones al Informe de Ingeniería y de reasignar costos, y hacer otros cambios según sean necesarios para satisfacer los requisitos cambiantes del Sistema del Distrito.

Sección 3. Se celebrará dentro del Distrito una elección especial el 9 de mayo de 2015 en el horario de 7:00 a.m. a 7:00 p.m. El Condado de Travis llevará a cabo la elección en conformidad con un Contrato de Servicios Electorales entre el Distrito y el Condado de Travis, según lo autorizado por la Sección 31.092 del Código Electoral. La elección se llevará a cabo como elección conjunta en conformidad con el Capítulo 271 del Código Electoral y un Convenio de Elección Conjunta a ser celebrado entre el Distrito y otras entidades participantes localizadas en el Condado de Travis que celebran elecciones el 9 de mayo de 2015. En la elección se usará el equipo electoral del Condado de Travis. Los jueces y funcionarios electorales serán designados en conformidad el Contrato de Servicios Electorales y el Código Electoral y sus enmiendas. En conformidad con las Sección 43.007 del Código Electoral, los lugares de votación del día de la elección para la elección del 9 de mayo de 2015 serán los Centros de Votación del Condado de Travis, cuya lista se adjunta a la presente como Anexo "A". En la elección se presentarán las preguntas de la emisión de bonos para instalaciones del sistema.

Sección 4. Las siguientes proposiciones se presentarán a los votantes habilitados, residentes del Distrito:

PROPOSICIÓN I

¿SE DEBERÁ AUTORIZAR A LA JUNTA DIRECTIVA DEL CONDADO DE CONTROL Y MEJORAS DE AGUA DEL CONDADO DE TRAVIS - POINT VENTURE A EMITIR LOS BONOS DE DICHO DISTRITO EN UNA O MÁS EMISIONES O SERIES POR LA CANTIDAD MÁXIMA DE \$5,390,000, PARA MADURAR EN SERIE O DE OTRA FORMA EN CIERTOS PLAZOS COMO LOS DETERMINE DICHA JUNTA DIRECTIVA EN UN PERIODO O PERIODOS QUE NO EXCEDAN LOS CUARENTA (40) AÑOS DESDE SU FECHA O FECHA, PARA DEVENGAR INTERÉS A CIERTA TASA O TASAS Y PARA VENDER DICHOS BONOS A CIERTO PRECIO O PRECIOS SIEMPRE QUE LA TASA DE INTERÉS EFECTIVA NETA, SOBRE CUALQUIER EMISIÓN O SERIE NO SUPERE EL LÍMITE LEGAL MÁXIMO VIGENTE EN EL MOMENTO DE EMISIÓN DE CADA UNA DE DICHAS EMISIONES O SERIES DE DICHOS BONOS, TODO COMO LO PUEDA DETERMINAR LA JUNTA DIRECTIVA DE DICHO DISTRITO, CON EL PROPÓSITO O PROPÓSITOS DE AÑADIR UNA PLANTA DE TRATAMIENTO DE 0.5 MGD ADICIONALES QUE OPERARÁ EN PARALELO CON LA PLANTA EXISTENTE DEL DISTRITO, A FIN DE PROVEER UNA CAPACIDAD TOTAL DE TRATAMIENTO DE 1.0 MGD, Y UN TANQUE DE ALMACENAMIENTO DE EFLUENTES DE 2.0 MGD Y LAS TUBERÍAS ASOCIADAS PARA SERVIR AL TANQUE, TODO COMO SE DESCRIBE EN EL INFORME DE INGENIERÍA, Y DISPONER PARA EL PAGO DEL CAPITAL Y DEL INTERÉS DE DICHOS BONOS MEDIANTE LA IMPOSICIÓN Y RECAUDACIÓN DE UN IMPUESTO SUFICIENTE SOBRE TODA PROPIEDAD GRAVABLE DENTRO DE DICHO

DISTRITO, TODO COMO LO AUTORICEN AHORA O DE AQUÍ EN ADELANTE LA CONSTITUCIÓN Y LAS LEYES DEL ESTADO DE TEXAS?

PROPOSICIÓN II

¿SE DEBERÁ AUTORIZAR A LA JUNTA DIRECTIVA DEL CONDADO DE CONTROL Y MEJORAS DE AGUA DEL CONDADO DE TRAVIS - POINT VENTURE A EMITIR LOS BONOS DE DICHO DISTRITO EN UNA O MÁS EMISIONES O SERIES POR LA CANTIDAD MÁXIMA DE \$1,985,000, PARA MADURAR EN SERIE O DE OTRA FORMA EN CIERTOS PLAZOS COMO LOS DETERMINE DICHA JUNTA DIRECTIVA EN UN PERIODO O PERIODOS QUE NO EXCEDAN LOS CUARENTA (40) AÑOS DESDE SU FECHA O FECHA, PARA DEVENGAR INTERÉS A CIERTA TASA O TASAS Y PARA VENDER DICHOS BONOS A CIERTO PRECIO O PRECIOS SIEMPRE QUE LA TASA DE INTERÉS EFECTIVA NETA, SOBRE CUALQUIER EMISIÓN O SERIE NO SUPERE EL LÍMITE LEGAL MÁXIMO VIGENTE EN EL MOMENTO DE EMISIÓN DE CADA UNA DE DICHAS EMISIONES O SERIES DE DICHOS BONOS, TODO COMO LO PUEDA DETERMINAR LA JUNTA DIRECTIVA DE DICHO DISTRITO, CON EL PROPÓSITO O PROPÓSITOS DE REALIZAR MEJORAS AL SISTEMA DE AGUA DEL DISTRITO, COMO SE DESCRIBE EN EL INFORME DE INGENIERÍA, Y DISPONER PARA EL PAGO DEL CAPITAL Y DEL INTERÉS DE DICHOS BONOS MEDIANTE LA IMPOSICIÓN Y RECAUDACIÓN DE UN IMPUESTO SUFICIENTE SOBRE TODA PROPIEDAD GRAVABLE DENTRO DE DICHO DISTRITO, TODO COMO LO AUTORICEN AHORA O DE AQUÍ EN ADELANTE LA CONSTITUCIÓN Y LAS LEYES DEL ESTADO DE TEXAS?

Sección 5. La votación en la elección para las proposiciones será mediante el uso del sistema de votación del Condado de Travis, que usará inglés y español y cumplirá con el Código Electoral y sus enmiendas. Las boletas de votación a utilizarse en la elección tendrán impreso lo siguiente:

Proposición I

- () A Favor) La emisión de bonos por la cantidad de \$5,390,000 y la
) imposición de impuestos para el pago de los bonos (planta de
) tratamiento de agua adicional y tanque de almacenamiento de
() En contra) efluente)

Proposición II

- () A Favor) La emisión de bonos por la cantidad de \$1,985,000 y la
) imposición de impuestos para el pago de los bonos (mejoras del
() En contra) sistema de agua)

Cada votante votará por la proposición oscureciendo el óvalo o colocando otra forma junto a la declaración que indica la forma en que desea votar.

Sección 6. Habrá disponible asistencia oral en español para todas las personas que la requieran. Toda persona que requiera asistencia oral en español debe comunicarse con el Juez Presidente o el Oficial de Votación Anticipada.

Sección 7. Se designará al Juez Presidente y al Juez Presidente Alterno del Consejo de Boletas de Votación Anticipada en conformidad con el Contrato de Servicios Electorales, el Convenio de Elección Conjunta y el Código Electoral.

El Juez Presidente y el Juez Presidente Alterno de la Estación Central de Recuento serán designados en conformidad con el Contrato para Servicios Electorales, el Convenio de Elección Conjunta y el Código Electoral.

La votación anticipada en persona de la elección se llevará a cabo en los horarios, las fechas y los lugares de votación utilizados para la Elección General del Condado de Travis y se adjuntan al presente documento como **Anexo "B"**. El Administrador de Elecciones del Condado de Travis es el Oficial de Votación Anticipada. Las solicitudes de boletas de votación por correo deben enviarse a Travis County Elections Division, Travis County Clerk, P.O. Box 149325, Austin, Texas 78714; o ser entregadas por servicio de envío a Elections Division, Travis County Clerk, 5501 Airport Boulevard, Austin, Texas 78751-1410.

Sección 8. La elección se celebrará y realizará, y se dará el dictamen de los resultados a la Junta Directiva en conformidad con el Código Electoral, según lo modificado por los Capítulos 49 y 51 del Código de Agua de Texas, y en conformidad con las leyes federales pertinentes.

Sección 9. Todos los votantes habilitados que residen en el Distrito tendrán derecho a votar en la elección.

Sección 10. La información requerida por la Sección 3.009 del Código Electoral de Texas es la siguiente:

- (1) el lenguaje de la proposición que aparecerá en la boleta de votación se establece anteriormente en esta Orden;
- (2) el propósito por el cual se han de autorizar las obligaciones de deuda se describe anteriormente en esta Orden;
- (3) la cantidad del capital de las obligaciones de deuda que se ha de autorizar es de \$7,375,000;

(4) se podrán imponer impuestos suficientes para pagar el capital y el interés anual de las obligaciones de deuda;

(5) la tasa de impuesto estimada si las obligaciones de deuda se autorizan es de \$0.07. La tasa de interés máxima de las obligaciones de deuda o cualesquiera series de obligaciones de deuda en base a las condiciones del mercado a la fecha de esta orden de elección se establece en las proposiciones que aparecen anteriormente en esta Orden;

(6) la fecha de vencimiento máxima de las obligaciones de deuda a ser autorizadas se establece en las proposiciones que figuran anteriormente en esta Orden;

(7) la cantidad total de capital pendiente de las obligaciones de deuda del Distrito al comienzo del año fiscal del Distrito en que se ordena esta elección es de \$1,070,000;

(8) la cantidad total de interés pendiente de las obligaciones de deuda del Distrito al comienzo del año fiscal del Distrito en que se ordenó esta elección es de \$138,026.25;

(9) la tasa de impuesto ad valorem de servicio de la deuda para el Distrito al momento en que se ordena esta elección, expresada como una cantidad por cada \$100 de tasación de propiedad gravable, es de \$0.1533.

Sección 11. En conformidad con la Sección 4.003(a)(1) del Código Electoral de Texas, un aviso que cumpla con los requisitos de la Sección 4.004 del Código Electoral, que aparezca en inglés y en español, servirá como aviso adecuado de dicha elección y el Presidente de la Junta u otros representantes del Distrito harán que se publique el aviso, una sola vez, no antes del trigésimo día ni después del décimo día anteriores a la fecha establecida para la elección, en un periódico publicado en el Distrito o, si no hay ninguno que se publique en el Distrito, en un periódico de circulación general en el Distrito. Además, el aviso de elección descrito arriba, y copias de lo sustancial de esta Orden, en inglés y en español, deberán publicarse en los plazos y en los lugares que requiera la Sección 4.003 del Código Electoral de Texas.

Sección 12. Se autoriza e instruye al Presidente o Vicepresidente y al Secretario o Secretario Asistente de la Junta a tomar cualquier medida necesaria para llevar a cabo las disposiciones de esta Orden.

ACEPTADA Y APROBADA el 26 de febrero de 2015.

Presidente
WCID del Condado de Travis- Point Venture

ATESTIGUA:

Secretario
WCID del Condado de Travis- Point Venture
[SELLO]



EXHIBIT A

**ELECTION DAY POLLING LOCATIONS
SATURDAY, MAY 9, 2015 (by precinct)**

*Casillas Electorales para el Día de Elección Sábado, 9 de Mayo, 2015
(a precinto)*

Polls are open 7 am — 7 pm *Horas de Servicio 7 am — 7 pm*



VOTE CENTER ELECTION *Centros de Votación del Condado de Travis*

On Election Day, eligible Travis County VOTERS MAY VOTE AT ANY of the locations listed on this page. Voters are NOT limited to only voting in the precinct where they are registered to vote.

El día de elecciones VOTANTES elegibles del Condado de Travis PODRÁN VOTAR EN CUALQUIER SITIO indicado en esta página. Votantes tienen más opciones en dónde votar, SIN LIMITARSE al precinto en dónde están registrados para votar.

105 Manor ISD Admin. Building
10335 US Highway 290E

106 Elgin High School (NEW)
14000 County Line Rd.

120 Combined @ 105 Manor ISD Bldg.
10335 US Highway 290E

212 Combined @ 221 Bridge Point Elem.
6401 Cedar St.

221 Bridge Point Elementary School
6401 Cedar St.

232 Canyon Ridge Middle School
12601 Country Trails Ln.

233 River Place Elementary School (NEW)
6500 Sitio Del Rio Blvd.

234 Combined @ 233 River Place Elem.
6500 Sitio Del Rio Blvd.

244 Randalls Steiner Ranch (NEW)
5145 RM 620 North

245 Grandview Hills Elementary School
12024 Vista Parke Dr.

306 Combined @ 319 Lakeway Activity Ctr.
105 Cross Creek

307 Rollingwood Municipal Building
403 Nixon Dr.

308 Combined @ 346 Serene Hills Elem. School
3301 Serene Hills Dr.

317 Lost Creek MUD Office
1305 Quaker Ridge Dr.

318 Combined @ 330 Laura's Library
9411 Bee Cave Rd.

319 Lakeway Activity Center
105 Cross Creek

320 Randalls Lakeway
2301 RR 620 South

324 Bee Cave City Hall
4000 Galleria Pkwy.

330 Laura's Library
9411 Bee Cave Rd.

333 Combined @ 334 Spicewood Elem. School
11601 Olson Dr.

334 Spicewood Elementary School (NEW)
11601 Olson Dr.

336 Combined @ 334 Spicewood Elem. School
11601 Olson Dr.

337 Lakewood Homeowner's Association
7317 Lakewood Dr.

338 Travis County WCID #18
1502 San Juan Dr.

343 Combined @ 334 Spicewood Elem. School
11601 Olson Dr.

346 Serene Hills Elementary School
3301 Serene Hills Dr.

347 Combined @ 364 Randalls Flagship
3300 Bee Cave Rd.

356 Combined @ 307 Rollingwood Municipal
403 Nixon Dr.

357 Combined @ 330 Laura's Library
9411 Bee Cave Rd.

359 LTISD Educational Development Center
607 RR 620 North (Enter off of Kollmeyer Dr.)

364 Randalls Flagship West Lake Hills
3300 Bee Cave Rd.

369 Combined @ 374 Deer Creek Elem.
2420 Zeppelin Dr.

370 Round Mountain Community Center
14340 Round Mountain Rd.

371 Lago Vista Middle School (Formerly H.S)
8039 Bar-K Ranch Rd.

372 Community Center at Jonestown
18649 FM 1431, Suite 6A, Jonestown

373 Lago Vista City Hall
5803 Thunderbird St.

374 Deer Creek Elementary School
2420 Zeppelin Dr.

375 Village of Volente City Hall
16100 Wharf Cove

405 Ojeda Middle School
4900 McKinney Falls Pkwy.

**Early Voting Locations
Also Open on Election Day**
*Estos Sitios de Votación Adelantada también
estarán abiertos el Día de Elecciones:*

ACC Cypress Creek (NEW)
1555 Cypress Creek Rd., Cedar Park

Bee Cave City Hall
4000 Galleria Pkwy.

Manor ISD Admin. Building
10335 US Hwy. 290E

Randalls Flagship West Lake Hills
3300 Bee Cave Rd.

Randalls Lakeway
2301 RR 620 South

Randalls Steiner Ranch
5145 RM 620 North



Travis County Early Voting Locations for the May 9, 2015 Election

Early Voting Begins Monday, April 27 and Ends Tuesday, May 5

Sitios de Votación Adelantada del Condado de Travis, para la Elección, del 9 de Mayo, 2015
El Período de la Votación Adelantada empieza el Lunes, 27 de Abril y termina el Martes, 5 de Mayo

CENTRAL (CENTRAL)	Travis County Airport Boulevard Offices 5501 Airport Boulevard Mon-Sat 7am-7pm, Sun Noon to 6pm	<i>Lun-Sáb 7am-7pm, Dom mediodía-6pm</i>
NORTHWEST (NOROESTE)	Randalls Research and Braker 10900-D Research Boulevard Mon-Sat 7am-7pm, Sun Noon to 6pm	<i>Lun-Sáb 7am-7pm, Dom mediodía-6pm</i>
	Randalls Steiner Ranch 5145 RM 620 North Mon-Sat 7am-7pm, Sun Noon to 6pm	<i>Lun-Sáb 7am-7pm, Dom mediodía-6pm</i>
	ACC Cypress Creek (NEW!) 1555 Cypress Creek Road, Cedar Park Mon. Apr. 27-Sat. May 2, 8am-6pm Mon. May 4 & Tues. May 5, 7am-7pm	<i>Lun 27 de Abril - Sáb 2 de Mayo, 8am-6pm</i> <i>Lun 4 de Mayo y Martes 5 de Mayo, 7am-7pm</i>
EAST (ESTE)	Manor ISD Administration Building 10335 US Hwy 290 East Mon-Sat 7am-7pm, Sun Noon to 6pm	<i>Lun-Sáb 7am-7pm, Dom mediodía-6pm</i>
WEST (OESTE)	Randalls Flagship West Lake Hills 3300 Bee Cave Road Mon-Sat 7am-7pm, Sun Noon to 6pm	<i>Lun-Sáb 7am-7pm, Dom mediodía-6pm</i>
	Randalls Lakeway 2301 RR 620 South Mon-Sat 7am-7pm, Sun Noon to 6pm	<i>Lun-Sáb 7am-7pm, Dom mediodía-6pm</i>
	Bee Cave City Hall 4000 Galleria Parkway Mon-Sat 7am-7pm, Sun Noon to 6pm	<i>Lun-Sáb 7am-7pm, Dom mediodía-6pm</i>

Not finding a convenient location? Check out our Mobile Voting Locations.
 Not sure if you have a Ballot? Go to: VoteTravis.com

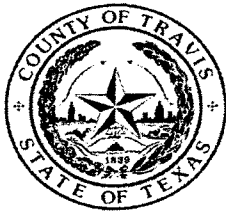


EXHIBIT B

MOBILE VOTING LOCATIONS

for the May 9, 2015 Election

Monday, April 27 through Tuesday, May 5, 2015

Guía de los Sitios Móviles para Votación Adelantada de la Elección, del 9 de Mayo, 2015
El Período de la Votación Adelantada es Lunes, 27 de Abril – Martes, 5 de Mayo, 2015

Monday, April 27 (Lunes, 27 de Abril)

Lago Vista City Hall	5803 Thunderbird St. (Lago Vista)	8 am – 5 pm
Concordia University (Rec. Area Bldg. B)	11400 Concordia University Dr. (Austin)	9 am – 11 am
Longhorn Village	12501 Longhorn Pkwy. (Austin)	1 pm – 4 pm

Tuesday, April 28 (Martes, 28 de Abril)

Brookdale Westlake Hills	1034 Liberty Park Dr. (Austin)	8 am – 10 am
Rollingwood Municipal Building	403 Nixon Dr. (Rollingwood)	Noon – 4 pm

Wednesday, April 29 (Miércoles, 29 de Abril)

Community Center at Manor	600 West Carrie Manor St. (Manor)	9 am – 2 pm
Crystal Falls Golf Course	3400 Crystal Falls Pkwy. (Leander)	9 am – 5 pm

Thursday, April 30 (Jueves, 30 de Abril)

Eanes ISD Admin. Building	601 Camp Craft Rd. (Austin)	9 am – 6 pm
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Friday, May 1 (Viernes, 1 de Mayo)

Lost Creek MUD Office	1305 Quaker Ridge Dr. (Austin)	9 am – 6 pm
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Saturday, May 2 (Sábado, 2 de Mayo)

Volente Fire Dept.	15406 FM 2769 (Volente)	8 am – 5 pm
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Monday, May 4 (Lunes, 4 de Mayo)

Brookdale Lakeway	1915 Lohmans Crossing Rd. (Lakeway)	8 am – 10 am
Community Center at Jonestown	18649 FM 1431, Ste. 6A (Jonestown)	9 am – 5 pm
Lakeway Activity Center	105 Cross Creek (Lakeway)	Noon – 4 pm

Tuesday, May 5 (Martes, 5 de Mayo)

Ce-Bar Fire Department	353 South Commons Ford Rd. (Austin)	8 am – 5 pm
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Not finding a convenient location or time? Check out our other Early Voting Locations.
Not sure if you have a Ballot? Go to: VoteTravis.com

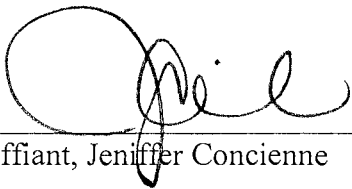
AFFIDAVIT OF POSTING NOTICE

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE

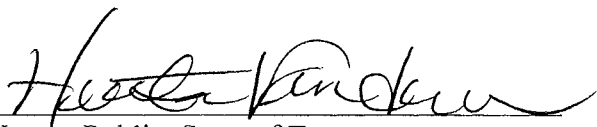
BEFORE ME, a notary public in and for the State of Texas, on this day personally appeared the person whose name is subscribed below, who, having been duly sworn, says upon oath that on the 9th day of April, 2015, a true and correct copy of the attached and following **NOTICE OF ELECTION** was duly posted in the following public place(s) used for posting notices of the meetings of the Board of Directors of the District:

1. District Office, 18606 Venture Drive, Point Venture, Texas 78645; and
2. Travis County Clerk’s Office, 5501 Airport Boulevard, Austin, Texas 78751

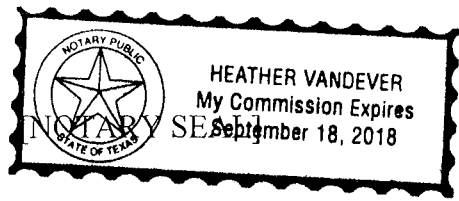


Affiant, Jeniffer Concienne

SUBSCRIBED AND SWORN TO BEFORE ME on the 9th day of April, 2015.



Notary Public, State of Texas



NOTICE OF ELECTION

TO THE RESIDENT, QUALIFIED ELECTORS OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT – POINT VENTURE OF TRAVIS COUNTY:

TAKE NOTICE that an election will be held in said District on May 9, 2015, between the hours of 7:00 a.m. and 7:00 p.m. in Travis County, Texas at the locations shown on Exhibit "A" attached hereto. The following propositions shall be submitted to the resident electors of the District:

Proposition I

- For) The issuance of bonds in the amount of \$5,390,000
- Against) and the levy of taxes to pay for the bonds (additional water treatment plant and effluent storage tank)

Proposition II

- For) The issuance of bonds in the amount of \$1,985,000
- Against) and the levy of taxes to pay for the bonds (water system improvements)

Early voting in the election by personal appearance shall be conducted at the times, dates and polling places as determined by the County, and such polling places are hereby established and designated as set forth in Exhibit "B." Dana DeBeauvoir is the Early Voting Clerk. Application for ballots by mail should be sent to Travis County Elections Division, Travis County Clerk, P.O. Box 149325, Austin, Texas 78714; or delivered by common carrier to Elections Division, Travis County Clerk, 5501 Airport Boulevard, Austin, Texas 78751-1410.

A copy of the entire Order Calling Election is on file at the office of the District's General & Bond Counsel, Willatt & Flickinger, 2001 North Lamar, Austin, Texas 78705.

AVISO DE ELECCIÓN

PARA LOS RESIDENTES, VOTANTES HABILITADOS DEL DISTRITO DE CONTROL Y MEJORAS DE AGUA DEL CONDADO DE TRAVIS - POINT VENTURE, EN EL CONDADO DE TRAVIS:

SE NOTIFICA que se celebrará una elección en dicho Distrito el día 9 de mayo de 2015 en el horario de 7:00 a.m. a 7:00 p.m. en el Condado de Travis, Texas, en las localidades indicadas en el Anexo "A" adjunto al presente. Las siguientes proposiciones se presentarán ante los votantes residentes del Distrito:

Proposición I

- A Favor) La emisión de bonos por la cantidad de \$5,390,000 y la
-) imposición de impuestos para el pago de los bonos (planta de
-) tratamiento de agua adicional y tanque de almacenamiento de
- En contra) efluente)

Proposición II

- A Favor) La emisión de bonos por la cantidad de \$1,985,000 y la
-) imposición de impuestos para el pago de los bonos (mejoras del
- En contra) sistema de agua)

La votación anticipada en persona de la elección se llevará a cabo en las fechas, los horarios y los lugares de votación que determine el Condado, y por el presente tales lugares de votación son establecidos y determinados como se indican en el Anexo "B". Dana DeBeauvoir es la Oficial de Votación Anticipada. Las solicitudes de boletas de votación por correo deben enviarse a Travis County Elections Division, Travis County Clerk, P.O. Box 149325, Austin, Texas 78714; o ser entregadas por servicio de envío a Elections Division, Travis County Clerk, 5501 Airport Boulevard, Austin, Texas 78751-1410.

Una copia de la Orden Para Convocar una Elección completa se encuentra en archivo en la oficina del Asesor de Bonos y General del Distrito, Willatt & Flickinger, 2001 North Lamar, Austin, Texas 78705.

EXHIBIT A



**ELECTION DAY POLLING LOCATIONS
SATURDAY, MAY 9, 2015 (by precinct)**

*Casillas Electorales para el Día de Elección Sábado, 9 de Mayo, 2015
(a precinto)*

Polls are open 7 am — 7 pm Horas de Servicio 7 am — 7 pm



VOTE CENTER ELECTION *Centros de Votación del Condado de Travis*

On Election Day, eligible Travis County VOTERS MAY VOTE AT ANY of the locations listed on this page. Voters are NOT limited to only voting in the precinct where they are registered to vote.

El día de elecciones VOTANTES elegibles del Condado de Travis PODRÁN VOTAR EN CUALQUIER SITIO indicado en esta página. Votantes tienen más opciones en dónde votar, SIN LIMITARSE al precinto en dónde están registrados para votar.

- 105 Manor ISD Admin. Building
10335 US Highway 290E
- 106 Elgin High School (NEW)
14000 County Line Rd.
- 120 Combined @ 105 Manor ISD Bldg.
10335 US Highway 290E
- 212 Combined @ 221 Bridge Point Elem.
6401 Cedar St.
- 221 Bridge Point Elementary School
6401 Cedar St.
- 232 Canyon Ridge Middle School
12601 Country Trails Ln.
- 233 River Place Elementary School (NEW)
6500 Sitio Del Rio Blvd.
- 234 Combined @ 233 River Place Elem.
6500 Sitio Del Rio Blvd.
- 244 Randalls Steiner Ranch (NEW)
5145 RM 620 North
- 245 Grandview Hills Elementary School
12024 Vista Parke Dr.
- 306 Combined @ 319 Lakeway Activity Ctr.
105 Cross Creek
- 307 Rollingwood Municipal Building
403 Nixon Dr.

- 308 Combined @ 346 Serene Hills Elem. School
3301 Serene Hills Dr.
- 317 Lost Creek MUD Office
1305 Quaker Ridge Dr.
- 318 Combined @ 330 Laura's Library
9411 Bee Cave Rd.
- 319 Lakeway Activity Center
105 Cross Creek
- 320 Randalls Lakeway
2301 RR 620 South
- 324 Bee Cave City Hall
4000 Galleria Pkwy.
- 330 Laura's Library
9411 Bee Cave Rd.
- 333 Combined @ 334 Spicewood Elem. School
11601 Olson Dr.
- 334 Spicewood Elementary School (NEW)
11601 Olson Dr.
- 336 Combined @ 334 Spicewood Elem. School
11601 Olson Dr.
- 337 Lakewood Homeowner's Association
7317 Lakewood Dr.
- 338 Travis County WCID #18
1502 San Juan Dr.

- 343 Combined @ 334 Spicewood Elem. School
11601 Olson Dr.
- 346 Serene Hills Elementary School
3301 Serene Hills Dr.
- 347 Combined @ 364 Randalls Flagship
3300 Bee Cave Rd.
- 356 Combined @ 307 Rollingwood Municipal
403 Nixon Dr.
- 357 Combined @ 330 Laura's Library
9411 Bee Cave Rd.
- 359 LTISD Educational Development Center
607 RR 620 North (Enter off of Kollmeyer Dr.)
- 364 Randalls Flagship West Lake Hills
3300 Bee Cave Rd.
- 369 Combined @ 374 Deer Creek Elem.
2420 Zeppelin Dr.
- 370 Round Mountain Community Center
14340 Round Mountain Rd.
- 371 Lago Vista Middle School (Formerly H.S)
8039 Bar-K Ranch Rd.
- 372 Community Center at Jonestown
18649 FM 1431, Suite 6A, Jonestown
- 373 Lago Vista City Hall
5803 Thunderbird St.

- 374 Deer Creek Elementary School
2420 Zeppelin Dr.
- 375 Village of Volente City Hall
16100 Wharf Cove
- 405 Ojeda Middle School
4900 McKinney Falls Pkwy.

**Early Voting Locations
Also Open on Election Day**
*Estos Sitios de Votación Adelantada también
estarán abiertos el Día de Elecciones:*

ACC Cypress Creek (NEW)
1555 Cypress Creek Rd., Cedar Park

Bee Cave City Hall
4000 Galleria Pkwy.

Manor ISD Admin. Building
10335 US Hwy. 290E

Randalls Flagship West Lake Hills
3300 Bee Cave Rd.

Randalls Lakeway
2301 RR 620 South

Randalls Steiner Ranch
5145 RM 620 North

EXHIBIT B



Travis County Early Voting Locations for the May 9, 2015 Election
Early Voting Begins Monday, April 27 and Ends Tuesday, May 5

Sitios de Votación Adelantada del Condado de Travis, para la Elección, del 9 de Mayo, 2015
El Período de la Votación Adelantada empieza el Lunes, 27 de Abril y termina el Martes, 5 de Mayo

CENTRAL
(CENTRAL)

Travis County Airport Boulevard Offices

5501 Airport Boulevard

Mon-Sat 7am-7pm, Sun Noon to 6pm

Lun-Sáb 7am-7pm, Dom mediodía-6pm

NORTHWEST
(NOROESTE)

Randalls Research and Braker

10900-D Research Boulevard

Mon-Sat 7am-7pm, Sun Noon to 6pm

Lun-Sáb 7am-7pm, Dom mediodía-6pm

Randalls Steiner Ranch

5145 RM 620 North

Mon-Sat 7am-7pm, Sun Noon to 6pm

Lun-Sáb 7am-7pm, Dom mediodía-6pm

ACC Cypress Creek (NEW!)

1555 Cypress Creek Road, Cedar Park

Mon. Apr. 27-Sat. May 2, 8am-6pm

Lun 27 de Abril - Sáb 2 de Mayo, 8am-6pm

Mon. May 4 & Tues. May 5, 7am-7pm

Lun 4 de Mayo y Martes 5 de Mayo, 7am-7pm

EAST
(ESTE)

Manor ISD Administration Building

10335 US Hwy 290 East

Mon-Sat 7am-7pm, Sun Noon to 6pm

Lun-Sáb 7am-7pm, Dom mediodía-6pm

WEST
(OESTE)

Randalls Flagship West Lake Hills

3300 Bee Cave Road

Mon-Sat 7am-7pm, Sun Noon to 6pm

Lun-Sáb 7am-7pm, Dom mediodía-6pm

Randalls Lakeway

2301 RR 620 South

Mon-Sat 7am-7pm, Sun Noon to 6pm

Lun-Sáb 7am-7pm, Dom mediodía-6pm

Bee Cave City Hall

4000 Galleria Parkway

Mon-Sat 7am-7pm, Sun Noon to 6pm

Lun-Sáb 7am-7pm, Dom mediodía-6pm

Not finding a convenient location? Check out our Mobile Voting Locations.

Not sure if you have a Ballot? Go to: VoteTravis.com

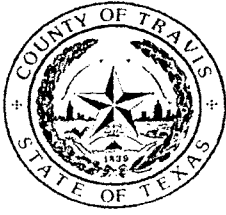


EXHIBIT B

MOBILE VOTING LOCATIONS

for the May 9, 2015 Election

Monday, April 27 through Tuesday, May 5, 2015

Guía de los Sitios Móviles para Votación Adelantada de la Elección, del 9 de Mayo, 2015
El Período de la Votación Adelantada es Lunes, 27 de Abril – Martes, 5 de Mayo, 2015

Monday, April 27 (Lunes, 27 de Abril)

Lago Vista City Hall	5803 Thunderbird St. (Lago Vista)	8 am – 5 pm
Concordia University (Rec. Area Bldg. B)	11400 Concordia University Dr. (Austin)	9 am – 11 am
Longhorn Village	12501 Longhorn Pkwy. (Austin)	1 pm – 4 pm

Tuesday, April 28 (Martes, 28 de Abril)

Brookdale Westlake Hills	1034 Liberty Park Dr. (Austin)	8 am – 10 am
Rollingwood Municipal Building	403 Nixon Dr. (Rollingwood)	Noon – 4 pm

Wednesday, April 29 (Miércoles, 29 de Abril)

Community Center at Manor	600 West Carrie Manor St. (Manor)	9 am – 2 pm
Crystal Falls Golf Course	3400 Crystal Falls Pkwy. (Leander)	9 am – 5 pm

Thursday, April 30 (Jueves, 30 de Abril)

Eanes ISD Admin. Building	601 Camp Craft Rd. (Austin)	9 am – 6 pm
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Friday, May 1 (Viernes, 1 de Mayo)

Lost Creek MUD Office	1305 Quaker Ridge Dr. (Austin)	9 am – 6 pm
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Saturday, May 2 (Sábado, 2 de Mayo)

Volente Fire Dept.	15406 FM 2769 (Volente)	8 am – 5 pm
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Monday, May 4 (Lunes, 4 de Mayo)

Brookdale Lakeway	1915 Lohmans Crossing Rd. (Lakeway)	8 am – 10 am
Community Center at Jonestown	18649 FM 1431, Ste. 6A (Jonestown)	9 am – 5 pm
Lakeway Activity Center	105 Cross Creek (Lakeway)	Noon – 4 pm

Tuesday, May 5 (Martes, 5 de Mayo)

Ce-Bar Fire Department	353 South Commons Ford Rd. (Austin)	8 am – 5 pm
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Not finding a convenient location or time? Check out our other Early Voting Locations.

Not sure if you have a Ballot? Go to: VoteTravis.com

SECRETARY'S CERTIFICATE

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

The undersigned officer of the Board of Directors of TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE, hereby certifies as follows:

1. The Board of Directors of said District convened at a SPECIAL MEETING, on the 20th day of May, 2015, at 18606 Venture Drive, Point Venture, Texas 78645; and the roll was called of the duly constituted officers and members of said Board, to-wit:

- Fred Marshall - President
- Carolyn Cook - Vice President
- John Franz – Secretary/Treasurer
- Brian Probst – Vice Secretary/Vice Treasurer
- Barry Pasarew - Director

and all said persons were present, except Brian Probst, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting;

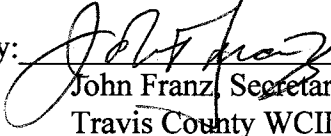
ORDER CANVASSING ELECTION RETURNS

was duly introduced for the consideration of the Board. It was then duly moved and seconded that said Order be passed; and, after due discussion, said motion, carrying with it the adoption of said Order, prevailed and carried by the following vote:

AYES: 4
NOES: 0

2. That a true, full, and correct copy of the aforesaid Order passed at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said Order has been duly recorded in said Board's minutes of said meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said meeting pertaining to the passage of said Order; that the persons named in the above and foregoing paragraphs are duly chosen, qualified, and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that said Order would be introduced and considered for passage at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the time, place, and subject of said meeting was given as required by Chapter 551, Government Code, and Sec. 49.063, Water Code.

SIGNED AND SEALED the 20th day of May, 2015.

By:  _____
John Franz, Secretary
Travis County WCID - Point Venture

[DISTRICT SEAL]

ORDER CANVASSING ELECTION RETURNS

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE

WHEREAS, the Board of Directors of Travis County Water Control and Improvement District - Point Venture (the "District"), ordered a system facilities bond election to be held in the District on May 9, 2015, on the PROPOSITIONS hereinafter stated; and

WHEREAS, notice was duly published in the Austin American-Statesman in both English and Spanish at least once not earlier than the 30th day or later than the 10th day before the election in accordance with Section 4.002 of the Texas Election Code; as amended; and

WHEREAS, Notice of Election in English and Spanish was posted, and remained posted in the manner required by Sec. 4.003, Election Code, and a copy of the Election Order, in English and Spanish, was also posted and remained posted in the manner required by Sec. 4.003, Election Code; and

WHEREAS, the Board of Directors has investigated all matters pertaining to the election, including the ordering, giving notice, officers, holding, and making returns of the election; and

WHEREAS, the election officers who held the election have duly made the returns of the result thereof, and the returns have been duly delivered to this Board of Directors.

THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE THAT:

1. The Board of Directors officially finds and determines that the election was duly ordered, that proper notice of the election was duly given, that proper election officers were duly appointed prior to the election, that the election was duly held, that the District has complied with the Texas Election Code, that due returns of the results of the election have been made and delivered, and that the Board of Directors has duly canvassed the returns, all in accordance with law and the Order calling the election.

2. The Board of Directors officially finds and determines that the following votes were cast at the election on the submitted PROPOSITIONS by the resident, qualified electors of said District, who voted at said election.

Proposition I

(53) For) The issuance of bonds in the amount of \$5,390,000
) and the levy of taxes to pay for the bonds (additional water
(26) Against) treatment plant and effluent storage tank)

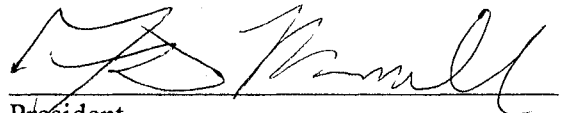
Proposition II

(46) For) The issuance of bonds in the amount of \$1,985,000
) and the levy of taxes to pay for the bonds (water system
(33) Against) improvements)

3. The Board of Directors officially finds, determines, and declares the results of the election to be that each of the PROPOSITIONS so submitted have received a favorable majority vote in all respects and have carried.

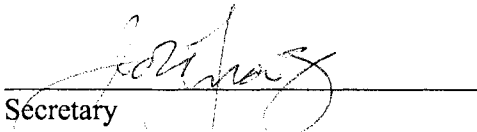
4. The aforesaid bonds may be issued and the aforesaid bond taxes may be levied, assessed and collected annually, as voted and as provided by law.

ADOPTED this 20th day of May, 2015.

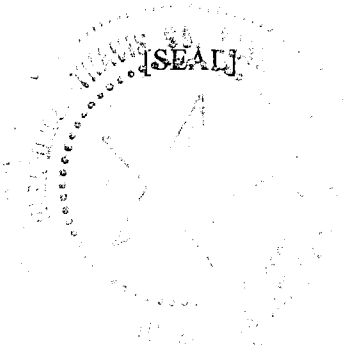


President
Travis County WCID - Point Venture

ATTEST:



Secretary
Travis County WCID - Point Venture



CERTIFICATE OF ABSENT DIRECTOR

STATE OF TEXAS

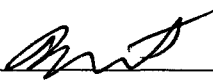
§
§
§

COUNTY OF TRAVIS

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE

I, Brian A. Probst, the undersigned member of the Board of Directors of Travis County Water Control and Improvement District - Point Venture, hereby acknowledge and certify that I was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the special meeting of the Board of Directors of the District, held on May 20, 2015, and that I was furnished in advance of that meeting with a copy of the agenda for that meeting; and that I consented, in advance to the holding of such meeting for the purposes stated in the agenda.

SIGNED this 22nd day of May, 2015

By: 

SECRETARY'S CERTIFICATE

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

The undersigned officer of the Board of Directors of TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE, hereby certifies as follows:

1. The Board of Directors of said District convened at a REGULAR BOARD MEETING, on the 19th day of September, 2015, at 18606 Venture Drive, Point Venture, Texas 78645; and the roll was called of the duly constituted officers and members of said Board, to-wit:

- Fred Marshall - President
- Carolyn Cook - Vice President
- John Franz – Secretary/Treasurer
- Brian Probst – Vice Treasurer
- Barry Pasarew - Director

and all said persons were present, except Brian Probst, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting;

RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL OF ENGINEERING PROJECT AND \$7,375,000 TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE BOND ISSUE

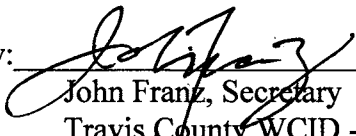
was duly introduced for the consideration of the Board. It was then duly moved and seconded that said Resolution be passed; and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: 4
NOES: 0

2. That a true, full, and correct copy of the aforesaid Resolution passed at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said Resolution has been duly recorded in said Board's minutes of said meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said meeting pertaining to the passage of said Resolution; that the persons named in the above and foregoing paragraphs are duly chosen, qualified, and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and

that said Resolution would be introduced and considered for passage at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the time, place, and subject of said meeting was given as required by Chapter 551, Government Code, and Sec. 49.063, Water Code.

SIGNED AND SEALED the 19th day of September, 2015.

By:  _____
John Franz, Secretary
Travis County WCID - Point Venture

[DISTRICT SEAL]

**RESOLUTION AUTHORIZING APPLICATION TO THE
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
FOR APPROVAL OF ENGINEERING PROJECT
AND \$7,375,000 TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT - POINT VENTURE BOND ISSUE**

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

WHEREAS, Travis County Water Control and Improvement District - Point Venture (the "District") has been legally created and its Board of Directors have met and organized; and

WHEREAS, the Board of Directors desire to issue \$7,375,000 in bonds to finance the three priority improvement projects for the water and effluent systems within the District; and

WHEREAS, Section 49.181, Texas Water Code, requires the District, when it desires to issue bonds, to submit in writing to the Texas Commission on Environmental Quality (the "Commission"), an application for investigation of the proposed project and of the issuance of the bonds to finance such project, together with a copy of the engineer's report and data, profiles, maps, plans and specifications and market information prepared in connection therewith; and

WHEREAS, the Board of Directors desire to secure the approval and consent of the Commission for the construction of the aforementioned facilities, which are more completely described in the engineer's report and supplemental information submitted in connection with this application, and for the issuance of the bonds described in Section 1(2) of this Resolution.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE THAT:

Section 1. The President and/or Vice President and Secretary and/or Assistant Secretary of the Board of Directors are authorized and directed as follows:

- (1) to make an application to the Commission for an investigation and report of the feasibility of the District acquiring that portion of improvements and expansion of the wastewater treatment plant described in the engineering report entitled "Travis County WCID-Point Venture Bond Application Report for \$7,375,000 Bond Issue #1" prepared by River City Engineering, in connection with this application and any supplemental information, for such project to consist generally of improvements to the District's water and effluent systems; and

- (2) to request the Commission to approve the bonds of the District in the principal amount of \$7,375,000 bearing interest at a net effective interest rate not to exceed the maximum allowed by law, and maturing serially in accordance with the schedule provided in the aforesaid engineering report;

and

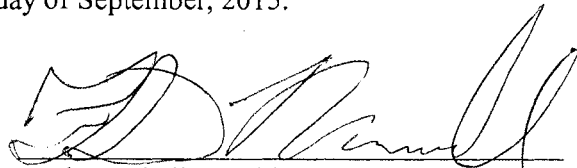
(3) to seek expedited review as authorized by Commission Rule 293.42(b).

Section 2. By this application the District assures the Commission that it will abide by the terms and conditions prescribed by the Commission, and it will retain all amounts required by law due all construction contractors on the project to assure that the project is completed in accordance with the approved plans and specifications.

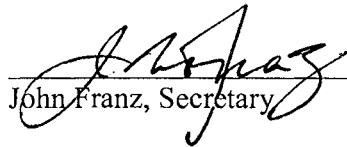
Section 3. The President and/or Vice President and Secretary and/or Assistant Secretary of the Board of Directors, River City Engineering, the District's attorney and the District's financial advisor, Specialized Public Finance Inc., are authorized and directed to do any and all things necessary and proper in connection with this application.

Section 4. An original of this Resolution shall constitute an application and request on behalf of the District to the Commission pursuant to Section 49.181, Texas Water Code, for approval of the project described in Section 1(1) and of the bonds described in Section 1(2).

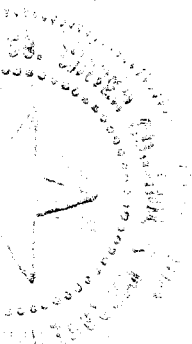
PASSED AND APPROVED this 19th day of September, 2015.


Fred Marshall, President

ATTEST:


John Franz, Secretary

(SEAL)



I:\Point Venture\Bond Docs\resolution-bondapp-2015
9/15/15

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 7, 2015

Mr. Fred Marshall, President
Travis County WCID – Point Venture
% Willatt & Flickinger, Attorneys at Law
2001 North Lamar Blvd.
Austin, TX 78705

Re: Issuance of bonds by Travis County WCID – Point Venture (the “District”) in the amount of \$7,375,000 at a maximum net effective interest rate of 4.40%.

Dear Mr. Marshall:

Enclosed are certified copies of an Order of the Texas Commission on Environmental Quality (TCEQ) approving your District’s project and the issuance of bonds in the amount of \$7,375,000 at a maximum net effective interest rate of 4.40% to finance the District’s project, all being more fully set out in the Order.

Your attention is directed to Texas Water Code Section 51.433, which reads as follows:

At the time the bonds are voted, the board shall levy a tax on all property inside the district in a sufficient amount to redeem and discharge the bonds at maturity.

Based on the projected taxable assessed valuation discussed in the TCEQ memorandum associated with the District’s application, we have concluded that initially a tax of at most \$0.39 per \$100 valuation should be levied to pay interest, principal, and the cost of assessing and collecting such taxes. Application of the recommended tax rate should provide sufficient funds to satisfy the average annual debt service requirement of \$589,489.

You should read the enclosed Order carefully. This action is taken under authority delegated by the Executive Director of the TCEQ. Please take particular note of the provision that no substantial alterations in the approved plans and specifications shall be made without prior TCEQ approval. This is a requirement of Texas Water Code Section 49.182.

Mr. Fred Marshall, President
Page 2

A copy of the TCEQ's Order and this letter are being sent to the Attorney General's Office, Public Finance Division, Austin, Texas. Additional copies are being provided to your attorney, engineer, and fiscal agent of record.

Sincerely,



Linda Brookins, Director *LB*
Water Supply Division
Texas Commission on Environmental Quality

LB/tg

Enclosures

cc: Mr. Mike Willatt
Willatt & Flickinger, Attorneys At Law
2001 North Lamar
Austin, TX 78705

Mr. David Kneuper, P.E.
River City Engineering
1011 W. County Line Road
New Braunfels, TX 78130

Mr. Dan Wegmiller
Specialized Public Finance, Inc.
248 Addie Roy Road, Suite B-103
Austin, TX 78746

Attorney General's Office
Public Finance Division
PO Box 12548
Austin, Texas 78711

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



THE STATE OF TEXAS
COUNTY OF TRAVIS
I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY
OF A TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
DOCUMENT, WHICH IS FILED IN THE PERMANENT RECORDS
DEC 07 2015
OF THE COMMISSION, GIVEN UNDER MY HAND AND THE
SEAL OF OFFICE ON
Bridget C. Bohac
BRIDGET C. BOHAC, CHIEF CLERK
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

AN ORDER APPROVING AN ENGINEERING PROJECT AND THE ISSUANCE OF \$7,375,000 IN UNLIMITED TAX BONDS FOR TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT – POINT VENTURE

An application by Travis County Water Control and Improvement – Point Venture (the “District”) was presented to the Executive Director of the Texas Commission on Environmental Quality (TCEQ) for consideration of approval pursuant to TEX. WATER CODE §§ 5.122 and 49.181. The District requests approval of an engineering project and issuance of \$7,375,000 in bonds to finance a portion of construction costs associated with a 0.5 million gallons per day water treatment plant expansion, an additional 2 million gallon effluent storage tank and water system improvements. The TCEQ has jurisdiction to consider this matter, and the following Findings of Fact and Conclusions of Law are appropriate after examining the application and supporting documentation.

FINDINGS OF FACT

1. The District filed an application with the TCEQ on September 30, 2015, for approval of a proposed engineering project and the issuance of \$7,375,000 in bonds.
2. The Executive Director has investigated the District.
3. The application and accompanying documents have been examined. The project site was visited by a member of the Districts Section on November 10, 2015, and a memorandum was prepared on the project dated November 10, 2015, a copy of which is attached and made a part hereof.
4. The District’s project and issuance of \$7,375,000 in bonds at a maximum net effective interest rate of 4.40% to finance the project should be approved.
5. The District should be directed not to expend \$5,964,500 (\$4,970,500 construction plus \$994,000 contingencies) for construction costs associated with a 0.5 million gallon per day water treatment plant expansion, a 2 million gallon effluent storage tank and water system improvements pending District board receipt of plans and specifications approved by all entities with jurisdiction.
6. The District should be advised that the legal, fiscal agent, and engineering fees have not been evaluated to determine whether these fees are reasonable or competitive. These fees are included as presented in the engineering report.
7. The District should be directed that any surplus bond proceeds resulting from the sale of bonds at a lower interest rate than that proposed shall be shown as a contingency line item in the Official Statement and the use of such funds shall be subject to approval pursuant to TCEQ rules on surplus funds.

CONCLUSIONS OF LAW

1. The TCEQ has jurisdiction to consider the engineering report and bond application pursuant to TEX. WATER CODE § 49.181.
2. The Executive Director of the TCEQ has investigated the District, and the TCEQ has found it legally organized and feasible.
3. The Districts Section's memorandum, dated November 10, 2015, on this engineering project and bond issue should be adopted as the written TCEQ project report in compliance with TEX. WATER CODE § 49.181(d).

NOW THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY that the Districts Section's memorandum dated November 10, 2015, on this engineering project and bond issue is adopted as the written TCEQ project report. Pursuant to TEX. WATER CODE § 49.181, the engineering project for Travis County Water Control and Improvement District –Point Venture is hereby approved together with the issuance of \$7,375,000 in bonds at a maximum net effective interest rate of 4.40%. The District's board of directors is directed not to expend \$5,964,500 (\$4,970,500 construction plus \$994,000 contingencies) for construction costs associated with a 0.5 million gallon per day water treatment plant expansion, an additional 2 million gallon effluent storage tank and water system improvements) pending District board receipt of plans and specifications approved by all entities with jurisdiction. The District is advised that the legal, fiscal agent, and engineering fees have not been evaluated to determine whether these fees are reasonable or competitive. These fees are included as presented in the engineering report. The District is directed that any surplus bond proceeds resulting from the sale of bonds at a lower interest rate than that proposed shall be shown as a contingency line item in the Official Statement and the use of such funds shall be subject to approval pursuant to TCEQ rules on surplus funds. The approval of the sale of these bonds herein shall be valid for one year from the date of this Order unless extended by written authorization of the TCEQ.

BE IT FURTHER ORDERED that pursuant to TEX. WATER CODE § 5.701, the District shall pay to the TCEQ 0.25% of the principal amount of bonds actually issued not later than the seventh (7th) business day after receipt of the bond proceeds. The fees shall be paid by check payable to the Texas Commission on Environmental Quality.

BE IT FURTHER ORDERED that to enable the TCEQ to carry out the responsibilities imposed by TEX. WATER CODE §§ 49.181-182, the District shall (1) furnish the Districts Section copies of all bond issue project construction documentation outlined under 30 TEX. ADMIN. CODE § 293.62, including detailed progress reports and as-built plans required by TEX. WATER CODE § 49.277(b), which have not already been submitted; (2) notify the Districts Section and obtain approval of the TCEQ for any substantial alterations in the engineering project approved herein before making such alterations; and (3) ensure, as required by TEX. WATER CODE § 49.277(b), that all construction financed with the proceeds from the sale of bonds is completed by the construction contractor according to the plans and specifications contracted.

BE IT FURTHER ORDERED that failure of said District to comply with all applicable laws and with provisions of this Order shall subject the District and its directors to all penalties that are provided by law and shall further be considered by the TCEQ as grounds for refusal to approve other bonds of the District.

The Chief Clerk of the TCEQ is directed to forward the District a copy of this Order.

If any provision, sentence, clause, or phrase of this Order is for any reason held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

Issue Date: **November 20, 2015**



For the Commission

Texas Commission on Environmental Quality

TECHNICAL MEMORANDUM

To: Justin P. Taack, Manager
Districts Section

Date: November 10, 2015

From: Tom Glab, P.E., Leader
Districts Bond Team

Subject: Travis County Water Control and Improvement District – Point Venture;
Application for Approval of \$7,375,000 Unlimited Tax Bonds, Fourth Issue,
4.40% Net Effective Interest Rate, Series 2015; Pursuant to Texas Water Code
Section 49.181.
TCEQ Internal Control No. D-09302015-036 (TC)
CN: 600644843 RN: 101431344

A. GENERAL INFORMATION

Travis County Water Control and Improvement District – Point Venture (the “District”) submitted an application requesting Texas Commission on Environmental Quality (TCEQ) approval of the issuance of \$7,375,000 in unlimited tax bonds to finance the District’s share of the following projects:

- Expansion of the water treatment plant from 0.5 million gallons per day (MGD) to 1.0 MGD
- Construction of an additional 0.96 million gallon (MG) effluent storage tank and
- Water system improvements

The District is not proposing to fund new utilities with this bond issue. The District’s previous bond issues and surplus funds applications funded utilities to serve 700 equivalent single-family connections (ESFCs) (revised from the previous bond issue) on 1,002 acres. According to the engineering report and based on a current District area of 1,002 acres, the District’s ultimate development is projected to serve 1,090 ESFCs (revised from previous bond issue).

B. ECONOMIC ANALYSIS

Tax Rate Analysis

The feasibility of this bond issue is based on 700 existing ESFCs as of August 20, 2015 and no-growth to an August 24, 2015 certified taxable assessed valuation of \$160,998,059. A market study has not been provided and is not required since the feasibility of the bond issue is based on no-growth.

According to a Travis Central Appraisal District certificate, the District’s January 1, 2015, certified taxable assessed valuation is \$160,998,059. The annual debt service requirement for a bond amount of \$7,375,000 and existing debt averages \$589,489 for the 20-year life of the District’s bond debt. The District levied a maintenance tax of \$0.2458 in 2014 and is projecting to levy a maintenance tax of \$0.2458 in the future.

The District's financial advisor submitted a cash flow schedule considering the requested \$7,375,000 bond issue, no-growth to a January 1, 2015, certified taxable assessed valuation of \$160,998,059, a bond interest rate of 4.15%, no capital interest, a 3% bond discount, a 97% collection rate, and a projected tax rate of \$0.3806 per \$100 assessed valuation. A TCEQ Districts Section financial analyst has reviewed the financial information submitted and concluded that the following level debt service tax rate would be sufficient.

	<u>Projected Tax Rate</u>
District	
Debt Service	\$0.39 ⁽¹⁾⁽²⁾
Maintenance Tax	<u>\$0.25</u>
Total District Taxes	\$0.64 ⁽³⁾

Notes:

- (1) Based on a net effective interest rate of 4.40%, a 97% tax collection rate, no-growth to a January 1, 2015, certified taxable assessed valuation of \$160,998,059 and at least a 25% ending debt service fund balance.
- (2) The term "commission-approved tax rate" in 30 Texas Administrative Code (TAC) Section 293.85 refers to an initial ad valorem debt service tax of at most \$0.39 per \$100 assessed valuation.
- (3) Represents the combined projected tax rate as defined by 30 TAC Section 293.59(f).

Additional Financial Comments

The District is exempt from the 75% and 25% build-out requirements of 30 TAC Sections 293.59(l)(4) and 293.59(k)(7), respectively, based on its combined no-growth tax rate of \$0.64 not exceeding \$1.20 pursuant to 30 TAC Sections 293.59(l) and 293.59(k)(11)(C).

C. ENGINEERING ANALYSIS

Water Supply

The District's source of water is surface water from Lake Travis pursuant to a contract, effective May 23, 2013 with the Lower Colorado River Authority (LCRA) which allows the District to withdraw and purchase a maximum of 285 acre-feet per year. According to application material, the existing water treatment plant capacity is rated at 0.5 million gallons per day (MGD) and serves two pressure plains. According to information provided in the bond application, the District proposes to increase the water treatment capacity to 1.0 MGD by funding an additional 0.5 MGD package water treatment plant, a new 0.096 million gallon clear-well and improvements to the raw-water, transfer and high service pump stations from this proposed bond sale.

The following table summarizes the existing water supply facilities serving the District along with the ESFC capacity of each component based on criteria stated in 30 TAC Section 290.45.

<u>Facility</u>	<u>Minimum Requirements</u>	<u>Current Capacity (ESFCs)</u>	<u>Future Capacity (ESFCs)</u>
Water Supply	0.46 gpm/ESFC ⁽¹⁾	700 gpm ⁽²⁾ (1,521 ESFCs)	1,050 gpm ⁽²⁾ (2,282 ESFCs)
Elevated Tank	100 gal/ESFC	50,000 gal (500 ESFCs)	50,000 gal (500 ESFCs)
Ground Storage	200 gal/ESFC	427,000 gal (2,135 ESFCs) ⁽³⁾	523,000 gal (2,615 ESFCs) ⁽³⁾
Booster Pump	2 gpm/ESFC	2,000 gpm (1,000 ESFCs)	2,120 gpm (1,060 ESFCs)

Notes:

- (1) Alternative capacity was authorized per a TCEQ letter dated October 30, 2012.
- (2) Capacity was determined based raw water pumping capacity as provided in engineering report.
- (3) Includes clear-well, ground storage and elevated storage.

The District's water supply facilities appear adequate to serve the existing 700 ESFCs upon which the feasibility of this bond issue is based.

Wastewater Treatment

Wastewater treatment capacity for the District is provided by a 0.15 MGD wastewater treatment plant (WWTP). Texas Pollutant Discharge Elimination System permit no. WQ0011385001 authorizes daily average discharges of 0.082 MGD between April and October and 0.062 MGD between November and March. The WWTP has exceeded 75% of its November to March discharge rate and is required to initiate planning for its next expansion. Phase 2 of the District's discharge permit authorizes discharge of 0.1 MGD. The 2 MG effluent storage tank proposed in this bond issue will allow the District to meet their 0.1 MGD permit requirements.

The District's wastewater treatment capacity appears adequate to serve the existing 700 ESFCs upon which the feasibility of this bond issue is based.

Storm Water Drainage

Storm water from the District drains into roadside swales throughout the District. The swales outfall at various points into Lake Travis.

Purchase of Existing Facilities/Assumption of Contracts

None.

Facilities to be Constructed

<u>Project</u>	<u>Estimated Costs</u>
Water Treatment Plant Expansion to 1.0 MGD	\$1,863,700
Additional 2 MG Effluent Storage Tank	\$1,785,300
Water System Improvement	\$1,321,500

Approved plans and specifications and various construction contract documents have not been provided.

Inspection

The District was inspected by a member of the TCEQ's Districts Section on November 10, 2015. The District appeared as represented in the engineering report. District name signs were properly posted.

D. SUMMARY OF COSTS

<u>Construction Costs</u>	<u>Amount</u>
A. Developer Contribution Items	
None	\$ 0
B. District Items	
1. Water Treatment Plant Expansion to 1.0 MGD	\$ 1,863,700
2. Additional 2 MG Effluent Storage Tank	1,785,300
3. Water System Improvements	1,321,500
4. Contingencies (20% of items 1-3)	994,000 ⁽¹⁾
5. Engineering (15% of items 1-3)	745,500 ⁽²⁾
Total District Items	\$ 6,710,000
TOTAL CONSTRUCTION COSTS (91% of Bond Issue)	\$ 6,710,000
<u>Nonconstruction Costs</u>	
A. Legal Fees (2%)	\$ 147,500 ⁽³⁾
B. Fiscal Agent Fees (2%)	147,500 ⁽⁴⁾
C. Bond Discount (3%)	221,250
D. Bond Issuance Expenses	36,875
E. Bond Application Report Costs	82,625
F. Attorney General Fee (0.10% or \$9,500 max.)	7,375
G. TCEQ Bond Issuance Fee (0.25%)	18,438
H. Contingency	3,437
TOTAL NONCONSTRUCTION COSTS	\$ 665,000
TOTAL BOND ISSUE REQUIREMENT	\$ 7,375,000

Notes:

(1) Engineering fee includes \$279,500 for the WTP expansion, \$267,800 for the additional effluent storage tank and \$198,200 for water system improvements

- (2) Contingencies include \$372,700 for the WTP expansion, \$357,000 for the additional effluent storage tank and \$264,300 for water system improvements.
- (3) According to contract provided, legal fees are based on 2% of the total bond amount.
- (4) According to contract provided, fiscal agent fees are based on 2% of the total bond amount.

E. SPECIAL CONSIDERATION

Delayed Funding

The cost summary includes funds for District projects and/or facilities which are incomplete or proposed and for which approved plans and specifications are not available. Therefore, the District should be directed not to expend these funds until the District's board has received plans and specifications approved by all entities with jurisdiction.

F. CONCLUSIONS

1. Based on \$7,375,000 in unlimited tax bonds approved by voters for water, wastewater, and drainage facilities, and \$0 previously approved by the TCEQ and issued by the District for utilities, the District has sufficient voter-authorized bonds (\$7,375,000) for the proposed bond issue.
2. Based on the review of the engineering report and supporting documents, the bond issue is considered feasible and meets the economic feasibility criteria established by 30 TAC Section 293.59.
3. The recommendations are made under authority delegated by the Executive Director of the TCEQ.

G. RECOMMENDATIONS

1. Approve the bond issue in the amount of \$7,375,000 in accordance with the recommended summary of costs at a maximum net effective interest rate of 4.40%.
2. The District should be directed not to expend \$5,964,500 (\$1,863,700 for construction costs and \$372,700 for contingencies associated with a 0.5 MGD water treatment plant expansion, \$1,785,300 for construction costs and \$357,100 for contingencies associated with an additional effluent storage tank and \$1,321,500 for construction costs and \$264,300 for contingencies associated with water system improvements) pending District board receipt of plans and specifications approved by all entities with jurisdiction.
3. Standard recommendations regarding consultant fees, surplus proceeds, time of approval, and bond proceeds fee apply.

Austin American-Statesman

statesman.com | austin360.com

**OFFICIAL NOTICE OF SALE
TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT -
POINT VENTURE
(A political subdivision of the State of
Texas located within Travis County)
\$7,375,000
UNLIMITED TAX BONDS, SERIES 2016**

The Board of Directors of Travis County Water Control and Improvement District - Point Venture will publicly receive sealed bids on their \$7,375,000 Unlimited Tax Bonds, Series 2016 on Thursday, February 25, 2016 at 9:30 A.M., CST, at the offices of Specialized Public Finance Inc., 248 Addie Roy Road, Suite B-103, Austin, Texas 78746. At a meeting on Thursday, February 25, 2016 at 4:00 P.M., CST, at a regular meeting place of the District's Board at 18606 Venture Drive, Point Venture, Texas, the Board will immediately take action to reject any or all bids or accept the bid resulting in the lowest net effective interest rate to the District.

A bid for Bonds may be delivered to the District electronically, by telephone or delivered directly to the District in a sealed envelope addressed to the President and Board of Directors of the District at the address of Specialized Public Finance Inc. All bidders must submit a signed "Official Bid Form" and a bank Cashier's Check in the amount of \$147,500 payable to the order of "Travis County Water Control and Improvement District - Point Venture" as a Good Faith Deposit. Additional terms and conditions related to the submission of a bid for the Bonds are included in the "Official Notice of Sale."

The Bonds will mature serially on August 15 in the years 2017 through 2036, and will be dated February 15, 2016 and accrue interest from the date of their initial delivery. The "Official Notice of Sale," the "Preliminary Official Statement," and the "Official Bid Form" may be obtained from the District's Financial Advisor, Specialized Public Finance Inc., 248 Addie Roy Road, Suite B-103, Austin, Texas 78746, 512/275-7300. This notice does not constitute an offer to sell the Bonds but is merely notice of sale of the Bonds as required by Texas state law. The offer to sell the Bonds will be made by means of the "Official Notice of Sale," the "Preliminary Official Statement," and the "Official Bid Form."

Mr. Fred Marshall
President, Board of Directors
Travis County Water Control
and Improvement District -
Point Venture

2-10/2016 #555892

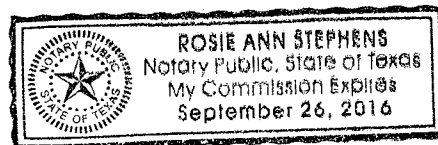
SWORN AND SUBSCRIBED TO BEFORE ME, on
02/22/2016

Notary Public

STATE OF TEXAS
COUNTY OF TRAVIS

Before me, the undersigned authority, a Notary Public in and for the County of Travis, State of Texas, on this day personally appeared Alejandro Cado. Advertising Agent of the Austin American-Statesman, a daily newspaper published in said County and State that is generally circulated in Bastrop, Bell, Blanco, Brazos, Burleson, Burnet, Caldwell, Colorado, Comal, Coryell, Fayette, Gillespie, Gonzales, Guadalupe, Hays, Kerr, Lampasas, Lee, Llano, Milam, Nueces, San Saba, Travis, Washington and Williamson Counties, who being duly sworn by me, states that the attached advertisement was published at the lowest published rate for Classified advertising in said newspaper on the following date(s), to wit: SPECIALIZED PUBLIC FINANCE INC., First date of Publication 02/10/2016, Last date of Publication 02/10/2016, Web and print times Published 2, Legal Notices, 1 X 70, and that the attached is a true copy of said advertisement.

POINT VENTURE BONDS
Ad ID: 1058462
Ad Cost: 693.70



X
THE STATE OF TEXAS X
X
X
COUNTY OF TRAVIS X
X


Before me, the undersigned authority, on this date personally appeared Charlotte Hawkins, who, having been by me duly sworn, upon her oath deposes and says;

That she is editor of TEXAS BOND REPORTER, an official publication of Municipal Advisory Council of Texas, and is authorized to make this affidavit.

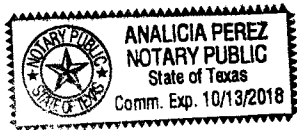
The attached is a true and correct copy of NOTICE OF SALE - TRAVIS CO WC&ID (POINT VENTURE), \$7,375,000 U/L TAX BDS SER 2016 was published in the TEXAS BOND REPORTER on the following date(s), to wit: February 12, 2016.



Sworn to and subscribed before me this the 12th day of February A.D. 2016



Notary Public in and for the
State of Texas
My commission expires: 10-13-2018



NOTICE OF SALE
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 415
(A Political Subdivision of the State of Texas Located within Harris County)

\$2,200,000

Unlimited Tax Bonds
Series 2016

“Qualified Tax-Exempt Obligations”

The Board of Directors of Harris County Municipal Utility District No. 415 (the “District”) will publicly receive bids on up to \$2,200,000 Unlimited Tax Bonds, Series 2016 (the “Bonds”), on Wednesday, February 24, 2016, at 10:00 A.M., Central Standard Time, at the offices of FirstSouthwest, a Division of Hilltop Securities Inc., 700 Milam Street, Suite 500, Houston, Texas 77002. At a meeting scheduled to convene on Wednesday, February 24, 2016, at 12:00 Noon, Central Standard Time at the offices of The Signorelli Company, 1400 Woodloch Forest Drive, Suite 200, The Woodlands, Texas 77380, the Board will immediately take action to reject any and all bids or accept the bid resulting in the lowest net interest cost to the District.

A bid for the Bonds may be delivered to the District electronically, by telephone or delivered directly to the District in a sealed envelope addressed to the President and Board of Directors of the District at the above FirstSouthwest, a Division of Hilltop Securities Inc. address. All bidders must submit a signed “Official Bid Form” and a bank Cashier’s Check in the amount of \$44,000 payable to the order of “Harris County Municipal Utility District No. 415” as a Good Faith Deposit. Additional terms and conditions related to the submission of a bid for the Bonds are included in the “Official Notice of Sale.”

The Bonds will mature serially on September 1, 2017 through 2041, and will be dated March 1, 2016. The “Official Notice of Sale,” “Preliminary Official Statement” and “Official Bid Form” may be obtained from the District’s Financial Advisor, FirstSouthwest, a Division of Hilltop Securities Inc., 700 Milam Street, Suite 500, Houston, Texas 77002. This notice does not constitute an offer to sell the Bonds but is merely notice of sale of the Bonds as required by Texas law. The offer to sell the Bonds will be made by means of the “Official Notice of Sale,” “Preliminary Official Statement” and “Official Bid Form.”

/s/ Mr. Mike Maher
President, Board of Directors
Harris County Municipal Utility District No. 415
Harris County, Texas

LEGAL NOTICE

OFFICIAL NOTICE OF SALE

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT –
POINT VENTURE**

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

\$7,375,000

UNLIMITED TAX BONDS, SERIES 2016

The Board of Directors of Travis County Water Control and Improvement District - Point Venture will publicly receive sealed bids on their \$7,375,000 Unlimited Tax Bonds, Series 2016 on Thursday, February 25, 2016 at 9:30 A.M., CST, at the offices of Specialized Public Finance Inc., 248 Addie Roy Road, Suite B-103, Austin, Texas 78746. At a meeting on Thursday, February 25, 2016 at 4:00 P.M., CST, at a regular meeting place of the District’s Board at 18606 Venture Drive, Point Venture, Texas, the Board will immediately take action to reject any or all bids or accept the bid resulting in the lowest net effective interest rate to the District.

A bid for Bonds may be delivered to the District electronically, by telephone or delivered directly to the District in a sealed envelope addressed to the President and Board of Directors of the District at the address of Specialized Public Finance Inc. All bidders must submit a signed “Official Bid Form” and a bank Cashier’s Check in the amount of \$147,500 payable to the order of “Travis County Water Control and Improvement District - Point Venture” as a Good Faith Deposit. Additional terms and conditions related to the submission of a bid for the Bonds are included in the “Official Notice of Sale.”

The Bonds will mature serially on August 15, 2017 through August 15, 2036, and will be dated February 15, 2016. The “Official Notice of Sale,” the “Preliminary Official Statement,” and the “Official Bid Form” may be obtained from the District’s Financial Advisor, Specialized Public Finance Inc., 248 Addie Roy Road, Suite B-103, Austin, Texas 78746, 512/275-7300. This notice does not constitute an offer to sell the Bonds but is merely notice of sale of the Bonds as required by Texas state law. The offer to sell the Bonds will be made by means of the “Official Notice of Sale,” the “Preliminary Official Statement,” and the “Official Bid Form.”

Mr. Fred Marshall
President, Board of Directors
Travis County Water Control and Improvement District - Point Venture

LEGAL NOTICE

SECRETARY'S CERTIFICATE

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

The undersigned officer of the Board of Directors of TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE, hereby certifies as follows:

1. The Board of Directors of said District convened at a REGULAR MEETING, on the 20th day of February, 2016, at 18606 Venture Drive, Point Venture, Texas 78645; and the roll was called of the duly constituted officers and members of said Board, to-wit:

- Fred Marshall - President
- Carolyn Cook - Vice President
- John Franz - Secretary/Treasurer
- Brian Probst - Vice Treasurer
- Barry Pasarew - Director

and all said persons were present, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting;

RESOLUTION APPROVING PRELIMINARY OFFICIAL STATEMENT, NOTICE OF SALE AND OFFICIAL BID FORM RELATING TO THE DISTRICT'S UNLIMITED TAX BONDS, SERIES 2016; AUTHORIZING DISTRIBUTION AND PUBLICATION THEREOF; AUTHORIZING ENGAGEMENT OF BOND COUNSEL; AND OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS

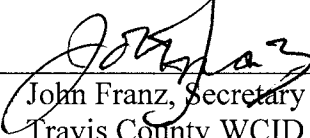
was duly introduced for the consideration of the Board. It was then duly moved and seconded that said Resolution be passed; and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: 5
NOES: 0

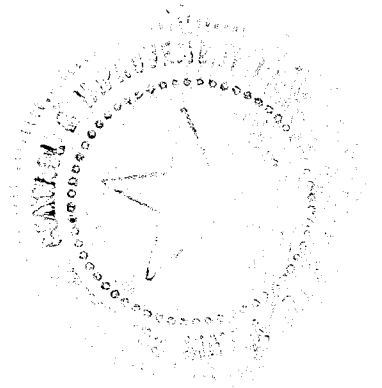
2. That a true, full, and correct copy of the aforesaid Resolution passed at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said Resolution has been duly recorded in said Board's minutes of said meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said meeting pertaining to the passage of said Resolution; that the persons named in the above and foregoing paragraphs are duly chosen, qualified, and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that said Resolution would be introduced and considered for passage at said meeting, and each of said officers and members consented, in advance, to the holding of

said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the time, place, and subject of said meeting was given as required by Chapter 551, Government Code, and Sec. 49.063, Water Code.

SIGNED AND SEALED the 20th day of February, 2016.

By: 
John Franz, Secretary
Travis County WCID - Point Venture

[DISTRICT SEAL]



RESOLUTION APPROVING PRELIMINARY OFFICIAL STATEMENT, NOTICE OF SALE AND OFFICIAL BID FORM RELATING TO THE DISTRICT'S UNLIMITED TAX BONDS, SERIES 2016; AUTHORIZING DISTRIBUTION AND PUBLICATION THEREOF; AUTHORIZING ENGAGEMENT OF BOND COUNSEL; AND OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS

WHEREAS, Travis County Water Control and Improvement District - Point Venture (the "District") has submitted an application to the Texas Commission on Environmental Quality ("TCEQ") requesting approval of the issuance of bonds (the "Bonds") for the purpose or purposes of financing expansion of the water treatment plant, construction of additional effluent storage tank and water system improvements, and costs associated with issuance of the Bonds; and

WHEREAS, the Board of Directors of the District has authorized the District's Financial Advisor, Specialized Public Finance Inc. (the "Financial Advisor"), to prepare a Preliminary Official Statement, Official Notice of Sale and Official Bid Form (collectively the "Preliminary Official Statement") for the Bonds; and

WHEREAS, the Board has reviewed the Preliminary Official Statement; and

WHEREAS, the Board deems it appropriate to approve the Preliminary Official Statement and authorize the distribution of the Preliminary Official Statement and publication of the Notice of Sale, as further set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE THAT:

Section 1. APPROVAL AND DISTRIBUTION OF PRELIMINARY OFFICIAL STATEMENT. The Board hereby approves the Preliminary Official Statement substantially in the form attached hereto as Exhibit "A" with such changes, additions or deletions as directed by the Board. The District's Financial Advisor is hereby authorized and directed to distribute the Preliminary Official Statement to potential purchasers of the Bonds.

Section 2. PUBLICATION OF NOTICE OF SALE. The District's Financial Advisor is hereby authorized to publish a Notice of Sale of the Bonds in the manner required by Sec. 49.183, Water Code.

Section 3. RATIFICATION OF PRIOR ACTIONS. The Board hereby ratifies and approves all action heretofore taken to effect the distribution of the Preliminary Official Statement and the publication of the Notice of Sale.

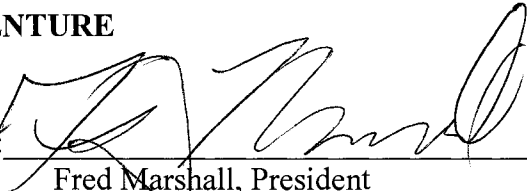
Section 4. ENGAGEMENT OF BOND COUNSEL. The engagement of Andrews Kurth LLP, Austin, Texas, as bond counsel for the District in connection with the issuance, sale and delivery of the Bonds is hereby approved, ratified and confirmed; and, the President or Vice

President of the Board is hereby authorized to approve, execute and deliver an engagement letter in substantially the form presented with this Resolution.

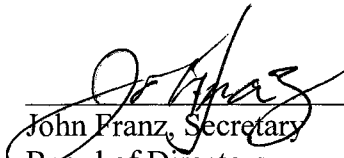
Section 5. OTHER MATTERS. The President or Vice President and the Secretary or Assistant Secretary of the Board are authorized to do all things proper and necessary to carry out the intent hereof, including (a) the approval of appropriate changes to the Preliminary Official Statement and the Notice of Sale and (b) preparation, execution and delivery of all notices, certifications, instructions, agreements, instruments and other documents required to effect the intent of this Resolution.

Section 6. PAYMENT OF ATTORNEY GENERAL FEE. The District hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Bonds or (ii) \$9,500, provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The appropriate member of the District's bookkeeper's staff is hereby instructed to take the necessary measures to make this payment. The District is also authorized to reimburse the appropriate District funds for such payment from proceeds of the Bonds.

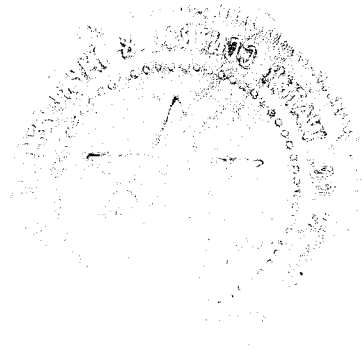
**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT - POINT
VENTURE**

By: 
Fred Marshall, President
Board of Directors

ATTEST:


John Franz, Secretary
Board of Directors

[SEAL]



SECRETARY'S CERTIFICATE

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

The undersigned officer of the Board of Directors of TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE, hereby certifies as follows:

1. The Board of Directors of said District convened at a SPECIAL MEETING, on the 25th day of February, 2016, at 18606 Venture Drive, Point Venture, Texas 78645; and the roll was called of the duly constituted officers and members of said Board, to-wit:

Fred Marshall - President
Carolyn Cook - Vice President
John Franz - Secretary/Treasurer
Brian Probst - Vice Treasurer
Barry Pasarew - Director

and all said persons were present, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting;

ORDER AUTHORIZING THE ISSUANCE OF \$7,375,000 TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE UNLIMITED TAX BONDS, SERIES 2016; AWARDING THE SALE OF THE BONDS; AUTHORIZING THE LEVY OF AN AD VALOREM TAX IN SUPPORT OF THE BONDS; ENTERING INTO A PAYING AGENT/REGISTRAR AGREEMENT; APPROVING AN OFFICIAL STATEMENT; AND OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS

was duly introduced for the consideration of the Board. It was then duly moved and seconded that said Order be passed; and, after due discussion, said motion, carrying with it the adoption of said Order, prevailed and carried by the following vote:

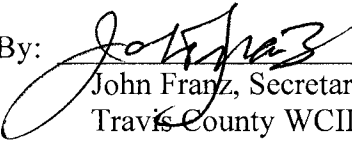
AYES: 5
NOES: 0

2. That a true, full, and correct copy of the aforesaid Order passed at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said Order has been duly recorded in said Board's minutes of said meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said meeting pertaining to the passage of said Order; that the persons named in the above and foregoing paragraphs are duly chosen, qualified, and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently

notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that said Order would be introduced and considered for passage at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the time, place, and subject of said meeting was given as required by Chapter 551, Government Code, and Sec. 49.063, Water Code.

[Execution page follows.]

SIGNED AND SEALED the 25th day of February, 2016.

By:  _____
John Franz, Secretary/Treasurer
Travis County WCID - Point Venture

[DISTRICT SEAL]



ORDER AUTHORIZING THE ISSUANCE OF \$7,375,000 TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE UNLIMITED TAX BONDS, SERIES 2016; AWARDING THE SALE OF THE BONDS; AUTHORIZING THE LEVY OF AN AD VALOREM TAX IN SUPPORT OF THE BONDS; ENTERING INTO A PAYING AGENT/REGISTRAR AGREEMENT; APPROVING AN OFFICIAL STATEMENT; AND OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS

THE STATE OF TEXAS §
COUNTY OF TRAVIS §
TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT §
DISTRICT - POINT VENTURE §

WHEREAS, by Order of the Texas Water Commission dated October 14, 1970, Travis County Water Control and Improvement District - Point Venture (the "District") was authorized to be created as a water control and improvement district operating pursuant to Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 51 of the Texas Water Code, as amended; and

WHEREAS, the creation of the District was confirmed at an election held within District; and

WHEREAS, at a bond election held on May 9, 2015 (the "Election"), the voters in the District voted in favor of two propositions as follows:

PROPOSITION I

SHALL THE BOARD OF DIRECTORS OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AMOUNT OF \$5,390,000 MATURING SERIALLY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OF DIRECTORS OVER A PERIOD OR PERIODS NOT EXCEEDING FORTY (40) YEARS FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE, ON ANY ISSUE OR SERIES SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF THE ISSUANCE OF EACH SUCH ISSUES OR SERIES OF SAID BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF ADDING AN ADDITIONAL 0.5 MGD TREATMENT PLANT WHICH WILL OPERATE IN PARALLEL WITH THE DISTRICT'S EXISTING PLANT, SO AS TO PROVIDE A TOTAL TREATMENT CAPACITY OF 1.0 MGD, AND A 2.0

MGD EFFLUENT STORAGE TANK AND ASSOCIATED YARD PIPING TO SERVE THE TANK, ALL AS DESCRIBED IN THE ENGINEERING REPORT, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS NOW OR HEREAFTER AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

PROPOSITION II

SHALL THE BOARD OF DIRECTORS OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AMOUNT OF \$1,985,000 MATURING SERIALY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OF DIRECTORS OVER A PERIOD OR PERIODS NOT EXCEEDING FORTY (40) YEARS FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE, ON ANY ISSUE OR SERIES SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF THE ISSUANCE OF EACH SUCH ISSUES OR SERIES OF SAID BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF MAKING IMPROVEMENTS TO THE DISTRICT'S WATER SYSTEM, AS DESCRIBED IN THE ENGINEERING REPORT, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS NOW OR HEREAFTER AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

WHEREAS, the Board has not previously issued any of the bonds authorized by the Election; and

WHEREAS, the Texas Commission on Environmental Quality (the "Commission") has approved the issuance by the District of \$7,375,000 principal amount of bonds upon the terms and conditions as outlined in the Commission's Order dated November 20, 2015 (the "Commission Order"); and

WHEREAS, the Board of Directors of the District deems it necessary and advisable at this time to issue all of the bonds authorized by the foregoing Proposition I for the purposes described in that proposition and all of the bonds authorized by the foregoing Proposition II for the purposes described in that proposition and for the payment of costs associated with issuance of the bonds, which bonds are issued under the authority of the Texas Constitution and the laws of the State of Texas, including particularly Chapters 49 and 51 of the Texas Water Code, as amended, the Election and the Commission Order.

THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE:

Section 1. AMOUNT AND PURPOSE OF THE BONDS. The Board of Directors of the District hereby incorporates the recitals set forth in the preamble hereto as if set forth in full at this place and further finds and determines that the recitals are true and correct. The Bonds of the District are hereby authorized to be issued and delivered in the aggregate principal amount of \$7,375,000 for the purpose or purposes authorized by the Election and the Commission Order including (1) adding an additional treatment plant and an effluent storage tank and associated yard piping to serve the tank; (2) making improvements to the District's water system; and (3) certain costs associated with the issuance of the Bonds. The Bonds are issued under the authority of the Texas Constitution and laws of the State of Texas, including particularly Chapters 49 and 51 of the Texas Water Code, as amended, the Bond Election and the Commission Order.

Section 2. DEFINITIONS. In addition to other words and terms defined in this Order (except those defined and used in the Form of the Bonds in Exhibit A) and unless a different meaning or intent clearly appears in the context, the following words and terms shall have the following meanings, respectively:

“Bonds” shall mean and include collectively the bonds initially issued and delivered pursuant to this Order and all substitute bonds and bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term “Bond” shall mean any of the Bonds.

“Bond Order” or “Order” shall mean this Order of the Board of Directors authorizing the issuance of the Bonds.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Commission” shall mean the Texas Commission on Environmental Quality and any successor thereto.

“Commission Order” shall mean the Order of the Commission dated as of November 30, 2015 approving the issuance of the Bonds.

“Defeasance Securities” means (i) direct non-callable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) non-callable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, and (iii) non-callable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to

effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

“Interest and Sinking Fund” shall have the meaning as set forth in Section 7.

“MSRB” means the Municipal Securities Rulemaking Board.

“Paying Agent/Registrar” shall mean BOKF, NA, Austin, Texas, and such other bank or trust company as may hereafter be appointed in substitution therefor or in addition thereto to perform the duties of Paying Agent/Registrar in accordance with this Order.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Security Documents” shall mean the resolution, trust agreement, ordinance, loan agreement, bond, note and/or any additional or supplemental document executed in connection with the Bonds.

Section 3. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, PRIOR REDEMPTION AND MATURITIES OF BONDS. Each Bond issued pursuant to this Order shall be designated: “TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE UNLIMITED TAX BONDS, SERIES 2016” and initially there shall be issued, sold and delivered hereunder fully registered Bonds, without interest coupons, with the Bonds being dated February 15, 2016 in the respective denominations and principal amounts hereinafter stated, being numbered consecutively from R-1 upward (except the initial Bond delivered to the Attorney General of the State of Texas which shall be numbered T-1), payable to the respective initial registered owners thereof (as designated in Section 13 hereof), or to the registered assignee or assignees of said Bonds or any portion or portions thereof (in each case, the “Registered Owner”), and, unless redeemed prior to their respective maturities as provided in the FORM OF BOND, the Bonds shall mature and be payable serially on August 15 in each of the years and in the principal amounts, respectively, as set forth in the following schedule:

<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>
2017	\$ 30,000	2027	\$375,000
2018	265,000	2028	395,000
2019	275,000	2029	410,000
2020	285,000	2030	425,000
2021	295,000	2031	445,000
2022	310,000	2032	460,000
2023	320,000	***	***
2024	335,000	2034	980,000
2025	350,000	***	***
2026	360,000	2036	1,060,000

Section 4. INTEREST. The Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF BOND set forth in this Order to their respective dates of maturity or earlier redemption at the following rates per annum:

<u>YEAR OF MATURITY</u>	<u>RATE</u>	<u>YEAR OF MATURITY</u>	<u>RATE</u>
2017	2.000%	2027	3.000%
2018	2.000%	2028	3.000%
2019	2.000%	2029	3.000%
2020	2.000%	2030	3.000%
2021	2.000%	2031	3.000%
2022	2.000%	2032	3.000%
2023	3.000%	***	***
2024	3.000%	2034	3.125%
2025	3.000%	***	****
2026	3.000%	2036	3.250%

Interest shall be payable in the manner provided and on the dates stated in the FORM OF BOND set forth in this Order.

Section 5. CHARACTERISTICS OF THE BONDS.

(a) Registration, Transfer, Conversion and Exchange; Authentication. The District shall keep or cause to be kept at the designated office for payment of BOKF, NA, Austin, Texas (the “Paying Agent/Registrar”) in Austin, Texas, books or records for the registration of the transfer, conversion and exchange of the Bonds (the “Registration Books”), and the District hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the District and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Bonds shall be made within three business days after request and presentation thereof. The District shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar’s standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds shall be paid as provided in the

FORM OF BOND set forth in this Order. Registration or assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Order. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Bond shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the Board of Directors of the District or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and the Bonds shall be of typewritten, photocopied, printed, lithographed, engraved or produced in any other similar manner, all as determined by the officers executing such Bond as evidenced by their execution thereof. Pursuant to Chapter 1201 of the Texas Government Code, as amended, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Order, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) Payment of Bonds and Interest. The District hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Order. The Paying Agent/Registrar shall keep proper records of all payments made by the District and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and replacements of Bonds, as provided in this Order. However, in the event of a nonpayment of interest on a scheduled payment date, and for 30 calendar days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may be transferred and assigned, (iii) may be converted and exchanged for other Bonds, (iv) shall have the characteristics, (v) shall be signed, sealed, executed and authenticated, (vi) shall be payable as to the principal of and interest, (vii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar at least 30 calendar days prior to any such redemption date), and (viii) shall be administered, and the Paying Agent/Registrar and the District shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated,

in the FORM OF BOND set forth in this Order. The Bonds initially issued and delivered pursuant to this Order are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Order the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF BOND.

(d) Substitute Paying Agent/Registrar. The District covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the District will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Order, and that the Paying Agent/Registrar will be one entity. The District reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 30 days written notice to the Paying Agent/Registrar, to be effective at such time which will not disrupt or delay payment on the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the District covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Order. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the District. Upon any change in the Paying Agent/Registrar, the District promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Order and a certified copy of this Order shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry-Only System. The Bonds issued in exchange for the Bonds initially issued as provided in Section 3 shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC") and except as provided in subsection (f) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC participants (the "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC

Participant or any person, other than a Registered Owner, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Order to the contrary, but to the extent permitted by law, the District and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal of and interest, with respect to such Bond, for the purposes of registering transfers with respect to such Bonds, and for all other purposes of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Registration Books as provided in this Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Bond evidencing the obligation of the District to make payments of principal, and interest pursuant to this Order. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Order with respect to interest checks being mailed to the Registered Owner at the close of business on the Record Date the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

(f) Successor Securities Depository; Transfer Outside-Book-Entry-Only System. In the event that the District determines to discontinue the book-entry system through DTC or a successor or DTC determines to discontinue providing its services with respect to the Bonds, the District shall either (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the Registered Owner transferring or exchanging Bond shall designate, in accordance with the provisions of this Order.

(g) Payments to Cede & Co. Notwithstanding any other provision of this Order to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations of the District to DTC.

(h) Initial Bond. The Bonds herein authorized shall be initially issued as a fully registered Bond, being on Bond, and the initial Bond shall be registered in the name of the initial purchaser or the designees thereof. The Initial Bond shall be the Bond submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser. Immediately after the delivery of the Initial Bond on the closing date, the Paying Agent/Registrar

shall cancel the Initial Bond delivered hereunder and exchange therefor Bonds in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC and except as provided in Section 5, all of the outstanding Bonds shall be registered in the name of Cede & Co., and nominee of DTC.

(i) DTC Blanket Letter of Representations. The District has previously approved a Blanket Issuer Letter of Representations with DTC establishing the book-entry-only system which will be utilized with respect to the Bonds.

Section 6. FORM OF BONDS. The form of the Bonds, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Bond initially issued and delivered pursuant to this Order, shall be, respectively, substantially in the form set forth in Exhibit A hereto, with such appropriate variations, omissions, or insertions as are permitted or required by this Order.

Section 7. TAX LEVY AND INTEREST AND SINKING FUND. A special Interest and Sinking Fund (the "Interest and Sinking Fund") is hereby created solely for the benefit of the Bonds, and the Interest and Sinking Fund shall be established and maintained by the District at an official depository bank of the District. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the District, and shall be used only for paying the interest on and principal of the Bonds, the expenses of assessing and collecting such tax, and the fees and expenses of the Paying Agent/Registrar with respect to the Bonds. All ad valorem taxes levied and collected for and on account of the Bonds shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Bonds or interest thereon, are outstanding and unpaid, the governing body of the District shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Bonds as such interest comes due, to provide and maintain a sinking fund adequate to pay the principal of its Bonds as such principal matures, and to pay the expenses of assessing and collecting the tax and the fees and expenses of the Paying Agent/Registrar with respect to the Bonds; and said tax shall be based on the latest approved tax rolls of the District, with full allowance being made for tax delinquencies. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the District for each year while any of the Bonds or interest thereon are outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Bonds, as such interest comes due and such principal matures, and to pay the expenses of assessing and collecting the tax and the fees and expenses of the Paying Agent/Registrar with respect to the Bonds, and are hereby pledged for such payment, without limit as to rate or amount.

Section 8. PERFECTION. Chapter 1208 of the Texas Government Code applies to the issuance of the Bonds and the pledge of taxes and revenues granted by the District under Section 7 of this Order, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of taxes and revenues granted by the District under Section 7 of this Order is to be subject to the filing requirements of Chapter 9 of the Texas Business & Commerce Code, then in order to preserve to

the registered owners of the Bonds the perfection of the security interest in said pledge, the District agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9 of the Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 9. DEFEASANCE OF BONDS.

(a) Any Bond and interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Order, except to the extent provided in sections (c) and (e) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the District with the Paying Agent/Registrar or an eligible trust company or commercial bank made by the District with the Paying Agent/Registrar or an eligible trust company or commercial bank for the payment of its services until all Defeased Bonds shall have become due and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues herein levied and pledged as provided in this Order, and such principal and interest shall be payable solely from such money or Defeased Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Bond as aforesaid when proper notice of redemption of such Bonds shall have been given, in accordance with this Order. Any money so deposited with the Paying Agent/Registrar or an eligible trust company or commercial bank as provided in this Section may at the discretion of the Board of Directors also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be turned over to the Board of Directors.

(c) Notwithstanding any provision of any other Section of this Order which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the

District shall make proper arrangements to provide and pay for such services as required by this Order.

(d) Notwithstanding anything elsewhere in this Order, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bond affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the district retains the right under Texas law to later call that Defeased Bond for redemption in accordance with the provisions of the Order authorizing its issuance, the District may call such Defeased Bond for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

Section 10. INVESTMENT OF FUNDS. The Board may place money in any fund created by this Order in time or demand deposits or invest such moneys as authorized by law at the time of such deposit. The District hereby covenants that the proceeds of the sale of the Bonds will be used as soon as practicable for the purposes for which the Bonds are issued. Obligations purchased as an investment of money in any fund shall be deemed to be a part of such fund. Except as otherwise provided by law or by this Order, amounts received from the investment of any money in any fund created by this Order, except the Interest and Sinking Fund, which shall be applied as set forth in Section 7 of this Order, may be placed into any fund of the District as determined by the Board. All funds created by this Order shall be secured in the manner and to the fullest extent required by law for the security of funds of the District.

Section 11. APPLICATION OF BOND PROCEEDS.

(a) Bond Proceeds. Proceeds from the sale of the Bonds will be disbursed in accordance with this Section.

(b) Capital Projects Fund. Proceeds of the Bonds necessary to complete the purposes set forth in Section 1 herein and to pay the costs of issuance of the Bonds shall be deposited in the Capital Projects Fund. Any surplus bond proceeds after completion of the projects authorized in the Commission Order, shall be used in accordance with the Commission rules and in conformance with the Election.

(c) Interest. Interest earnings derived from the investment of proceeds from the sale of the Bonds deposited in the Capital Projects Fund shall be used for the purpose for which the Bonds are issued; provided that after completion of the purposes set forth in Section 1 of this Order any interest earnings remaining on hand shall be deposited in the Interest and Sinking Fund or used to pay any rebate in accordance with Section 13 of this Order.

Section 12. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED. The President of the Board of Directors of the District is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bonds said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the District's Bond Counsel and the assigned CUSIP numbers may, at the option of the District, be printed on the Bonds issued and delivered under this Order, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. In addition, if a municipal bond insurance policy is obtained, the Bonds may bear an appropriate legend as provided by the such bond insurer.

Section 13. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS.

(a) Definitions. When used in this Section 13, the terms listed below shall have the meanings specified below, unless it is otherwise expressly provided or unless the context otherwise requires:

"Code" means the Internal Revenue Code of 1986, as amended by any amendments thereto enacted prior to the Issue Date.

"Computation Date" has the meaning set forth in section 1.148-3(e) of the Regulations.

"Gross Proceeds" has the meaning set forth in section 1.148-1(b) of the Regulations.

"Investment" has the meaning stated in section 1.148-1(b) of the Regulations and includes:

- (1) Stock: a share of stock in a corporation or a right to subscribe for or to receive such a share;
- (2) Debt: any indebtedness or evidence thereof, including without limitation United States Treasury bonds, notes, and bills (whether or not of the State and Local Government Series) and bank deposits (whether or not certificated or interest bearing or made pursuant to a depository contract);
- (3) Annuities and Deferred Payments: any annuity contract, or any other deferred payment contract acquired to fund an obligation of the District; or
- (4) Other Property: any other investment-type property.

“Issue Date” means the date on which the Bonds are initially authenticated and delivered to the Underwriter against payment therefor.

“Issue Price” of the Bonds of any series and stated maturity means the amounts set out in the Certificate of Underwriters executed on the Issue Date.

“Net Sale Proceeds” has the meaning set forth in section 1.148-1(b) of the Regulations.

“Proceeds” has the meaning set forth in section 1.148-1(b) of the Regulations.

“Rebate Amount” has the meaning set forth in section 1.148-3 of the Regulations.

“Regulations” shall mean the final or temporary Income Tax Regulations applicable to the Bonds issued pursuant to sections 141 through 150 of the Code. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to sections 141 through 150 of the Code and applicable to the Bonds.

“Sale Proceeds” has the meaning set forth in section 1.148-1(b) of the Regulations.

“Taxable Investment” means any Investment other than:

- (1) Non-AMT Tax Exempt Obligations: an obligation the interest on which is excluded from the gross income, as defined in section 61 of the Code, of the owners thereof for federal income tax purposes (or, when such obligation was issued, was purported by the evidence of such obligation to be so excluded) and which is not a preference item, as defined in section 57 of the Code;
- (2) Tax Exempt Mutual Funds: an interest in a regulated investment company to the extent that at least 95% of the income to the holders of such interest is interest that is excludable from gross income under section 103(a) of the Code;
- (3) Demand SLGS: one-day certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. part 344, if the District in good faith attempts to comply with all the requirements of such program relating to the investment of Gross Proceeds; and
- (4) Exempt Temporary Investments: Taxable Investments which are held for the credit of the 2015 Debt Service Fund.

“Yield” of:

- (1) Taxable Investments: Taxable Investments to any date means the actuarial “yield” of all such Taxable Investments on or before such date as “yield” is defined in section 1.148-5(b) of the Regulations; and

- (2) Bonds: Any series of bonds means the actuarial “yield” of such Bonds, as defined in section 1.148-4 of the Regulations, and for the Bonds shall be specified in a certificate executed by an officer of the Board on the Issue Date.

(b) Not to Cause Interest to Become Taxable. The District shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property acquired, constructed, or improved with Gross Proceeds) in a manner which, if made or omitted, respectively, (or take or omit to take any other action which if taken or omitted, respectively), would cause interest on any Bond to be includable in the gross income, as defined in section 61 of the Code, of the owners thereof for federal income tax purposes. The District shall adopt and comply with the provisions of such amendments hereof and supplements hereto as may, in the opinion of nationally recognized bond counsel, be necessary to preserve or perfect such exclusion. Without limiting the generality of the foregoing, the District shall comply with each of the specific covenants in this Section at all times prior to the last maturity of the Bonds, unless and until the District shall have received a written opinion of nationally recognized bond counsel to the effect that failure to comply with such covenant will not adversely affect the excludability of interest on any Bond from the gross income of the owner thereof for federal income tax purposes, and thereafter such covenant shall no longer be binding upon the District to the extent described in such opinion, anything in any other Subsection of this Section to the contrary notwithstanding.

(c) No Private Use or Payments. At all times prior to the last maturity of the Bonds, the District shall neither:

- (1) use nor permit the use of Gross Proceeds (or any property acquired, constructed or improved with Gross Proceeds or income from the investment thereof) in any trade or business carried on by any Person (or in any activity of any Person other than an individual) other than a state or local government, nor
- (2) directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds (or use of any property acquired, constructed, or improved with Gross Proceeds or income from the investment thereof) in any trade or business carried on by any Person (or in any activity of any Person other than an individual) other than a state or local government,

unless either (i) such use is merely as a member (and, except possibly for the amount of use and any corresponding rate adjustment, is extended by the District on the same terms as to all other members) of the general public or (ii) such charge or payment consists of taxes of general application within the District or interest earned on temporary Investments acquired with Gross Proceeds pending application of such Gross Proceeds for their intended purposes. For purposes of this Subsection B, property is considered to be “used” by a Person if:

- (u) Sale or Lease: it is sold or otherwise disposed of, or leased, to such Person;
- (v) Management Contract: it is operated, managed, or otherwise physically employed, utilized, or consumed by such Person, excluding operation or

management pursuant to an agreement which meets the conditions described in I.R.S. Rev. Proc. 97-13, as modified by Notice 2014-67;

- (w) Capacity, Output, or Service Commitment: capacity in or output or service from such property is reserved or committed to such Person under a take-or-pay, output, incentive payment, or similar contract or arrangement;
- (x) Preferential Service: such property is used to provide service to (or such service is committed to or reserved for) such Person on a basis or terms which (except possibly for the amount of use and any corresponding rate adjustment) are different from the basis or terms on which such service is provided (or committed or reserved) to members of the public generally;
- (y) Developer: such Person is a developer and a significant amount of property acquired, constructed, or improved with proceeds from the sale of a series of bonds of which the Bonds are a part serves only a limited area substantially all of which is owned by such Person, or a limited group of developers, unless such property carries out an essential governmental function, use by such Person is during an initial development period, and such property is developed and sold to (and occupied by) members of the general public in accordance with the Regulations; or
- (z) Other Incidents of Ownership: substantial burdens and benefits of ownership of such property are otherwise effectively transferred to such Person,

but the temporary investment of Gross Proceeds pending application for their intended purposes shall not constitute “use” of Gross Proceeds.

(d) No Private Loan. The District shall not use Gross Proceeds to make or finance loans to any Person other than a state or local government, excluding loans consisting of temporary investments of Gross Proceeds pending application of such Gross Proceeds for their intended purposes. For purposes of this Subsection 13(d), Gross Proceeds are considered to be “loaned” to a Person if (1) property acquired, constructed, or improved with Gross Proceeds is sold or leased to such Person in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such Person under a take-or-pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of Gross Proceeds or such property are otherwise transferred to such Person in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. The District shall not, at any time prior to the final maturity of the Bonds, directly or indirectly invest Gross Proceeds in any Taxable Investment (or use Gross Proceeds to replace money so invested), if, as a result of such investment, the Yield of all Taxable Investments acquired with (or representing an investment of) Gross Proceeds (or money replaced thereby), whether then held or previously disposed of, to the date of such

investment exceeds the Yield of the Bonds. Notwithstanding the foregoing, however, the following Investments shall be excluded from the limitation described in this Subsection 13(e):

- (1) Three-year Period for Certain Sale Proceeds: Taxable Investments acquired with (or representing an investment of) Net Sale Proceeds of the Bonds or earnings from the investment thereof;
- (2) 2016 Debt Service Fund Deposits: Taxable Investments acquired with (or representing an investment of) amounts held for the credit of the Debt Service Fund for the payment of the debt service on the Bonds during the then current bond year (the “2016 Debt Service Fund”), but only during the first 13 months after the date of deposit of such amounts to the Debt Service Fund;
- (3) Debt Service Fund Deposits: Taxable Investments acquired with (or representing an investment of) amounts held for the credit of the Debt Service Fund in excess of the amounts held for the credit of the 2016 Debt Service Fund to the extent such Taxable Investments are held during the first 30 days after the date of deposit of such amounts to the Debt Service Fund or, if held more than 30 days after deposit, do not exceed 10% of the stated principal amount of the Bonds; and
- (4) Other Investments: any other Taxable Investments acquired with (or representing an investment of) Gross Proceeds described in Clause (3) of the definition thereof, to the extent the aggregate amount of Gross Proceeds invested in such Taxable Investments does not exceed the lesser of \$100,000 or 5% of the proceeds from sale of the Bonds.

The District shall not use any money to pay principal of or interest on the Bonds, or pledge (or permit to be pledged) or otherwise restrict any money, funds, or Taxable Investments so as to give reasonable assurance of their availability for such purpose, except in each case amounts deposited to the Debt Service Fund.

(f) No Federal Guarantees, Etc. The District shall not either (a) use Gross Proceeds in an amount which exceeds 5% of the proceeds from the sale of the Bonds (i) to make loans which are guaranteed in whole or in part by the United States or any agency or instrumentality thereof, including any entity with statutory authority to borrow from the United States, or (ii) to invest in any deposit or account in a financial institution to the extent such deposit or account is insured under federal law by the Federal Deposit Insurance Corporation, the National Credit Union Administration, or any similar federally-chartered corporation, or (b) otherwise permit payment of principal of or interest on the Bonds to be directly or indirectly guaranteed in whole or in part by the United States or any agency or instrumentality thereof, including any entity with statutory authority to borrow from the United States (e.g., by the investment of amounts held for the credit of the Debt Service Fund in federally-guaranteed or federally-insured obligations). Notwithstanding the foregoing, however, the District may acquire:

- (1) Certain Temporary Investments: Investments described in Subsections (e)(1), (e)(2), and (e)(3) of this Section, whether or not federally-guaranteed or federally-

insured, to the extent such Investments are held during the period described in such Subsection;

(2) Treasury Investments: Investments issued by the United States Treasury; and

(3) Investments Permitted by Regulations: Any other Investments permitted by regulations of the United States Department of Treasury issued under section 149(b)(3)(B)(v) of the Code.

(g) Not to Divert Arbitrage Profits. Prior to the final maturity of the Bonds, the District shall not at any time invest amounts held for the credit of the Capital Projects Fund or the Debt Service Fund in any Investment purchased at other than an arm's length price or for which there is not an established market at the time of investment, except possibly for Investments described in Subsection (e)(2) of this Section to the extent such Investments are acquired and mature or are disposed of during the period described in such Subsection.

(h) To File Informational Report. The District shall execute and file with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Issue Date occurs (or by such later date as such Secretary may permit for reasonable cause or may prescribe with respect to any portion of such statement), a statement containing the information and in the form required by section 149(e) of the Code or the Regulations promulgated thereunder.

(i) Not to Cause Bonds to Become Hedge Bonds. The District warrants and represents that:

(1) the District reasonably expects that at least 85% of the Net Sale Proceeds of the Bonds will be used to carry out the governmental purposes of the Bonds within three years from the date each series of the Bonds was issued, and

(2) not more than 50% of the Proceeds of the Bonds will be invested in nonpurpose investments (as defined in section 148(f)(6)(A) of the Code) having a substantially guaranteed Yield for four years or more.

(j) Payment of Rebate Amount. Except to the extent otherwise provided in section 148(f) of the Code and the regulations and rulings thereunder:

(1) The District shall account for all Gross Proceeds (including all receipts and expenditures thereof) on its books of account separately and apart from all other funds (and receipts, expenditures, and investments thereof) and shall maintain all records of such accounting with the transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date. The District may, however, to the extent permitted by law, commingle Gross Proceeds of the Bonds with other money of the District, provided that the District separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith;

- (2) Not less frequently than each Computation Date, the District shall either (i) cause to be calculated by a nationally recognized accounting or financial advisory firm or (ii) calculate and cause its calculations to be verified by a nationally recognized accounting or financial advisory firm, in either case in accordance with rules set forth in section 148(f) of the Code and section 1.148-3 of the Regulations and rulings thereunder, the Rebate Amount with respect to the Bonds. The District shall maintain such calculations with the official transcript of the proceedings relating to the issuance of the Bonds until four years after the final Computation Date;
- (3) As additional consideration for the purchase of the Bonds by the Purchaser and the loan of money represented thereby, and in order to induce such purchase by measures designed to preserve the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the District shall remit to the United States the amount described in paragraph (2) above and the amount described in paragraph (4) below, at the times, in the installments, to the place, in the manner, and accompanied by such forms or other information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder; and
- (4) The District shall exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (2) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by section 1.148-3(h) of the Regulations.

(k) Rebate Fund. In order to facilitate compliance with the above covenant (8), a “Rebate Fund” is hereby established by the District for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(l) Designation as Qualified Tax-Exempt Bonds. The District hereby designates the Bonds as “qualified tax-exempt bonds” as defined in Section 265(b)(3) of the Code. In furtherance of such designation, the District represents, covenants and warrants the following: (a) that during the calendar year in which the Bonds are issued, the District (including any subordinate entities) has not designated nor will designate Bonds, which when aggregated with the Bonds, will result in more than \$10,000,000 of “qualified tax-exempt bonds” being issued; (b) that the District reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the Bonds are issued, by the District (or any subordinate entities) will not exceed \$10,000,000; and (c) that the District will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, in order that the Bonds will not be considered “private activity bonds” within the meaning of Section 141 of the Code.

Section 14. SALE OF BONDS. The Bonds are hereby sold, pursuant to the taking of public bids therefor, on this date, and shall be delivered to Hutchinson, Shockey, Erley & Co.

(the "Purchaser") at a price of 97.249% of the par amount (\$7,172,092.55). It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable and the Purchaser's sealed bid produced the lowest net effective interest rate to the District as required by Section 49.183, Texas Water Code. The Initial Bond shall be registered in the name of the Purchaser.

Section 15. GENERAL COVENANTS OF THE DISTRICT. The District covenants and represents that:

(a) It has lawful power to issue the Bonds and has lawfully exercised such power under the Constitution and laws of the State of Texas.

(b) The Bonds shall be ratably secured in such manner that no one Bond shall have preference over other Bonds.

(c) It has obtained or will obtain and will comply with the terms and conditions of all franchises, permits, and authorizations and will maintain same in full force and effect.

(d) It will proceed to acquire and construct with all due diligence and dispatch so much of the District's facilities as shall have been financed with the proceeds of the Bonds.

(e) It will levy an ad valorem tax that will be sufficient to provide funds to pay the interest on the Bonds and to provide the necessary sinking fund, all as described in Section 7 of this Order.

(f) It shall keep accurate records and accounts and employ an independent certified public accountant to audit and report on its financial affairs at the close of each fiscal year. Such audit shall be in accordance with applicable law, rules, and regulations in effect from time to time, including particularly Section 49.191 et seq. of the Texas Water Code, as amended, and the Water District Accounting Manual adopted by the Commission. A copy of such audit shall be filed in the office of the District and shall be open to inspect by any interested person during normal office hours. The District shall allow any holder or holders of not less than 25% in principal amount of the bonds then outstanding to inspect the District's facilities and all records, accounts, and data of the District relating thereto at all reasonable times and shall furnish a copy of such audit report to any such holder or holders upon payment to the District of the charge therefor as prescribed by law.

(g) The President, the Vice President, the Secretary, and all other officers of the Board from time to time, or any of them, are hereby authorized and directed to do any and all things required for the construction of the District's facilities and are further authorized and directed to make money of the District available for the payment of the Bonds in the manner provided by law and herein.

(h) So long as any of the Bonds or the Additional Bonds remain outstanding, the District covenants that it will at all times maintain its facilities or within the limits of its authority cause the same to be maintained, in good condition and working order and will operate the same, or cause the same to be operated, in an efficient and economical manner at a reasonable cost and in accordance with sound management principles. In operating and maintaining the District's

facilities, the District will comply with all contractual provisions and agreements entered into by it and with all valid rules, regulations, directions or orders of any governmental, administrative or judicial body having jurisdiction over the District.

Section 16. REMEDIES OF REGISTERED OWNERS. In addition to all rights and remedies of any registered owner of the Bonds provided by the laws of the State of Texas, the District and the Board covenant and agree that in the event the District defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make the payments required by this Order to be made into the Interest and Sinking Fund, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in this Order, the registered owner of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Board and other officers of the District to observe and perform any covenant, obligation, or condition prescribed in this Order. No delay or omission by any registered owner upon default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. The specific remedies mentioned in this Order shall be available to the registered owners of the Bonds as provided herein and shall be cumulative of all other existing remedies.

Section 17. ADDITIONAL BONDS, SPECIAL PROJECT BONDS AND REFUNDING BONDS.

(a) Additional Bonds, Inferior Bonds and Refunding Bonds. The District expressly reserves the right to issue in one or more installments or issues, additional bonds heretofore voted but unissued and bonds hereafter voted and payable from a lien on and pledge of taxes and revenues on a parity with and of equal dignity with the pledge for the Bonds; and bonds, notes and other obligations of inferior liens. The District further reserves the right to issue refunding bonds, notes or other obligations in any manner permitted by law to refund any Bonds, Additional Bonds, bonds, notes or other obligations at or prior to their respective dates of maturity or redemption.

(b) Special Project Bonds. The District further reserves the right to issue Bonds in one or more installments for the purchase, construction, improvement, extension, replacement, enlargement or repair of water, sewer and/or drainage facilities necessary under contract or contracts with persons, corporations, municipal corporations, political subdivisions, or other entities, such Bonds to be payable from and secured by the proceeds of such contract or contracts. The District further reserves the right to refund such Bonds.

Section 18. APPROVAL OF OFFERING DOCUMENTS. An “Official Notice of Sale,” and “Official Bid Form,” and an “Official Statement,” dated February 12, 2016, were prepared and distributed in connection with the sale of the Bonds together with the Final Official Statement dated February 25, 2016 (said documents are hereinafter referred to as the “Offering Documents”). Said Offering Documents, and any addenda, supplement, or amendment thereto, are hereby approved by the Board of Directors of the District, and their use in the offer and sale of the Bonds is hereby approved.

Section 19. DAMAGED, MUTILATED, LOST, STOLEN OR DESTROYED BONDS.

(a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new Bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement Bond shall furnish to the District and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the District and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of or interest on the Bond, the District may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the District whether or not the lost, stolen or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Order equally and proportionately with any and all other Bonds duly issued under this Order.

(e) Authority for Issuing Replacement Bonds. In accordance with Subchapter B of Chapter 1206 of the Texas Government Code, as amended, this Section of this Order shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the District or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 5(a) of this Order for Bonds issued in conversion and exchange for other Bonds.

Section 20. ORDER A CONTRACT. The District acknowledges that the covenants and obligations of the District herein contained are a material inducement to the purchase of the

Bonds. This Order shall constitute a contract with the holders of the Bonds from time to time, binding on the District and its successors and assigns, and shall not be amended or repealed by the District so long as any Bond remains outstanding except as permitted in Section 23.

Section 21. PARTIES INTEREST HEREIN. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or entity, other than the District and the registered owners of the Bonds, any right, remedy or claim under or by reason of this Order or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Order contained by and on behalf of the District shall be for the sole and exclusive benefit of the District and the registered owners of the Bonds.

Section 22. OPEN MEETING. It is hereby officially found and determined that the meeting at which this Order is adopted, was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551 of the Texas Government Code, as amended and Section 49.064 of the Texas Water Code, as amended.

Section 23. APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT. The Paying Agent/Registrar Agreement by and between the District and BOKF, NA, Austin, Texas ("Paying Agent Agreement"), in substantially the form and substance presented with this Order is hereby approved and the President or Vice President is hereby authorized and directed to complete, amend, modify and execute the Paying Agent Agreement, as necessary, and the Secretary or Assistant Secretary is authorized and directed to attest such agreement.

Section 24. AMENDMENTS.

(a) Amendment with Consent of Owners of 51% of Bonds. The owners of 51% in aggregate principal amount of then outstanding Bonds shall have the right from time to time to approve any amendments to this Bond Order which may be deemed necessary or desirable by the District; provided however, that, other than as permitted by subsection (f) of this Section 24, nothing herein contained shall permit or be construed to permit the amendment, without the consent of the owner of each of the outstanding Bonds affected thereby, of the terms and conditions of this Bond Order or the Bonds so as to:

- (i) change debt service requirements, interest payment dates or the maturity or maturities of the outstanding Bonds;
- (ii) reduce the rate of interest borne by any of the outstanding Bonds;
- (iii) reduce the amount of the principal of, redemption premium, if any, or interest on the outstanding Bonds or impose any conditions with respect to such payments;
- (iv) modify the terms of payment of principal of, redemption premium, if any, or interest on the outstanding Bonds, or impose any conditions with respect to such payments;
- (v) affect the right of the Registered Owners of less than all of the Bonds then outstanding; or

- (vi) decrease the minimum percentage of the principal amount of Bonds necessary for consent to any such amendment.

(b) Notice of Amendment. If at any time the District shall desire to amend this Bond Order and such amendment requires notice, the District may cause a written notice of the proposed amendment to be published at least once on a business day in a financial newspaper, journal, or publication of general circulation in the City of New York, New York, or in the State of Texas. If, because of temporary or permanent suspension of the publication or general circulation of all such newspapers, journals, or publications, it is impossible or impractical to publish such notice in the manner provided herein, then such publication in lieu thereof as shall be made by the Registrar shall constitute a sufficient publication of notice. In addition to such publication, the Registrar shall cause a written notice of the proposed amendment to be given by registered or certified mail to Registered Owners of the Bonds as shown on the Registration Books maintained by the Registrar; provided, however, that failure to receive such written notice of the proposed amendment, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding in connection with, or the adoption of, such amendment. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file in the principal office of the Registrar for inspection by all Registered Owners of Bonds.

(c) Consent to Amendment. Whenever at any time not less than 30 days, and within one year, from the date of the first publication of said notice or other services of written notice the District shall receive an instrument or instruments executed by the Registered Owners of at least 51% in aggregate principal amount of all Bonds then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and shall specifically consent to and approve such amendment, the District may adopt the amendatory resolution or order in substantially the same form.

(d) Effect of Amendment. Upon the adoption of any amendatory resolution or other pursuant to the provisions of this Section, this Bond Order shall be deemed to be amended in accordance with such amendatory resolution or order, and the respective rights, duties, and obligations under such amendatory resolution or other of all the Registered Owners shall thereafter be determined and exercised subject in all respects to such amendments.

(e) Consent of Registered Owners. Any consent given by a Registered Owner pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the Bonds during such period. Such consent may be revoked by the Registered Owner who gave such consent at any time after six months from the date of the first giving of such notice, or by a successor in title, by filing notice thereof with the Registrar and the District, but such revocation shall not be effective if the Registered Owners of 51% in aggregate principal amount of the then outstanding Bonds have, prior to the attempted revocation, consented to and approved the amendment.

(f) Amendments Without Consent. Notwithstanding the provisions of (a) through (e) of this Section, and without notice of the proposed amendment and without the consent of the Registered Owners, the District may, at any time, amend this Bond Order to cure any ambiguity or to cure, correct, or supplement any defective or inconsistent provision contained therein, or to

make any other change that does not in any respect materially and adversely affect the interest of the Registered Owners, provided that no such amendment shall be made contrary to the provision of Section 24(a), and a duly certified or executed copy of each such amendment shall be filed with the Registrar.

Section 25. DISTRICT'S SUCCESSORS AND ASSIGNS. Whenever in this Bond Order the District is named and referred to, it shall be deemed to include its successors and assigns, and all covenants and agreements in this Bond Order by or on behalf of the District, except as otherwise provided herein, shall bind and inure to the benefit of its successors and assigns whether or not so expressed.

Section 26. NO RECOURSE AGAINST DISTRICT OFFICERS OR DIRECTORS. No recourse shall be made for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Bond Order against any officer or director of the District or any person executing the Bonds.

Section 27. PAYING AGENT/REGISTRAR. The Paying Agent/Registrar shall act as agent for the payment of principal of and interest on the Bonds and shall maintain the Register for the Bonds, all in accordance with the terms of this Bond Order. If the Paying Agent/Registrar or its successors becomes unable for any reason to act as Paying Agent/Registrar hereunder, or if the Board of Directors of the District determines that a successor Paying Agent/Registrar should be appointed, a successor Paying Agent/Registrar shall be selected by the District. Any successor Paying Agent/Registrar shall be either a bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve and perform the duties as paying agent and registrar for the Bonds.

Section 28. PAYING AGENT/REGISTRAR MAY OWN BONDS. The Paying Agent/Registrar, in its individual or any other capacity, may become the owner or pledgee of the Bonds with the same rights it would have if it were not Registrar.

Section 29. BENEFITS OF ORDER PROVISIONS. Nothing in this Bond Order or in the Bonds, expressed or implied, shall give or be construed to give any person, firm or corporation, other than the District, the Registrar, and the Registered Owners, any legal or equitable right or claim under or in respect to this Bond Order, or under any covenant, condition, or provision herein contained, all the covenants, conditions, and provisions contained in this Bond Order or in the Bonds being for the sole benefit of the District, the Registrar, and the Registered Owners.

Section 30. UNAVAILABILITY OF AUTHORIZED PUBLICATION. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Bond Order shall be given in such other manner and at such time or times as in the judgment of the District shall most effectively approximate such required publication, and the giving of such notice in such manner shall for all purposes of this Bond Order be deemed to be in compliance with the requirements for publication thereof.

Section 31. SEVERABILITY CLAUSE. If any word, phrase, clause, sentence, paragraph, section, or other part of this Bond Order, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of this Bond Order and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Bond Order to any other persons or circumstances shall not be affected thereby.

Section 32. FURTHER PROCEEDINGS. The President and Secretary of the Board of Directors and other appropriate officials of the District are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Bond Order.

Section 33. CONTINUING DISCLOSURE UNDERTAKING. The District makes the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (“MSRB”) through its electronic municipal market access system. Information will be available free of charge by MSRB via the Electronic Municipal Market Access (“EMMA”) system at www.emma.msrb.org.

(a) The District shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the District, financial information and operating data with respect to the District of the general type included in the Official Statement under the heading “DEBT SERVICE REQUIREMENTS,” and (2) if not provided as part of such financial information and operating data, audited financial statements of the District, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental entities, or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation, and in substantially the form included in the official statement, and (ii) audited, if the District commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the District shall file unaudited statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements become available.

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

(b) The District will provide notice to the MSRB of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws: (1) non-payment related defaults; (2) modifications to rights of bondholders; (3) Bond calls; (4) release, substitution, or sale of property securing repayment of the Bonds; (5) consummation of a merger, consideration or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definite agreement to undertake such an action or the termination of a

definitive agreement relating to any such actions, other than pursuant to its terms; and (6) appointment of a successor or additional trustee or the change of name of a trustee.

The District will also provide notice to the MSRB of any of the following events with respect to the Bonds without regard to whether such event is considered material within the meaning of the federal securities laws; (1) principal and interest payment delinquencies; (2) unscheduled draws on debt service reserves reflecting financial difficulties; (3) unscheduled draws on credit enhancements reflecting financial difficulties; (4) substitution of credit or liquidity providers, or their failure to perform; (5) adverse tax opinions or 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; (6) tender offers; (7) defeasances; (8) rating changes; and (9) bankruptcy, insolvency, receivership or similar event of the District (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District).

The District will provide notice of the aforementioned events to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event). The District will also provide timely notice of any failure by the District to provide annual financial information in accordance with their agreement described above under “Annual Reports.”

(c) The District has agreed to provide the foregoing information only to the MSRB. All documents provided by the District to the MSRB described above under “Annual Reports” and “Notice of Certain Events” will be in an electronic format and accompanied by identifying information as prescribed by the MSRB and will be available to the public free of charge at www.emma.msrb.org.

The address of the MSRB is 1900 Duke Street, Suite 600, Alexandria, VA 22314, and its telephone number is (703) 797-6600.

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

This continuing disclosure agreement may be amended by the District from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of the Bond Order that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the Holders and beneficial owners of the Bonds. The District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The District undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the District's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The District makes no representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

No default by the District in observing or performing their obligations under this Section shall constitute a breach of or default under this Order for purposes of any other provision of this Order.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the District under federal and state securities laws.

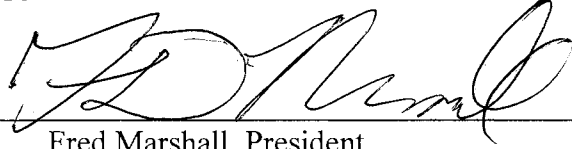
The provisions of this Section may be amended by the District from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, but only if (1) the

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

(e) Format, Identifying Information, and Incorporation by Reference. All financial information, operating data, financial statements, and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

Section 34. PAYMENT OF ATTORNEY GENERAL FEE. The District hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Bonds or (ii) \$9,500, provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The appropriate member of the District's staff is hereby instructed to take the necessary measures to make this payment. The District is also authorized to reimburse the appropriate District funds for such payment from proceeds of the Bonds.

ADOPTED this 25th day of February, 2016

By: 
Fred Marshall, President

ATTEST:

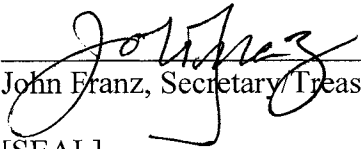

John Franz, Secretary/Treasurer
[SEAL]



EXHIBIT "A"

FORM OF BOND

**UNITED STATES OF AMERICA
STATE OF TEXAS**

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT
DISTRICT - POINT VENTURE
UNLIMITED TAX BONDS, SERIES 2016**

NO. R

**PRINCIPAL
AMOUNT**

\$ _____

**INTEREST
RATE**

**DATE OF
BONDS**

**MATURITY
DATE**

**CUSIP
NO.**

February 15, 2016

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE (the "District"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assign (hereinafter called the "registered owner") the principal amount set forth above, and to pay interest thereon calculated on the basis of a 360-day year of twelve 30-day months, from the date of initial delivery, payable on February 15, 2017 and semiannually on each August 15 and February 15 thereafter to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then its Bond shall bear interest from the date to which such interest has been paid in full. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the District and the securities depository. The date of initial delivery of this bond is printed on the back of this Bond.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity at the designated office for payment of BOKF, NA, (the "Paying Agent/Registrar") in Austin, Texas. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the District required by the order authorizing the issuance of the Bonds (the "Bond Order") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on or before each such interest payment date, to the registered owner hereof, at its address on the close of business on the last calendar day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 calendar days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if any when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner as it appears on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for payment at the designated office for payment of the Paying Agent/Registrar. The District covenants with the registered owner of this Bond that on or before each principal payment date, interest payment date, and any redemption date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Order, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for any payment due on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the office for payment of the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds dated as of February 15, 2016 and authorized to be issued pursuant to the Bond Order adopted by the Board of Directors of the District in the principal amount of \$7,375,000 for the purpose or purposes authorized by the Election and the Commission Order including (1) adding an additional treatment plant and an effluent storage

tank and associated yard piping to serve the tank; (2) making improvements to the District's water system; and (3) certain costs associated with the Issuance of the Bonds. The Bonds are issued under the authority of the constitution and laws of the State of Texas, including particularly Chapters 49 and 51 of the Texas Water Code, as amended; the bond election and an order issued by the Texas Commission on Environmental Quality.

ON AUGUST 15, 2023 OR ON ANY DATE THEREAFTER, the Bonds maturing on and after August 15, 2024, may be redeemed prior to their scheduled maturities, at the option of the District, with funds derived from any available and lawful source, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed will be selected by the District. If less than all the bonds of a certain maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent/Registrar by lot or other random method (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

THE BONDS MATURING ON August 15 in the years 2034 and 2036 (the "Term Bonds") are subject to mandatory sinking fund redemption by lot prior to maturity in the following amounts on the following dates and at a price of par plus accrued interest to the redemption date on the respective dates and in principal amounts as follows:

Term Bond Maturing on August 15, 2034

<u>Redemption Date</u>	<u>Principal Amount</u>
August 15, 2033	\$480,000
August 15, 2034*	500,000

*Stated Maturity

Term Bond Maturing on August 15, 2036

<u>Redemption Date</u>	<u>Principal Amount</u>
August 15, 2035	\$520,000
August 15, 2036*	540,000

*Stated Maturity

THE PRINCIPAL AMOUNT of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the District by the principal amount of any Term Bonds of the stated maturity which, at least 45 days prior to a mandatory redemption date, (1) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District with monies in the Interest and Sinking Fund at a price not exceeding the principal amount of the

Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

NOT LESS THAN THIRTY (30) DAYS prior to a redemption date, a notice of redemption will be sent by U.S. mail, first class postage prepaid, in the name of the District to each registered owner of a Bond to be redeemed in whole or in part at the address of the registered owner appearing on the registration books of the Registrar at the close of business on the business day next preceding the date of mailing. When Bonds or portions thereof have been called for redemption and due provision has been made to redeem the same, the amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the Bonds or portions thereof called for redemption shall terminate on the date fixed for redemption.

WITH RESPECT to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Bond Order have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the District will not redeem such Bonds, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

THE PAYING AGENT/REGISTRAR AND THE DISTRICT, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption, notice of proposed amendment to the Bond Order or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, shall not affect the validity of the redemption of the Bond called for redemption or any other action premised on any such notice. Redemption of portions of the Bond by the District will reduce the outstanding principal amount of such Bonds held by DTC.

IN SUCH AN EVENT, DTC may implement, through its Book-Entry-Only System, a redemption of such Bond held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Bonds from the beneficial owners.

ANY SUCH SELECTION of Bond to be redeemed will not be governed by the Bond Order and will not be conducted by the District or the Paying Agent/Registrar. Neither the District nor the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments on the Bond or the providing of notice to DTC participants, indirect participants, or beneficial owners of the selection of portions of the bond for redemption.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denominations of any integral multiple of \$5,000. As provided in the Bond Order, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Order. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The Form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charged for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the District. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within forty-five (45) calendar days prior to its redemption date.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the District, resigns, or otherwise ceases to act as such, the District has covenanted in the Bond Order that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the registered owners of the Bonds.

THE BONDS are payable from the proceeds of a tax, without legal limit as to rate or amount, levied upon all taxable property within the District. The Bond Order provides that the pledge of taxes to the payment of the Bonds shall terminate at such time, if ever, as money and/or direct obligations of the United States or obligations unconditionally guaranteed by the United States in an amount sufficient to defease the Bonds is deposited with or made available to the Paying Agent/Registrar in accordance with the Bond Order.

THE BONDS are issued pursuant to the Bond Order, whereunder the District covenants to levy a continuing direct annual ad valorem tax, without legal limit as to rate or amount, on taxable property within the District, for each year while any part of the Bonds are considered outstanding under the provisions of the Bond Order, in sufficient amount, together with revenues and receipts available from other sources which are equally available for such purposes, to pay interest on the Bonds as it becomes due, to provide a sinking fund for the payment of the principal of the Bonds when due or the redemption price at any earlier required redemption date, to pay when due the other contractual obligations of the District payable in whole or in part from taxes, and to pay the expenses of assessing and collecting such tax, all as more specifically provided in the Bond Order. Reference is hereby made to the Bond Order for provisions with respect to the operation and maintenance of the District's facilities, the custody and application of funds, remedies in the event of a default hereunder or thereunder, and the other rights of the registered owners of the Bonds. By acceptance of this Bond the registered owner hereof consents to all of the provisions of the Bond Order, a certified copy of which is on file in the office of the District.

THE OBLIGATION to pay the principal of and the interest on this Bond is solely and exclusively the obligation of the District until such time, if ever, as the District is abolished and this Bond is assumed as described above. No other entity, including the State of Texas, any political subdivision thereof other than the District, or any other public or private body, is obligated, directly, indirectly, contingently, or in any other manner, to pay the principal of or the interest on this Bond from any source whatsoever. No part of the physical properties of the District, including the properties provided by the proceeds of the Bonds, is encumbered by any lien for the benefit of the registered owner of this Bond.

THE DISTRICT RESERVES THE RIGHT to issue (i) additional bonds equally secured by a pledge of taxes; (ii) bonds, notes, and other obligations of inferior liens; and (iii) revenue bonds, payable solely from contracts with other persons, including private corporations, municipalities, and political subdivisions to finance facilities needed in performing any such contracts. Reference is made to the Bond Order for a complete description of the right to issue additional obligations.

TO THE EXTENT permitted by and in the manner provided in the Bond Order, the terms and provisions of the Bond Order and the rights of the registered owners of the Bonds may be modified with, in certain circumstances, the consent of the registered owners of a majority in aggregate principal amount of the Bonds affected thereby; provided, however, that, without the consent of the registered owners of all of the Bonds affected, no such modification shall (i) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of the Bonds required for consent to any such modification.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Bond Order unless this Bond either (a) is registered by the Comptroller of Public Accounts of the State of Texas as evidenced by execution of the registration certificate endorsed

hereon or (b) is authenticated as evidenced by execution of the authentication certificate endorsed hereon by the Paying Agent/Registrar.

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Bonds in order to render the same legal, valid, and binding obligations of the District have happened and have been accomplished and performed in regular and due time, form, and manner, as required by law; that provision has been made for the payment of the principal of and interest on the Bonds by the levy of a continuing, direct annual ad valorem tax upon all taxable property within the District; and that issuance of the Bonds does not exceed any constitutional or statutory limitation. In the event that any provisions herein contained do or would, presently or prospectively, operate to make any part hereof void or voidable, such provisions shall be without effect or prejudice to the remaining provisions hereof, which shall nevertheless remain operative, and such violative provisions, if any, shall be reformed by a court of competent jurisdiction within the limits of the laws of the State of Texas.

IN WITNESS WHEREOF, the District has caused this Bond to be signed with the manual or facsimile signature of the President or Vice President of the Board of Directors of the District and countersigned with the manual or facsimile signature of the Secretary or Assistant Secretary of the Board of Directors of the District, and has caused the official seal of the District to be duly impressed, or placed in facsimile, on this Bond.

**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT - POINT
VENTURE**

Secretary,
Board of Directors

President,
Board of Directors

[DISTRICT SEAL]

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

**(To be executed if this Bond is not accompanied by an
executed Registration Certificate of the Comptroller
of Public Accounts of the State of Texas)**

It is hereby certified that this Bond has been issued under the provisions of the Bond Order described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a Bond, Bonds, or a portion of a Bond or Bonds of a series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

BOKF, NA
Paying Agent/Registrar

Dated:

By: _____
Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or Taxpayer
Identification Number of Transferee

(Please print or typewrite name and address,
including zip code of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____, attorney, to register the transfer of the Bond on the
books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed
by an eligible guarantor institution
participating in a securities transfer
association recognized signature guarantee
program.

NOTICE: The signature above must
correspond with the name of the registered
owner as it appears upon the front of this
Bond in every particular, without alteration
of enlargements or any change whatsoever.

**FORM OF REGISTRATION CERTIFICATE OF
THE COMPTROLLER OF PUBLIC ACCOUNTS**

COMPTROLLER'S REGISTRATION CERTIFICATE:

REGISTER NO.

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

The date of initial delivery of this Bond was _____, 2016.

INSERTIONS FOR THE INITIAL BOND

The initial Bond shall be in the form set forth in this Section, except that:

A. immediately under the name of the Bond, the headings “INTEREST RATE” and “MATURITY DATE” shall both be completed with the words “As shown below” and “CUSIP NO.” shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

“ON THE MATURITY DATE SPECIFIED BELOW, Travis County Water Control and Improvement District - Point Venture (the “District”), being a political subdivision, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the “Registered Owner”) on August 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Rate</u>
-----------------	-------------------------	-------------

(Information from Sections 3 and 4 to be inserted)

The District promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the date of initial delivery of this Bond. Interest is payable on February 15, 2017 and semiannually on each August 15 and February 15 thereafter to the date of payment of the principal installment specified above; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.”

C. The initial Bond shall be numbered “T-1.”

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT dated as of February 25, 2016 (this “Agreement”), by and between Travis County Water Control and Improvement District - Point Venture (the “Issuer”), and **BOKF, NA**, a banking association duly organized and existing under the laws of the United States of America (the “Bank”).

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of bonds to be issued only in registered form, as to the payment of principal and interest thereon in an aggregate principal amount of \$7,375,000 and titled Travis County Water Control and Improvement District - Point Venture Unlimited Tax Bonds, Series 2016 (the “Securities”); and

WHEREAS, the Securities are scheduled to be delivered to the initial purchasers thereof on or about March 24, 2016; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on the Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointment.

The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities. As Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof, all in accordance with this Agreement and the “Order” (hereinafter defined).

The Issuer hereby appoints the Bank as Registrar with respect to the Securities. As Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the “Bond Order.”

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02. Compensation.

As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Exhibit "A" attached hereto.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

**ARTICLE TWO
DEFINITIONS**

Section 2.01. Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"Acceleration Date" on any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

"Bank Office" means the corporate trust office of the Bank as indicated herein. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Fiscal Year" means the fiscal year of the Issuer.

"Holder" and "Security Holder" each means the Person in whose name a Security is registered in the Security Register.

"Issuer Request" and "Issuer Order" means a written request or order signed in the name of the Issuer by the President of the Issuer, any one or more of said officials, delivered to the Bank.

"Legal Holiday" means a day on which the Bank is required or authorized to be closed.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Predecessor Securities" of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Bond Order).

“Redemption Date” when used with respect to any Security to be redeemed means the date fixed for such redemption pursuant to the terms of the Order.

“Order” means the order of the governing body of the Issuer pursuant to which the Securities are issued, certified by the Secretary of the Board of Directors or any other officer of the Issuer and delivered to the Bank.

“Responsible Officer” when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfer of the Securities.

“Stated Maturity” means the date specified in the Order on which the principal of a Security is scheduled to be due and payable.

Section 2.02. Other Definitions.

The terms “Bank,” “Issuer,” and “Security” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

**ARTICLE THREE
PAYING AGENT**

Section 3.01. Duties of Paying Agent.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer no later than 10:00 a.m. Central Time on the applicable payment date, pay on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the Bank Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer no later than 10:00 a.m. Central Time on the applicable payment date, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States Mail, first class postage prepaid, on each payment date, to the Holders of the Securities (or their Predecessor Securities) on the respective Record Date, to the address

appearing on the Security Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

Section 3.02. Payment Dates.

The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Bond Order.

**ARTICLE FOUR
REGISTER**

Section 4.01. Security Register - Transfers and Exchanges.

The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the "Security Register") for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacement of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Bond Dealers, Inc., in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02. Securities.

The Issuer shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03. Form of Bond Register.

The Bank, as Registrar, will maintain the Bond Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Bond Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Bond Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04. List of Bond Holders.

The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Bond Register. The Issuer may also inspect the information contained in the Bond Register at any time the Bank is customarily open for business, provided that reasonable time is allowed for the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Bond Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Bond Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Bond Register.

Section 4.05. Return of Cancelled Securities.

The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06. Mutilated, Destroyed, Lost or Stolen Securities.

The Issuer hereby instructs the Bank, subject to the applicable provisions of the Bond Order, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, or destroyed, lost or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed lost or stolen Security, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost or stolen.

Section 4.07. Transaction Information to Issuer.

The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

**ARTICLE FIVE
THE BANK**

Section 5.01. Duties of Bank.

The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02. Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgement made in good faith by a Responsible Officer unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, or other paper or document supplied by Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.03. Recitals of Issuer.

The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04. May Hold Securities.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05. Moneys Held by Bank.

The Bank shall deposit any moneys received from the Issuer into a trust account to be held in a paying agent capacity for the payment of the Securities, with such moneys in the account that exceed the deposit insurance available to the Issuer by the Federal Deposit Insurance Corporation, to be fully collateralized with Securities or obligations that are eligible under the laws of the State of Texas to secure and be pledged as collateral for trust accounts, until the principal and interest on such Securities have been presented for payment and paid to the owner thereof. Payments made from such trust account shall be made by check drawn on such trust account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

Subject to the Unclaimed Property Laws of the State of Texas, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after the final maturity of the Bond has become due and payable will be paid by the Bank to the Issuer if the Issuer so elects, and the Holder of such Security shall hereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such monies shall thereupon cease. If the Issuer does not elect, the Bank is directed to report and dispose of the funds in compliance with Title Six of the Texas Property Code, as amended.

Section 5.06. Indemnification.

To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on the Bank's part, arising out of or in connection with the Bank's acceptance or administration of its duties hereunder, including the cost and expense incurred by the Bank in defending against any claim or from liability imposed on the Bank in connection with the Bank's exercise or performance of any of its powers or duties under this Agreement.

Section 5.07. Interpleader.

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State

District Court located in the State of Texas and County where either the Bank Office or the administrative offices of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

Section 5.08. Depository Trust Company Services.

It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the Depository Trust Company's "Operational Arrangements," as they may be amended from time to time, which establishes requirements for Securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

**ARTICLE SIX
MISCELLANEOUS PROVISIONS**

Section 6.01. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment.

This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices.

Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

Section 6.04. Effect of Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns.

All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06. Severability.

In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement.

Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.08. Entire Agreement.

This Agreement and the Bond Order constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Bond Order, the Bond Order shall govern.

Section 6.09. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Termination.

This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Bond Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.


The provisions of Article Five and Section 1.02, to the extent that fees and expenses are due to the Paying Agent/Registrar under this Agreement at the time of termination, shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11. Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BOKF, NA

By: 
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Austin, Texas 78701

**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT - POINT
VENTURE**

By: 

President, Board of Directors

Address:

c/o Willatt & Flickinger
2001 North Lamar
Austin, Texas 78705

SCHEDULE A

Paying Agent/Registrar Fee Schedule



\$7,375,000
Travis County Water Control and Improvement
Point Venture Unlimited Tax Bonds, Series 2016

PAYING AGENT/REGISTRAR

Schedule of Fees

<u>Acceptance Fee:</u>	\$ 0
<u>Annual Administration Fee:</u> (Billed Semi-Annually @ \$200.00 w/Debt Service)	\$400.00

For ordinary administration services by Paying Agent /Registrar – includes daily routine account management and processing in accordance with the agreement. Float credit received by the bank for receiving funds that remain uninvested are deemed part of the Paying Agent’s compensation.

Call or Redemption of Bonds At Cost
Cost includes distribution to holders of record, redemption processing and notification through EMMA. Any and all publication expenses including Bond Buyer, Regional and Financial Periodicals for the call notice will be billed to the Issuer at cost.

Charges for performing extraordinary or other services not contemplated at the time of the execution of the transaction or not specifically covered elsewhere in this schedule will be determined by appraisal in the amounts commensurate with the service provided. Counsel fees, if ever retained as a result of a default, or other extraordinary occurrences on behalf of the bondholders or Bank of Texas, will be billed at cost.

Services not included in this Fee Schedule, but deemed necessary or desirable by you, may be subject to additional charges. Our proposal is subject in all aspects to review and acceptance of the final financing documents which sets forth our duties and responsibilities.

Jose Gaytan Vice President Tel: 512.813.2002 Fax: 512.813.2020 JGaytan@bokf.com	BOK Financial Corporate Trust Services 100 Congress Avenue Suite 250 Austin, TX 78701
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OFFICIAL NOTICE OF SALE

\$7,375,000

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT – POINT VENTURE
(A Political Subdivision of the State of Texas Located in Travis County, Texas)
UNLIMITED TAX BONDS, SERIES 2016

Selling (Bids Due): Thursday, February 25, 2016 at 9:30 AM, CST
Award Expected: 4:00 P.M., CST

The Bonds are obligations solely of Travis County Water Control and Improvement District – Point Venture (the “District”) and are not obligations of the Lago Vista Independent School District, Travis County, Texas; the State of Texas or any entity other than the District.

THE DISTRICT EXPECTS TO DESIGNATE THE BONDS AS “QUALIFIED TAX-EXEMPT OBLIGATIONS” FOR FINANCIAL INSTITUTIONS.

THE SALE

BONDS OFFERED FOR SALE AT COMPETITIVE BIDDING . . . The Board of Directors (the “Board”) of the District is inviting competitive bids for the purchase of \$7,375,000 Unlimited Tax Bonds, Series 2016 (the “Bonds”). Sealed bids may be submitted by either of three alternative procedures: (1) written bids; (2) electronic bids; or (3) telephone or facsimile bids. Prospective bidders may select one of the three alternative bidding procedures in their sole discretion. Neither the District nor its Financial Advisor, Specialized Public Finance Inc., assumes any responsibility or liability for a prospective bidding procedure.

The District and Specialized Public Finance Inc. assume no responsibility or liability with respect to any irregularities associated with the submission of bids by telephone, facsimile or electronic options.

Specialized Public Finance Inc. will not be responsible for submitting any bids received after the deadline. For the purpose of determining compliance with any and all time deadlines set forth in this Official Notice of Sale, for all alternative bidding procedures, the official time shall be the time maintained only by the Parity Electronic Bid Submission System (“PARITY”).

PROCEDURE NUMBER 1: SEALED, WRITTEN BIDS DELIVERED IN PERSON . . . Bids, plainly marked “Bid for Bonds” should be addressed to “Board of Directors of Travis County Water Control and Improvement District – Point Venture” and should be delivered to the District’s Financial Advisor, Dan Wegmiller, Specialized Public Finance Inc., at 248 Addie Roy Road, Suite B-103, Austin, Texas 78746, by 9:30 A.M., CST, on February 25, 2016 (“the date of the bid opening”).

PROCEDURE NUMBER 2: ELECTRONIC BIDDING PROCEDURES . . . Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY by 9:30 A.M., CST, on the date of the bid opening. *Bidders must also submit, by 9:30 A.M., CST, on the date of the bid opening, SIGNED Official Bid Forms to Dan Wegmiller, Specialized Public Finance Inc., 248 Addie Roy Road, Suite B-103, Austin, Texas 78746.*

Subscription to the i-Deal LLC’s BIDCOMP Competitive Bidding System is required in order to submit an electronic bid through PARITY. Further information about PARITY, including any fee charged, may be obtained from Dalcomp/Parity, 395 Hudson Street, New York, New York 10014, attention: Jennifer Emery (212) 806-8304.

The District will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe to the bidding system. An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the District. Neither Specialized Public Finance Inc. nor the District shall be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY, the use of such facilities being the sole risk of the prospective bidder.

All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and Official Bid Form. If any provision of this Official Notice of Sale conflicts with information provided by PARITY as the approved provider of electronic bidding services, this Official Notice of Sale shall control.

For information purposes only, bidders are requested to state in their electronic bids the net interest cost to the District, as described under “Basis of Award” below.

PROCEDURE NUMBER 3: BIDS BY TELEPHONE OR FACSIMILE . . . Bidders must submit by 9:30 A.M., CST, on the date of the bid opening, SIGNED Official Bid Forms to Dan Wegmiller, Specialized Public Finance Inc., at 248 Addie Roy Road, Suite B-103, Austin, Texas 78746, and submit their bid by telephone or facsimile (fax) by 9:30 A.M., CST, on the date of the bid opening.

Telephone bids will be accepted at (512) 275-7300, between 9:00 A.M. and 9:30 A.M., CST on the date of the bid opening.

Fax bids must be received between 9:00 A.M. and 9:30 A.M., CST, on the date of the bid opening at (512) 275-7305, attention: Dan Wegmiller.

PLACE AND TIME OF BID OPENING . . . The Board will publicly review and award the sale of the Bonds at the designated meeting place outside the boundaries of the District, at the District’s offices at 18606 Venture Drive, Point Venture, Texas 78645 at 4:00 P.M., CST on Thursday, February 25, 2016. All bids, including those being hand delivered, must be received by 9:30 A.M., CST on the date of the bid opening. Any bid received after the scheduled time for receipt will not be accepted by the Board and will be returned unopened.

AWARD OF BONDS . . . The District will take action to award the Bonds or reject any or all bids promptly upon the opening of bids. Upon awarding the Bonds to the winning bidder (the “Initial Purchaser”), the Board will adopt an order authorizing the issuance of the Bonds (the “Bond Order”). Sale of the Bonds will be made subject to the terms, conditions and provisions of the Bond Order, to which Bond Order reference is hereby made for all purposes. The District reserves the right to reject any and all bids and to waive any irregularities, except the time of filing.

WITHDRAWAL OF THE BIDS . . . Any bid may be withdrawn by an authorized representative of the bidder at any time prior to the time set for receipt of bids. Thereafter, all bids shall remain firm for ten hours after the time for receipt of the bids. The award of or rejection of bids will occur within this time period.

EXTENSION OF SALE DATE . . . The District reserves the right to extend the date and/or time for the receipt of bids by giving notice, by Bond Buyer Wire Service, and by posting a notice at the place established for receipt of bids, not later than 3:00 PM, CST, on Wednesday, February 24, 2016 of the new date and time for receipt of bids. Such notice shall be considered an amendment to this Official Notice of Sale.

MUNICIPAL BOND RATING . . . The District has applied for an underlying rating from Moody’s Investors Service, Inc. (“Moody’s”). The District does not currently have an underlying rating.

MUNICIPAL BOND INSURANCE . . . In the event the Bonds are qualified for municipal bond insurance, and the Initial Purchaser desires to purchase such insurance, the cost therefor will be paid by the Initial Purchaser. Any fees to be paid to any rating agency as a result of said insurance will be paid by the District. It will be the responsibility of the Initial Purchaser to disclose the existence of insurance, its terms and the effect thereof with respect to the reoffering of the Bonds. Any downgrade by the rating agency of the bond insurance provider shall not relieve the Initial Purchaser of its obligation under the heading “DELIVERY AND ACCOMPANYING DOCUMENTS.”

THE BONDS

DESCRIPTION OF BONDS . . . The Bonds will be dated February 15, 2016, and interest will accrue from the date of Initial Delivery (as defined herein), will be payable on February 15, 2017, and on each February 15 and August 15 thereafter until the earlier of maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive 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. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** The Bonds will be issued in fully registered form only, in denominations of \$5,000 or any integral multiple of \$5,000 for any one maturity, and principal and interest will be paid by BOKF, NA (the “Paying Agent/Registrar”) which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See the Preliminary Official Statement (made a part hereof) for a more complete description of the Bonds, including redemption provisions. The Bonds will mature on August 15 in the years and amounts as follows:

MATURITY SCHEDULE

<u>Maturity</u> <u>(August 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Maturity</u> <u>(August 15)</u>	<u>Principal</u> <u>Amount</u>
2017	\$ 30,000	2027	\$ 375,000
2018	265,000	2028	395,000
2019	275,000	2029	410,000
2020	285,000	2030	425,000
2021	295,000	2031	445,000
2022	310,000	2032	460,000
2023	320,000	2033	480,000
2024	335,000	2034	500,000
2025	350,000	2035	520,000
2026	360,000	2036	540,000

OPTIONAL REDEMPTION PROVISIONS . . . Bonds maturing on and after August 15, 2024, are subject to redemption prior to maturity, at the option of the District, as a whole or, from time to time in part, on August 15, 2023, or on any date thereafter, at a price of par plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed shall be selected by the District.

MANDATORY SINKING FUND REDEMPTION . . . If the successful bidder designates principal amounts to be combined into one or more term bonds ("Term Bonds"), each such Term Bond shall be subject to mandatory sinking fund redemption commencing on August 15 of the first year which has been combined to form such Term Bond and continuing on August 15 in each year thereafter until the stated maturity date of that Term Bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth above under the captioned "MATURITY SCHEDULE." Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par by lot or other customary method. The principal amount of Term Bonds to be mandatorily redeemed in each year shall be reduced by the principal amount of Term Bonds that have been redeemed in such year and have not been the basis for any prior optional redemption.

OTHER TERMS AND COVENANTS . . . Other terms of the Bonds and various covenants of the District are contained in the Bond Order, which is described in the Preliminary Official Statement, to which reference is made for all purposes.

SOURCE AND SECURITY OF PAYMENT . . . The Bonds will constitute valid and legally binding obligations of the District, with principal and interest payable solely from the proceeds of a continuing, direct, annual ad valorem tax levied against all taxable property located within the District, without legal limitation as to rate or amount. The Bonds are obligations solely of the District and are not obligations of the Lago Vista ISD; Travis County, Texas; the State of Texas or any entity other than the District.

BOOK-ENTRY-ONLY SYSTEM . . . The District intends to utilize the book-entry-only system of DTC. See "BOOK-ENTRY-ONLY SYSTEM" in the Preliminary Official Statement.

REGISTERED FORM REQUIREMENT . . . 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) must be in registered form in order for the interest payable on such obligations to be excluded from the Registered Owners' income for federal income tax purposes.

SUCCESSOR 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 act in the same capacity as the previous Paying Agent/Registrar. Any paying agent/registrar selected by the District shall be a corporation organized and doing business under the laws of the United States of America or any state thereof subject to supervision or examination by federal or state banking authorities.

CONDITIONS OF SALE

TYPES OF BIDS AND INTEREST RATES . . . The Bonds will be sold in one block on an "all or none" basis at a price of not less than ninety-seven percent (97%) of the par value. Bidders are to name the rate or rates of interest to be borne by the Bonds, provided that each interest rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1%. The net effective interest rate on the Bonds may not exceed a rate which is three percentage points (3.00%) above the highest "20 Bond Index" as reported by the "Bond Buyer" during the thirty (30) day period prior to the date of this Official Notice of Sale. Subject to the conditions below, no limitation will be imposed upon bidders as to the number of interest rates that may be used, but each rate of interest specified for the Bonds of any maturity shall not be less than the rate of interest specified for any earlier maturity and the highest interest rate bid may not exceed the lowest interest rate bid by more than 3.00% in rate. All Bonds maturing within a single year must bear the same rate of interest. No bids for the Bonds involving supplemental interest rates will be considered. Each bidder shall state in its bid the total and net interest cost in dollars and the net effective interest rate determined thereby, which shall be considered informative only and not as a part of the bid. No bid generating a cash premium greater than \$5,000 will be considered.

BASIS OF AWARD . . . For the purpose of awarding the sale of the Bonds, the interest cost of each bid will be computed by determining, at the interest rate or rates specified therein, the total dollar value of all interest on the Bonds from the date of Initial Delivery (defined below) to their respective maturities and adding thereto any discount bid, if any, or subtracting therefrom any premium bid, if any. The District reserves the right to reject any or all bids and to waive any and all irregularities except time of filing. Subject to such rights, the Bonds will be awarded to the bidder whose bid, under the above computation, produces the lowest net effective interest rate to the District. In the event mathematical discrepancies between the interest rate or rates and the interest costs determined therefrom, as both appear on the Official Bid Form, the bid will be solely governed by the interest rates shown on the Official Bid Form.

ADDITIONAL CONDITION OF AWARD – DISCLOSURE OF INTEREST PARTY FORM 1295: New obligation of the District to receive information from winning bidder. Effective January 1, 2016, pursuant to Texas Government Code Section 2252.908 ("the Interested Party Disclosure Act"), the District may not award the Bonds to the winning bidder unless the bidder submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the District as prescribed by the Texas Ethics Commission ("TEC") before the District can formally award the Bonds to the winning bidder. In the event that the bidder's bid for the Bonds is the best

bid received, the District, acting through its financial advisor, will promptly notify the bidder. That notification will serve as the conditional verbal acceptance of the bid, and will obligate the bidder to promptly file a completed Disclosure Form, as described below, in order to complete the award.

Process for completing the Disclosure Form. Reference should be made the Disclosure Form, the rules of the Texas Ethics Commission with respect to the Disclosure Form (the “Disclosure Rules”) and the Interested Party Disclosure Act. Instructional information regarding such matters are set forth at https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm. For purposes of completing the Disclosure Form the Initial Purchaser will need the following information: (a) item 2 – name of governmental entity: Travis County Water Control and Improvement District – Point Venture and (b) item 3 – the identification number assigned to this contract by the District: Series 2016 UTB Bid, and a description of the services to be provided under the contract: Purchase of Bonds. The Interested Party Disclosure Act and the Disclosure Rules require a business entity contracting with the District to complete the form at the TEC Internet “portal” that may be accessed at the url set forth above, and then print, sign and deliver the Disclosure Form in physical form to the District. Following the award of the Bonds, the District will acknowledge receipt of the completed Disclosure Form through the TEC website, as required by the law.

Preparations and for completion, and the significance of, the reported information. In accordance with the Interested Party Disclosure Act, the information reported by the bidder MUST BE ACKNOWLEDGED BY AND SUBMITTED UNDER A NOTARY STAMP. No exceptions may be made to that requirement. The Interested Party Disclosure Act provides that such acknowledgment is made “under oath and under penalty of perjury.” Consequently, a bidder should take appropriate steps prior to completion of the Disclosure Form to familiarize itself with the Interested Party Disclosure Act, the Disclosure Rules and the Disclosure Form. Time will be of the essence in submitting the form to the District, and no award will be made by the District of the Bonds until a completed Disclosure Form is received. The District reserves the right to reject any bid that is not accompanied by a completed Disclosure Form, as described herein. Neither the District nor its consultants have the ability to verify the information included in a Disclosure Form, and neither have an obligation nor undertake responsibility for advising any bidder with respect to the proper completion of the Disclosure Form. Consequently, an entity intending to bid on the Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the District that its bid is the conditional winning bid.

GOOD FAITH DEPOSIT . . . A Good Faith Deposit, payable to the “Travis County Water Control and Improvement District – Point Venture” in the amount of \$147,500, is required. Such Good Faith Deposit shall be a wire transfer, bank cashier’s check or certified check (which is to be retained uncashed by the District pending the Initial Purchaser’s compliance with the terms of the bid and this Notice of Sale and Bidding Instructions). The Good Faith Deposit may be provided to the District via wire transfer (the District will provide wire instructions to the winning bidder), or in the form of a certified or cashier’s check. The Good Faith Deposit will be retained by the District and (a) (i) if the Initial Purchaser utilizes a cashier’s check as its Good Faith Deposit, said cashier’s check will be returned to the Initial Purchaser after delivery of the Bonds, (ii) if the Initial Purchaser utilizes a wire transfer method for its Good Faith Deposit, said wire transfer will be applied to the purchase price at the delivery of the Bonds; or (b) will be retained by the District as liquidated damages if the Initial Purchaser defaults with respect to its purchase of the Bonds in accordance with its bid; or (c) will be returned to the Initial Purchaser if the Bonds are not issued by the District for any reason which does not constitute a default by the Initial Purchaser.

DELIVERY AND ACCOMPANYING DOCUMENTS

INITIAL DELIVERY OF INITIAL BONDS . . . Initial delivery (“Initial Delivery”) will be accomplished by the issuance of one initial bond payable in installments (collectively, the “Initial Bond”), either in typed or printed form, in the aggregate principal amount of \$7,375,000, registered in the name of the Initial Purchaser, manually signed by the President or Vice President and Secretary or Assistant Secretary of the Board, or executed by the facsimile signatures of the President or Vice President and Secretary or Assistant Secretary of the Board, and approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of Texas or his authorized deputy. Upon delivery of the Initial Bond, the Paying Agent/Registrar shall immediately cancel the Initial Bond and one definitive Bond for each maturity will be registered and delivered only to Cede & Co. in connection with DTC’s book-entry-only system. Initial Delivery will be at a corporate trust office of the Paying Agent/Registrar in Austin, Texas. Payment for the Bonds must be made in immediately available funds for unconditional credit to the District, or as otherwise directed by the District. The Initial Purchaser will be given six (6) business days’ notice of the time fixed for delivery of the Bonds. It is anticipated that Initial Delivery can be made on or about Tuesday, March 24, 2016, and subject to the aforementioned notice it is understood and agreed that the Initial Purchaser will accept delivery of and make payment for the Bonds by 10:00 A.M., CST, on Tuesday, March 24, 2016, or thereafter on the date the Bonds are tendered for delivery, up to and including April 7, 2016. If for any reason the District is unable to make delivery on or before April 7, 2016, then the District shall immediately contact the Initial Purchaser and offer to allow the Initial Purchaser to extend its offer for an additional thirty (30) days. If the Initial Purchaser does not elect to extend its offer within six (6) business days thereafter, then its Good Faith Deposit will be returned, and both the District and the Initial Purchaser shall be relieved of any further obligation.

CUSIP NUMBERS . . . It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale. The Financial Advisor will obtain CUSIP identification numbers from the CUSIP Service Bureau, New York, New York prior to the date of sale.

CUSIP identification numbers will be made available to the Initial Purchaser at the time the Bonds are awarded or as soon thereafter as practicable.

CONDITIONS TO DELIVERY . . . The obligation to take up and pay for the Bonds is subject to the following conditions: issuance of an approving opinion of the Attorney General of Texas, the Initial Purchaser's receipt of typewritten bonds, the legal opinion of Bond Counsel, and the No-Litigation Certificate, all of which are described herein, and the non-occurrence of the events described below under the caption "No Material Adverse Change." In addition, if the District fails to comply with its obligations described in the Preliminary Official Statement, the Initial Purchaser may terminate its contract to purchase the Bonds by delivering written notice to the District within five (5) days thereafter.

LEGAL OPINIONS . . . The District will furnish without cost 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 unqualified 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 Bonds are valid and binding obligations of the District, payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District, and, based upon an examination of such transcript of proceedings, the approving legal opinion of Andrews Kurth LLP, Austin, Texas, to the effect that the Bonds are valid and binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by governmental immunity, bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principal of equity and to the effect that the interest on the Bonds is excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS."

CERTIFICATION REGARDING OFFERING PRICE OF BONDS . . . In order to provide the District with information to enable it to comply with certain conditions of the Internal Revenue Code of 1986, as amended (the "Code"), relating to the exclusion of interest on the Bonds from gross income for federal income tax purposes, the Initial Purchaser will be required to complete, execute and deliver to the District (on or before the date of delivery of the Bonds) a certification regarding "issue price" substantially in the form accompanying this OFFICIAL NOTICE OF SALE. If the Initial Purchaser will not reoffer the Bonds for sale or has not sold a substantial amount of the Bonds of any maturity by the date of delivery, such certificate may be modified in a manner approved by the District. In no event will the District fail to deliver the Bonds as a result of the Initial Purchaser's inability to certify actual sales of Bonds at a particular price prior to delivery. Each bidder, by submitting its bid, agrees to complete, execute and deliver such a certificate by the date of delivery of the Bonds if its bid is accepted by the District. It will be the responsibility of the Initial Purchaser to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel.

TEXAS BOND REVIEW BOARD INFORMATION . . . In order to provide the District with information required to be submitted to the Texas Bond Review Board pursuant to Section 1202.008, Texas Government Code, as amended, the Initial Purchaser will be required to provide the District with a breakdown of its "underwriting spread" among the following categories: Takedown, Management Fee (if any), Legal Counsel Fee (if any) and Spread Expenses (if any).

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 best 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 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.

NO MATERIAL ADVERSE CHANGE . . . The obligations of the District to deliver the Bonds and of the Initial Purchaser to accept delivery of and pay for the Bonds are subject to the condition that to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the conditions of the District from those set forth in or contemplated by the Official Statement, as it may have been supplemented or amended through the date of sale.

QUALIFIED TAX-EXEMPT OBLIGATIONS . . . The District expects to designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Code and will represent that the total amount of tax-exempt obligations (including the Bonds) issued by it during the calendar year 2016 is not expected to exceed \$10,000,000. See "TAX MATTERS – Qualified Tax-Exempt Obligations for Financial Institutions."

GENERAL CONSIDERATIONS

RISK FACTORS . . . The Bonds involve certain risk factors. Prospective bidders are urged to examine carefully the entire Preliminary Official Statement, made a part hereof, with respect to the investment security of the Bonds. Particular attention should be given to the information set forth therein under the caption “RISK FACTORS.”

RESERVATION OF RIGHTS . . . The District reserves the right to reject any and all bids and to waive any and all irregularities except time of filing.

NOT AN OFFER TO SELL . . . This Official Notice of Sale does not alone constitute an offer to sell the Bonds but is merely notice of sale of the Bonds. The invitation for bids on the Bonds is being made by means of this Official Notice of Sale, the Preliminary Official Statement and the Official Bid Form.

FINAL OFFICIAL STATEMENT . . . The District has prepared and authorized distribution of the accompanying Preliminary Official Statement for dissemination to potential purchasers of the Bonds, but does not presently intend to prepare any other document or version for such purpose except as described below. The District will be responsible for completing the Official Statement by inserting the interest rates and the purchase price bid by the Initial Purchaser and the initial public offering yields as provided by the Initial Purchaser to the District, and for preparing and inserting the final debt service schedule. The District does not intend to amend or supplement the Official Statement otherwise, except to take into account certain subsequent events, if any, as described below in “– Changes to Official Statement”. Accordingly, the District deems the accompanying Preliminary Official Statement to be final as of its date, within the meaning of SEC Rule 15c2-12(b)(1), except for the omission of the foregoing items. By delivering the final Official Statement or any amendment or supplement thereto in the requested quantity to the purchaser on or after the sale date, the District represents the same to be complete as of such date, within the meaning of SEC Rule 15c2-12(e)(3). Notwithstanding the foregoing, the only representations concerning the absence of material misstatements or omissions from the Official Statement which are or will be made by the District are those described in the Preliminary Official Statement under “PREPARATION OF OFFICIAL STATEMENT – Certification of Official Statement.”

CHANGES TO OFFICIAL STATEMENT . . . If, subsequent to the date of the Official Statement to and including the date the Initial Purchaser is no longer required to provide an Official Statement to potential customers who request the same pursuant to 15c2-12 of the federal Securities Exchange Act of 1934 (the “Rule”) (the earlier of (i) 90 days from the “end of the underwriting period” (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days after the “end of the underwriting period”), the District learns or is notified by the Initial Purchaser of any adverse event which causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the Initial Purchaser a supplement to the Official Statement which corrects such representation to the reasonable satisfaction of the Initial Purchaser, unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds as described above. See “DELIVERY AND ACCOMPANYING DOCUMENTS – Conditions to Delivery.” The obligation of the District to update or change the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser (the “end of the underwriting period” within the meaning of the Rule), unless the Initial Purchaser provides written notice to the District that less than all of the Bonds have been sold to ultimate customers on or before such date, in which case the obligation to update or change the Official Statement will extend for an additional period of time of 25 days after all the Bonds have been sold to ultimate customers (but not more than 90 days after the date the District delivers the Bonds to the Initial Purchaser). In the event the Initial Purchaser provides written notice to the District that less than all of the Bonds have been sold to ultimate customers, the Initial Purchaser agrees to notify the District in writing following the occurrence of the “end of the underwriting period” as defined in the Rule.

DELIVERY OF OFFICIAL STATEMENTS . . . The District will furnish Official Statements to the Initial Purchaser (and to each participating member of the underwriting syndicate, if any, of the Bonds, within the meaning of the Rule, designated by the Initial Purchaser), within seven (7) business days after the sale date. The District will also furnish to the Initial Purchaser a like number of any supplement or amendment prepared by the District for dissemination to potential purchasers of the Bonds as described above as well as such additional copies of the Official Statement or any supplement or amendment as the Initial Purchaser may reasonably request as described above in “– Changes to Official Statement” above.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE . . . The offer and sale of the Bonds has not been registered or qualified under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder; and 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 jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions. By submission of its bid, the Initial Purchaser represents that the sale of the Bonds in states other than the State of Texas will be made pursuant to exemptions from registration or qualification, or where necessary, the Initial Purchaser will register the Bonds in accordance with the securities laws of the state in which the Bonds are offered or sold. The District agrees to cooperate with the Initial Purchaser, at the Initial Purchaser’s written request and expense, in registering or qualifying the Bonds or obtaining an exemption from registration or qualification (other than filing a consent to service of process in such state), in any state where such action is necessary.

CONTINUING DISCLOSURE . . . The District will agree in the Bond Order to provide certain periodic information and notices of certain specified events in accordance with the Rule, as described in the Preliminary Official Statement under “CONTINUING DISCLOSURE OF INFORMATION.” The Initial Purchaser’s obligation to accept and pay for the Bonds is conditioned upon delivery to the Initial Purchaser(s) or its (their) agent of a certified copy of the Bond Order containing the agreement described under such heading.

ADDITIONAL COPIES OF DOCUMENTS . . . Additional copies of this Official Notice of Sale, the Preliminary Official Statement and the Official Bid Form may be obtained from the Financial Advisor, Dan Wegmiller, Specialized Public Finance Inc., 248 Addie Roy Road, Suite B-103, Austin, Texas 78746.

/s/ Fred Marshall, President
Board of Directors
Travis County Water Control and Improvement District –
Point Venture

February 12, 2016

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OFFICIAL BID FORM

President and Board of Directors
 Travis County Water Control and Improvement District – Point Venture
 c/o Specialized Public Finance Inc.
 248 Addie Roy Road, Suite B-103
 Austin, Texas 78746

Board of Directors:

We have read in detail your Official Notice of Sale and accompanying Preliminary Official Statement dated February 12, 2016, relating the Travis County Water Control and Improvement District – Point Venture (the “District”) and its \$7,375,000 Unlimited Tax Bonds, Series 2016 (the “Bonds”), as made a part hereof. We realize that the Bonds involve certain risk factors, and we have made inspections and investigations as we deem necessary relating to the District and to the investment quality of the Bonds.

For your legally issued Bonds, in the aggregate principal amount of \$7,375,000, we will pay you a price of \$ _____, representing approximately _____% of the par value. Such Bonds mature August 15, in each of the years and in the amounts and interest rates shown below:

Maturity (August 15)	Principal Amount	Interest Rate	Maturity (August 15)	Principal Amount	Interest Rate
2017	\$ 30,000	%	2027	\$ 375,000	%
2018	265,000	%	2028	395,000	%
2019	275,000	%	2029	410,000	%
2020	285,000	%	2030	425,000	%
2021	295,000	%	2031	445,000	%
2022	310,000	%	2032	460,000	%
2023	320,000	%	2033	480,000	%
2024	335,000	%	2034	500,000	%
2025	350,000	%	2035	520,000	%
2026	360,000	%	2036	540,000	%

Of the principal maturities set forth in the table above, we have created term bonds as indicated in the following table (which may include multiple term bonds, one term bond or no term bond if none is indicated). For those years which have been combined into a term bond, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term bond maturity date shall mature in such year. The term bonds created are as follows:

Term Bonds Maturing August 15	Year of First Mandatory Redemption	Principal Amount	Interest Rate
_____	_____	\$ _____	% _____
_____	_____	\$ _____	% _____
_____	_____	\$ _____	% _____
_____	_____	\$ _____	% _____
_____	_____	\$ _____	% _____
_____	_____	\$ _____	% _____

Our calculation (which is not a part of this bid) of the interest cost from the above is:

TOTAL INTEREST COST FROM 3/24/2016	\$ _____
PLUS DOLLAR AMOUNT OF DISCOUNT	\$ _____
NET INTEREST COST	\$ _____
NET EFFECTIVE INTEREST RATE	_____ %

A wire transfer or a cashiers or certified check to the District in the amount of \$147,500 will be made available in accordance with the Notice of Sale made a part hereof. Should we fail or refuse to make payment for the Bonds in accordance with the terms and conditions set forth in the Notice of Sale, the proceeds of this deposit shall be retained by the District as complete liquidated damages against us. Please check the box below to designate your Good Faith Deposit option.

For purposes of contracting for the sale of the Bonds, the entity signing the bid form as Initial Purchaser shall be solely responsible for the payment of the purchase price of the Bonds. The Initial Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the District is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

Upon notification of conditional verbal acceptance, the undersigned will complete an electronic form of the Certificate of Interested Parties Form 1295 (the "Form 1295") through the Texas Ethics Commission's (the "TEC") electronic portal and the resulting certified Form 1295 that is generated by the TEC's electronic portal will be printed, signed, notarized and sent by email to the District's financial advisor at 248 Addie Roy Road, Suite B-103, Austin, Texas 78746. The undersigned understands that the failure to provide the certified Form 1295 will prohibit the District from providing final written award of the enclosed bid.

We are having the Bonds insured by _____ (the "Bond Insurer") at a premium of \$ _____, said premium to be paid by the Initial Purchaser. Any fees to be paid to the rating agency as a result of said insurance will be paid by the District. The undersigned acknowledges that the Bond Insurer will be required to complete a Form 1295 at the time of delivery of any bond insurance commitment or other agreement to be executed by the District.

The undersigned agrees to complete, execute, and deliver to the District, by the date of delivery of the Bonds, a certificate relating to the "issue price" of the Bonds in the form accompanying the Official Notice of Sale, with such changes thereto as may be acceptable to the District.

We understand the sale of the Bonds has not been registered under the United States Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder; the Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities acts of any other jurisdiction. We hereby represent the sale of the Bonds in jurisdictions other than Texas will be made only pursuant to exemptions from registration or qualification and that where necessary, we will register or qualify the Bonds in accordance with the securities laws and regulations of the jurisdiction in which the Bonds are offered or sold.

We further understand that the District assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement or other information concerning the District and the Bonds to anyone other than to us.

We agree to provide in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award.

Respectfully submitted,

Name of Initial Purchaser

Authorized Representative

Phone Number

Signature

Please check one of the options below regarding Good Faith Deposit:

- Submit by Wire Transfer
Submit by Bank Cashier's/Certified Check

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by Travis County Water Control and Improvement District this the 25th day of February, 2016.

ATTEST:

Secretary, Board of Directors
Travis County Water Control and Improvement District –
Point Venture

President, Board of Directors
Travis County Water Control and Improvement District –
Point Venture

ISSUE PRICE CERTIFICATE

The undersigned hereby certifies with respect to the sale by the Travis County Water Control and Improvement District – Point Venture (the “District”) of its Unlimited Tax Bonds, Series 2016 (the “Bonds”), issued in the aggregate principal amount of \$7,375,000, as follows:

1. The undersigned is the duly authorized representative of the purchaser (the “Initial Purchaser”) of the Bonds from the District.
2. All of the Bonds of each maturity have been offered to members of the public in a bona fide initial offering at the price set forth below which, on the date of such offering, was reasonably expected by the Initial Purchaser to be equal to the fair market value of such maturity. For purposes of this Certificate, the term “public” does not include any bondhouses, brokers, dealers, and similar persons or organizations acting in the capacity of underwriters or wholesalers (including the Initial Purchaser or members of the selling group or persons that are related to, or controlled by, or are acting on behalf of or as agents for the undersigned or members of the selling group).
3. At least ten (10) percent of each maturity of the Bonds for sale to the public at the price set forth below, except for the Bonds maturing in the years _____, _____, _____, _____, _____, _____, _____ and _____ (the “Excepted Maturities”),

Principal Amount Maturing	Year of Maturity	Offering Price (%/Yield)	Principal Amount Maturing	Year of Maturity	Offering Price (%/Yield)
\$ 30,000	2017	%	\$ 375,000	2027	%
265,000	2018	%	395,000	2028	%
275,000	2019	%	410,000	2029	%
285,000	2020	%	425,000	2030	%
295,000	2021	%	445,000	2031	%
310,000	2022	%	460,000	2032	%
320,000	2023	%	480,000	2033	%
335,000	2024	%	500,000	2034	%
350,000	2025	%	520,000	2035	%
360,000	2026	%	540,000	2036	%

4. On the date the District entered into a binding written obligation for all the Bonds, the Initial Purchaser reasonably expected to sell at least ten percent (10%) of each maturity of the Excepted Maturities to the public at the Offering Price set forth above.
5. Based on the foregoing, the aggregate of such issue prices for the Bonds is \$ _____ (the “Issue Price”).
6. Please choose the appropriate statement:
 The Initial Purchaser will not purchase bond insurance for the Bonds.
 The Initial Purchaser will purchase bond insurance from _____ (the “Insurer”) for a fee/premium of \$ _____ (the “Fee”). The Fee is a reasonable amount payable solely for the transfer of credit risk for the payment of debt service on the Bonds and does not include any amount payable for a cost other than such guarantee, e.g., a credit rating or legal fees. The Initial Purchaser represents that the present value of the fee for each obligation constituting the Bonds to which such Fee is properly allocated and which are insured thereby is less than the present value of the interest reasonably expected to be saved as a result of the insurance on each obligation constituting the Bonds. The Fee has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Bonds. In determining present value for this purpose, the yield of the Bonds (determined with regard to the payment of the guarantee fee) has been used as the discount rate. No portion of the Fee is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such Fee that has not been earned.
7. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Federal Tax Certificate prepared by the District in connection with the issuance of the Bonds and by Andrews Kurth LLP, Bond Counsel (i) in connection with rendering its opinion to the district that interest on the Bonds is excludable from gross income thereof for income tax purposes, and (ii) for purposes of completing the IRS Form 8038-G. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned’s interpretation of any laws or the application of any laws to these facts.

EXECUTED and DELIVERED this _____ day of _____, 2016.

Name of Initial Purchaser

By: _____

Title: _____

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

Complete Nos. 1 - 4 and 6 if there are interested parties.
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.

4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is NO Interested Party.

6 AFFIDAVIT I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

 Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this the _____ day of _____, 20_____, to certify which, witness my hand and seal of office.

 Signature of officer administering oath Printed name of officer administering oath Title of officer administering oath

ADD ADDITIONAL PAGES AS NECESSARY

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This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT

Dated February 12, 2016

IN THE OPINION OF BOND COUNSEL, INTEREST ON THE BONDS WILL BE EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES UNDER STATUTES, REGULATIONS, PUBLISHED RULINGS AND COURT DECISIONS EXISTING ON THE DATE THEREOF, SUBJECT TO THE MATTERS DESCRIBED UNDER "TAX MATTERS" HEREIN, AND WILL NOT BE INCLUDED IN THE ALTERNATIVE MINIMUM TAXABLE INCOME OF INDIVIDUALS. SEE "TAX MATTERS" HEREIN FOR A DISCUSSION OF BOND COUNSEL'S OPINION, INCLUDING THE ALTERNATIVE MINIMUM TAX CONSEQUENCES FOR CORPORATIONS.

THE DISTRICT EXPECTS TO DESIGNATE THE BONDS AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS. SEE "TAX MATTERS."

Rating:
Moody's: Applied For
Insurance: Applied For

NEW ISSUE – Book-Entry Only

\$7,375,000

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT – POINT VENTURE
(A Political Subdivision of the State of Texas Located in Travis County, Texas)
UNLIMITED TAX BONDS, SERIES 2016

Dated: February 15, 2016 Due: August 15, as shown on the inside cover page
Interest to accrue from the date of Initial Delivery (as defined below)

The bonds described above (the "Bonds") are obligations solely of Travis County Water Control and Improvement District – Point Venture (the "District") and are not obligations of the State of Texas ("State"), Travis County (the "County"), Lago Vista Independent School District or any entity other than the District.

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 against all taxable property within the District. THE BONDS ARE SUBJECT TO SPECIAL RISK FACTORS DESCRIBED HEREIN. See "RISK FACTORS."

PAYMENT TERMS . . . Principal of the Bonds is payable at maturity or earlier redemption at the principal payment office of the paying agent/registrar, initially BOKF, NA, Austin, Texas, (the "Paying Agent" or the "Paying Agent/Registrar") upon surrender of the Bonds for payment. Interest on the Bonds will accrue from the date of Initial Delivery and will be payable each February 15 and August 15, commencing February 15, 2017, until maturity or prior redemption. Interest on the Bonds will be payable on the basis of a 360-day year consisting of twelve 30-day months. The Bonds will be issued only in fully registered form in denominations of \$5,000 each or integral multiples thereof. The Bonds are subject to redemption prior to their maturity as provided on page 2.

The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent/Registrar directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS – Book-Entry-Only System."

PURPOSE . . . The proceeds of the Bonds will be used to finance the District's share of the following projects: (i) construction costs associated with a water treatment plant expansion, (ii) construction costs associated with an effluent storage tank, and (iii) water system improvements to serve the District. The remaining Bond proceeds will be used to pay certain engineering costs and costs associated with the issuance of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

CUSIP PREFIX: 894393
MATURITY SCHEDULE
SEE INSIDE COVER PAGE

LEGALITY . . . The Bonds are offered by the Initial Purchaser subject to prior sale, when, as and if issued by the District and accepted by the Initial Purchaser, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Andrews Kurth, Austin, Texas, Bond Counsel. Andrews Kurth LLP, Austin, Texas, has also been engaged to serve as disclosure counsel for the offering. See "LEGAL MATTERS."

DELIVERY . . . Delivery of the Bonds is expected through the facilities of DTC on March 24, 2016 ("Initial Delivery").

BIDS DUE ON THURSDAY, FEBRUARY 25, 2016, BY 9:30 AM, CST

MATURITY SCHEDULE

8/15 Maturity	Principal Amount	Interest Rate	Initial Yield ^(a)	CUSIP Numbers ^(b)
2017	\$ 30,000			
2018	265,000			
2019	275,000			
2020	285,000			
2021	295,000			
2022	310,000			
2023	320,000			
2024	335,000			
2025	350,000			
2026	360,000			
2027	375,000			
2028	395,000			
2029	410,000			
2030	425,000			
2031	445,000			
2032	460,000			
2033	480,000			
2034	500,000			
2035	520,000			
2036	540,000			

(Interest to accrue from the date of Initial Delivery)

- (a) Initial yield represents the initial offering yield to the public, which has been established by the Initial Purchaser for offers to the public and which subsequently may be changed.
- (b) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the Initial Purchaser, the District, nor the Financial Advisor is responsible for the selection or correctness of the CUSIP numbers set forth herein.

REDEMPTION PROVISIONS . . . The District reserves the right to redeem, prior to maturity, in integral multiples of \$5,000, those Bonds maturing on and after August 15, 2024 in whole or from time to time in part, on August 15, 2023, or on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, the Bonds may be subject to mandatory sinking fund redemption in the event the Initial Purchaser elects to aggregate two or more maturities as term Bonds. See “THE BONDS – Redemption.”

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For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, this document constitutes a Preliminary Official Statement of the District with respect to the Bonds that has been "deemed final" by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

The Official Statement, when further supplemented by adding information specifying the interest rates and certain other information relating to the Bonds, shall constitute a "FINAL OFFICIAL STATEMENT" of the District with respect to the Bonds, as that term is defined in the Rule.

This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the District 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. This Official Statement does not constitute an offer to sell Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction.

The information set forth herein has been obtained from the District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein 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.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND, CONSEQUENTLY, HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE BONDS HAVE BEEN REGISTERED, OR EXEMPTED, SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

NEITHER THE DISTRICT NOR THE FINANCIAL ADVISOR MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY-ONLY SYSTEM.

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The cover and inside cover page hereof, this page, the appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

SALE AND DISTRIBUTION OF THE BONDS

AWARD OF THE BONDS . . . After requesting competitive bids for the Bonds, the District accepted the bid resulting in the lowest net effective interest rate, which bid was tendered by _____ (the "Initial Purchaser") bearing the interest rates shown on the inside cover page hereof, at a price of approximately _____% of the par value thereof which resulted in a net effective interest rate of _____% as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended (the "IBA" method).

PRICES AND MARKETABILITY . . . 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 underwriter or wholesaler. Otherwise, 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 offering 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.

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

SECURITIES LAWS . . . No registration statement relating to the offer and sale of the Bonds has been filed with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein and the Bonds have not been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdiction.

MUNICIPAL BOND RATINGS AND INSURANCE

An application for a rating on the Bonds has been made to Moody's Investors Service, Inc. ("Moody's"). The District does not currently have an underlying rating. Applications for municipal bond insurance have been made to various insurance companies. In the event the Bonds are qualified for municipal bond insurance, and the Initial Purchaser desires to purchase such insurance, the cost therefor will be paid by the Initial Purchaser.

[The remainder of this page intentionally left blank]

OFFICIAL STATEMENT SUMMARY

The following material is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE DISTRICT

- THE ISSUER**..... Travis County Water Control and Improvement District – Point Venture (the “District”), a political subdivision of the State of Texas, was created by order of the Texas Commission on Environmental Quality (the “TCEQ” or the “Commission”), effective October 14, 1970 and confirmed pursuant to an election held within the District on September 21, 1970. The District was created for the purpose of providing, operating, and maintaining facilities to control storm water, distribute potable water, collect and treat wastewater and operates pursuant to Chapters 49 and 51 of the Texas Water Code, as amended, and Article XVI, Section 59 of the Texas Constitution, as amended. See “THE DISTRICT – General.”
- LOCATION**..... The District is located in Travis County at the southwestern end of Lohmans Ford Road, approximately 6 miles south of the intersection of FM 1431 and Lohmans Ford Road. The District is located entirely within Travis County, Lago Vista Independent School District and is adjacent to the north shore of Lake Travis.
- The District is currently comprised of approximately 1,002 acres being developed as Travis County, a single-family residential community. See “THE DISTRICT – Location” and “LOCATION MAP.”
- DEVELOPMENT WITHIN THE DISTRICT**..... Of the approximately 1,002 acres within the District, all acres have been developed. As of September 30, 2015, 700 single-family lots have been developed with utility facilities and 390 lots under development. See “THE DISTRICT – Current Status of Development.”

THE BONDS

- DESCRIPTION**..... The Bonds in the aggregate principal amount of \$7,375,000 mature serially in varying amounts on August 15 of each year from 2017 through 2036, inclusive, in the principal amounts set forth on the inside cover page hereof. Interest accrues from the date of Initial Delivery and is payable February 15, 2017 and each February 15 and August 15 thereafter until maturity or earlier redemption. The Bonds are offered in fully registered form in integral multiples of \$5,000 for any one maturity. See “THE BONDS – General Description.”
- REDEMPTION**..... The District reserves the right to redeem, prior to maturity, in integral multiples of \$5,000, those Bonds maturing on and after August 15, 2024 in whole or from time to time in part, on August 15, 2023, or on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, the Bonds may be subject to mandatory sinking fund redemption in the event the Initial Purchaser elects to aggregate two or more maturities as term Bonds. See “THE BONDS – Redemption.”
- SOURCE OF PAYMENT**..... Principal of and interest on the Bonds are payable from the proceeds of a continuing direct annual ad valorem tax levied upon all taxable property within the District, which under Texas law is not legally limited as to rate or amount. See “TAXING PROCEDURES.” **The Bonds are obligations solely of the District and are not obligations of the Lago Vista Independent School District; Travis County, Texas; the State of Texas; or any entity other than the District.** See “THE BONDS – Source of and Security for Payment.”
- PAYMENT RECORD**..... The Bonds constitute the first installment of bonds issued by the District for construction of the water treatment plant, expansion to an effluent storage tank and water system improvements. See “FINANCIAL STATEMENT –Unlimited Tax Bonds Authorized but Unissued.”

AUTHORITY FOR ISSUANCE	The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas including Chapters 49 and 51 of the Texas Water Code, as amended, a bond election held within the District on May 9, 2015, the approving order of the TCEQ and an order (the "Bond Order") adopted by the Board of Directors of the District on the date of the sale of the Bonds. See "THE BONDS – Authority for Issuance."
USE OF PROCEEDS	The proceeds of the Bonds will be used to finance the District's share of the following projects: (i) construction costs associated with a water treatment plant expansion, (ii) construction costs associated with an effluent storage tank, and (iii) water system improvements to serve the District. The remaining Bond proceeds will be used to pay certain engineering costs and costs associated with the issuance of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."
BONDS AUTHORIZED BUT UNISSUED	At an election held within the District on May 9, 2015, the voters within the District approved the issuance of \$7,375,000 in bonds for water, wastewater and drainage facilities. After the sale of the Bonds, no Bonds will remain authorized but unissued. See "FINANCIAL STATEMENT – Outstanding Bonds" and "THE BONDS – Future Debt."
MUNICIPAL BOND RATING	An application for a rating on the Bonds has been made to Moody's Investors Service, Inc. ("Moody's"). The District does not currently have an underlying rating.
MUNICIPAL BOND INSURANCE	In the event the Bonds are qualified for municipal bond insurance, and the Initial Purchaser desires to purchase such insurance, the cost therefor will be paid by the Initial Purchaser. Any fees to be paid to a rating agency as a result of said insurance will be paid by the District. It will be the responsibility of the Initial Purchaser to disclose the existence of insurance, its terms and the effect thereof with respect to the reoffering of the Bonds.
QUALIFIED TAX-EXEMPT OBLIGATIONS	The District expects to designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended, and have represented that the total amount of tax-exempt obligations (including the Bonds) issued by it during calendar year 2016 is not reasonably expected to exceed \$10,000,000. See "TAX MATTERS – Qualified Tax-Exempt Obligations for Financial Institutions."
BOND COUNSEL	Andrews Kurth, LLP, Austin, Texas
GENERAL COUNSEL	Willatt & Flickinger, Austin, Texas
DISCLOSURE COUNSEL	Andrews Kurth LLP, Austin, Texas
FINANCIAL ADVISOR	Specialized Public Finance Inc., Austin, Texas
ENGINEER	River City Engineering, Ltd., Austin, Texas

RISK FACTORS

The purchase and ownership of the Bonds involve certain risk factors and all prospective purchasers are urged to examine carefully the Official Statement, including particularly the section captioned "RISK FACTORS," with respect to investment in the Bonds.

SELECTED FINANCIAL INFORMATION
(Unaudited as of September 15, 2015)

2014 Certified Taxable Assessed Valuation	\$ 147,236,522	(a)
2015 Certified Taxable Assessed Valuation	\$ 161,841,832	(a)
Gross Direct Debt Outstanding	\$ 8,055,000	(b)
Estimated Overlapping Debt.....	<u>7,093,273</u>	(c)
Gross Direct Debt Outstanding and Estimated Overlapping Debt	\$ 15,148,273	
Ratios of Gross Direct Debt Outstanding to:		
2015 Certified Taxable Assessed Valuation	4.98%	
Ratios of Gross Direct Debt Outstanding and Estimated Overlapping Debt to:		
2015 Certified Taxable Assessed Valuation	9.36%	
2015 Tax Rate:		
Debt Service.....	\$ 0.3795	
Maintenance & Operation.....	<u>0.2458</u>	
Total.....	\$ 0.6253	(d)
General Operating Fund Balance as of January 31, 2016 (unaudited)	\$ 868,483	
Debt Service Fund as of January 31, 2016 (unaudited).....	\$ 483,048	
Projected Average Annual Debt Service Requirement (2016-2036).....	\$ 566,343	(b)(f)
Projected Maximum Annual Debt Service Requirement (2018).....	\$ 815,859	(b)(f)
Tax Rates Required to Pay Projected Average Annual Debt Service (2016-2036) at a 95% Collection Rate Based upon 2015 Certified Taxable Assessed Valuation.....	\$ 0.3684	
Tax Rates Required to Pay Projected Maximum Annual Debt Service (2018) at a 95% Collection Rate Based upon 2015 Certified Taxable Assessed Valuation.....	\$ 0.5307	
Number of Active Connections as of September 30, 2015:		
Total Developed Single Family Lots	700	
Projected Single Family Lot Development	390	
Estimated Population as of September 30, 2015.....	2,450	(e)

- (a) Assessed valuation of the District as certified by the Travis Central Appraisal District ("TCAD"). See "TAXING PROCEDURES."
- (b) Includes the Bonds. See "DEBT SERVICE REQUIREMENTS."
- (c) See "DEBT SERVICE REQUIREMENTS – Estimated Overlapping Debt."
- (d) The District levied a 2015 total tax rate of \$0.6253. See "Table 9 – District Tax Rates."
- (e) Based upon 3.5 residents per completed and occupied single family home.

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**OFFICIAL STATEMENT
Relating to**

\$7,375,000

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT – POINT VENTURE
(A Political Subdivision of the State of Texas Located in Travis County, Texas)
UNLIMITED TAX BONDS, SERIES 2016**

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by the Travis County Water Control and Improvement District – Point Venture (the “District”), a political subdivision of the State of Texas (the “State”), of its \$7,375,000 Unlimited Tax Bonds, Series 2016 (the “Bonds”).

The Bonds are issued pursuant to an order (the “Bond Order”) adopted by the Board of Directors of the District on the date of the sale of the Bonds, pursuant to Article XVI, Section 59 of the Constitution and general laws of the State, including Chapters 49 and 51 of the Texas Water Code, as amended, a bond election held within the District on May 9, 2015, and the approving order of the Texas Commission on Environmental Quality (the “TCEQ” or the “Commission”).

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meaning assigned to such terms in the Bond Order.

Included in this Official Statement are descriptions of the Bonds and certain information about the District and its finances. ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT. Copies of such documents may be obtained from the District c/o Willatt & Flickinger, 2001 North Lamar Boulevard, Austin, Texas, 78705 or from the District’s Financial Advisor, Specialized Public Finance Inc., 248 Addie Roy Road, Suite B-103, Austin, Texas, 78746, upon payment of reasonable copying, mailing and handling charges.

THE BONDS

GENERAL DESCRIPTION . . . The Bonds are dated February 15, 2016 and will mature on August 15 of the years and in the principal amounts, and will bear interest at the rates per annum, set forth on the inside cover page hereof. Interest on the Bonds will accrue from the date of Initial Delivery, will be paid on February 15, 2017 and each February 15 and August 15 thereafter until maturity or earlier redemption and will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds will be issued in fully registered form only, without coupons, in denominations of \$5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York, acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the paying agent to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The initial paying agent for the Bonds is BOKF, NA, Austin, Texas (the “Paying Agent” or “Paying Agent/Registrar”).

REDEMPTION . . . The District reserves the right, at its option, to redeem the Bonds maturing on and after August 15, 2024, prior to their scheduled maturities, in whole or in part, in integral multiples of \$5,000 on August 15, 2023, or any date thereafter, at a price of par value plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed will be selected by the District. If less than all the Bonds of a certain maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent/Registrar by lot or other random method (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

Notice of Redemption . . . At least 30 calendar days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent by United States mail, first-class postage prepaid, at least 30 calendar days prior to the date fixed for redemption, to the registered owner of each Bond to be redeemed at its address as it appeared on the 45th calendar day prior to such redemption date and to major securities depositories and bond information services.

The Bonds of a denomination larger than \$5,000 may be redeemed in part (\$5,000 or any multiple thereof). Any Bond to be partially redeemed must be surrendered in exchange for one or more new Bonds of the same maturity for the unredeemed portion of the principal of the Bonds so surrendered. In the event of redemption of less than all of the Bonds, the particular Bonds to be redeemed shall be selected by the District, if less than all of the Bonds of a particular maturity are to be redeemed, the Paying Agent is required to select the Bonds of such maturity to be redeemed by lot.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Bond Order have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed will

have been received by the Paying Agent prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the District will not redeem such Bonds, and the Paying Agent will give notice in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

DTC REDEMPTION PROVISION . . . The Paying Agent/Registrar and the District, so long as a book-entry-only system ("Book-Entry-Only-System") is used for the Bonds, will send any notice of redemption, notice of proposed amendment to the Bond Order or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC Participant, as herein defined, or of any Direct Participant or Indirect Participant, as herein defined, to notify the beneficial owner, shall not affect the validity of the redemption of Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the District will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Bonds held for the account of DTC Participants in accordance with its rules or other agreements with DTC Participants and then Direct Participants and Indirect Participants may implement a redemption of such Bonds and such redemption will not be conducted by the District or the Paying Agent/Registrar. Neither the District nor the Paying Agent/Registrar will have any responsibility to the DTC Participants.

Indirect Participants or the persons for whom DTC Participants act as nominees with respect to the payments on the Bonds or the providing of notice to Direct Participants, Indirect Participants, or beneficial owners of the selection of portions of the Bonds for redemption.

TERMINATION OF BOOK-ENTRY-ONLY SYSTEM . . . The District is initially utilizing the Book-Entry-Only System of DTC. See "BOOK-ENTRY-ONLY SYSTEM." In the event that the Book-Entry-Only System is discontinued by DTC or the District, the following provisions will be applicable to the Bonds.

Payment . . . Principal of the Bonds will be payable at maturity to the registered owners as shown by the registration books maintained by the Paying Agent upon presentation and surrender of the Bonds to the Paying Agent at the designated office for payment of the Paying Agent in Austin, Texas (the "Designated Payment/Transfer Office"). Interest on the Bonds will be payable by check or draft, dated as of the applicable interest payment date, sent by the Paying Agent by United States mail, first-class, postage prepaid, to the registered owners at their respective addresses shown on such records, or by such other method acceptable to the Paying Agent requested by registered owner at the risk and expense of the registered owner. If the date for the payment of the principal or of interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

Registration . . . If the Book-Entry-Only System is discontinued, the Bonds may be transferred and re-registered on the registration books of the Paying Agent only upon presentation and surrender thereof to the Paying Agent at the Designated Payment/Transfer Office. A Bond also may be exchanged for a Bond or Bonds of like maturity and interest and having a like aggregate principal amount or maturity amount, as the case may, upon presentation and surrender at the Designated Payment/Transfer Office. All Bonds surrendered for transfer or exchange must be endorsed for assignment by the execution by the registered owner or his duly authorized agent of an assignment form on the Bonds or other instruction of transfer acceptable to the Paying Agent. Transfer and exchange of Bonds will be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such transfer or exchange. A new Bond or Bonds, in lieu of the Bond being transferred or exchanged, will be delivered by the Paying Agent to the registered owner, at the Designated Payment/Transfer Office of the Paying Agent or by United States mail, first-class, postage prepaid. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner not more than three (3) business days after the receipt of the Bonds to be canceled in the exchange or transfer in the denominations of \$5,000 or any integral multiple thereof.

Limitation on Transfer of Bonds . . . Neither the District nor the Paying Agent shall be required to make any transfer, conversion or exchange to an assignee of the registered owner of the Bonds (i) during the period commencing on the close of business on the fifteenth (15th) calendar day of the month (whether or not a business day) preceding each interest payment date (the "Record Date") and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond.

Replacement Bonds . . . If a Bond is mutilated, the Paying Agent will provide a replacement Bond in exchange for the mutilated bond. If a Bond is destroyed, lost or stolen, the Paying Agent will provide a replacement Bond upon (i) the filing by the registered owner with the Paying Agent of evidence satisfactory to the Paying Agent of the destruction, loss or theft of the Bond and the authenticity of the registered owner's ownership and (ii) the furnishing to the Paying Agent of indemnification in an amount satisfactory to hold the District and the Paying Agent harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond must be borne by the registered owner. The provisions of the Bond Order relating to the replacement Bonds are exclusive and to the extent lawful, preclude all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

AUTHORITY FOR ISSUANCE . . . At an election held within the District on May 9, 2015, voters within the District authorized a total of \$7,375,000 in Unlimited Tax Bonds for construction of a water treatment plant, expansion and improvements to an effluent storage tank, and water system improvements to serve single-family and common area development. The Bonds constitute the first and final installment of bonds issued by the District. After the sale of the Bonds, no bonds will remain authorized but unissued. The Bonds are issued pursuant to the terms and provisions of the Bond Order; Chapters 49 and 51 of the Texas Water Code, as amended, and Article XVI, Section 59 of the Texas Constitution. The issuance of the Bonds has been approved by an order of the TCEQ dated December 7, 2015.

SOURCE OF AND SECURITY FOR PAYMENT . . . The Bonds will be payable from and secured by a pledge of the proceeds of a continuing, direct, annual ad valorem tax without legal limitation as to rate or amount levied against all taxable property located within the District. The Board covenants in the Bond Order that, while any of the Bonds are outstanding and the District is in existence, it will levy an annual ad valorem tax and will undertake to collect such a tax against all taxable property within the District at a rate from year to year sufficient, full allowance being made for anticipated delinquencies, together with revenues and receipts from other sources which are legally available for such purposes, to pay interest on the Bonds as it becomes due, to provide a sinking fund for the payment of principal of the Bonds when due or the redemption price at any earlier required redemption date, to pay when due any other contractual obligations of the District payable in whole or in part from taxes, and to pay the expenses of assessing and collecting such tax. The net proceeds from taxes levied to pay debt service on the Bonds are required to be placed in a special account of the District designated its "Debt Service Fund" for the Bonds.

The Bonds are obligations solely of the District and are not obligations of the Lago Vista ISD; Travis County, Texas; the State of Texas; or any political subdivision or entity other than the District.

PAYMENT RECORD . . . The District has never defaulted in payment of its ad valorem tax debt.

FLOW OF FUNDS . . . The Bond Order creates the establishment and maintenance by the District of a Debt Service Fund and a Capital Projects Fund.

Each fund shall be kept separate and apart from all other funds of the District. The Debt Service Fund shall constitute a trust fund which shall be held in trust for the benefit of the registered owner of the Bonds.

Any cash balance in any fund must be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of water control and improvement districts having an aggregate market value, exclusive of accrued interest, at all times equal to the cash balance in the fund to which such securities are pledged.

Debt Service Fund . . . The Bond Order establishes the Debt Service Fund to be used to pay principal and interest on and Paying Agent fees in respect to the Bonds. The Bond Order requires that the District deposit to the credit of the Debt Service Fund (i) from the delivery of the Bonds to the Initial Purchaser, the amount received from proceeds of the Bonds representing accrued interest, if any, (ii) District ad valorem taxes (and penalties and interest thereon) levied to pay debt service requirements on (or fees and expenses of the Paying Agent with respect of) the Bonds, and (iii) such other funds as the Board shall, at its option, deem advisable. The Bond Order requires that the Debt Service Fund be applied solely to provide for the payment of the principal or redemption price of and interest on the Bonds when due, and to pay fees to Paying Agent when due.

Capital Projects Fund . . . The Capital Projects Fund is the capital improvements fund of the District. The Bond Order requires the District to deposit to the credit of the Capital Projects Fund the balance of the proceeds of the Bonds remaining after the deposits to the Debt Service Fund provided in the Bond Order. The Capital Projects Fund may be applied solely to (i) pay the costs necessary or appropriate to accomplish the purposes for which the Bonds are issued, (ii) pay the costs of issuing the Bonds and (iii) to the extent the proceeds of the Bonds and investment income attributable thereto are in excess of the amounts required to acquire and construct water, wastewater and drainage facilities as approved by TCEQ, then in the discretion of the District to transfer such unexpended proceeds or income to the Debt Service Fund or as otherwise authorized by the TCEQ.

DEFEASANCE OF OUTSTANDING BONDS . . . General . . . The Bond Order provides for the defeasance of the Bonds and the termination of the pledge of taxes and all other general defeasance covenants in the Bond Order under certain circumstances. Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding within the meaning of the Bond Order (a "Defeased Bond"), except to the extent provided below for the Paying Agent to continue payments, when the payment of all principal and interest payable with respect to such Bond to the due date or dates thereof (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities (defined below) that mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment, or (3) any combination of (1) and (2) above, and when proper arrangements have been made by the District with the Paying Agent or an eligible trust company or commercial bank for the payment of its services until after all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits

of, the ad valorem taxes levied and pledged, as provided in the Bond Order and such principal and interest shall be payable solely from such money or Defeasance Securities, and shall not be regarded as outstanding under the Bond Order.

Any money so deposited with or made available to the Paying Agent or an eligible trust company or commercial bank also may be invested at the written direction of the District in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent or an eligible trust company or commercial bank that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be remitted to the District or deposited as directed in writing by the District.

Until all Defeased Bonds shall have become due and payable, the Paying Agent shall perform the services of Registrar for such Defeased Bonds the same as if they had not been defeased, and the District shall make proper arrangements to provide and pay for such services as required by the Bond Order.

For purposes of these provisions, "Defeasance Securities" means (i) direct non-callable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) non-callable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) non-callable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bonds.

Any such obligations must be certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to provide all debt service payments on the Bonds.

Retention of Rights . . . To the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the District retains the right under Texas law to later call the Defeased Bond for redemption in accordance with the provisions of the order authorizing its issuance, the District may call such Defeased Bond for redemption upon complying with the provisions of Texas law and upon satisfaction of the provisions set forth above regarding such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

Investments . . . Any escrow agreement or other instrument entered into between the District and the Paying Agent or an eligible trust company or commercial bank pursuant to which money and/or Defeasance Securities are held by the Paying Agent or an eligible trust company or commercial bank for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of certain requirements. All income from such Defeasance Securities received by the Paying Agent or an eligible trust company or commercial bank which is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, will be remitted to the District or deposited as directed in writing by the District.

PAYING AGENT/REGISTRAR . . . Principal of and semiannual interest on the Bonds will be paid by BOKF, NA having an office for payment in Austin, Texas, the Paying Agent. The Paying Agent must be either a bank, trust company, financial institution or other entity duly qualified and equally authorized to serve and perform the duties as paying agent and registrar for the Bonds.

Provision is made in the Bond Order for the District to replace the Paying Agent by a resolution of the District giving notice to the Paying Agent of the termination of the appointment, stating the effective date of the termination and appointing a successor Paying Agent. If the Paying Agent is replaced by the District, the new Paying Agent shall be required to accept the previous Paying Agent's records and act in the same capacity as the previous Paying Agent. Any successor paying agent/registrar selected by the District shall be subject to the same qualification requirements as the Paying Agent. The successor paying agent/registrar, if any, shall be determined by the Board of Directors and written notice thereof, specifying the name and address of such successor paying agent/registrar will be sent by the District or the successor paying agent/registrar to each registered owner by first-class mail, postage prepaid.

RECORD DATE . . . The Record Date for payment of the interest on Bonds on any regularly scheduled interest payment date is defined as the last calendar day of the month (whether or not a business day) preceding such interest payment date.

ISSUANCE OF ADDITIONAL DEBT . . . At an election held in the District on May 9, 2015, the voters within the District approved the issuance of \$7,375,000 in bonds for water treatment plant expansion, effluent storage tank improvements and water system improvements. See "FINANCIAL STATEMENT – Authorized But Unissued Bonds." Neither Texas law nor the Bond Order imposes a limitation on the amount of additional bonds which may be issued by the District. Any additional bonds issued by the District may dilute the security of the Bonds. See "RISK FACTORS." The District does not employ any formula with respect to assessed valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. The issuance of additional

bonds is subject to approval of the TCEQ pursuant to its rules regarding issuance and feasibility of bonds. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District.

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS . . . Pursuant to Section 49.186 of the Texas Water Code, bonds, notes or other obligations issued by a water control and improvement 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.” Additionally, Section 49.186 of the Texas Water Code provides that bonds, notes or other obligations issued by a water control and improvement district are eligible and lawful security for all deposits of public funds of the State and all agencies, subdivisions and instrumentalities of the State. For political subdivisions in Texas which have adopted investment policies and guidelines in accordance with the Public Funds Investment Act (Texas Government Code, Chapter 2256), the Bonds may have to be assigned a rating of not less than “A” or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds.

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

SPECIFIC TAX COVENANTS . . . In the Bond Order the District has covenanted with respect to, among other matters, the use of the proceeds of the Bonds and the manner in which the proceeds of the Bonds are to be invested. The District may omit to comply with any such covenant if it has received a written opinion of a nationally recognized bond counsel to the effect that regulations or rulings hereafter promulgated modify or expand provisions of the Internal Revenue Code of 1986, as amended (the “Code”), so that such covenant is ineffective or inapplicable or non-compliance with such covenant will not adversely affect the exemption from federal income taxation of interest on the Bonds under Section 103 of the Code.

ADDITIONAL COVENANTS . . . The District has additionally covenanted in the Bond Order that it will keep accurate records and accounts and employ an independent certified public accountant to audit and report on its financial affairs at the close of each fiscal year, such audits to be in accordance with applicable law, rules and regulations and open to inspection in the office of the District.

REMEDIES IN EVENT OF DEFAULT . . . The Bond Order establishes specific events of default with respect to the Bonds. If the District defaults in the payment of the principal or interest on the Bonds when due, or the District defaults in the observance or performance of any of the covenants, conditions, or obligations of the District, the failure to perform which materially, adversely affects the rights of the owners, including but not limited to, their prospect or ability to be repaid in accordance with the Bond Order, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the District, the Bond Order and Chapter 51 of the Texas Water Code provides that any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the District to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Bonds or the Bond Order and the District’s obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, subject to the discretion of the court, but may not be arbitrarily refused. 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. The Bond Order does not provide for the appointment of a trustee to represent the interest of the Bondholders upon any failure of the District to perform in accordance with the terms of the Bond Order, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 49 Tex. Sup. CT. J. 819 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in “clear and unambiguous” language. Because it is unclear whether the Texas legislature has effectively waived the District’s sovereign immunity from a suit for money damages, Bondholders may not be able to bring such a suit against the District for breach of the Bonds or Bond Order covenants. Even if a judgment against the District could be obtained, it could not be enforced by direct levy and execution against the District’s property. Further, the registered owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. Furthermore, the District is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code (“Chapter 9”). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

CONSOLIDATION . . . A district (such as the District) has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its water system with the water system(s) of the district(s) with which it is consolidating. The revenues of the consolidated system may be pledged equally to all first lien bonds of the consolidating districts. No representation is made that the District will consolidate its water system with any other district.

ALTERATION OF BOUNDARIES . . . In certain circumstances, under Texas law the District may alter its boundaries to: i) upon satisfying certain conditions, annex additional territory; and ii) exclude land subject to taxation within the District that does not need to utilize the service of District facilities if certain conditions are satisfied including the District simultaneously annexes land of at least equal value that may be practicably served by District facilities. Such land substitution is subject to the approval of the TCEQ. No representation is made concerning the likelihood that the District would effect any change in its boundaries.

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 does not pass upon or guarantee the quality of the Bonds as an investment, nor does he pass upon the adequacy or accuracy of the information contained in this Official Statement.

AMENDMENTS TO THE BOND ORDER . . . The District may, without the consent of or notice to any registered owners, amend the Bond Order in any manner not detrimental to the interest of the registered owners, including the curing of an ambiguity, inconsistency, or formal defect or omission therein. In addition, the District may, with the written consent of the owners of a majority in principal amount of the Bonds then outstanding affected thereby, amend, add to, or rescind any of the provisions of the Bond Order, except that, without the consent of the owners of all of the Bonds affected, no such amendment, addition, or rescission may (i) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof or the rate of interest therein, change the place or places at, or the coin or currency in which, any Bond or the interest thereon is payable, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition, or rescission. In addition, a state, consistent with federal law, may within the exercise of its police powers make such modifications in the terms and conditions of contractual covenants relating to the payment of indebtedness of its political subdivisions as are reasonable and necessary for attainment of an important public purpose.

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BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by the 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 (i) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (ii) 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 (iii) 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 in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of 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 purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District

as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, 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-Only 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

The proceeds of the Bonds will be used to finance the District's share of the following projects: (i) construction costs associated with a water treatment plant, (ii) expansion and improvements to an effluent storage tank, and (iii) water system improvements to serve single-family and common area development. The remaining Bond proceeds will be used to pay certain engineering costs and costs associated with the issuance of the Bonds.

The estimated use and distribution of Bond proceeds is set forth below. Of the proceeds to be received from the sale of the Bonds, \$6,710,000 is estimated to be required for construction costs, and \$665,000 is estimated to be required for non-construction costs.

SUMMARY OF COSTS

I. <u>CONSTRUCTION COSTS</u>	<u>District's Share</u>
A. Developer Contribution Items – None	
B. District Items	
1. Water Treatment Plant Expansion to 1.0 MGD.....	\$ 1,863,700
2. Additional 2 MG Effluent Storage Tank.....	1,785,300
3. Water System Improvements.....	1,321,500
4. Contingencies (20% of Items 1-3).....	994,000
5. Engineering (15% of Items 1-3).....	745,500
Total District Costs.....	<u>\$ 6,710,000</u>
Total Construction Costs (91% of BIR).....	\$ 6,710,000
II. <u>NON-CONSTRUCTION COSTS</u>	
A. Legal Fees (2.00%).....	\$ 147,500
B. Fiscal Agent Fees (2.00%).....	147,500
C. Bond Discount (3.00%).....	221,250
D. Bond Issuance Expenses.....	36,875
E. Bond Application Report.....	82,625
F. Attorney General Fee (0.10%).....	7,375
G. TCEQ Fee (0.25%).....	18,438
H. Contingency.....	<u>3,437</u>
Total Non-Construction Costs.....	\$ 665,000
TOTAL BOND ISSUE REQUIREMENT.....	\$ 7,375,000

RISK FACTORS

GENERAL . . . The Bonds, which are obligations of the District and are not obligations of the State of Texas; Travis County, Texas; the Lago Vista Independent School District, or any other political subdivision, will be secured by a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied on all taxable property located within the District. See “THE BONDS – Source of and Security for Payment.” The ultimate security for payment of principal of and interest on the Bonds depends on the ability of the District to collect from the property owners within the District all taxes levied against the property, or in the event of foreclosure, on the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The collection by the District of delinquent taxes owed to it and the enforcement by registered owners of the District’s obligation to collect sufficient taxes may be a costly and lengthy process. Furthermore, the District cannot and does not make any representations that continued development of property within the District will accumulate or maintain taxable values sufficient to justify continued payment by property owners or that there will be a market for the property. See “Registered Owners’ Remedies” below.

FACTORS AFFECTING TAXABLE VALUES AND TAX PAYMENTS . . . *Economic Factors, Interest Rates, Credit Availability and Residential Foreclosures:* A substantial percentage of the taxable value of the District results from the current market value of single-family residences and developed lots. The market value of such homes and lots is related to general economic conditions affecting the demand for and taxable value of residences. Demand for lots and residential dwellings can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability and the economic prosperity and demographic characteristics of the urban centers toward which the marketing of lots is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact existing values.

Interest rates and the availability of credit, including mortgage and development funding, have a direct impact on the construction activity. Interest rate levels and the general availability of credit may affect the ability of a landowner with undeveloped property to undertake and complete development activities within the District and the ability of potential homeowners to purchase homes. Because of the numerous and changing factors affecting the availability of funds, the District is unable to assess the future availability of such funds for continued development and construction within the District. In addition, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Austin metropolitan and regional economics.

Competition . . . The demand for single-family homes in the District could be affected by competition from other residential developments including other residential developments located in other utility districts located near the District. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in more established neighborhoods closer to downtown Austin that are for sale. Such homes could represent additional competition for homes proposed to be sold within the District. Such competition is directly related to the growth and maintenance of taxable values in the District and tax revenues to be received by the District.

Developer under No Obligation to the District: There is no commitment from, or obligation of, any developer to proceed at any particular rate or according to any specified plan with the development of land or the construction of homes in the District, and there is no restriction on any landowner’s right to sell its land. Failure to construct taxable improvements on developed lots and tracts and failure of landowners to develop their land would restrict the rate of growth of taxable value in the District. The District is also dependent upon the principal taxpayers for the timely payment of ad valorem taxes, and the District cannot predict what the future financial condition of such taxpayers will be or what effect, if any, such financial conditions may have on their ability to pay taxes. See “TAX DATA – Principal Taxpayers.”

Impact on District Tax Rates: Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of the District property owners to pay their taxes. The 2015 Certified Assessed Valuation is \$161,841,832 (see “FINANCIAL STATEMENT”). After issuance of the Bonds, the Projected Maximum Annual Debt Service Requirement will be \$815,859 (2018) and the Projected Average Annual Debt Service Requirement will be \$566,343 (2016 through 2040, inclusive). A tax rate of \$0.5307/\$100 assessed valuation, at a 95% collection rate, would be necessary to pay the Projected Maximum Annual Debt Service Requirement of \$815,859, and a tax rate of \$0.3684/\$100 assessed valuation at a 95% collection rate would be necessary to pay the Projected Average Annual Debt Service Requirement of \$566,343 based upon the 2015 Certified Taxable Assessed Valuation.

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.

TAX COLLECTIONS AND FORECLOSURE REMEDIES . . . The District’s ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other local taxing authorities on the property against which taxes are levied, and such lien may be enforced by judicial foreclosure. The District’s ability to collect ad valorem taxes through such foreclosure may be impaired by cumbersome, time-consuming and expensive collection procedures or market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property. Moreover,

the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property (See "FINANCIAL STATEMENT – Estimated Overlapping Debt Statement"), by the current aggregate tax rate being levied against the property, and by other factors (a taxpayer may redeem property within six (6) months for commercial property and two (2) years for residential and all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records). Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy court could approve a confirmation plan which allows the debtor to make installment payments on delinquent taxes for up to six years and a bankruptcy court may reduce the amount of any taxes assessed against the debtor, including those that have already been paid.

HOUSING MARKET, VOLATILITY AND RECENT FORECLOSURES . . . In recent years, disruptions in the housing market have led to a significant number of foreclosures on single family homes. In the District, there was one posted foreclosure on single-family homes by Travis County during calendar year 2015. No assurance can be given whether the number of foreclosures will decrease or increase or that market conditions will improve.

REGISTERED OWNERS' REMEDIES . . . In the event of default in the payment of principal of or interest on the Bonds, the registered owners have the right to seek a writ of mandamus, requiring the District to levy adequate taxes each year to make such payments. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interest 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. Although the registered owners could obtain a judgment against the District, such a judgment 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 in order 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 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. Subject to the requirements of Texas law discussed below, a political subdivision such as the District may voluntarily file a petition for relief from creditors under Chapter 9 of the Federal Bankruptcy Code, 11 USC sections 901-946. The filing of such petition would automatically stay the enforcement of registered owners' remedies, including mandamus and the foreclosure of tax liens upon property within the District discussed above. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismissed the petition, enters an order granting relief from the stay or otherwise allows creditors to proceed against the petitioning political subdivision. A political subdivision, such as the District, may qualify as a debtor eligible to proceed in a Chapter 9 case only if it (1) is specifically authorized to file for federal bankruptcy protection by applicable state law, (2) is insolvent or unable to meet its debts as they mature, (3) desires to effect a plan to adjust such debts, and (4) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiations are impracticable. Under Texas law a water control and improvement district, such as the District, must obtain the approval of the Commission as a condition to seeking relief under the Federal Bankruptcy Code. The Commission is required to investigate the financial condition of a financially troubled district and authorize such district to proceed under federal bankruptcy law only if such district has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

Notwithstanding noncompliance by a district with Texas law requirements, a district could file a voluntary bankruptcy petition under Chapter 9, thereby involving 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 applicable, the concomitant delay and loss of remedies to the registered owners could potentially and adversely impair the value of the registered owner's claim.

If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the Federal Bankruptcy Code, it could file a plan for an adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect a registered owner 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 owner's claim against a district.

THE EFFECT OF THE FINANCIAL INSTITUTIONS ACT OF 1989 ON TAX COLLECTIONS OF THE DISTRICT . . . The "Financial Institutions Reform, Recovery and Enforcement Act of 1989" ("FIRREA"), enacted on August 9, 1989, contains certain provisions which affect the time for protesting property valuations, the fixing of tax liens, and the collection of penalties and interest on delinquent taxes on real property owned by the Federal Deposit Insurance Corporation ("FDIC") when the FDIC is acting as the conservator or receiver of an insolvent financial institution.

Under FIRREA real property held by the FDIC is still subject to ad valorem taxation, but such act states (i) that no real property of the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary liens shall attach to such

property, (ii) the FDIC shall not be liable for any penalties or fines, including those arising from the failure to pay any real or personal property tax when due and (iii) notwithstanding failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed.

There has been little judicial determination of the validity of the provisions of FIRREA or how they are to be construed and reconciled with respect to conflicting state laws. However, certain recent federal court decisions have held that the FDIC is not liable for statutory penalties and interest authorized by State property tax law, and that although a lien for taxes may exist against real property, such lien may not be foreclosed without the consent of the FDIC, and no liens for penalties, fines, interest, attorneys fees, costs of abstract and research fees exist against the real property for the failure of the FDIC or a prior property owner to pay ad valorem taxes when due. It is also not known whether the FDIC will attempt to claim the FIRREA exemptions as to the time for contesting valuations and tax assessments made prior to and after the enactment of FIRREA. Accordingly, to the extent that the FIRREA provisions are valid and applicable to any property in the District, and to the extent that the FDIC attempts to enforce the same, these provisions may affect the timeliness of collection of taxes on property, if any, owned by the FDIC in the District, and may prevent the collection of penalties and interest on such taxes.

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

CONTINUING COMPLIANCE WITH CERTAIN COVENANTS . . . 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 "TAX MATTERS."

FUTURE DEBT . . . The District does not anticipate issuing additional debt after the issuance of the voted authorization.

The District does not employ any formula with respect to assessed valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. The issuance of additional bonds is subject to approval by the Commission pursuant to its rules regarding issuance and feasibility of bonds. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District. See "THE BONDS – Issuance of Additional Debt." See "FINANCIAL STATEMENT – Unlimited Tax Bonds Authorized but Unissued."

GOVERNMENTAL APPROVAL . . . As required by law, engineering plans, specifications and an estimate of construction costs for the facilities and services to be purchased or constructed by the District with the proceed of the Bonds have been approved, subject to certain condition, by the TCEQ. See "USE AND DISTRIBUTION OF BOND PROCEEDS." The TCEQ approved the issuance of the Bonds by an order signed December 7, 2015. In addition the Attorney General of Texas must approve the legality of the Bonds prior to their delivery.

Neither the TCEQ nor the Attorney General of Texas passes upon or guarantees the security of the Bonds as an investment, nor have the foregoing authorities passed upon the adequacy or accuracy of the information contained in this Official Statement.

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

1. Requiring permits for construction and operation of water supply wells and wastewater treatment facilities;
2. Restricting the manner in which wastes are released into the air, water, or soils;
3. Restricting or regulating the use of wetlands or other property;
4. Requiring remedial action to prevent or mitigate pollution; and
5. Imposing substantial liabilities for pollution resulting from facility operations.

Compliance with environmental laws and regulations can increase the cost of planning, designing, constructing and operating water production and wastewater treatment facilities. Sanctions against a water 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 as to future compliance of and the ability to operate the District's water supply, wastewater treatment, and drainage facilities. Environmental laws and regulations can also impact an area's ability to grow and develop. The following is a discussion of certain environmental concerns that relate to the District. It should be noted that changes in environmental laws and 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 Austin area. Under the Clean Air Act ("CAA") Amendments of 1990, the five-county "Austin Area" – Travis, Travis, Williamson, Bastrop, and Caldwell counties – has recently been redesignated by the EPA as an attainment area. The Austin Area entered into an early action compact (EAC) with

the TCEQ and EPA which demonstrates attainment and maintenance of the 8-hour ozone standard. EACs allow regions that are in nonattainment or near nonattainment for ozone under the federal CAA to elect to use their knowledge of local conditions to determine which ozone control strategies should be implemented in their area, as opposed to having rules dictated by state and federal agencies.

The EPA signed a consent decree with several environmental organizations which bound the EPA to designating nonattainment areas for 8-hour nonattainment. The Austin Area took early action with an EAC on November 17, 2004 to reduce its emissions so as not to be designated nonattainment. Voluntary reductions have focused on reducing the number of vehicles on Austin Area roads, since vehicles are the area's main source of air pollution.

The area will report semi-annually on the progress of their control measures. Under the EACs, attainment must have been demonstrated by 2007. EPA approved the photochemical modeling in support of the attainment demonstration for the 8-hour ozone standard within the Austin Area on October 14, 1970. EPA also approved the Austin EAC "CAAP" which includes control measures and demonstrates maintenance of the standard through 2012 (including a vehicle inspection and maintenance (I/M) program). These steps and any EPA/TCEQ responses could impact the economy and communities in the Austin Area.

On November 26, 2014, the EPA announced a new proposed ozone National Ambient air Quality Standards (NAAQS) range of between 65-70 parts per billion. The Austin Area is vulnerable to being designated nonattainment if the EPA adopts the new proposed ozone NAAQS or otherwise maintains the existing standard applied to more recent air quality monitoring data.

Should the Austin Area fail to achieve attainment under an EPA NAAQS, or should the Austin Area fail to satisfy a then effective State Implementation Plan (SIP) (for nonattainment or otherwise), or for any other reason should a lapse in conformity with the CAA occur, the Austin Area may be subjected to sanctions pursuant to the CAA. Under such circumstances, the TCEQ would be required under the CAA to submit to the EPA a new SIP under the CAA for the Austin Area. Due to the complexity of the nonattainment/conformity analysis, the status of EPA's implementation of any future EPA NAAQS and the incomplete information surrounding any SIP requirements for areas designated nonattainment under any future EPA NAAQS, the exact nature of sanctions or any potential SIP that may be applicable to the Austin Area in the future is uncertain. The CAA provides for mandatory sanctions, including the suspension of federal highway funding, should the State fail to submit a proper SIP, or associated submissions, or fail to revise or implement a SIP, or fail to comply with an existing SIP. Subject to certain exceptions, if the Austin Area falls out of conformity and the mandatory highway funding suspension sanction is implemented, the United States Secretary of Transportation may be prohibited from approving or awarding transportation projects or grants within the area.

It is possible that nonattainment, a lapse in conformity under the CAA, litigation involving injunctive or other relief, or other environmental issues may impact new industrial, commercial and residential development in the Austin Area.

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

Pursuant to the Safe Drinking Water Act, potable (drinking) water provided by the District to more than sixty (60) end users for consumption will be subject to extensive federal and state regulation as a public water supply system, which include, among other requirements, frequent sampling and analyses. Additionally, the EPA has been charged with establishing maximum contaminant levels (MCLs) for potential drinking water contaminants (both naturally occurring and anthropogenic) such as arsenic, lead, radon, and disinfection by-products (e.g. chlorine). Additionally, TCEQ is initiating rule changes to Chapter 290, Public Drinking Water, to implement the federal Stage 2 Disinfection Byproducts Rule (DBP2), Long Term Stage 2 Enhanced Surface Water Treatment Rule (LT2), and Ground Water Rule (GWR). EPA adopted the GWR on December 31, 2006. Future regulations or requirements pertaining to these and other drinking water contaminants could require installation of more costly treatment facilities.

Operation of the District's sewer facilities is subject to regulation under the Federal Clean Water Act and the Texas Water Code. All discharges of pollutants into the nation's navigable waters must comply with the Clean Water Act. The Clean Water Act allows municipal wastewater treatment plants to discharge treated effluent to the extent allowed under permits issued by the EPA pursuant to the National Pollutant Discharge Elimination System ("NPDES") program, a national program established by the Clean Water Act for issuing, revoking, monitoring and enforcing wastewater discharge permits. On August 15, 1998, EPA authorized Texas to implement the NPDES program, which is called the Texas Pollutant Discharge Elimination System ("TPDES") program.

TPDES permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. Any discharges to water bodies designated as impaired streams in accordance with the Clean Water Act may be precluded from obtaining a TPDES permit if pollutants for which the stream is designated as impaired are among those pollutants being released by a District. Moreover, the Clean Water Act and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations. In addition, under the Clean Water Act, states must identify any bodies of water for which more stringent effluent standards are needed to achieve water quality standards and must establish the maximum allowable daily load of certain pollutants into the water bodies. Total maximum daily loads ("TMDLs") rules can have a significant impact on the District's ability to obtain TPDES permits and maintain those permits. The District may be required to expend substantial funds to meet any of these regulatory requirements. If the District fails to achieve compliance with its discharge permits, a private plaintiff or the EPA could institute a civil action for injunctive relief and civil penalties. Operations of the District are also potentially subject to stormwater discharge permitting requirements as set forth under the Clean Water Act and regulations implementing the Clean

Water Act. The TCEQ adopted by reference the vast majority of the EPA regulations relating to stormwater discharges and currently has issued a general permit for stormwater discharges associated with industrial activities and proposed two general permits for stormwater discharges associated with construction activities and municipal separate stormwater systems. The District may also be required to develop and implement stormwater pollution prevention plans and stormwater management plans. The District could incur substantial costs to develop and implement such 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. Failure to comply with these requirements may result in the imposition of administrative, civil, and criminal penalties as well as injunctive relief under the Clean Water Act or the Texas Water Code.

Operations of the District are also potentially subject to requirements and restrictions under the Clean Water Act 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 U.S. Army Corps of Engineers if operations of the District require that wetlands be filled, dredged, or otherwise altered.

DROUGHT CONDITIONS . . . Central Texas, like other areas of the State, is experiencing extreme drought conditions. The District adopted a water conservation plan and currently has implemented water restrictions for residents of the District. The West Travis County Public Utility Agency provides water to the District in amounts sufficient to service the residents of the District, however, as drought conditions continue water usage, rates and water revenues could be impacted.

FORWARD-LOOKING STATEMENTS . . . The statements contained in this Official Statement, and in any other information provided by the District, that are not purely historical, are forward-looking statements, including statements regarding the District’s expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements.

The forward looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

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THE DISTRICT

GENERAL . . . Pursuant to Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 51 of the Texas Water Code, as amended, the District is subject to the continuing supervision of the TCEQ. The District was created for the purposes of providing, operating, and maintaining facilities to control storm water, distribute potable water, and to collect and treat wastewater. The District is empowered, among other things, to 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 also establish, operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, if approved by the voters of the District and the TCEQ, and is located entirely within the extraterritorial jurisdiction of Lago Vista. Fire services are provided to residents and property owners of the District by Travis County ESD #1.

MANAGEMENT . . . Board of Directors. The District is governed by a Board, consisting of six directors, which has control over and management supervision of all affairs of the District. Directors' terms are four years with elections held within the District on the first Tuesday after the first Monday in November in each even numbered year. All of the directors listed below reside or own property in the District.

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Fred Marshall	President	2018
Carolyn Cook	Vice President	2018
Sandy Shinn	Secretary	2018
Bryan Probst	Director	2016
John Franz	Treasurer	2016
Barry Pasarew	Director	2018

Consultants:

Tax Assessor/Collector . . . Land and improvements in the District are being appraised by the Travis Central Appraisal District ("TCAD"). The Tax Assessor/Collector is appointed by the Board of Directors of the District. The Travis County Tax Assessor/Collector, Bruce Elfant, currently serves the District in this capacity under contract.

Operator . . . The District operates its own water and wastewater systems.

Bookkeeper . . . Chance Chatham is charged with the responsibility of providing bookkeeping services for the District.

Engineer . . . The District's consulting engineer is River City Engineering, Ltd. (the "Engineer").

Financial Advisor . . . Specialized Public Finance Inc. 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.

Bond Counsel . . . Andrews Kurth LLP serves as Bond Counsel in connection with the issuance of the District's Bonds. The fees of Bond Counsel are contingent upon the sale of and delivery of the Bonds.

General Counsel . . . Willatt & Flickinger serves as General Counsel for the District.

Disclosure Counsel . . . The District employs Andrews Kurth LLP, Austin, Texas as Disclosure Counsel. Fees paid to Andrews Kurth LLP for Disclosure Counsel are contingent upon the sale and delivery of the Bonds.

LOCATION . . . The District is located in Travis County at the southwestern end of Lohmans Ford Road, approximately 6 miles south of the intersection of FM 1431 and Lohmans Ford Road. The District is located entirely within Travis County, Lago Vista Independent School District and is adjacent to the north shore of Lake Travis. The District is currently comprised of approximately 1,002 acres which is developed as a single-family residential community. See "LOCATION MAP."

UNDEVELOPED ACREAGE . . . There are approximately 1,090 single-family lots in the District. Of those lots, 700 are currently developed with an approximately 390 to be developed in the future. The District makes no representation as to when or if development of this acreage will occur. See "- Current Status of Development."

CURRENT STATUS OF DEVELOPMENT . . . There is approximately 1,002 acres within the District, all of which have been developed.

The chart below reflects the status of development as of August 20, 2015:

A. Utility Facilities:		
Existing Connections	700	
Projected Connections	390	
Total Residential Developed Sections	1,090	
B. Total Developed Acreage	1,002	
C. Undevelopable Acreage	0	
Total	1,002	

THE SYSTEM

REGULATION . . . The water, wastewater and storm drainage facilities (the “System”), the purchase, acquisition and construction of which will be permanently financed by the District with the proceeds of the Bonds, have been designed in accordance with accepted engineering practices and the recommendation of certain governmental agencies having regulatory or supervisory jurisdiction over construction and operation of such facilities, including, among others, the TCEQ, Travis County and Lago Vista. According to River City Engineering, Ltd. (the “Engineer”), the plans will be submitted to the regulator/agencies for approval.

Operation of the District’s waterworks and wastewater facilities is subject to regulation by, among others, the U.S. Environmental Protection Agency and the TCEQ.

WATER SUPPLY AND DISTRIBUTION . . . The District receives its raw water from Lake Travis pursuant to a contract effective May 23, 2013 with the Lower Colorado River Authority (“LCRA”) which allows the District to withdraw and purchase a maximum of 285 acre-feet per year. The District’s engineer estimates that this amount of water would be sufficient to serve up to 1,100 ESFCs. As future growth occurs in the District, the raw water purchase contract with LCRA will be increased, as needed, to meet demand. The ultimate buildout, approximately 445 acre-feet per year of raw water will be required.

WASTEWATER COLLECTION AND TREATMENT . . . The District owns and operates a wastewater treatment plant located in the central portion of the District. The plant uses activated sludge, a complete mix biological treatment to provide secondary treatment, and chlorine gas for disinfection. The existing plant has a design capacity of 150,000 gallons per day. Wastewater generated in the system is conveyed by either gravity mains or force mains to a lift station located at the plant site. The lift station pumps wastewater to the head of the plant where it then gravity flows through the treatment process. Upon treatment, effluent either gravity flows to the effluent holding ponds or is pumped to the wet weather ground storage tank.

The wastewater treatment plant site includes two storage ponds with a total surface area of 26,136 square feet and a capacity of 3.85 acre-feet, and a 3 million gallon, or 9.2 acre-feet, ground storage tank. Treated effluent is disposed of via surface irrigation at the Point Venture Golf Course.

The District’s wastewater capacity is capable of serving 705 ESFCs, which is sufficient to serve the 705 ESFCs necessary to support the feasibility of this proposed bond issue.

The District is authorized by TCEQ Permit No. WQ0011385001 to treat and dispose of domestic wastewater. The permit, in the first of three phases, currently authorizes the District to dispose of treated domestic wastewater effluent at a daily average flow not to exceed 82,000 gallons per day during the months of April through October and 61,875 gallons-per-day between the months of November and March.

The proposed 2-million gallon effluent storage tank is required once the flow reaches 75% of the permitted daily average (or annual average flow for three consecutive months). The proposed storage tank will be required in order to enter into the Interim Phase II of the permit. The Interim Phase II authorizes the District to dispose of treated wastewater at a daily average flow not to exceed 100,000 gallons-per-day and requires 6.0 MG of total effluent storage.

Once flow reaches 46,406 gallons-per-day in November through March, or 61,500 gallons-per-day in April through October, the District would be at the 75% threshold and be required to start planning for expansion. As of 2014, the November through March 75% threshold has been exceeded, prompting design and construction of the proposed effluent storage tank.

STORM WATER DRAINAGE . . . The District is located on a peninsula on the west side of Lake Travis. A natural ridge is located near the north-central portion of the District which drains outward to the lake. Elevations range from approximately 865 feet above mean sea level (“msl”) near the north side of the District to the current water surface elevation of Lake Travis (approximately 670 feet msl). Storm water runoff drains into roadside swales throughout the District. The swales outfall at various points into Lake Travis.

No drainage system improvements or storm water quality treatment facilities are being proposed to be funded in this bond issue.

100-YEAR FLOOD PLAIN AND STORM DRAINAGE INFORMATION . . . According to the Engineer, 638 acres within the District are currently located in the floodplain. However, all such land is included in lots that have been developed or are ready for development. Each such lot has either been developed on land outside the floodplain, or contains land that is ready for development outside the floodplain.

WATER, WASTEWATER AND DRAINAGE OPERATIONS:

TABLE 1 – RATE AND FEE SCHEDULE

The Board of Directors establishes rates and fees for water and sewer service, subject to change from time to time. The following schedule sets forth the monthly rates and fees for the District’s water and sewer service which are currently in effect.

Monthly Base Charge – Water: \$17.00 for minimum 5,000 gallons

Water Usage Charge

<u>Gallons</u>	
5,0001-15,000 Gallons	\$ 3.20 (per 1,000 gallons)
15,001-25,000 Gallons	\$ 3.50 (per 1,000 gallons)
25,001-50,000 Gallons	\$ 4.00 (per 1,000 gallons)
50,001and over Gallons	\$ 4.50 (per 1,000 gallons)

Monthly Charge(s) – Wastewater: \$ 8.00 Base Fee

Wastewater Usage Charge

<u>Gallons</u>	
0-5,000 Gallons	\$ 1.00 (per 1,000 gallons)
5,001-10,000 Gallons	\$ 1.25 (per 1,000 gallons)

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TABLE 2 – OPERATING REVENUES AND EXPENSES STATEMENT

The following statement sets forth in condensed form the consolidated historical operations of the District. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Such summary has been prepared from information obtained from the District’s financial statements and records. Reference is made to such statements for further and more complete information. Also see “APPENDIX A – Excerpts from the Annual Financial Report.”

	Fiscal Year End September 30,	
	2014	2013
<u>Revenues:</u>		
Property Taxes	\$ 386,258	\$ 389,279
Water and Wastewater Service	556,034	506,709
Other Income	240,641	67,022
Interest on Investments	248	579
Total Revenues	\$ 1,183,181	\$ 963,589
<u>Expenditures:</u>		
Personnel Services	\$ 734,580	\$ 428,275
Repairs and Maintenance	235,102	170,651
Water	53,152	41,971
Supplies	14,448	14,172
Utilities	101,302	69,071
Insurance	20,683	74,588
Legal and Professional	60,129	19,172
Administrative	21,283	19,289
Amortization	8,000	8,000
Capital Outlay	262,430	11,804
Debt Service Principal	15,914	-
Debt Service Interest and Fees	3,975	2,023
Total Expenditures	\$ 1,530,998	\$ 859,016
Excess (Deficiency) of Revenues Over Expenditures	\$ (347,817)	\$ 104,573
Beginning Fund Balance	\$ 633,887	\$ 529,314
Other Sources/Uses	173,641	-
Ending Fund Balance	\$ 459,711	\$ 633,887

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TABLE 3 – PROJECTED DEBT SERVICE SCHEDULE

Fiscal Year Ended 9/30	Outstanding Debt			The Bonds			Total Debt Service
	Principal	Interest	Total	Principal	Interest ^(a)	Total	
2016	\$ 215,000	\$ 33,541	\$ 248,541	\$ -	\$ -	\$ -	\$ 248,541
2017	225,000	22,998	247,998	30,000	425,230	455,230	703,228
2018	240,000	11,917	251,917	265,000	298,942	563,942	815,859
2019	-	-	-	275,000	288,156	563,156	563,156
2020	-	-	-	285,000	276,964	561,964	561,964
2021	-	-	-	295,000	265,364	560,364	560,364
2022	-	-	-	310,000	253,358	563,358	563,358
2023	-	-	-	320,000	240,741	560,741	560,741
2024	-	-	-	335,000	227,717	562,717	562,717
2025	-	-	-	350,000	214,082	564,082	564,082
2026	-	-	-	360,000	199,837	559,837	559,837
2027	-	-	-	375,000	185,185	560,185	560,185
2028	-	-	-	395,000	169,923	564,923	564,923
2029	-	-	-	410,000	153,846	563,846	563,846
2030	-	-	-	425,000	137,159	562,159	562,159
2031	-	-	-	445,000	119,862	564,862	564,862
2032	-	-	-	460,000	101,750	561,750	561,750
2033	-	-	-	480,000	83,028	563,028	563,028
2034	-	-	-	500,000	63,492	563,492	563,492
2035	-	-	-	520,000	43,142	563,142	563,142
2036	-	-	-	540,000	21,978	561,978	561,978
	<u>\$ 680,000</u>	<u>\$ 68,456</u>	<u>\$ 748,456</u>	<u>\$ 7,375,000</u>	<u>\$ 3,769,753</u>	<u>\$ 11,144,753</u>	<u>\$ 11,893,208</u>

(a) Interest calculated at a net interest rate of 4.07% for purposes of illustration only. Preliminary, subject to change.

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**FINANCIAL STATEMENT
(Unaudited)**

TABLE 4 – ASSESSED VALUE

2014 Certified Assessed Valuation	\$ 147,236,522 ^(a)
2015 Certified Taxable Assessed Valuation	\$ 161,841,832 ^(a)
Gross Direct Debt Outstanding	\$ 8,055,000 ^(b)
Estimated Overlapping Debt	7,093,273 ^(c)
Gross Direct Debt and Estimated Overlapping Debt	\$ 15,148,273
Ratio of Gross Debt Outstanding to 2015 Certified Assessed Valuation	4.98%

Estimated Population as of September 30, 2015: 2,450^(d)

- (a) Assessed valuation of the District as certified by the Travis Central Appraisal District (“TCAD”). See “TAXING PROCEDURES.”
- (b) Includes the Bonds. See “DEBT SERVICE REQUIREMENTS.”
- (c) See “DEBT SERVICE REQUIREMENTS – Estimated Overlapping Debt.”
- (d) Based upon 3.5 residents per completed and occupied single family home.

TABLE 5 – UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED

Purpose	Date Authorized	Amount Authorized	Amount Heretofore Issued	Amount Being Issued	Unissued Balance
Water, Sewer, Drainage	5/9/2015	\$ 7,375,000	\$ -	\$ 7,375,000	\$ -
Total		\$ 7,375,000	\$ -	\$ 7,375,000	\$ -

TABLE 6 – CASH AND INVESTMENT BALANCE^(a)

Operating Fund	\$ 868,483
General Fund	\$ 483,048

(a) Unaudited as of January 31, 2016.

INVESTMENT AUTHORITY AND INVESTMENT PRACTICES OF THE DISTRICT . . . Under Texas law, the District is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) certificates of deposit and share certificates meeting the requirements of the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code, as amended) (the “PFIA”) (i) that are issued by or through an institution that has its main office or a branch office in Texas and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for District deposits; or (ii) that are invested by the District through a depository institution that has its main office or a branch office in the State of Texas and otherwise meets the requirements of the PFIA; (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by obligations described in clause (1), and are placed through a primary government securities dealer or a financial institution doing business in the State of Texas; (9) certain bankers’ acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least “A-1” or “P-1” or the equivalent by at least one nationally recognized credit rating agency; (10) commercial paper with a stated maturity of 270 days or less that is rated at least “A-1” or “P-1” or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (11) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share; and (12) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, invest exclusively in obligations described in the this paragraph, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than “AAA” or its equivalent. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination

date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described below.

A political subdivision such as the District may enter into securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (10) through (12) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the District, held in the District's name and deposited at the time the investment is made with the District or a third party designated by the District; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less.

The District may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAAm" or an equivalent by at least one nationally recognized rating service. The District may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the District retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the District must do so by order, ordinance, or resolution.

The District is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for District funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund, groups methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All District funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, 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." At least quarterly the District's investment officers must submit an investment report to the Board of Directors detailing: (1) the investment position of the District, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, and any additions and changes to market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) Texas law. No person may invest District funds without express written authority from the Board of Directors.

Under Texas law, the District is additionally required to: (1) annually review its adopted policies and strategies, (2) require any investment officers with personal business relationships or family relationships with firms seeking to sell securities to the District to disclose the relationship and file a statement with the Texas Ethics Commission and the District, (3) require the registered principal of firms seeking to sell securities to the District to: (a) receive and review the District's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities, and (c) deliver a written statement attesting to these requirements; (4) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the District's investment policy, (5) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement, (6) restrict the investment in non-money market mutual funds in the aggregate to no more than 15% of the District's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service and (7) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements.

TABLE 7 – CURRENT INVESTMENTS

As of February 1, 2016, the District is currently invested in bank Money Market Funds and TexPool. State law requires the District to mark its investments to market price each calendar quarter and upon the conclusion of each fiscal year, for the purpose of compliance with applicable accounting policies concerning the contents of the District’s audited financial statements.

Investments	Market Value	Total
TexPool	\$ 445,389	30.05%
Chase Accounts	896,321	60.48%
Compass Accounts	140,338	9.47%
	<u>\$ 1,482,048</u>	<u>100.00%</u>

ESTIMATED OVERLAPPING DEBT STATEMENT . . . Other governmental entities whose boundaries overlap the District have outstanding bonds payable from ad valorem taxes. The following statement of direct and estimated overlapping ad valorem tax debt was developed from several sources, including information contained in “Texas Municipal Reports,” published by the Municipal Advisory Council of Texas. Except for the amount relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person is entitled to rely upon information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional bonds since the dates stated in this table, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. Political subdivision overlapping the District are authorized by Texas law to levy and collect ad valorem taxes for operation, maintenance and/or general revenue purposes in addition to taxes of debt service and the tax burden for operation, maintenance and/or general purposes is not included in these figures.

Taxing Jurisdiction	Total Tax Supported Debt	FY 2016 Tax Rate	Estimated % Applicable	District's Overlapping Tax Supported Debt as of 1-30-16
Travis County	\$ 695,034,987	\$ 0.4169	0.16%	\$ 1,112,056
Lago Vista ISD	39,694,720	1.3200	14.80%	5,874,819
Travis County ESD #1	1,150,000	0.1000	7.54%	86,710
Travis County Healthcare District	12,305,000	0.1178	0.16%	19,688
Travis County WCID - Point Venture ^(a)	8,055,000	0.6253	100.00%	<u>8,055,000</u>
Total Direct and Overlapping Tax Supported Debt				\$ 15,148,273
Ratio of Direct and Overlapping Tax Supported Debt to 2015 Certified TAV				9.36%

(a) Includes the Bonds.

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TAX DATA

TABLE 8 – TAX COLLECTIONS

The following statement of tax collections sets forth in condensed form the historical fiscal year tax collection experience of the District. Such summary has been prepared by the Financial Advisor for inclusion herein based upon information from District audits and records of the District’s Tax Assessor/Collector. Reference is made to such audits and records for further and more complete information.

Fiscal Year Ended 9/30	Tax Rate	General Operating Fund	Debt I&S Fund	Tax Levy	% Total Collections
2016	\$ 0.6253	\$ 0.2458	\$ 0.3795	\$ 1,050,289 ⁽¹⁾	85.69%
2015	0.3991	0.2458	0.1533	619,607	100.00%
2014	0.3991	0.2458	0.1533	621,546	100.00%

(1) Partial collections through January, 2016.

TAX RATE LIMITATION . . . The District’s tax rate for debt service on the Bonds is legally unlimited as to rate and amount.

MAINTENANCE TAX . . . The District has the statutory authority to levy and collect an annual ad valorem tax for maintaining, repairing and operating the District’s facilities and for paying administrative expenses of the District, if such maintenance tax is authorized by the District’s voters. An election for such a tax was held on September 21, 1970 at which time a maintenance tax not to exceed \$1.00 per \$100 assessed valuation was approved by the District’s voters. The District levied a 2015 tax year maintenance tax of \$0.2458 in September 2015 and a debt service rate of \$0.3795.

TABLE 9 – PRINCIPAL TAXPAYERS . . . The following list of principal taxpayers was provided by the Travis Central Appraisal District based on the 2015 tax rolls of the District, which reflect ownership as of January 1 of each year shown.

Taxpayer	Taxable Assessed Value	% of 2015 Taxable Assessed Valuation
Pearson Family Living Trust	\$ 1,067,769	0.66%
Jenkins, Daniel E. III & Rebecca W.	1,006,296	0.62%
White, James S. & Donna M. Revocable Trust	985,518	0.61%
Zavala, Napoleon & Vicki	897,341	0.55%
Jennlaur Ltd.	874,580	0.54%
Rupard, Scott & Leslie	860,175	0.53%
Mach, Thomas John & Kathleen M.	830,000	0.51%
Retrum, Stanley C. & Janice E.	789,213	0.49%
Bratton, James W. & Deborah K.	754,374	0.47%
Cooper, Lonnie C. Jr. & Polly	752,844	0.47%
	<u>\$ 8,818,110</u>	<u>5.45%</u>

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TAXING PROCEDURES

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

PROPERTY TAX CODE AND COUNTY-WIDE APPRAISAL DISTRICT . . . The Texas Property Tax Code (the "Property Tax Code") specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized here.

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

PROPERTY SUBJECT TO TAXATION BY THE DISTRICT . . . *General:* Except for certain exemptions provided by State law, all real property, tangible personal property held or used for the production of income, mobile homes, and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District; however, no effort is expected to be made by the Appraisal District to include on a tax roll tangible or intangible personal property not devoted to commercial or industrial use. 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; income producing tangible personal property or mineral interest with a taxable value of less than \$500; certain property used for the control of air, water or land pollution; solar and wind powered energy devices; certain non-profit cemeteries, farm products owned by the producer; and certain property owned by qualified charitable, religious, veterans, youth, or fraternal organizations. Goods, wares, ores and merchandise (other than oil, gas, or petroleum products) that are acquired in or imported into the state and forwarded out of state within 175 days thereafter are also exempt. Article VIII, Section 1-a of the Texas Constitution grants a \$3,000 homestead exemption for all homesteads taxed by counties for farm-to-market roads and flood control purposes. Property owned by a disabled veteran or by the spouse of certain children of a deceased disabled veteran or a veteran who died while on active duty is partially exempt to between \$5,000 and \$12,000 of assessed value depending upon the disability rating of the veteran. 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. Furthermore, subject to certain conditions, the Texas Constitution provides that the surviving spouse of a 100 percent disabled veteran will qualify for the ad valorem tax exemption on the same or subsequently qualified homestead for the same portion of the market value to which the disabled veteran's exemption would have applied, as if the exemption was in effect on the date the disabled veteran died.

Also partially exempt are residence homesteads of certain persons who are disabled or at least 65 years old, not less than \$3,000 of appraised value or such higher amount as the Board or the District's voters may approve. The District's tax assessor/collector is authorized by statute to disregard such exemptions for the elderly and disabled if granting the exemptions would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemptions by the District.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by April 30.

Freeport Goods and Goods-in-Transit Exemption: A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum 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 the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2011 and prior applicable years, such property 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, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption is limited to tangible personal property acquired

in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. 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. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

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

VALUATION OF PROPERTY FOR TAXATION . . . Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code. Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. In November 1997, Texas voters approved a constitutional amendment to limit increases in the appraised value of residence homesteads to ten percent (10%) annually regardless of the market value of the property.

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business.

Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three (3) years for agricultural use and taxes for the previous five (5) years for open space land and timberland.

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

DISTRICT AND TAXPAYER REMEDIES . . . Under certain circumstances taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a timely petition for review in State district court. In such event, the value of the property in question will be determined by the court or by a jury if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda which could result in the repeal of certain tax increases. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

LEVY AND COLLECTION OF TAXES . . . The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board of Directors, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 15 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax

for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. For those taxes billed at a later date and that become delinquent on or after June 1, they will also incur an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, may be rejected. Additionally, the owner of a residential homestead property that is a person sixty-five (65) years of age or older is entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership.

ROLLBACK OF OPERATION AND MAINTENANCE TAX RATE . . . The qualified voters of the District have the right to petition for a rollback of the District's operation and maintenance tax rate only if the total tax bill on the average residence homestead increases by more than eight percent. If a rollback election is called and passes, the rollback tax rate is the current year's debt service and contract tax rates plus 1.08 times the previous year's operation and maintenance tax rate. Thus, debt service and contract tax rates cannot be changed by a rollback election.

DISTRICT'S RIGHTS IN THE EVENT OF TAX DELINQUENCIES . . . Taxes levied by the District are a personal obligation of the owner of the property on January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each local taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units. See "FINANCIAL STATEMENT – Estimated Overlapping Debt Statement." A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem residential homestead property within two years after the purchaser's deed issued at the foreclosure sale is filed in the county records other property may be redeemed by a taxpayer within 180 days of such filing) or by bankruptcy proceedings which restrict the collection of taxpayer debts. See "RISK FACTORS – Tax Collections and Foreclosure Remedies."

EFFECT OF FIRREA ON TAX COLLECTIONS . . . The "Financial Institutions Reform, Recovery and Enforcement Act of 1989" ("FIRREA") contains provisions which affect the time for protesting property valuations, the fixing of tax liens and the collection of penalties and interest on delinquent taxes on real property owned by the FDIC when the FDIC is acting as the conservator or receiver of an insolvent financial institution.

Under FIRREA, real property held by the FDIC is still subject to ad valorem taxation, but such act states (i) that no real property of the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary lien shall attach to such property, (ii) the FDIC shall not be liable for any penalties or fines, including those arising from the failure to pay any real property taxes when due and (iii) notwithstanding the failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed.

To the extent that the FIRREA provisions are valid and applicable to any property in the District, and to the extent that the FDIC attempts to enforce the same, these provisions may affect the timeliness of collection of taxes on property owned by the FDIC in the District, and may prevent the collection of penalties and interest on such taxes.

LEGAL MATTERS

LEGAL OPINIONS . . . Issuance of the Bonds is subject to the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District. Issuance of the Bonds is also subject to the legal opinion of Andrews Kurth LLP, Austin, Texas ("Bond Counsel"), based upon examination of a transcript of the proceedings incident to authorization and issuance of the Bonds, to the effect that the Bonds are valid and binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by governmental immunity, bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity. Bond Counsel's legal opinion will also address the matters described below under "TAX MATTERS." Such opinions will express

no opinion with respect to the sufficiency of the security for or the marketability of the Bonds. In connection with the issuance of the Bonds, Bond Counsel has been engaged by, and only represents, the District.

The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds are based upon a percentage of Bonds actually issued, sold and delivered, and therefore, such fees are contingent upon the sale and delivery of the Bonds.

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.

NO-LITIGATION CERTIFICATE . . . The District will furnish to the Initial Purchaser a certificate, dated as of the date of delivery of the Bonds, executed by both the President and Secretary of the Board, to the effect that no litigation of any nature has been filed or is then pending or threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the issuance, execution or delivery of the Bonds; affecting the provisions made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the issuance, execution, or delivery of the Bonds; or affecting the validity of the 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 from that set forth or contemplated in the Official Statement.

TAX MATTERS

TAX EXEMPTION . . . Delivery of the Bonds is subject to the opinions of Andrews Kurth LLP, Austin, Texas, Bond Counsel, that interest on the Bonds will be (1) excludable from gross income of the owners thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (2) not includable in the alternative minimum taxable income of individuals or, except as described below, corporations.

Interest on the Bonds owned by a corporation, other than an S corporation, a regulated investment company, a real estate investment trust (REIT), a real estate mortgage investment conduit (REMIC) or a financial asset securitization investment trust (FASIT), will be included in such corporation's adjusted current earnings for purposes of calculating such corporation's alternative minimum taxable income. A corporation's alternative minimum taxable income is the basis on which the alternative minimum tax imposed by the Code is computed.

The foregoing opinions of Bond Counsel are based on the Code and the regulations, rulings and court decisions thereunder in existence on the date of issue of the Bonds. Such authorities are subject to change and any such change could prospectively or retroactively result in the inclusion of the interest on the Bonds in gross income of the owners thereof or change the treatment of such interest for purposes of computing alternative minimum taxable income.

In rendering its opinions, Bond Counsel has assumed continuing compliance by the District with certain covenants contained in the Bond Order and has relied on representations by the District with respect to matters solely within the knowledge of the District, which Bond Counsel has not independently verified. The covenants and representations relate to, among other things, the use of Bond proceeds and any facilities finance therewith, the source of repayment of the Bonds, the investment of Bond proceeds and certain other amounts prior to expenditure, and requirements that excess arbitrage earned on the investment of Bond proceeds and certain other amounts be paid periodically to the United States and that the District file an information report with the Internal Revenue Service. If the District should fail to comply with the covenants in the Bond Order or if its representations relating to the Bonds that are contained in the Bond Order should be determined to be inaccurate or incomplete, interest on the Bonds could become taxable from the date of delivery of the Bonds, regardless of the date on which the event causing such taxability occurs.

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 or accrual of interest on or acquisition or disposition of the Bonds.

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

Under the Code, taxpayers are required to provide information on their returns regarding the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who are deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, taxpayers owning an interest in a FASIT that holds tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. Such prospective purchasers should consult their tax advisors as to the consequences of investing in the Bonds.

PROPOSED TAX LEGISLATION . . . Tax legislation, administrative actions taken by tax authorities, and court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or state income taxation, or otherwise prevent the beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. For example, future legislation to resolve certain federal budgetary issues may significantly reduce the benefit of, or otherwise affect, the exclusion from gross income for federal income tax purposes of interest on all state and local obligations, including the Bonds. In addition, such legislation or actions (whether currently proposed, proposed in the future or enacted) could affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and its impact on their individual situations, as to which Bond Counsel expresses no opinion.

TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE DISCOUNT BONDS . . . Some of the Bonds may be offered at an initial offering price which is less than the stated redemption price payable at maturity of such Bonds. If a substantial amount of any maturity of the Bonds is sold to members of the public (which for this purpose excludes bond houses, brokers and similar persons or entities acting in the capacity of wholesalers or underwriters) at such initial offering price, each of the Bonds of that maturity (the "Discount Bond") will be considered to have "original issue discount" for federal income tax purposes equal to the difference between (a) the stated redemption price payable at the maturity of such Discount Bond and (b) the initial offering price to the public of such Discount Bond. Under existing law, such original issue discount will be treated for federal income tax purposes as additional interest on a Bond and such initial owner will be entitled to exclude from gross income for federal income tax purposes that portion of such original issue discount deemed to be earned (as discussed below) during the period while such Discount Bond continues to be owned by such initial owner. Except as otherwise provided herein, the discussion regarding interest on the Bond under the caption "TAX MATTERS – Tax Exemption" generally applies to original issue discount deemed to be earned on a Discount Bond while held by an owner who has purchased such Bond at the initial offering price in the initial public offering of the Bonds and that discussion should be considered in connection with this portion of the Official Statement.

In the event of a redemption, sale, or other taxable disposition of a Discount Bond prior to its stated maturity, however, any amount realized by such initial owner in excess of the basis of such Discount Bond in the hands of such owner (increased to reflect the portion of the original issue discount deemed to have been earned while such Discount Bond continues to be held by such initial owner) will be includable in gross income for federal income tax purposes.

Because original issue discount on a Discount Bond will be treated for federal income tax purposes as interest on a Bond, such original issue discount must be taken into account for certain federal income tax purposes as it is deemed to be earned even though there will not be a corresponding cash payment. Corporations that purchase a Discount Bond must take into account original issue discount as it is deemed to be earned for purposes of determining alternative minimum tax. Other owners of a Discount Bond may be required to take into account such original issue discount as it is deemed to be earned for purposes of determining certain collateral federal tax consequences of owning a Bond. See "TAX MATTERS – Tax Exemption" for a discussion regarding the alternative minimum taxable income consequences for corporations and for a reference to collateral federal tax consequences for certain other owners.

The characterization of original issue discount as interest is for federal income tax purposes only and does not otherwise affect the rights or obligations of the owner of a Discount Bond or of the District. The portion of the principal of a Discount Bond representing original issue discount is payable upon the maturity or earlier redemption of such Bond to the registered owner of the Discount Bond at that time.

Under special tax accounting rules prescribed by existing law, a portion of the original issue discount on each Discount Bond is deemed to be earned each day. The portion of the original issue discount deemed to be earned each day is determined under an actuarial method of accrual, using the yield to maturity as the constant interest rate and semi-annual compounding.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Discount Bonds by an owner that did not purchase such Bonds in the initial public offering and at the initial offering price may be determined according to rules which differ from those described above. All prospective purchasers of Discount Bonds should consult their tax advisors with respect to the determination for federal, state and local income tax purposes of interest and original issue discount accrued upon redemption, sale or other disposition of such 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 Discount Bonds.

TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE PREMIUM BONDS . . . Some of the Bonds may be offered at an initial offering price which exceeds the stated redemption price payable at the maturity of such Bonds. If a substantial amount of any maturity of the Bonds is sold to members of the public (which for this purpose excludes bond houses, brokers and similar persons or entities acting in the capacity of wholesales or underwriters) at such initial offering price, each of the Bonds of such maturity (the "Premium Bond") will be considered for federal income tax purposes to have "bond premium" equal to such excess. The basis for federal income tax purposes of a Premium Bond in the hands of an initial purchaser who purchases such Bond in the initial offering must be reduced each year and upon the sale or other taxable disposition of the Bond by the amount of amortizable bond premium. This reduction in basis will increase the amount of any gain (or decrease the amount of any loss) recognized for federal income tax purposes upon the sale or other taxable disposition of a Premium Bond by the initial purchaser. Generally, no corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium with respect to a Premium Bond. The amount of bond premium on a Premium Bond which is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined under special tax accounting rules which use a constant yield throughout the term of the Premium Bond based on the initial purchaser's original basis in such Premium Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition by an owner of Premium Bonds that are not purchased in the initial offering or which are purchased at a price other than the initial offering price for the Premium Bonds of the same maturity may be determined according to rules which differ from those described above. Moreover, all prospective purchasers of Bonds should consult their tax advisors with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of Premium Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS FOR FINANCIAL INSTITUTIONS . . . Section 265(a) of the Code provides, in general, that interest expense incurred to acquire or carry tax-exempt obligations is not deductible from the gross income of the owner of such obligations. Section 265(b) of the Code limits the portion of interest a financial institution can deduct when it owns obligations yielding tax exempt interest. It also provides an exception to this rule for interest expense allocable to tax-exempt obligations (other than private activity bonds) which are designated by an issuer, such as the District, as "qualified tax-exempt obligations." An issuer may designate obligations as "qualified tax-exempt obligations" only if the amount of the issue of which they are a part, when added to the amount of all other tax-exempt obligations (other than private activity bonds) issued or reasonably anticipated to be issued by the issuer during the same calendar year, does not exceed \$10,000,000.

The District expects to designate the Bonds as "qualified tax-exempt obligations" and will or has certified its expectation that the above-described \$10,000,000 ceiling will not be exceeded. Accordingly, it is anticipated that financial institutions that purchase the Bonds will not be subject to the limitation of interest expense allocable to interest on the Bonds under section 265(b) of the Code; however, 20% of the interest expense incurred by a financial institution which is allocable to the interest on the Bonds will not be deductible pursuant to Section 291 of the Code.

CONTINUING DISCLOSURE OF INFORMATION

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

ANNUAL REPORTS . . . The District will provide certain updated financial information and operating data to the MSRB annually in an electronic format that is prescribed by the MSRB and available via the Electronic Municipal Market Access System ("EMMA") at www.emma.msrb.org. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement under Tables 1 through 9 and in APPENDIX A. The District will update and provide this information within six months after the end of each fiscal year. If audited financial statements are not available when the information is provided, the District will provide audited financial statements when and if they become available and unaudited financial statements within twelve (12) months after fiscal year end, unless audited financial statements are sooner provided. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX A or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation. The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12, as amended (the "Rule"). The District's current fiscal year end is September 30th. Accordingly, it must provide updated information by the last day of March in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

EVENT NOTICES . . . The District will also provide timely notice (not in excess of ten (10) business days after the occurrence of the event) 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 status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to right of holder 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; (13) the consummation

of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, 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; and (14) appointment of a successor trustee or change in the name of the trustee, if material. (Neither the Bonds nor the Bond Order make any provision for debt service reserves, liquidity enhancement or credit enhancement). As used above, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if jurisdiction has been assumed by leaving the Board and officials or officers of the District in possession but subject to supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District. 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”. The District will provide each notice in this paragraph to the MSRB.

AVAILABILITY OF INFORMATION. . . All information and documentation filings required to be made by the District will be made with the MSRB in electronic format in accordance with MSRB guidelines. Access to such filings is provided, without charge to the general public, by the MSRB at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS. . . The District has agreed to update information and to provide notices of certain 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 holders and beneficial owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement. The District may amend its disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. The District may also amend or repeal the provisions of its continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the District 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.

FINANCIAL ADVISOR

The Official Statement was compiled and edited under the supervision of Specialized Public Finance Inc. (the “Financial Advisor”), which firm is currently employed as Financial Advisor to the District. The fees paid to the Financial Advisor for services rendered in connection with the issuance and sale of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered, and therefore such fees are contingent on the sale and delivery of the Bonds.

OFFICIAL STATEMENT

PREPARATION . . . The District has no employees but engages various professionals and consultants to assist the District in the day-to-day activities of the District. See “THE DISTRICT.” The Board of Directors in its official capacity has relied upon the below mentioned experts and sources in preparation of this Official Statement. The information in this Official Statement was compiled and edited by the Financial Advisor. In addition to compiling and editing such information, the Financial Advisor has obtained the information set forth herein under the captions indicated from sources including: River City Engineering, Ltd.; Taylor Morrison of Texas Inc.; Bott Douthitt, P.L.L.C.; and Willatt & Flickinger.

UPDATING THE OFFICIAL STATEMENT DURING UNDERWRITING PERIOD . . . If, subsequent to the date of the Official Statement to and including the date the Initial Purchaser is no longer required to provide and Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the “end of the underwriting period” (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days after the “end of the underwriting period”), the District learns or is notified by the Initial Purchaser of any adverse event which causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the Initial Purchaser a supplement to the Official Statement which corrects such representation to the reasonable satisfaction of the Initial Purchaser, unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds

as described in the Notice of Sale under the heading “DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS – Delivery.” The obligation of the District to update or change the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser (the “end of the underwriting period” within the meaning of the Rule), unless the Initial Purchaser provides written notice the District that less than all of the Bonds have been sold to ultimate customers on or before such date, in which case the obligation to update or change the Official Statement will extend for an additional period of time of 25 days after all of the Bonds have been sold to ultimate customers. In the event the Initial Purchaser provides written notice to the District that less than all of the Bonds have been sold to ultimate customers, the Initial Purchaser agrees to notify the District in writing following the occurrence of the “end of the underwriting period” as defined in the Rule.

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 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, description 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. Except as set forth in “CONTINUING DISCLOSURE OF INFORMATION” herein, the District has no obligation to disclose any changes in the affairs of the District and other matters described in this Official Statement subsequent to the “end of the underwriting period” which shall end when the District delivers the Bonds to the Initial Purchaser at closing, unless extended by the Initial Purchaser. All information with respect to the resale of the Bonds subsequent to the “end of the underwriting period” is the responsibility of the Initial Purchaser.

ANNUAL AUDITS . . . Under Texas Law, the District must keep its fiscal records in accordance with generally accepted accounting principles. It must also have its financial accounts and records audited by a certified or permitted public accountant within 120 days after the close of each fiscal year of the District, and must file each audit report with the TCEQ within 135 days after the close of the fiscal year so long as the District has bond outstanding. Copies of each audit report must also be filed in the office of the District. The District’s fiscal records and audit reports are available for public inspection during regular business hours, and the District is required by law to provide a copy of the District’s audit reports to any Registered Owner or other member of the public within a reasonable time on request, upon payment of prescribed charges.

This Official Statement was approved by the Board of Directors of the District, as of the date shown on the first page hereof.

MISCELLANEOUS

RATINGS . . . An application for a rating on the Bonds has been made to Moody’s Investors Service, Inc. (“Moody’s”). The District does not currently have an underlying rating. An explanation of the significance of such rating may be obtained from the company furnishing the rating. The rating reflects only the respective view of such organization and the District makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating company, if in the judgment of the company, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

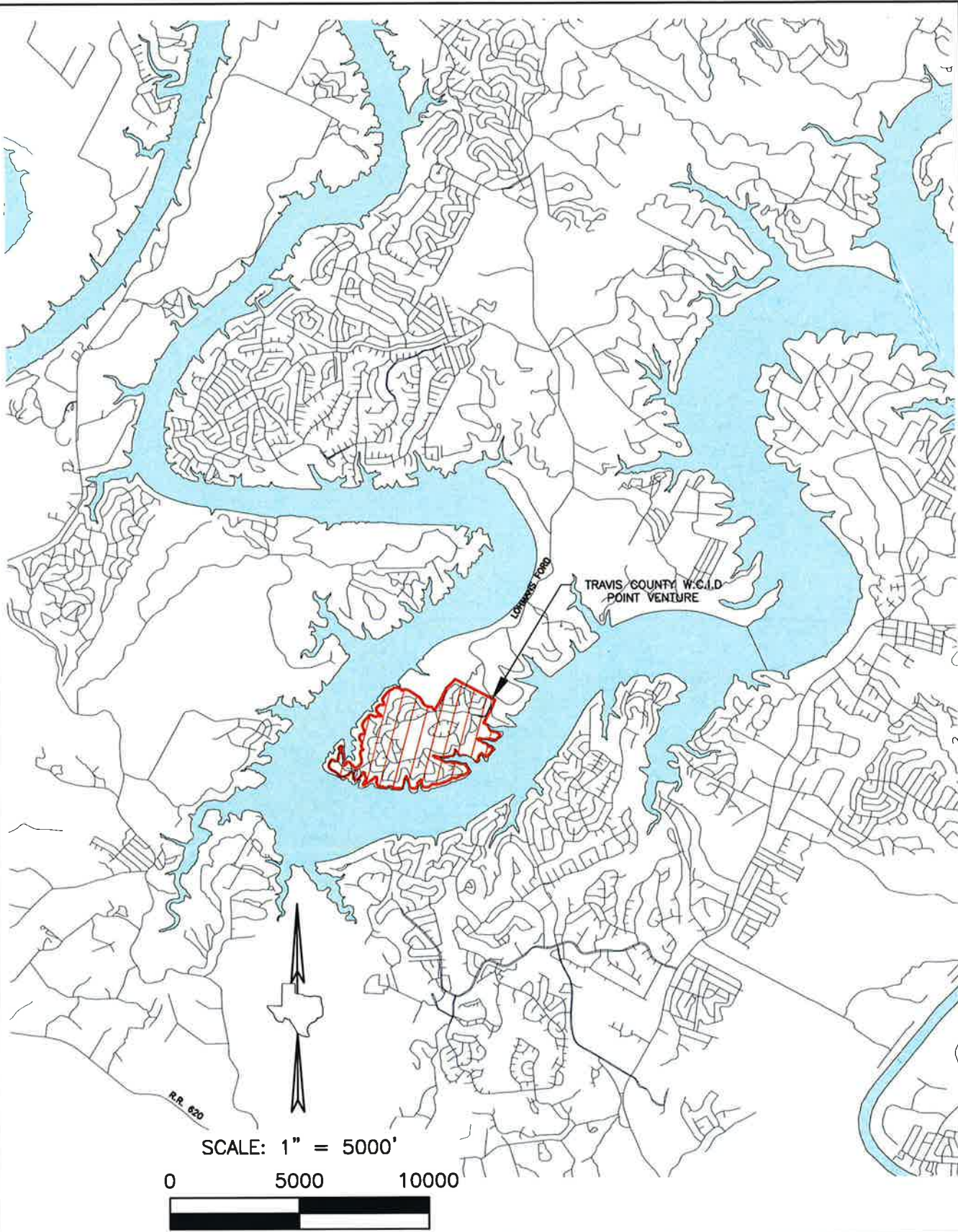
All estimates, statements and assumptions in this Official Statement and the APPENDICES hereto have been made on the basis of the best information available and are believed to be reliable and accurate. Any statements in this Official Statement involving matters of opinion or estimates, whether or not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

Secretary, Board of Directors
Travis County WCID – Point Venture

President, Board of Directors
Travis County WCID – Point Venture

LOCATION MAP

FILE: P:\Projects\7010 (Point Venture - WCID)\Bond Application Report\Preliminary Engineering Report\VICINITY MAP.dwg
TAB: 8.5X11 PORTRAIT PLOTTED: 2/17/2015 9:45 AM BY: SVETLANA MANOS



RIVER CITY ENGINEERING
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TRAVIS COUNTY W.C.I.D.
POINT VENTURE

VICINITY MAP

APPENDIX A

EXCERPTS FROM THE ANNUAL FINANCIAL REPORT

The information contained in this APPENDIX has been excerpted from the financial statements of Travis County Water Control and Improvement District for the fiscal year ended September 30, 2014, as prepared by the District's auditor Neffendorf, Knopp, Doss & Company, P.C.

NEFFENDORF, KNOPP, DOSS & COMPANY, P.C.
Certified Public Accountants

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MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
TEXAS SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Travis County Water Control and Improvement District -
Point Venture
Point Venture, TX 78645

Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Travis County Water Control and Improvement District - Point Venture, as of and for the seventeen months ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Travis County Water Control and Improvement District - Point Venture, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the seventeen months 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, budgetary comparison information and the Schedule of Funding Progress for the Retirement Plan on pages 3 through 8, 25 and 26 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.

The Texas Commission on Environmental Quality requires water districts to include certain information in the Annual Financial Report in conformity with laws and regulations of the State of Texas. This information is in Exhibits identified in the Table of Contents as Exhibits TSI-1 to TSI-8. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Neffendorf, Knopp, Dooss Company, P.C.
NEFFENDORF, KNOPP, DOSS & COMPANY, P.C.

Fredericksburg, Texas
January 30, 2015

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Travis County Water Control and Improvement District - Point Venture, we offer readers of the District's financial statements this narrative overview and analysis of the financial statements of the District for the year ended September 30, 2014. Please read it in conjunction with the independent auditors' report on page 1, and District's Basic Financial Statements which begin on page 9.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$2,957,674 (net position). Of this amount, \$486,500 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's net position decreased by \$179,482 as a result of this year's operations.
- At September 30, 2014, the District's governmental funds reported combined ending fund balances of \$674,862, a decrease of \$390,619 in comparison with the prior year.
- At September 30, 2014, the unreserved fund balance of the general fund was \$459,711, or 30 percent of total general fund expenditures.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net position and the Statement of Activities (on pages 9 and 10). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (also on pages 9 & 10) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget.

The notes to the financial statements (starting on page 11) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The Budgetary Comparison Schedule (operating fund) and the Schedule of Funding Progress for the Retirement Fund is presented as a required supplemental schedule on page 25 and 26. The section labeled Texas Supplementary Information (TSI) are required supplemental schedules by the Texas Commission on Environmental Quality.

Reporting the District as a Whole

The Statement of Net position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 9. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider other factors as well, such as changes in the District's customers or its property tax base and the condition of the District's facilities.

In the Statement of Net position and the Statement of Activities, the District has one kind of activity:

➤ Governmental activity - Most of the District's basic services are reported here, including the water, sewer and administration. Property taxes, and user charges, (water and sewer) finance most of these activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements on pages 9 & 10 and provide detailed information about the most significant funds - not the District as a whole. Governmental fund types include the general fund, debt service fund and capital projects fund.

➤ Governmental funds - All of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds in the adjustments column and Note 3 to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental and business-type activities.

Net position of the District's governmental activities increased from \$ 3,137,155 to \$2,957,674. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - were \$486,500 at September 30, 2014. This increase in governmental net position was the result of three factors. First, the District's expenditures exceeded the revenues by \$390,619. Second, the District paid bonds and other long-term debt in the amount of \$ 385,914 and acquired capital assets in the amount of \$ 262,430. Third, the District recorded depreciation in the amounts of \$ 263,500.

Table I
Travis County Water Control and Improvement District - Point Venture

NET POSITION
in thousands

		<u>Governmental Activities</u> <u>September 30, 2014</u>
Current and Other Assets	\$	822
Capital Assets		<u>3,299</u>
Total Assets	\$	<u>4,121</u>
Long-Term Liabilities	\$	822
Other Liabilities		<u>336</u>
Total Liabilities	\$	<u>1,158</u>
Deferred Inflows of Resources		
Unavailable Revenue - Property Taxes	\$	<u>5</u>
Total Deferred Inflows of Resources	\$	<u>5</u>
Net Position		
Net Investment in		
Capital Assets	\$	2,256
Restricted		215
Unrestricted		<u>487</u>
Total Net Position	\$	<u><u>2,958</u></u>

Table II
Travis County Water Control and Improvement District - Point Venture

CHANGES IN NET POSITION
in thousands

		Governmental Activities
		<u>September 30, 2014</u>
Revenues		
Property Taxes	\$	619
Water and wastewater service		695
Other Income		102
Interest on Investments		0
Total Revenue	\$	<u>1,416</u>
Expenses:		
Personnel services	\$	735
Repairs and Maintenance		235
Water		53
Supplies		14
Utilities		101
Insurance		21
Legal and professional		60
Miscellaneous		18
Amortization		8
Debt Service		86
Depreciation		264
Total Expenses	\$	<u>1,595</u>
Increase In Net Position	\$	(179)
Net Position Beginning		<u>3,137</u>
Net Position Ending	\$	<u><u>2,958</u></u>

The cost of all governmental activities for the seventeen month period was \$ 1,987,204. However, as shown in the Statement of Activities on page 11, the amount that our taxpayers ultimately financed for these activities through District taxes was only \$ 625,871 because the other costs were paid by those who directly benefited from the programs(\$ 556,034), other income (\$204,641) and interest earned (\$398).

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 9) reported a combined fund balance of \$664,862, which is less than last year's total of \$1,065,481. Included in this year's total change in fund balance is a decrease of \$174,176 in the District's General Fund. The primary reasons for the General Fund's gain mirror the governmental activities analysis highlighted on page 6.

The Board of Directors adopted the General Fund Budget. Actual revenues exceeded the budgeted amounts, while actual expenditures were more than the budgeted amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2014, the District had \$7,175,933 invested in a broad range of capital assets, including land, buildings, water and sewer systems, machinery and equipment and other improvements. This amount represents a net increase of \$242,922, or 3.5 percent, more than last year.

This year's major additions included:

Meters	173,931
Truck	23,677
System Improvements	56,541
Computers & Software	8,281
	8,281
Totaling	\$ 262,430

More detailed information about the District's capital assets is presented in Note 6 to the financial statements.

Debt

At September 30, 2014 the District had \$1,037,727 in bonds and capital leases outstanding versus \$1,250,000 at April 30, 2013 - a decrease of 17 percent. The District received proceeds from a capital lease of \$173,641. The District paid principal of \$15,914 for the capital lease and \$370,000 for the bonds.

More detailed information about the District's long-term liabilities is presented in Notes 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected officials and management considered many factors when setting the fiscal-year 2015 budget and tax rates. Factors considered in establishing a budget are the funding needs of the District operations and programs necessary to meet the objectives of the District. Amounts available for appropriation in the General Fund budget are \$925,192 and expenditures are estimated to be \$918,350.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at Travis County Water Control and Improvement District - Point Venture, Point Venture, Texas.

BASIC FINANCIAL STATEMENTS

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2014

	General Fund	Debt Service Fund	Total	Adjust- ments (Note 3)	Statement of Net Position September 30, 2014
ASSETS					
Cash	\$ 125	\$ 6,491	\$ 6,616		\$ 225,476
Temporary Investments	105,827	59,513	165,340		394,473
Receivables:					
Water and wastewater, net of allowance for doubtful accounts of \$2,567	49,714		49,714		49,714
Taxes	18,939	12,757	31,696		31,696
Other	8,048		8,048		8,048
Due from other funds		149,147	149,147	(149,147)	-
Prepaid expenses	-		-		-
Land use rights, net of accumulated amortization of \$80,000	112,276		112,276		112,276
Capital Assets (Net of Accumulated Depreciation) Property, Plant and Equipment			-	3,299,165	3,299,165
Total Assets	\$ 294,929	\$ 227,908	\$ 522,837	\$ 3,150,018	\$ 4,120,847
LIABILITIES					
Accounts payable	53,618		53,618		53,618
Deposits payable	61,506		61,506		61,506
Due to other funds	149,147		149,147	(149,147)	-
Interest payable				5,415	5,415
Long-term liabilities:					
Due within on year				215,787	215,787
Due after one year				821,940	821,940
Total Liabilities	264,271	-	264,271	893,995	1,158,266
DEFERRED INFLOW OF RESOURCES					
Deferred Resources Inflow					
Property Taxes	18,939	12,757	31,696	(26,789)	4,907
Total Deferred Inflows of Resources	18,939	12,757	31,696	(26,789)	4,907
FUND BALANCE/NET POSITION					
Fund Balances:					
Reserved for Debt Service		215,151	215,151	(215,151)	
Undesignated	459,711		459,711	(459,711)	
Total Fund Balances	459,711	215,151	674,862	(674,862)	-
Total Liabilities & Fund Balances	\$ 742,921	\$ 227,908	\$ 970,829		
Net Position:					
Net Investment in					
Capital Assets				2,256,023	2,256,023
Restricted for Debt Service				215,151	215,151
Unrestricted				486,500	486,500
Total Net Position				\$ 2,957,674	\$ 2,957,674

The notes to the Financial Statements are an integral part of this statement.

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE FOR THE SEVENTEEN MONTHS ENDED - SEPTEMBER 30, 2014

	General Fund	Debt Service Fund	Total	Adjust- ments (Note 3)	Statement of Activities Sept 30, 2014
Revenues:					
Property Taxes	\$ 386,258	\$ 239,613	\$ 625,871	\$ (7,148)	\$ 618,723
Water and wastewater service	556,034		556,034		556,034
Other Income	240,641		240,641		240,641
Interest on Investments	248	150	398		398
Total Revenues	1,183,181	239,763	1,422,944	(7,148)	1,415,796
Expenditures/Expenses:					
Personnel services	\$ 734,580		\$ 734,580		\$ 734,580
Repairs and Maintenance	235,102		235,102		235,102
Water	53,152		53,152		53,152
Supplies	14,448		14,448		14,448
Utilities	101,302		101,302		101,302
Insurance	20,683		20,683		20,683
Legal and professional	60,129		60,129		60,129
Administrative	21,283		21,283		17,916
Amortization	8,000		8,000		8,000
Capital Outlay	262,430		262,430	(262,430)	-
Debt Service:					
Principal	15,914	370,000	385,914	(385,914)	-
Interest and Fees	3,975	86,206	90,181	(7,082)	86,465
Depreciation			-	263,500	263,500
Total Expenditures/Expenses	1,530,998	456,206	1,987,204	(391,926)	1,595,278
Excess (deficiency) of revenues over expenditures	(347,817)	(216,443)	(564,260)		
Other Financing source/uses:					
Capital Lease Proceeds	173,641		173,641		
Excess (deficiency) of revenues and transfers in over expenditures and transfers out	(174,176)	(216,443)	(390,619)	390,619	
Change in Net Position				(179,482)	(179,482)
Fund Balance/Net Position:					
Beginning of the Year	633,887	431,594	1,065,481	2,071,674	3,137,155
Prior Period Adjustment	-		-		-
End of the Year	\$ 459,711	\$ 215,151	\$ 674,862	\$ 2,282,811	\$ 2,957,674

The notes to the Financial Statements are an integral part of this statement.

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT –
POINT VENTURE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1. CREATION OF DISTRICT

Travis County Water Control and Improvement District – Point Venture was created, organized and established on October 14, 1970, by the Texas Water Commission pursuant to the provisions of Chapter 51 of the Texas Water Code.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Travis County Water Control and Improvement District - Point Venture conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

- A. Reporting Entity - The District has developed criteria to determine if the activities of any outside agencies or organizations should be included within its financial statements. The criteria includes the amount of oversight responsibility exercised by the District over the activities of an agency or organization, the scope of public service of an agency or organization, and the nature of any special financing relationships which may exist between the District and an agency or organization. Oversight responsibility includes financial interdependency, selection of the governing authority, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The District's financial statements include all funds over which the District exercises oversight responsibility. The District does not exercise oversight responsibility over any other reporting entity. Also, The District is not included as a part of any other reporting entity.
- B. Government-Wide and Fund Financial Statements
The Statement of Net position and the Statement of Activities are government-wide financial statements. They report information on all of the Travis County Water Control and Improvement District - Point Venture nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include sources supported by taxes, fees and charges for services.

The Statement of Activities demonstrates how other people or entities that participate in services the District operates have shared in the payment of the direct costs.

Interfund activities between governmental funds appear as due to/due from on the Governmental Fund Balance Sheet and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes and user charges. Property tax revenues and revenues received from customers are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, liabilities, and net position or equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Temporary investments are stated at cost.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property taxes are recorded as revenue when collected, and the amount of billed but uncollected taxes are deferred pending collection.

3. Capital Assets

Capital assets, which include land, buildings, furniture and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an estimated useful life in excess of one years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciable assets of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	30
Building and improvements	30
Water and sewer plant	30
Machinery and equipment	7
Furniture and fixtures	5
Automobiles and trucks	7

4. Vacation and Sick Leave

Vacation and sick pay expenditures are charged to operations when taken by the employees of the District. The liabilities for accumulated vacation leave at September 30, 2014 are estimated to be insignificant, and are not reflected in the accompanying financial statements.

5. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

6. Fund Equity

Beginning with fiscal year end April 30, 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance – amounts that are not in non-spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the

same highest level action to remove or change the constraint.

- Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Board of Directors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Directors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

7. Budget

The Board of Directors adopts an annual budget for the general fund in accordance with the Accounting Principles applicable to this fund.

8. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts 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 expenses during the reporting period. Actual results could differ from those estimates.

9. Change of Fiscal Year

At the regular board meeting on August 17, 2013, the board approved the change of the fiscal year to October 1 through September 30. The District adopted a budget for the seventeen month period of May 1, 2013 through September 30, 2014.

NOTE 3. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net position

Total Fund Balance - Governmental Funds	\$	674,862
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$6,933,011 and the accumulated depreciation was \$3,632,776. The effect of including the beginning balances for capital assets (net of depreciation) in the governmental activities is to increase net position.		3,300,235
2 Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government wide financial statements. The net effect of including the 2014 capital outlays is to increase net position.		262,430
3 The 2014 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(263,500)
4 Long-term liabilities, including capital lease payable, are not due and payable in the current period and therefore are not reported in the funds.		(1,043,142)
5 Deferred revenue is not financial resources and therefore is not reported in the funds.		<u>26,789</u>
Net Position of Governmental Activities	\$	<u><u>2,957,674</u></u>

Reconciliation of the Governmental Fund Statement of Revenues, Expenditure, and Changes in Fund Balance to the Statement of Activities

Total Net Change in Fund Balances - Governmental Funds	\$	(390,619)
1 Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government wide financial statements. The net effect of removing the 2014 capital outlays is to increase net position.		262,430
2 Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.		(263,500)
3 Loan proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the government-wide statements; however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.		(173,641)
4 Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of net position: Principal Payments.		385,914
5 Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds: Taxes Receivable.		(7,148)
6 Expenses in the statement of activities that do not require the use of current financial resources and are not reported as expenditures in the fund: Accrued interest.		<u>7,082</u>
Change in Net Position of Governmental Activities	\$	<u><u>(179,482)</u></u>

NOTE 4. DEPOSITS AND INVESTMENTS

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At September 30, 2014, the carrying amount of the District's deposits was \$ 225,476 and the bank balance was \$227,223. The District's cash deposits at September 30, 2014 and during the year ended September 30, 2014 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

The carrying value of investments at September 30, 2014 was 394,473 (TexPool Investment Pool). Local government investment pools operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Local government investment pools use amortized cost rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in these pools is the same as the value of the shares in each pool.

Policies Governing Deposits and Investments

In compliance with the **Public Funds Investment Act**, the District has adopted a deposit and investment policy. That policy does address the following risks:

Custodial Credit Risk - Deposits: This is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District was not exposed to custodial credit risk since its deposits at year-end and during the year ended September 30, 2014 were covered by depository insurance or by pledged collateral held by the District's agent bank in the District's name.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form. Thus positions in external investment pools are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

Other Credit Risk: There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risk, TexPool Investment Pool invests only in investments authorized under the Public Funds Investment Act. TexPool's portfolio has low market (credit) risk due to restrictions on weighted average maturity and maximum maturity of any one investment. The investment manager is required to maintain a stable \$1.00 net asset value and must take immediate action if the net asset value of the portfolio falls below \$.995 or rises above \$1.005.

NOTE 5. PROPERTY TAXES

Travis County Water Control and Improvement District – Point Venture contracted with the Travis Central Appraisal District for the appraisal of taxes. Travis County Tax Assessor Collector collects the taxes. By September 1 of each year, the rate of taxation is set by the Board of Directors based upon the valuation of property within the District as of January 1. Taxes are due October 1, and become delinquent after January 31 of the following year. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of levy.

For the 2013 tax roll, the District levied an ad valorem maintenance tax at a rate of \$.2458 and interest and sinking at a rate of \$.1533 per \$100 of assessed valuation. The total tax rate was \$.3991 per \$100 valuation, which resulted in a tax levy (before corrections and adjustments) of \$619,607 on the taxable valuation of \$155,251,159.

NOTE 6. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year September 30, 2014, was as follows:

	Primary Government			
	Beginning Balance 5/1/13	Additions	Retirements	Ending Balance 9/30/14
	Governmental Activities			
Land	\$ 167,042	\$ -	\$ -	\$ 167,042
Water and wastewater systems	4,107,143	-	-	4,107,143
Building and improvements	595,138	-	-	595,138
Office equipment	33,372	8,281	8,464	33,189
Machinery and equipment	366,568	50,011	11,044	405,535
Distribution system	1,663,748	183,916	-	1,847,664
Construction in progress	-	20,222	-	20,222
Totals	\$ 6,933,011	\$ 262,430	\$ 19,508	\$ 7,175,933
Less Accumulated Depreciation	(3,632,776)	(263,500)	19,508	(3,876,768)
Capital Assets, Net	\$ 3,300,235	\$ (1,070)	\$ -	\$ 3,299,165

NOTE 7. GENERAL LONG-TERM DEBT

The following is a summary of changes in general long-term debt:

	Balance 5/1/13	Issued	Retired	Balance 9/30/14	Due Within One Year
General Obligation Bonds					
Series 1998-A (Interest Rate 3.35% to 4.05%)	\$ 585,000	\$ -	\$ 175,000	\$ 410,000	\$ 95,000
Series 1998-B (Interest Rate 5.09% to 5.74%)	665,000	-	195,000	470,000	105,000
TOTAL LONG-TERM DEBT	\$ 1,250,000	\$ -	\$ 370,000	\$ 880,000	\$ 200,000

The District's notes payable and bonds outstanding are due for the next five years and thereafter as follows:

Year Ending Sept 30	Principal	Interest	Total
2015	\$ 200,000	\$ 43,316	\$ 243,316
2016	215,000	33,542	248,542
2017	225,000	22,998	247,998
2018	240,000	11,917	251,917
Total	<u>\$ 880,000</u>	<u>\$ 111,773</u>	<u>\$ 991,773</u>

NOTE 8. CAPITAL LEASE

The District entered into a capital lease agreement with Government Capital Corporation (which assigned the contract to Community Bank of Louisiana) for the purchase of electronic meters for \$173,641. The capital lease is payable in ten (10) annual installments of \$19,889.32 (including interest at 2.6%).

A summary of the future minimum lease payments under the lease along with the present value of the minimum lease payments as of September 30, 2014 follows:

Year Ended September 30	
2015	\$ 19,889
2016	19,889
2017	19,889
2018	19,889
2019	19,889
2020-2023	<u>79,556</u>
Total Minimum Lease Payments	\$ 179,001
Less Amount Representing Interest	<u>21,274</u>
Present Value of Lease Payments	<u>\$ 157,727</u>

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District contracts with the Texas Municipal League (TML) to provide insurance coverage for identified risks. TML is a multi-government group that provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Liability by the District is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2014 were \$20,683.

NOTE 10. INSURANCE

All regular employees of the District are eligible under the group hospitalization and life insurance program provided by the District through Blue Cross Blue Shield. The District pays the premium for eligible employees.

NOTE 11. RETIREMENT PLAN

In addition to the social security program, the District is a member of the Texas County and District Retirement System.

Plan Description

The District provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 656 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after 5 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually.

1. The employer contributed using the actuarially determined rate of 3.72% for the months of the accounting year in 2013, and 3.65% for the months of the accounting year in 2014.

The contribution rate payable by the employee members for calendar year 2014 is the rate of 5% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Annual Pension Cost

For the employer's accounting year ending September 30, 2014, the annual pension cost for the TCDRS plan for its employees was \$19,438 and the actual contributions were \$19,438.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2012 and December 31, 2013, the basis for determining the contribution rates for calendar years 2013 and 2014. The December 31, 2013 actuarial valuation is the most recent valuation.

Actuarial Valuation Information

Actuarial valuation date	12/31/13	12/31/12	12/31/11
Actuarial cost methods	entry age	entry age	entry age
Amortization method	level percentage of payroll, open	level percentage of payroll, closed	level percentage of payroll, open
Amortization period in years	30	30	20
Asset valuation method	SAF: 5-Yr smoothed value ESF: Fund Value	SAF: 10-Yr smoothed value ESF: Fund Value	SAF: 10 Yr. smoothed value ESF: Fund Value

Assumptions:

Investment return ⁽¹⁾	8.0%	8.0%	8.0%
Projected salary increases ⁽¹⁾	4.9%	5.4%	5.4%
Inflation	3.0%	3.5%	3.5%
Cost of living adjustments	0.0%	0.0%	0.0%

⁽¹⁾ includes inflation at the stated rate

Trend Information
for the Retirement Plan for the Employees of the District

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
04/30/12	12,866	100%	-0-
04/30/13	13,066	100%	-0-
09/30/14	19,438	100%	-0-

Transition Disclosure It was determined in accordance with GASB Statement No. 27 that the pension liability was zero at the transition to that statement effective at the beginning of this accounting year, because all actuarially required contributions for the accounting years beginning in 1987 up to the beginning of this accounting year have been paid. There was no previously reported pension liability before the transition. Therefore, the difference between the pension liability at transition and the previously reported pension liability is zero.

Schedule of Funding Progress for the Retirement Plan
for the Employees of the District

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Annual Covered Payroll ¹ (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
12/31/11	246,910	250,405	3,495	98.60%	361,256	.97%
12/31/12	275,275	274,185	(1,090)	100.40%	363,736	-.30%
12/31/13	330,466	325,525	(4,941)	101.52%	368,012	-1.34%

¹ The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.

² Revised economic and demographic assumptions due to an experience review are reflected in this valuation.

NOTE 12. CONTRACTS AND COMMITMENTS

Lower Colorado River Authority

The District has a contract to purchase water from the Lower Colorado River Authority at the rate of \$.35 per thousand gallons. The contract is for a term of 40 years beginning August 1, 2006. Subsequent to the audit period, the District entered into a new contract adjusting the rate to \$.41 per thousand gallons and a new term of 40 years beginning June, 2013.

Village of Point Venture

The District entered into an interlocal agreement with the Village of Point Venture to provide certain services and the use of District facilities and personnel. The District receives monthly reimbursement for clerical support and public works (\$8,072 per month in 2013 and \$8,405 per month in 2014). For the seventeen month period ended September 30, 2014 the District received \$138,603 under the agreement.

NOTE 13. LAND USE RIGHTS

During the year ended April 30, 2004, the District entered into an irrigation system contract with the Point Venture Property Owners Association, Inc. (Association) to construct a new subsurface system within property owned by the Association. The use of the Association's property to dispose of effluent will expand the capacity of the District's wastewater system. The cost of \$192,276 that the District has paid has been recorded as land use rights and will be amortized over 25 years, the remaining terms of the effluent disposal contract between the District and the Association. Land use rights are recorded at \$192,276, net accumulated amortization of \$80,000 for the year ended September 30, 2014.

NOTE 14. INTERFUND RECEIVABLE AND PAYABLES

Interfund balances at April 30, 2014 consisted of the following:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund -		
Debt Service Fund	-	149,147
Debt Service Fund -		
General Fund	149,147	

NOTE 15. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Actual expenditures for the General Fund exceeded the budgeted amounts for several line items and in total.

NOTE 16. GASB ACCOUNTING STANDARD

The District has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Under GASB-63, amounts previously reported as deferred charges as a part of total assets and deferred amounts from refunded debt have been reported in a separate section as deferred outflows of resources and amounts previously reported as deferred revenue as a part of total liabilities have been reported in a separate section as deferred inflows of resources.

NOTE 17. SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 30, 2015, the date which the financial statements were available to be issued. The District is not aware of any subsequent events that materially impact the financial statements.

REQUIRED SUPPLEMENTAL SCHEDULE

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON
SCHEDULE - GENERAL FUND - FOR THE SEVENTEEN MONTHS ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ 381,764	\$ 381,764	\$ 386,258	\$ 4,494
Water and wastewater service	525,795	525,795	556,034	30,239
Other Income	210,421	210,421	240,641	30,220
Interest on Investments	5,413	5,413	248	(5,165)
Total Revenues	<u>1,123,393</u>	<u>1,123,393</u>	<u>1,183,181</u>	<u>59,788</u>
<u>Expenditures/Expenses:</u>				
Personnel services	\$ 724,968	\$ 724,968	\$ 734,580	\$ (9,612)
Repairs and Maintenance	216,721	216,721	235,102	(18,381)
Water	59,835	59,835	53,152	6,683
Supplies	19,804	19,804	14,448	5,356
Utilities	93,693	93,693	101,302	(7,609)
Insurance	15,968	15,968	20,683	(4,715)
Legal and professional	41,725	41,725	60,129	(18,404)
Administrative	31,893	31,893	21,283	10,610
Amortization			8,000	(8,000)
<u>Capital Outlay</u>			262,430	(262,430)
<u>Debt Service:</u>				
Principal			15,914	(15,914)
Interest and Fees			3,975	(3,975)
Total Expenditures/Expenses	<u>1,204,607</u>	<u>1,204,607</u>	<u>1,530,998</u>	<u>(326,391)</u>
Excess (deficiency) of revenues over expenditures	(81,214)	(81,214)	(347,817)	(266,603)
<u>Other Financing source/uses:</u>				
Capital Lease Proceeds			173,641	173,641
Excess (deficiency) of revenues and transfers in over expenditures and transfers out	(81,214)	(81,214)	(174,176)	(92,962)
<u>Fund Balance/Net Assets:</u>				
Beginning of the Year	633,887	633,887	633,887	-
End of the Year	<u>\$ 552,673</u>	<u>\$ 552,673</u>	<u>\$ 459,711</u>	<u>\$ (92,962)</u>

The notes to the Financial Statements are an integral part of this statement.

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT-POINT VENTURE
 REQUIRED SUPPLEMENTARY INFORMATION
 September 30, 2014

Texas County and District Retirement System

Schedule of Funding Progress:

(unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) (2)	Funded Ratio (3) (1)/(2)	Unfunded AAL (UAAL) (4) (2)-(1)	Covered Payroll (5)	UAAL as a Percentage of Covered Payroll (6) (4)/(5)
12/31/2011	\$ 246,910	\$ 250,405	98.60%	\$ 3,495	\$ 361,256	0.97%
12/31/2012	275,275	274,185	100.40%	(1,090)	363,736	-0.30%
12/31/2013	330,466	325,525	101.52%	(4,941)	368,012	-1.34%

APPENDIX B

FORM OF BOND COUNSEL'S OPINION

March __, 2016

WE HAVE ACTED as Bond Counsel for Travis County Water Control and Improvement District - Point Venture (the "District") in connection with an issue of bonds (the "Bonds") described as follows:

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE UNLIMITED TAX BONDS, SERIES 2016, dated February 15, 2016, in the aggregate principal amount of \$_____, maturing on August 15 in each year from 20__ through and including 20__. The Bonds are issuable in fully registered form only, in denominations of \$5,000 or integral multiples thereof, bear interest, and may be transferred and exchanged as set out in the Bonds and in the order (the "Order") adopted by the Board of Trustees of the District (the "Board") authorizing their issuance.

WE HAVE ACTED as Bond Counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas and with respect to the exclusion of interest on the Bonds from gross income under federal income tax law. In such capacity we have examined the Constitution and laws of the State of Texas; federal income tax law; and a transcript of certain certified proceedings pertaining to the issuance of the Bonds. The transcript contains certified copies of certain proceedings of the District; certain certifications and representations and other material facts within the knowledge and control of the District, upon which we rely; and certain other customary documents and instruments authorizing and relating to the issuance of the Bonds. We have also examined executed Bond No. R-1.

WE HAVE NOT BEEN REQUESTED to examine, and have not investigated or verified, any original proceedings, records, data or other material, but have relied upon the transcript of certified proceedings. We have not assumed any responsibility with respect to the financial condition or capabilities of the District or the disclosure thereof in connection with the sale of the Bonds. Our role in connection with the District's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

BASED ON SUCH EXAMINATION, it is our opinion as follows:

- (1) The transcript of certified proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the Constitution and laws of the State of Texas presently in effect; the Bonds constitute valid and legally binding obligations of the District enforceable in accordance with the terms and conditions thereof, except to the extent that the rights and remedies of the owners of the Bonds may be limited by laws heretofore or hereafter enacted relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws

affecting the rights of creditors of political subdivisions and the exercise of judicial discretion in appropriate cases; and the Bonds have been authorized and delivered in accordance with law; and

- (2) The Bonds are payable, both as to principal and interest, from the receipts of an annual ad valorem tax levied, without legal limit as to rate or amount, upon taxable property located within the District, which taxes have been pledged irrevocably to pay the principal of and interest on the Bonds.

ALSO BASED ON OUR EXAMINATION AS DESCRIBED ABOVE, it is our further opinion that, subject to the restrictions hereinafter described, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes under existing law and is not subject to the alternative minimum tax on individuals or, except as hereinafter described, corporations. The opinion set forth in the first sentence of this paragraph is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted in the Order to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. The Code and the existing regulations, rulings and court decisions thereunder, upon which the foregoing opinions of Bond Counsel are based, are subject to change, which could prospectively or retroactively result in the inclusion of the interest on the Bonds in gross income of the owners thereof for federal income tax purposes. If the District fails to comply with the foregoing provisions of the Order, interest on the Bonds could become includable in gross income from the date of original delivery, regardless of the date on which the event causing such inclusions occurs.

INTEREST ON the Bonds owned by a corporation (other than an S corporation, a regulated investment company, a real estate investment trust (REIT), a real estate mortgage investment conduit (REMIC), or a financial asset securitization investment trust (FASIT)) will be included in such corporation's adjusted current earnings for purposes of calculating such corporation's alternative minimum taxable income. A corporation's alternative minimum taxable income is the basis on which the alternative minimum tax imposed by the Code is computed. Purchasers of Bonds are directed to the discussion entitled "TAX MATTERS" set forth in the Official Statement.

EXCEPT AS DESCRIBED ABOVE, we express no opinion as to any federal, state or local tax consequences under present law, or future legislation, resulting from the ownership of, receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who are deemed to have incurred or continued indebtedness to purchase or carry tax-

March __, 2016
Page 3

exempt obligations, taxpayers owning an interest in a FASIT that holds tax-exempt obligations and individuals otherwise qualified for the earned income tax credit. For the foregoing reasons, prospective purchasers should consult their tax advisors as to the consequences of investing in the Bonds.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

7874/7868

OFFICIAL STATEMENT
Dated February 25, 2016

IN THE OPINION OF BOND COUNSEL, INTEREST ON THE BONDS WILL BE EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES UNDER STATUTES, REGULATIONS, PUBLISHED RULINGS AND COURT DECISIONS EXISTING ON THE DATE THEREOF, SUBJECT TO THE MATTERS DESCRIBED UNDER "TAX MATTERS" HEREIN, AND WILL NOT BE INCLUDED IN THE ALTERNATIVE MINIMUM TAXABLE INCOME OF INDIVIDUALS. SEE "TAX MATTERS" HEREIN FOR A DISCUSSION OF BOND COUNSEL'S OPINION, INCLUDING THE ALTERNATIVE MINIMUM TAX CONSEQUENCES FOR CORPORATIONS.

THE DISTRICT HAS DESIGNATED THE BONDS AS "QUALIFIED TAX-EXEMPT OBLIGATIONS"
FOR FINANCIAL INSTITUTIONS. SEE "TAX MATTERS."

Enhanced/Unenhanced Ratings:
S&P: "AA" (Stable Outlook)
Moody's: "A2" (Stable Outlook)/"Baa3"
Kroll: "AA+" (Stable Outlook)
Insurance: AGM
See "MUNICIPAL BOND RATINGS
AND INSURANCE" and "BOND INSURANCE"

NEW ISSUE – Book-Entry Only

\$7,375,000

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT – POINT VENTURE
(A Political Subdivision of the State of Texas Located in Travis County, Texas)
UNLIMITED TAX BONDS, SERIES 2016

Dated: February 15, 2016

Due: August 15, as shown on the inside cover page

Interest to accrue from the date of Initial Delivery (as defined below)

The bonds described above (the "Bonds") are obligations solely of Travis County Water Control and Improvement District – Point Venture (the "District") and are not obligations of the State of Texas ("State"), Travis County (the "County"), Lago Vista Independent School District or any entity other than the District.

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 against all taxable property within the District. THE BONDS ARE SUBJECT TO SPECIAL RISK FACTORS DESCRIBED HEREIN. See "RISK FACTORS."

PAYMENT TERMS . . .Principal of the Bonds is payable at maturity or earlier redemption at the principal payment office of the paying agent/registrar, initially BOKF, NA, Austin, Texas, (the "Paying Agent" or the "Paying Agent/Registrar") upon surrender of the Bonds for payment. Interest on the Bonds will accrue from the date of Initial Delivery and will be payable each February 15 and August 15, commencing February 15, 2017, until maturity or prior redemption. Interest on the Bonds will be payable on the basis of a 360-day year consisting of twelve 30-day months. The Bonds will be issued only in fully registered form in denominations of \$5,000 each or integral multiples thereof. The Bonds are subject to redemption prior to their maturity as provided on page 2.

The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent/Registrar directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS – Book-Entry-Only System."

PURPOSE . . . The proceeds of the Bonds will be used to finance the District's share of the following projects: (i) construction costs associated with a water treatment plant expansion, (ii) construction costs associated with an effluent storage tank, and (iii) water system improvements to serve the District. The remaining Bond proceeds will be used to pay certain engineering costs and costs associated with the issuance of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."



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.

CUSIP PREFIX: 894393
MATURITY SCHEDULE
SEE INSIDE COVER PAGE

LEGALITY . . . The Bonds are offered by the Initial Purchaser subject to prior sale, when, as and if issued by the District and accepted by the Initial Purchaser, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Andrews Kurth, Austin, Texas, Bond Counsel. Andrews Kurth LLP, Austin, Texas, has also been engaged to serve as disclosure counsel for the offering. See "LEGAL MATTERS."

DELIVERY . . . Delivery of the Bonds is expected through the facilities of DTC on March 24, 2016 ("Initial Delivery").

MATURITY SCHEDULE

8/15 Maturity	Principal Amount	Interest Rate	Initial Yield ^(a)	CUSIP Numbers ^(b)
2017	\$ 30,000	2.000%	1.000%	894393EM5
2018	265,000	2.000%	1.250%	894393EN3
2019	275,000	2.000%	1.500%	894393EP8
2020	285,000	2.000%	1.650%	894393EQ6
2021	295,000	2.000%	1.850%	894393ER4
2022	310,000	2.000%	2.000%	894393ES2
2023	320,000	3.000%	2.200%	894393ET0
2024	335,000	3.000%	2.350% ^(c)	894393EU7
2025	350,000	3.000%	2.400% ^(c)	894393EV5
2026	360,000	3.000%	2.550% ^(c)	894393EW3
2027	375,000	3.000%	2.700% ^(c)	894393EX1
2028	395,000	3.000%	2.850% ^(c)	894393EY9
2029	410,000	3.000%	3.000%	894393EZ6
2030	425,000	3.000%	3.050%	894393FA0
2031	445,000	3.000%	3.100%	894393FB8
2032	460,000	3.000%	3.200%	894393FC6

**\$980,000 3.125% Term Bonds due August 15, 2034 at a Price of 96.260% to Yield 3.400%^(a) – 894393FE2^(b)
\$1,060,000 3.250% Term Bonds due August 15, 2036 at a Price of 96.375% to Yield 3.500%^(a) – 894393FG7^(b)**

(Interest to accrue from the date of Initial Delivery)

- (a) Initial yield represents the initial offering yield to the public, which has been established by the Initial Purchaser for offers to the public and which subsequently may be changed.
- (b) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the Initial Purchaser, the District, nor the Financial Advisor is responsible for the selection or correctness of the CUSIP numbers set forth herein.
- (c) Yield calculated based on the assumption that the Bonds denoted and sold at a premium will be redeemed on August 15, 2023, the first optional call date for such Bonds, at a redemption price of par, plus accrued interest to the redemption date.

REDEMPTION PROVISIONS . . . The District reserves the right to redeem, prior to maturity, in integral multiples of \$5,000, those Bonds maturing on and after August 15, 2024 in whole or from time to time in part, on August 15, 2023, or on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. See “THE BONDS – Optional Redemption.” Additionally, Term Bonds maturing on August 15 in the years 2034 and 2036 are subject to mandatory sinking fund redemption. See “THE BONDS – Mandatory Sinking Fund Redemption.”

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

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This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the District 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. This Official Statement does not constitute an offer to sell Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction.

The information set forth herein has been obtained from the District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein 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.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND, CONSEQUENTLY, HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE BONDS HAVE BEEN REGISTERED, OR EXEMPTED, SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

NEITHER THE DISTRICT NOR THE FINANCIAL ADVISOR MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY-ONLY SYSTEM.

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The cover and inside cover page hereof, this page, the appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

SALE AND DISTRIBUTION OF THE BONDS

AWARD OF THE BONDS . . . After requesting competitive bids for the Bonds, the District accepted the bid resulting in the lowest net effective interest rate, which bid was tendered by Hutchinson, Shockey, Erley & Co. (the "Initial Purchaser") bearing the interest rates shown on the inside cover page hereof, at a price of approximately 97.249% of the par value thereof which resulted in a net effective interest rate of 3.230701% as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended (the "IBA" method).

PRICES AND MARKETABILITY . . . 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 underwriter or wholesaler. Otherwise, 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 offering 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.

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

SECURITIES LAWS . . . No registration statement relating to the offer and sale of the Bonds has been filed with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein and the Bonds have not been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdiction.

MUNICIPAL BOND RATINGS AND INSURANCE

The Bonds are expected to be rated "AA" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's") and "AA+" (stable outlook) by Kroll Bond Rating Agency by virtue of a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. at the time of delivery of the Bonds. The Bonds and the outstanding debt of the District are rated "Baa3" by Moody's without regard to credit enhancement. See "BOND INSURANCE" and "BOND INSURANCE RISK FACTORS."

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OFFICIAL STATEMENT SUMMARY

The following material is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE DISTRICT

THE ISSUER..... Travis County Water Control and Improvement District – Point Venture (the “District”), a political subdivision of the State of Texas, was created by order of the Texas Commission on Environmental Quality (the “TCEQ” or the “Commission”), effective October 14, 1970 and confirmed pursuant to an election held within the District on September 21, 1970. The District was created for the purpose of providing, operating, and maintaining facilities to control storm water, distribute potable water, collect and treat wastewater and operates pursuant to Chapters 49 and 51 of the Texas Water Code, as amended, and Article XVI, Section 59 of the Texas Constitution, as amended. See “THE DISTRICT – General.”

LOCATION..... The District is located in Travis County at the southwestern end of Lohmans Ford Road, approximately 6 miles south of the intersection of FM 1431 and Lohmans Ford Road. The District is located entirely within Travis County, Lago Vista Independent School District and is adjacent to the north shore of Lake Travis.

The District is currently comprised of approximately 1,002 acres being developed as Travis County, a single-family residential community. See “THE DISTRICT – Location” and “LOCATION MAP.”

DEVELOPMENT WITHIN THE DISTRICT..... Of the approximately 1,002 acres within the District, all acres have been developed. As of September 30, 2015, 700 single-family lots have been developed with utility facilities and 390 lots under development. See “THE DISTRICT – Current Status of Development.”

THE BONDS

DESCRIPTION..... The Bonds in the aggregate principal amount of \$7,375,000 maturing serially in varying amounts on August 15 of each year from 2017 through 2032 and as Term Bonds maturing on August 15 in the years 2034 and 2036 as set forth on the inside cover page hereof. Interest accrues from the date of Initial Delivery and is payable February 15, 2017 and each February 15 and August 15 thereafter until maturity or earlier redemption. The Bonds are offered in fully registered form in integral multiples of \$5,000 for any one maturity. See “THE BONDS – General Description.”

REDEMPTION..... The District reserves the right to redeem, prior to maturity, in integral multiples of \$5,000, those Bonds maturing on and after August 15, 2024 in whole or from time to time in part, on August 15, 2023, or on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. See “THE BONDS – Optional Redemption.” Additionally, Term Bonds maturing on August 15 in the years 2034 and 2036 are subject to mandatory sinking fund redemption. See “THE BONDS – Mandatory Sinking Fund Redemption.”

SOURCE OF PAYMENT..... Principal of and interest on the Bonds are payable from the proceeds of a continuing direct annual ad valorem tax levied upon all taxable property within the District, which under Texas law is not legally limited as to rate or amount. See “TAXING PROCEDURES.” **The Bonds are obligations solely of the District and are not obligations of the Lago Vista Independent School District; Travis County, Texas; the State of Texas; or any entity other than the District.** See “THE BONDS – Source of and Security for Payment.”

PAYMENT RECORD..... The Bonds constitute the first installment of bonds issued by the District for construction of the water treatment plant, expansion to an effluent storage tank

and water system improvements. See “FINANCIAL STATEMENT –Unlimited Tax Bonds Authorized but Unissued.”

AUTHORITY FOR ISSUANCE	The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas including Chapters 49 and 51 of the Texas Water Code, as amended, a bond election held within the District on May 9, 2015, the approving order of the TCEQ and an order (the “Bond Order”) adopted by the Board of Directors of the District on the date of the sale of the Bonds. See “THE BONDS – Authority for Issuance.”
USE OF PROCEEDS	<p>The proceeds of the Bonds will be used to finance the District’s share of the following projects: (i) construction costs associated with a water treatment plant expansion, (ii) construction costs associated with an effluent storage tank, and (iii) water system improvements to serve the District.</p> <p>The remaining Bond proceeds will be used to pay certain engineering costs and costs associated with the issuance of the Bonds. See “USE AND DISTRIBUTION OF BOND PROCEEDS.”</p>
BONDS AUTHORIZED BUT UNISSUED	At an election held within the District on May 9, 2015, the voters within the District approved the issuance of \$7,375,000 in bonds for water, wastewater and drainage facilities. After the sale of the Bonds, no Bonds will remain authorized but unissued. See “FINANCIAL STATEMENT – Outstanding Bonds” and “THE BONDS – Future Debt.”
MUNICIPAL BOND RATING AND INSURANCE	The Bonds are expected to be rated “AA” (stable outlook) by Standard and Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”), “A2” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”) and “AA+” (stable outlook) by Kroll Bond Rating Agency by virtue of a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. at the time of delivery of the Bonds. The Bonds and the outstanding debt of the District are rated “Baa3” by Moody’s without regard to credit enhancement.
QUALIFIED TAX-EXEMPT OBLIGATIONS	The District has designated the Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended, and have represented that the total amount of tax-exempt obligations (including the Bonds) issued by it during calendar year 2016 is not reasonably expected to exceed \$10,000,000. See “TAX MATTERS – Qualified Tax-Exempt Obligations for Financial Institutions.”
BOND COUNSEL	Andrews Kurth LLP, Austin, Texas
GENERAL COUNSEL	Willatt & Flickinger, Austin, Texas
DISCLOSURE COUNSEL	Andrews Kurth LLP, Austin, Texas
FINANCIAL ADVISOR	Specialized Public Finance Inc., Austin, Texas
ENGINEER	River City Engineering, Ltd., Austin, Texas

RISK FACTORS

The purchase and ownership of the Bonds involve certain risk factors and all prospective purchasers are urged to examine carefully the Official Statement, including particularly the section captioned “RISK FACTORS,” with respect to investment in the Bonds.

SELECTED FINANCIAL INFORMATION
(Unaudited as of September 15, 2015)

2014 Certified Taxable Assessed Valuation	\$ 147,236,522	(a)
2015 Certified Taxable Assessed Valuation	\$ 161,841,832	(a)
Gross Direct Debt Outstanding	\$ 8,055,000	(b)
Estimated Overlapping Debt	<u>7,093,273</u>	(c)
Gross Direct Debt Outstanding and Estimated Overlapping Debt	\$ 15,148,273	
Ratios of Gross Direct Debt Outstanding to:		
2015 Certified Taxable Assessed Valuation		4.98%
Ratios of Gross Direct Debt Outstanding and Estimated Overlapping Debt to:		
2015 Certified Taxable Assessed Valuation		9.36%
2015 Tax Rate:		
Debt Service	\$ 0.3795	
Maintenance & Operation	<u>0.2458</u>	
Total	\$ 0.6253	(d)
General Operating Fund Balance as of January 31, 2016 (unaudited)	\$ 868,483	
Debt Service Fund as of January 31, 2016 (unaudited)	\$ 483,048	
Projected Average Annual Debt Service Requirement (2016-2036)	\$ 519,379	(b)
Projected Maximum Annual Debt Service Requirement (2018)	\$ 726,842	(b)
Tax Rates Required to Pay Projected Average Annual Debt Service (2016-2036) at a 95% Collection Rate		
Based upon 2015 Certified Taxable Assessed Valuation	\$	0.3379
Tax Rates Required to Pay Projected Maximum Annual Debt Service (2018) at a 95% Collection Rate		
Based upon 2015 Certified Taxable Assessed Valuation	\$	0.4728
Number of Active Connections as of September 30, 2015:		
Total Developed Single Family Lots	700	
Projected Single Family Lot Development	390	
Estimated Population as of September 30, 2015	2,450	(e)

- (a) Assessed valuation of the District as certified by the Travis Central Appraisal District ("TCAD"). See "TAXING PROCEDURES."
- (b) Includes the Bonds. See "DEBT SERVICE REQUIREMENTS."
- (c) See "DEBT SERVICE REQUIREMENTS – Estimated Overlapping Debt."
- (d) The District levied a 2015 total tax rate of \$0.6253. See "Table 9 – District Tax Rates."
- (e) Based upon 3.5 residents per completed and occupied single family home.

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OFFICIAL STATEMENT
Relating to
\$7,375,000
TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT – POINT VENTURE
(A Political Subdivision of the State of Texas Located in Travis County, Texas)
UNLIMITED TAX BONDS, SERIES 2016

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by the Travis County Water Control and Improvement District – Point Venture (the “District”), a political subdivision of the State of Texas (the “State”), of its \$7,375,000 Unlimited Tax Bonds, Series 2016 (the “Bonds”).

The Bonds are issued pursuant to an order (the “Bond Order”) adopted by the Board of Directors of the District on the date of the sale of the Bonds, pursuant to Article XVI, Section 59 of the Constitution and general laws of the State, including Chapters 49 and 51 of the Texas Water Code, as amended, a bond election held within the District on May 9, 2015, and the approving order of the Texas Commission on Environmental Quality (the “TCEQ” or the “Commission”).

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meaning assigned to such terms in the Bond Order.

Included in this Official Statement are descriptions of the Bonds and certain information about the District and its finances. ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT. Copies of such documents may be obtained from the District c/o Willatt & Flickinger, 2001 North Lamar Boulevard, Austin, Texas, 78705 or from the District’s Financial Advisor, Specialized Public Finance Inc., 248 Addie Roy Road, Suite B-103, Austin, Texas, 78746, upon payment of reasonable copying, mailing and handling charges.

THE BONDS

GENERAL DESCRIPTION . . . The Bonds are dated February 15, 2016 and will mature on August 15 of the years and in the principal amounts, and will bear interest at the rates per annum, set forth on the inside cover page hereof. Interest on the Bonds will accrue from the date of Initial Delivery, will be paid on February 15, 2017 and each February 15 and August 15 thereafter until maturity or earlier redemption and will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds will be issued in fully registered form only, without coupons, in denominations of \$5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York, acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the paying agent to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The initial paying agent for the Bonds is BOKF, NA, Austin, Texas (the “Paying Agent” or “Paying Agent/Registrar”).

OPTIONAL REDEMPTION . . . The District reserves the right, at its option, to redeem the Bonds maturing on and after August 15, 2024, prior to their scheduled maturities, in whole or in part, in integral multiples of \$5,000 on August 15, 2023, or any date thereafter, at a price of par value plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed will be selected by the District. If less than all the Bonds of a certain maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent/Registrar by lot or other random method (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

Notice of Redemption . . . At least 30 calendar days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent by United States mail, first-class postage prepaid, at least 30 calendar days prior to the date fixed for redemption, to the registered owner of each Bond to be redeemed at its address as it appeared on the 45th calendar day prior to such redemption date and to major securities depositories and bond information services.

The Bonds of a denomination larger than \$5,000 may be redeemed in part (\$5,000 or any multiple thereof). Any Bond to be partially redeemed must be surrendered in exchange for one or more new Bonds of the same maturity for the unredeemed portion of the principal of the Bonds so surrendered. In the event of redemption of less than all of the Bonds, the particular Bonds to be redeemed shall be selected by the District, if less than all of the Bonds of a particular maturity are to be redeemed, the Paying Agent is required to select the Bonds of such maturity to be redeemed by lot.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Bond Order have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed will

have been received by the Paying Agent prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the District will not redeem such Bonds, and the Paying Agent will give notice in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

MANDATORY SINKING FUND REDEMPTION . . . The Bonds maturing August 15 in the years 2034 and 2036 (the “Term Bonds”) are subject to mandatory sinking fund redemption prior to maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the date of redemption by lot:

Term Bonds Due August 15, 2034		Term Bonds Due August 15, 2036	
Redemption Date	Principal Amount	Redemption Date	Principal Amount
August 15, 2033	\$ 480,000	August 15, 2035	\$ 520,000
August 15, 2034*	500,000	August 15, 2036*	540,000

*Stated Maturity.

The principal amount of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the District, by the principal amount of any Term Bonds of the stated maturity which, at least 45 days prior to a mandatory redemption date, (1) shall have been acquired by the District, at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District with monies in the Debt Service Fund at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

DTC REDEMPTION PROVISION . . . The Paying Agent/Registrar and the District, so long as a book-entry-only system (“Book-Entry-Only-System”) is used for the Bonds, will send any notice of redemption, notice of proposed amendment to the Bond Order or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC Participant, as herein defined, or of any Direct Participant or Indirect Participant, as herein defined, to notify the beneficial owner, shall not affect the validity of the redemption of Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the District will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Bonds held for the account of DTC Participants in accordance with its rules or other agreements with DTC Participants and then Direct Participants and Indirect Participants may implement a redemption of such Bonds and such redemption will not be conducted by the District or the Paying Agent/Registrar. Neither the District nor the Paying Agent/Registrar will have any responsibility to the DTC Participants.

Indirect Participants or the persons for whom DTC Participants act as nominees with respect to the payments on the Bonds or the providing of notice to Direct Participants, Indirect Participants, or beneficial owners of the selection of portions of the Bonds for redemption.

TERMINATION OF BOOK-ENTRY-ONLY SYSTEM . . . The District is initially utilizing the Book-Entry-Only System of DTC. See “BOOK-ENTRY-ONLY SYSTEM.” In the event that the Book-Entry-Only System is discontinued by DTC or the District, the following provisions will be applicable to the Bonds.

Payment . . . Principal of the Bonds will be payable at maturity to the registered owners as shown by the registration books maintained by the Paying Agent upon presentation and surrender of the Bonds to the Paying Agent at the designated office for payment of the Paying Agent in Austin, Texas (the “Designated Payment/Transfer Office”). Interest on the Bonds will be payable by check or draft, dated as of the applicable interest payment date, sent by the Paying Agent by United States mail, first-class, postage prepaid, to the registered owners at their respective addresses shown on such records, or by such other method acceptable to the Paying Agent requested by registered owner at the risk and expense of the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

Registration . . . If the Book-Entry-Only System is discontinued, the Bonds may be transferred and re-registered on the registration books of the Paying Agent only upon presentation and surrender thereof to the Paying Agent at the Designated Payment/Transfer Office. A Bond also may be exchanged for a Bond or Bonds of like maturity and interest and having a like aggregate principal amount or maturity amount, as the case may, upon presentation and surrender at the Designated Payment/Transfer Office. All Bonds surrendered for transfer or exchange must be endorsed for assignment by the execution by the registered owner or his duly authorized agent of an assignment form on the Bonds or other instruction of transfer acceptable to the Paying Agent. Transfer and exchange of Bonds will be without expense or service charge to the registered owner, except for any tax or other governmental

charges required to be paid with respect to such transfer or exchange. A new Bond or Bonds, in lieu of the Bond being transferred or exchanged, will be delivered by the Paying Agent to the registered owner, at the Designated Payment/Transfer Office of the Paying Agent or by United States mail, first-class, postage prepaid. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner not more than three (3) business days after the receipt of the Bonds to be canceled in the exchange or transfer in the denominations of \$5,000 or any integral multiple thereof.

Limitation on Transfer of Bonds . . . Neither the District nor the Paying Agent shall be required to make any transfer, conversion or exchange to an assignee of the registered owner of the Bonds (i) during the period commencing on the close of business on the last calendar day of the month (whether or not a business day) preceding each interest payment date (the "Record Date") and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond.

Replacement Bonds . . . If a Bond is mutilated, the Paying Agent will provide a replacement Bond in exchange for the mutilated bond. If a Bond is destroyed, lost or stolen, the Paying Agent will provide a replacement Bond upon (i) the filing by the registered owner with the Paying Agent of evidence satisfactory to the Paying Agent of the destruction, loss or theft of the Bond and the authenticity of the registered owner's ownership and (ii) the furnishing to the Paying Agent of indemnification in an amount satisfactory to hold the District and the Paying Agent harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond must be borne by the registered owner. The provisions of the Bond Order relating to the replacement Bonds are exclusive and to the extent lawful, preclude all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

AUTHORITY FOR ISSUANCE . . . At an election held within the District on May 9, 2015, voters within the District authorized a total of \$7,375,000 in Unlimited Tax Bonds for construction of a water treatment plant, expansion and improvements to an effluent storage tank, and water system improvements to serve single-family and common area development. The Bonds constitute the first and final installment of bonds issued by the District. After the sale of the Bonds, no bonds will remain authorized but unissued. The Bonds are issued pursuant to the terms and provisions of the Bond Order; Chapters 49 and 51 of the Texas Water Code, as amended, and Article XVI, Section 59 of the Texas Constitution. The issuance of the Bonds has been approved by an order of the TCEQ dated December 7, 2015.

SOURCE OF AND SECURITY FOR PAYMENT . . . The Bonds will be payable from and secured by a pledge of the proceeds of a continuing, direct, annual ad valorem tax without legal limitation as to rate or amount levied against all taxable property located within the District. The Board covenants in the Bond Order that, while any of the Bonds are outstanding and the District is in existence, it will levy an annual ad valorem tax and will undertake to collect such a tax against all taxable property within the District at a rate from year to year sufficient, full allowance being made for anticipated delinquencies, together with revenues and receipts from other sources which are legally available for such purposes, to pay interest on the Bonds as it becomes due, to provide a sinking fund for the payment of principal of the Bonds when due or the redemption price at any earlier required redemption date, to pay when due any other contractual obligations of the District payable in whole or in part from taxes, and to pay the expenses of assessing and collecting such tax. The net proceeds from taxes levied to pay debt service on the Bonds are required to be placed in a special account of the District designated its "Debt Service Fund" for the Bonds.

The Bonds are obligations solely of the District and are not obligations of the Lago Vista ISD; Travis County, Texas; the State of Texas; or any political subdivision or entity other than the District.

PAYMENT RECORD . . . The District has never defaulted in payment of its ad valorem tax debt.

FLOW OF FUNDS . . . The Bond Order creates the establishment and maintenance by the District of a Debt Service Fund and a Capital Projects Fund.

Each fund shall be kept separate and apart from all other funds of the District. The Debt Service Fund shall constitute a trust fund which shall be held in trust for the benefit of the registered owner of the Bonds.

Any cash balance in any fund must be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of water control and improvement districts having an aggregate market value, exclusive of accrued interest, at all times equal to the cash balance in the fund to which such securities are pledged.

Debt Service Fund . . . The Bond Order establishes the Debt Service Fund to be used to pay principal and interest on and Paying Agent fees in respect to the Bonds. The Bond Order requires that the District deposit to the credit of the Debt Service Fund (i) from the delivery of the Bonds to the Initial Purchaser, the amount received from proceeds of the Bonds representing accrued interest, if any, (ii) District ad valorem taxes (and penalties and interest thereon) levied to pay debt service requirements on (or fees and expenses of the Paying Agent with respect of) the Bonds, and (iii) such other funds as the Board shall, at its option, deem advisable. The Bond Order requires that the Debt Service Fund be applied solely to provide for the payment of the principal or redemption price of and interest on the Bonds when due, and to pay fees to Paying Agent when due.

Capital Projects Fund . . . The Capital Projects Fund is the capital improvements fund of the District. The Bond Order requires the District to deposit to the credit of the Capital Projects Fund the balance of the proceeds of the Bonds remaining after the deposits

to the Debt Service Fund provided in the Bond Order. The Capital Projects Fund may be applied solely to (i) pay the costs necessary or appropriate to accomplish the purposes for which the Bonds are issued, (ii) pay the costs of issuing the Bonds and (iii) to the extent the proceeds of the Bonds and investment income attributable thereto are in excess of the amounts required to acquire and construct water, wastewater and drainage facilities as approved by TCEQ, then in the discretion of the District to transfer such unexpended proceeds or income to the Debt Service Fund or as otherwise authorized by the TCEQ.

DEFEASANCE OF OUTSTANDING BONDS . . . General . . . The Bond Order provides for the defeasance of the Bonds and the termination of the pledge of taxes and all other general defeasance covenants in the Bond Order under certain circumstances. Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding within the meaning of the Bond Order (a "Defeased Bond"), except to the extent provided below for the Paying Agent to continue payments, when the payment of all principal and interest payable with respect to such Bond to the due date or dates thereof (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities (defined below) that mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment, or (3) any combination of (1) and (2) above, and when proper arrangements have been made by the District with the Paying Agent or an eligible trust company or commercial bank for the payment of its services until after all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes levied and pledged, as provided in the Bond Order and such principal and interest shall be payable solely from such money or Defeasance Securities, and shall not be regarded as outstanding under the Bond Order.

Any money so deposited with or made available to the Paying Agent or an eligible trust company or commercial bank also may be invested at the written direction of the District in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent or an eligible trust company or commercial bank that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be remitted to the District or deposited as directed in writing by the District.

Until all Defeased Bonds shall have become due and payable, the Paying Agent shall perform the services of Registrar for such Defeased Bonds the same as if they had not been defeased, and the District shall make proper arrangements to provide and pay for such services as required by the Bond Order.

For purposes of these provisions, "Defeasance Securities" means (i) direct non-callable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) non-callable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) non-callable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bonds.

Any such obligations must be certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to provide all debt service payments on the Bonds.

Retention of Rights . . . To the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the District retains the right under Texas law to later call the Defeased Bond for redemption in accordance with the provisions of the order authorizing its issuance, the District may call such Defeased Bond for redemption upon complying with the provisions of Texas law and upon satisfaction of the provisions set forth above regarding such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

Investments . . . Any escrow agreement or other instrument entered into between the District and the Paying Agent or an eligible trust company or commercial bank pursuant to which money and/or Defeasance Securities are held by the Paying Agent or an eligible trust company or commercial bank for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of certain requirements. All income from such Defeasance Securities received by the Paying Agent or an eligible trust company or commercial bank which is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, will be remitted to the District or deposited as directed in writing by the District.

PAYING AGENT/REGISTRAR . . . Principal of and semiannual interest on the Bonds will be paid by BOKF, NA having an office for payment in Austin, Texas, the Paying Agent. The Paying Agent must be either a bank, trust company, financial institution or other entity duly qualified and equally authorized to serve and perform the duties as paying agent and registrar for the Bonds.

Provision is made in the Bond Order for the District to replace the Paying Agent by a resolution of the District giving notice to the Paying Agent of the termination of the appointment, stating the effective date of the termination and appointing a successor Paying Agent. If the Paying Agent is replaced by the District, the new Paying Agent shall be required to accept the previous Paying Agent's records and act in the same capacity as the previous Paying Agent. Any successor paying agent/registrar selected by the District shall be subject to the same qualification requirements as the Paying Agent. The successor paying agent/registrar, if any, shall be determined by the Board of Directors and written notice thereof, specifying the name and address of such successor paying agent/registrar will be sent by the District or the successor paying agent/registrar to each registered owner by first-class mail, postage prepaid.

RECORD DATE . . . The Record Date for payment of the interest on Bonds on any regularly scheduled interest payment date is defined as the last calendar day of the month (whether or not a business day) preceding such interest payment date.

ISSUANCE OF ADDITIONAL DEBT . . . At an election held in the District on May 9, 2015, the voters within the District approved the issuance of \$7,375,000 in bonds for water treatment plant expansion, effluent storage tank improvements and water system improvements. See "FINANCIAL STATEMENT – Authorized But Unissued Bonds." Neither Texas law nor the Bond Order imposes a limitation on the amount of additional bonds which may be issued by the District. Any additional bonds issued by the District may dilute the security of the Bonds. See "RISK FACTORS." The District does not employ any formula with respect to assessed valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. The issuance of additional bonds is subject to approval of the TCEQ pursuant to its rules regarding issuance and feasibility of bonds. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District.

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS . . . Pursuant to Section 49.186 of the Texas Water Code, bonds, notes or other obligations issued by a water control and improvement 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." Additionally, Section 49.186 of the Texas Water Code provides that bonds, notes or other obligations issued by a water control and improvement district are eligible and lawful security for all deposits of public funds of the State and all agencies, subdivisions and instrumentalities of the State. For political subdivisions in Texas which have adopted investment policies and guidelines in accordance with the Public Funds Investment Act (Texas Government Code, Chapter 2256), the Bonds may have to be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds.

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

SPECIFIC TAX COVENANTS . . . In the Bond Order the District has covenanted with respect to, among other matters, the use of the proceeds of the Bonds and the manner in which the proceeds of the Bonds are to be invested. The District may omit to comply with any such covenant if it has received a written opinion of a nationally recognized bond counsel to the effect that regulations or rulings hereafter promulgated modify or expand provisions of the Internal Revenue Code of 1986, as amended (the "Code"), so that such covenant is ineffective or inapplicable or non-compliance with such covenant will not adversely affect the exemption from federal income taxation of interest on the Bonds under Section 103 of the Code.

ADDITIONAL COVENANTS . . . The District has additionally covenanted in the Bond Order that it will keep accurate records and accounts and employ an independent certified public accountant to audit and report on its financial affairs at the close of each fiscal year, such audits to be in accordance with applicable law, rules and regulations and open to inspection in the office of the District.

REMEDIES IN EVENT OF DEFAULT . . . The Bond Order establishes specific events of default with respect to the Bonds. If the District defaults in the payment of the principal of or interest on the Bonds when due, or the District defaults in the observance or performance of any of the covenants, conditions, or obligations of the District, the failure to perform which materially, adversely affects the rights of the owners, including but not limited to, their prospect or ability to be repaid in accordance with the Bond Order, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the District, the Bond Order and Chapter 51 of the Texas Water Code provides that any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the District to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Bonds or the Bond Order and the District's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, subject to the discretion of the court, but may not be arbitrarily refused. 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.

The Bond Order does not provide for the appointment of a trustee to represent the interest of the Bondholders upon any failure of the District to perform in accordance with the terms of the Bond Order, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 49 Tex. Sup. CT. J. 819 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in “clear and unambiguous” language. Because it is unclear whether the Texas legislature has effectively waived the District’s sovereign immunity from a suit for money damages, Bondholders may not be able to bring such a suit against the District for breach of the Bonds or Bond Order covenants. Even if a judgment against the District could be obtained, it could not be enforced by direct levy and execution against the District’s property. Further, the registered owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. Furthermore, the District is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code (“Chapter 9”). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

CONSOLIDATION . . . A district (such as the District) has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its water system with the water system(s) of the district(s) with which it is consolidating. The revenues of the consolidated system may be pledged equally to all first lien bonds of the consolidating districts. No representation is made that the District will consolidate its water system with any other district.

ALTERATION OF BOUNDARIES . . . In certain circumstances, under Texas law the District may alter its boundaries to: i) upon satisfying certain conditions, annex additional territory; and ii) exclude land subject to taxation within the District that does not need to utilize the service of District facilities if certain conditions are satisfied including the District simultaneously annexes land of at least equal value that may be practicably served by District facilities. Such land substitution is subject to the approval of the TCEQ. No representation is made concerning the likelihood that the District would effect any change in its boundaries.

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 does not pass upon or guarantee the quality of the Bonds as an investment, nor does he pass upon the adequacy or accuracy of the information contained in this Official Statement.

AMENDMENTS TO THE BOND ORDER . . . The District may, without the consent of or notice to any registered owners, amend the Bond Order in any manner not detrimental to the interest of the registered owners, including the curing of an ambiguity, inconsistency, or formal defect or omission therein. In addition, the District may, with the written consent of the owners of a majority in principal amount of the Bonds then outstanding affected thereby, amend, add to, or rescind any of the provisions of the Bond Order, except that, without the consent of the owners of all of the Bonds affected, no such amendment, addition, or rescission may (i) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof or the rate of interest therein, change the place or places at, or the coin or currency in which, any Bond or the interest thereon is payable, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition, or rescission. In addition, a state, consistent with federal law, may within the exercise of its police powers make such modifications in the terms and conditions of contractual covenants relating to the payment of indebtedness of its political subdivisions as are reasonable and necessary for attainment of an important public purpose.

BOND INSURANCE

BOND INSURANCE POLICY . . . Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. (“AGM” or the “Insurer”) 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 C 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. . . . 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 global public finance, infrastructure and structured finance markets. 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 Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings . . . On June 29, 2015, S&P issued a credit rating report in which it 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 December 8, 2015, Moody's published a credit opinion maintaining its existing insurance financial strength rating of "A2" (stable outlook) on AGM. AGM can give no assurance as to any further ratings action that Moody's may take.

On December 10, 2015, KBRA issued a financial guaranty surveillance report in which it 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.

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, 2015.

Capitalization of AGM . . . At December 31, 2015, AGM's policyholders' surplus and contingency reserve were approximately \$3,798 million and its net unearned premium reserve was approximately \$1,597 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd. and 60.7% of AGM's indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference . . . Portions of the following document filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (filed by AGL with the SEC on February 26, 2016).

All consolidated financial statements of AGM and all other 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.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

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

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

BOND INSURANCE RISK FACTORS

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption 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 District which is recovered by the District 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 AGM at such time and in such amounts as would have been due absence such prepayment by the District unless AGM 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 AGM without appropriate consent. AGM may direct and must consent to any remedies and AGM's consent may be required in connection with amendments to any applicable Bond documents.

In the event AGM 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 AGM 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 enhanced long-term ratings on the Bonds are dependent in part on the financial strength of AGM and its claim paying ability. AGM'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 AGM and of the ratings on the Bonds insured by AGM 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 RATING AND INSURANCE."

The obligations of AGM are contractual obligations and in an event of default by AGM, 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 AGM and no assurance or representation regarding the financial strength or projected financial strength of AGM is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of AGM, particularly over the life of the investment. See "BOND INSURANCE" herein for further information regarding AGM and the Policy, which includes further instructions for obtaining current financial information concerning AGM.

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BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by the 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 (i) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (ii) 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 (iii) 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 in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of 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 purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District

as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, 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-Only 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

The proceeds of the Bonds will be used to finance the District's share of the following projects: (i) construction costs associated with a water treatment plant, (ii) expansion and improvements to an effluent storage tank, and (iii) water system improvements to serve single-family and common area development. The remaining Bond proceeds will be used to pay certain engineering costs and costs associated with the issuance of the Bonds.

The estimated use and distribution of Bond proceeds is set forth below. Of the proceeds to be received from the sale of the Bonds, \$6,710,000 is estimated to be required for construction costs, and \$665,000 is estimated to be required for non-construction costs.

SUMMARY OF COSTS

I. <u>CONSTRUCTION COSTS</u>	<u>District's Share</u>
A. Developer Contribution Items – None	
B. District Items	
1. Water Treatment Plant Expansion to 1.0 MGD.....	\$ 1,863,700
2. Additional 2 MG Effluent Storage Tank	1,785,300
3. Water System Improvements	1,321,500
4. Contingencies (20% of Items 1-3).....	994,000
5. Engineering (15% of Items 1-3).....	745,500
Total District Costs	\$ 6,710,000
Total Construction Costs (91% of BIR)	\$ 6,710,000
 II. <u>NON-CONSTRUCTION COSTS</u>	
A. Legal Fees (2.00%)	\$ 147,500
B. Fiscal Agent Fees (2.00%)	147,500
C. Bond Discount (2.75%).....	202,907
D. Bond Issuance Expenses	28,996
E. Bond Application Report	82,625
F. Attorney General Fee (0.10%)	7,375
G. TCEQ Fee (0.25%)	18,438
H. Contingency	29,659
Total Non-Construction Costs	\$ 665,000
 TOTAL BOND ISSUE REQUIREMENT	\$ 7,375,000

RISK FACTORS

GENERAL . . . The Bonds, which are obligations of the District and are not obligations of the State of Texas; Travis County, Texas; the Lago Vista Independent School District, or any other political subdivision, will be secured by a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied on all taxable property located within the District. See “THE BONDS – Source of and Security for Payment.” The ultimate security for payment of principal of and interest on the Bonds depends on the ability of the District to collect from the property owners within the District all taxes levied against the property, or in the event of foreclosure, on the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The collection by the District of delinquent taxes owed to it and the enforcement by registered owners of the District’s obligation to collect sufficient taxes may be a costly and lengthy process. Furthermore, the District cannot and does not make any representations that continued development of property within the District will accumulate or maintain taxable values sufficient to justify continued payment by property owners or that there will be a market for the property. See “Registered Owners’ Remedies” below.

FACTORS AFFECTING TAXABLE VALUES AND TAX PAYMENTS . . . *Economic Factors, Interest Rates, Credit Availability and Residential Foreclosures:* A substantial percentage of the taxable value of the District results from the current market value of single-family residences and developed lots. The market value of such homes and lots is related to general economic conditions affecting the demand for and taxable value of residences. Demand for lots and residential dwellings can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability and the economic prosperity and demographic characteristics of the urban centers toward which the marketing of lots is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact existing values.

Interest rates and the availability of credit, including mortgage and development funding, have a direct impact on the construction activity. Interest rate levels and the general availability of credit may affect the ability of a landowner with undeveloped property to undertake and complete development activities within the District and the ability of potential homeowners to purchase homes. Because of the numerous and changing factors affecting the availability of funds, the District is unable to assess the future availability of such funds for continued development and construction within the District. In addition, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Austin metropolitan and regional economics.

Competition . . . The demand for single-family homes in the District could be affected by competition from other residential developments including other residential developments located in other utility districts located near the District. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in more established neighborhoods closer to downtown Austin that are for sale. Such homes could represent additional competition for homes proposed to be sold within the District. Such competition is directly related to the growth and maintenance of taxable values in the District and tax revenues to be received by the District.

Developer under No Obligation to the District: There is no commitment from, or obligation of, any developer to proceed at any particular rate or according to any specified plan with the development of land or the construction of homes in the District, and there is no restriction on any landowner’s right to sell its land. Failure to construct taxable improvements on developed lots and tracts and failure of landowners to develop their land would restrict the rate of growth of taxable value in the District. The District is also dependent upon the principal taxpayers for the timely payment of ad valorem taxes, and the District cannot predict what the future financial condition of such taxpayers will be or what effect, if any, such financial conditions may have on their ability to pay taxes. See “TAX DATA – Principal Taxpayers.”

Impact on District Tax Rates: Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of the District property owners to pay their taxes. The 2015 Certified Assessed Valuation is \$161,841,832 (see “FINANCIAL STATEMENT”). After issuance of the Bonds, the Projected Maximum Annual Debt Service Requirement will be \$726,842 (2018) and the Projected Average Annual Debt Service Requirement will be \$519,379 (2016 through 2036, inclusive). A tax rate of \$0.4728/\$100 assessed valuation, at a 95% collection rate, would be necessary to pay the Projected Maximum Annual Debt Service Requirement of \$726,842, and a tax rate of \$0.3379/\$100 assessed valuation at a 95% collection rate would be necessary to pay the Projected Average Annual Debt Service Requirement of \$519,379 based upon the 2015 Certified Taxable Assessed Valuation.

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.

TAX COLLECTIONS AND FORECLOSURE REMEDIES . . . The District’s ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other local taxing authorities on the property against which taxes are levied, and such lien may be enforced by judicial foreclosure. The District’s ability to collect ad valorem taxes through such foreclosure may be impaired by cumbersome, time-consuming and expensive collection procedures or market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property. Moreover,

the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property (See "FINANCIAL STATEMENT – Estimated Overlapping Debt Statement"), by the current aggregate tax rate being levied against the property, and by other factors (a taxpayer may redeem property within six (6) months for commercial property and two (2) years for residential and all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records). Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy court could approve a confirmation plan which allows the debtor to make installment payments on delinquent taxes for up to six years and a bankruptcy court may reduce the amount of any taxes assessed against the debtor, including those that have already been paid.

HOUSING MARKET, VOLATILITY AND RECENT FORECLOSURES . . . In recent years, disruptions in the housing market have led to a significant number of foreclosures on single family homes. In the District, there was one posted foreclosure on single-family homes by Travis County during calendar year 2015. No assurance can be given whether the number of foreclosures will decrease or increase or that market conditions will improve.

REGISTERED OWNERS' REMEDIES . . . In the event of default in the payment of principal or interest on the Bonds, the registered owners have the right to seek a writ of mandamus, requiring the District to levy adequate taxes each year to make such payments. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interest 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. Although the registered owners could obtain a judgment against the District, such a judgment 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 in order 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 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. Subject to the requirements of Texas law discussed below, a political subdivision such as the District may voluntarily file a petition for relief from creditors under Chapter 9 of the Federal Bankruptcy Code, 11 USC sections 901-946. The filing of such petition would automatically stay the enforcement of registered owners' remedies, including mandamus and the foreclosure of tax liens upon property within the District discussed above. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismissed the petition, enters an order granting relief from the stay or otherwise allows creditors to proceed against the petitioning political subdivision. A political subdivision, such as the District, may qualify as a debtor eligible to proceed in a Chapter 9 case only if it (1) is specifically authorized to file for federal bankruptcy protection by applicable state law, (2) is insolvent or unable to meet its debts as they mature, (3) desires to effect a plan to adjust such debts, and (4) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiations are impracticable. Under Texas law a water control and improvement district, such as the District, must obtain the approval of the Commission as a condition to seeking relief under the Federal Bankruptcy Code. The Commission is required to investigate the financial condition of a financially troubled district and authorize such district to proceed under federal bankruptcy law only if such district has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

Notwithstanding noncompliance by a district with Texas law requirements, a district could file a voluntary bankruptcy petition under Chapter 9, thereby involving 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 applicable, the concomitant delay and loss of remedies to the registered owners could potentially and adversely impair the value of the registered owner's claim.

If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the Federal Bankruptcy Code, it could file a plan for an adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect a registered owner 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 owner's claim against a district.

THE EFFECT OF THE FINANCIAL INSTITUTIONS ACT OF 1989 ON TAX COLLECTIONS OF THE DISTRICT . . . The "Financial Institutions Reform, Recovery and Enforcement Act of 1989" ("FIRREA"), enacted on August 9, 1989, contains certain provisions which affect the time for protesting property valuations, the fixing of tax liens, and the collection of penalties and interest on delinquent taxes on real property owned by the Federal Deposit Insurance Corporation ("FDIC") when the FDIC is acting as the conservator or receiver of an insolvent financial institution.

Under FIRREA real property held by the FDIC is still subject to ad valorem taxation, but such act states (i) that no real property of the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary liens shall attach to such

property, (ii) the FDIC shall not be liable for any penalties or fines, including those arising from the failure to pay any real or personal property tax when due and (iii) notwithstanding failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed.

There has been little judicial determination of the validity of the provisions of FIRREA or how they are to be construed and reconciled with respect to conflicting state laws. However, certain recent federal court decisions have held that the FDIC is not liable for statutory penalties and interest authorized by State property tax law, and that although a lien for taxes may exist against real property, such lien may not be foreclosed without the consent of the FDIC, and no liens for penalties, fines, interest, attorneys fees, costs of abstract and research fees exist against the real property for the failure of the FDIC or a prior property owner to pay ad valorem taxes when due. It is also not known whether the FDIC will attempt to claim the FIRREA exemptions as to the time for contesting valuations and tax assessments made prior to and after the enactment of FIRREA. Accordingly, to the extent that the FIRREA provisions are valid and applicable to any property in the District, and to the extent that the FDIC attempts to enforce the same, these provisions may affect the timeliness of collection of taxes on property, if any, owned by the FDIC in the District, and may prevent the collection of penalties and interest on such taxes.

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

CONTINUING COMPLIANCE WITH CERTAIN COVENANTS . . . 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 “TAX MATTERS.”

FUTURE DEBT . . . The District does not anticipate issuing additional debt after the issuance of the Bonds.

The District does not employ any formula with respect to assessed valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. The issuance of additional bonds is subject to approval by the Commission pursuant to its rules regarding issuance and feasibility of bonds. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District. See “THE BONDS – Issuance of Additional Debt.” See “FINANCIAL STATEMENT – Unlimited Tax Bonds Authorized but Unissued.”

GOVERNMENTAL APPROVAL . . . As required by law, engineering plans, specifications and an estimate of construction costs for the facilities and services to be purchased or constructed by the District with the proceed of the Bonds have been approved, subject to certain condition, by the TCEQ. See “USE AND DISTRIBUTION OF BOND PROCEEDS.” The TCEQ approved the issuance of the Bonds by an order signed December 7, 2015. In addition the Attorney General of Texas must approve the legality of the Bonds prior to their delivery.

Neither the TCEQ nor the Attorney General of Texas passes upon or guarantees the security of the Bonds as an investment, nor have the foregoing authorities passed upon the adequacy or accuracy of the information contained in this Official Statement.

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

1. Requiring permits for construction and operation of water supply wells and wastewater treatment facilities;
2. Restricting the manner in which wastes are released into the air, water, or soils;
3. Restricting or regulating the use of wetlands or other property;
4. Requiring remedial action to prevent or mitigate pollution; and
5. Imposing substantial liabilities for pollution resulting from facility operations.

Compliance with environmental laws and regulations can increase the cost of planning, designing, constructing and operating water production and wastewater treatment facilities. Sanctions against a water 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 as to future compliance of and the ability to operate the District’s water supply, wastewater treatment, and drainage facilities. Environmental laws and regulations can also impact an area’s ability to grow and develop. The following is a discussion of certain environmental concerns that relate to the District. It should be noted that changes in environmental laws and 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 Austin area. Under the Clean Air Act (“CAA”) Amendments of 1990, the five-county “Austin Area” – Travis, Travis, Williamson, Bastrop, and Caldwell counties – has recently been redesignated by the EPA as an attainment area. The Austin Area entered into an early action compact (EAC) with

the TCEQ and EPA which demonstrates attainment and maintenance of the 8-hour ozone standard. EACs allow regions that are in nonattainment or near nonattainment for ozone under the federal CAA to elect to use their knowledge of local conditions to determine which ozone control strategies should be implemented in their area, as opposed to having rules dictated by state and federal agencies.

The EPA signed a consent decree with several environmental organizations which bound the EPA to designating nonattainment areas for 8-hour nonattainment. The Austin Area took early action with an EAC on November 17, 2004 to reduce its emissions so as not to be designated nonattainment. Voluntary reductions have focused on reducing the number of vehicles on Austin Area roads, since vehicles are the area's main source of air pollution.

The area will report semi-annually on the progress of their control measures. Under the EACs, attainment must have been demonstrated by 2007. EPA approved the photochemical modeling in support of the attainment demonstration for the 8-hour ozone standard within the Austin Area on October 14, 1970. EPA also approved the Austin EAC "CAAP" which includes control measures and demonstrates maintenance of the standard through 2012 (including a vehicle inspection and maintenance (I/M) program). These steps and any EPA/TCEQ responses could impact the economy and communities in the Austin Area.

On November 26, 2014, the EPA announced a new proposed ozone National Ambient Air Quality Standards (NAAQS) range of between 65-70 parts per billion. The Austin Area is vulnerable to being designated nonattainment if the EPA adopts the new proposed ozone NAAQS or otherwise maintains the existing standard applied to more recent air quality monitoring data.

Should the Austin Area fail to achieve attainment under an EPA NAAQS, or should the Austin Area fail to satisfy a then effective State Implementation Plan (SIP) (for nonattainment or otherwise), or for any other reason should a lapse in conformity with the CAA occur, the Austin Area may be subjected to sanctions pursuant to the CAA. Under such circumstances, the TCEQ would be required under the CAA to submit to the EPA a new SIP under the CAA for the Austin Area. Due to the complexity of the nonattainment/conformity analysis, the status of EPA's implementation of any future EPA NAAQS and the incomplete information surrounding any SIP requirements for areas designated nonattainment under any future EPA NAAQS, the exact nature of sanctions or any potential SIP that may be applicable to the Austin Area in the future is uncertain. The CAA provides for mandatory sanctions, including the suspension of federal highway funding, should the State fail to submit a proper SIP, or associated submissions, or fail to revise or implement a SIP, or fail to comply with an existing SIP. Subject to certain exceptions, if the Austin Area falls out of conformity and the mandatory highway funding suspension sanction is implemented, the United States Secretary of Transportation may be prohibited from approving or awarding transportation projects or grants within the area.

It is possible that nonattainment, a lapse in conformity under the CAA, litigation involving injunctive or other relief, or other environmental issues may impact new industrial, commercial and residential development in the Austin Area.

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

Pursuant to the Safe Drinking Water Act, potable (drinking) water provided by the District to more than sixty (60) end users for consumption will be subject to extensive federal and state regulation as a public water supply system, which include, among other requirements, frequent sampling and analyses. Additionally, the EPA has been charged with establishing maximum contaminant levels (MCLs) for potential drinking water contaminants (both naturally occurring and anthropogenic) such as arsenic, lead, radon, and disinfection by-products (e.g. chlorine). Additionally, TCEQ is initiating rule changes to Chapter 290, Public Drinking Water, to implement the federal Stage 2 Disinfection Byproducts Rule (DBP2), Long Term Stage 2 Enhanced Surface Water Treatment Rule (LT2), and Ground Water Rule (GWR). EPA adopted the GWR on December 31, 2006. Future regulations or requirements pertaining to these and other drinking water contaminants could require installation of more costly treatment facilities.

Operation of the District's sewer facilities is subject to regulation under the Federal Clean Water Act and the Texas Water Code. All discharges of pollutants into the nation's navigable waters must comply with the Clean Water Act. The Clean Water Act allows municipal wastewater treatment plants to discharge treated effluent to the extent allowed under permits issued by the EPA pursuant to the National Pollutant Discharge Elimination System ("NPDES") program, a national program established by the Clean Water Act for issuing, revoking, monitoring and enforcing wastewater discharge permits. On August 15, 1998, EPA authorized Texas to implement the NPDES program, which is called the Texas Pollutant Discharge Elimination System ("TPDES") program.

TPDES permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. Any discharges to water bodies designated as impaired streams in accordance with the Clean Water Act may be precluded from obtaining a TPDES permit if pollutants for which the stream is designated as impaired are among those pollutants being released by a District. Moreover, the Clean Water Act and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations. In addition, under the Clean Water Act, states must identify any bodies of water for which more stringent effluent standards are needed to achieve water quality standards and must establish the maximum allowable daily load of certain pollutants into the water bodies. Total maximum daily loads ("TMDLs") rules can have a significant impact on the District's ability to obtain TPDES permits and maintain those permits. The District may be required to expend substantial funds to meet any of these regulatory requirements. If the District fails to achieve compliance with its discharge permits, a private plaintiff or the EPA could institute a civil action for injunctive relief and civil penalties. Operations of the District are also potentially subject to stormwater discharge permitting requirements as set forth under the Clean Water Act and regulations implementing the Clean

Water Act. The TCEQ adopted by reference the vast majority of the EPA regulations relating to stormwater discharges and currently has issued a general permit for stormwater discharges associated with industrial activities and proposed two general permits for stormwater discharges associated with construction activities and municipal separate stormwater systems. The District may also be required to develop and implement stormwater pollution prevention plans and stormwater management plans. The District could incur substantial costs to develop and implement such 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. Failure to comply with these requirements may result in the imposition of administrative, civil, and criminal penalties as well as injunctive relief under the Clean Water Act or the Texas Water Code.

Operations of the District are also potentially subject to requirements and restrictions under the Clean Water Act 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 U.S. Army Corps of Engineers if operations of the District require that wetlands be filled, dredged, or otherwise altered.

DROUGHT CONDITIONS . . . Central Texas, like other areas of the State, is experiencing extreme drought conditions. The District adopted a water conservation plan and currently has implemented water restrictions for residents of the District. The West Travis County Public Utility Agency provides water to the District in amounts sufficient to service the residents of the District, however, as drought conditions continue water usage, rates and water revenues could be impacted.

FORWARD-LOOKING STATEMENTS . . . The statements contained in this Official Statement, and in any other information provided by the District, that are not purely historical, are forward-looking statements, including statements regarding the District’s expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements.

The forward looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

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THE DISTRICT

GENERAL . . . Pursuant to Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 51 of the Texas Water Code, as amended, the District is subject to the continuing supervision of the TCEQ. The District was created for the purposes of providing, operating, and maintaining facilities to control storm water, distribute potable water, and to collect and treat wastewater. The District is empowered, among other things, to 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 also establish, operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, if approved by the voters of the District and the TCEQ, and is located entirely within the extraterritorial jurisdiction of Lago Vista. Fire services are provided to residents and property owners of the District by Travis County ESD #1.

MANAGEMENT . . . **Board of Directors.** The District is governed by a Board, consisting of six directors, which has control over and management supervision of all affairs of the District. Directors' terms are four years with elections held within the District on the first Tuesday after the first Monday in November in each even numbered year. All of the directors listed below reside or own property in the District.

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Fred Marshall	President	2018
Carolyn Cook	Vice President	2018
John Franz	Secretary/Treasurer	2016
Bryan Probst	Assistant Treasurer	2016
Barry Pasarew	Director	2018

Consultants:

Tax Assessor/Collector . . . Land and improvements in the District are being appraised by the Travis Central Appraisal District ("TCAD"). The Tax Assessor/Collector is appointed by the Board of Directors of the District. The Travis County Tax Assessor/Collector, Bruce Elfant, currently serves the District in this capacity under contract.

Operator . . . The District operates its own water and wastewater systems.

Bookkeeper . . . Chance Chatham is charged with the responsibility of providing bookkeeping services for the District.

Engineer . . . The District's consulting engineer is River City Engineering, Ltd. (the "Engineer").

Financial Advisor . . . Specialized Public Finance Inc. 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.

Bond Counsel . . . Andrews Kurth LLP serves as Bond Counsel in connection with the issuance of the District's Bonds. The fees of Bond Counsel are contingent upon the sale of and delivery of the Bonds.

General Counsel . . . Willatt & Flickinger serves as General Counsel for the District.

Disclosure Counsel . . . The District employs Andrews Kurth LLP, Austin, Texas as Disclosure Counsel. Fees paid to Andrews Kurth LLP for Disclosure Counsel are contingent upon the sale and delivery of the Bonds.

LOCATION . . . The District is located in Travis County at the southwestern end of Lohmans Ford Road, approximately 6 miles south of the intersection of FM 1431 and Lohmans Ford Road. The District is located entirely within Travis County, Lago Vista Independent School District and is adjacent to the north shore of Lake Travis. The District is currently comprised of approximately 1,002 acres which is developed as a single-family residential community. See "LOCATION MAP."

UNDEVELOPED ACREAGE . . . There are approximately 1,090 single-family lots in the District. Of those lots, 700 are currently developed with an approximately 390 to be developed in the future. The District makes no representation as to when or if development of this acreage will occur. See "Current Status of Development."

CURRENT STATUS OF DEVELOPMENT . . . There is approximately 1,002 acres within the District, all of which have been developed.

The chart below reflects the status of development as of August 20, 2015:

A. Utility Facilities:		
Existing Connections		700
Projected Connections		390
Total Residential Developed Sections		<u>1,090</u>
B. Total Developed Acreage		
		1,002
C. Undevelopable Acreage		
		<u>0</u>
Total		<u>1,002</u>

THE SYSTEM

REGULATION . . . The water, wastewater and storm drainage facilities (the “System”), the purchase, acquisition and construction of which will be permanently financed by the District with the proceeds of the Bonds, have been designed in accordance with accepted engineering practices and the recommendation of certain governmental agencies having regulatory or supervisory jurisdiction over construction and operation of such facilities, including, among others, the TCEQ, Travis County and Lago Vista. According to River City Engineering, Ltd. (the “Engineer”), the plans will be submitted to the regulator/agencies for approval.

Operation of the District’s waterworks and wastewater facilities is subject to regulation by, among others, the U.S. Environmental Protection Agency and the TCEQ.

WATER SUPPLY AND DISTRIBUTION . . . The District receives its raw water from Lake Travis pursuant to a contract effective May 23, 2013 with the Lower Colorado River Authority (“LCRA”) which allows the District to withdraw and purchase a maximum of 285 acre-feet per year. The District’s engineer estimates that this amount of water would be sufficient to serve up to 1,100 ESFCs. As future growth occurs in the District, the raw water purchase contract with LCRA will be increased, as needed, to meet demand. The ultimate buildout, approximately 445 acre-feet per year of raw water will be required.

WASTEWATER COLLECTION AND TREATMENT . . . The District owns and operates a wastewater treatment plant located in the central portion of the District. The plant uses activated sludge, a complete mix biological treatment to provide secondary treatment, and chlorine gas for disinfection. The existing plant has a design capacity of 150,000 gallons per day. Wastewater generated in the system is conveyed by either gravity mains or force mains to a lift station located at the plant site. The lift station pumps wastewater to the head of the plant where it then gravity flows through the treatment process. Upon treatment, effluent either gravity flows to the effluent holding ponds or is pumped to the wet weather ground storage tank.

The wastewater treatment plant site includes two storage ponds with a total surface area of 26,136 square feet and a capacity of 3.85 acre-feet, and a 3 million gallon, or 9.2 acre-feet, ground storage tank. Treated effluent is disposed of via surface irrigation at the Point Venture Golf Course.

The District’s wastewater capacity is capable of serving 705 ESFCs, which is sufficient to serve the 705 ESFCs necessary to support the feasibility of this proposed bond issue.

The District is authorized by TCEQ Permit No. WQ0011385001 to treat and dispose of domestic wastewater. The permit, in the first of three phases, currently authorizes the District to dispose of treated domestic wastewater effluent at a daily average flow not to exceed 82,000 gallons per day during the months of April through October and 61,875 gallons-per-day between the months of November and March.

The proposed 2-million gallon effluent storage tank is required once the flow reaches 75% of the permitted daily average (or annual average flow for three consecutive months). The proposed storage tank will be required in order to enter into the Interim Phase II of the permit. The Interim Phase II authorizes the District to dispose of treated wastewater at a daily average flow not to exceed 100,000 gallons-per-day and requires 6.0 MG of total effluent storage.

Once flow reaches 46,406 gallons-per-day in November through March, or 61,500 gallons-per-day in April through October, the District would be at the 75% threshold and be required to start planning for expansion. As of 2014, the November through March 75% threshold has been exceeded, prompting design and construction of the proposed effluent storage tank.

STORM WATER DRAINAGE . . . The District is located on a peninsula on the west side of Lake Travis. A natural ridge is located near the north-central portion of the District which drains outward to the lake. Elevations range from approximately 865 feet above mean sea level (“msl”) near the north side of the District to the current water surface elevation of Lake Travis (approximately 670 feet msl). Storm water runoff drains into roadside swales throughout the District. The swales outfall at various points into Lake Travis.

No drainage system improvements or storm water quality treatment facilities are being proposed to be funded in this bond issue.

100-YEAR FLOOD PLAIN AND STORM DRAINAGE INFORMATION . . . According to the Engineer, 638 acres within the District are currently located in the floodplain. However, all such land is included in lots that have been developed or are ready for development. Each such lot has either been developed on land outside the floodplain, or contains land that is ready for development outside the floodplain.

WATER, WASTEWATER AND DRAINAGE OPERATIONS:

TABLE 1 – RATE AND FEE SCHEDULE

The Board of Directors establishes rates and fees for water and sewer service, subject to change from time to time. The following schedule sets forth the monthly rates and fees for the District’s water and sewer service which are currently in effect.

Monthly Base Charge – Water: \$17.00 for minimum 5,000 gallons

Water Usage Charge

<u>Gallons</u>			
5,0001-15,000 Gallons	\$	3.20	(per 1,000 gallons)
15,001-25,000 Gallons	\$	3.50	(per 1,000 gallons)
25,001-50,000 Gallons	\$	4.00	(per 1,000 gallons)
50,001and over Gallons	\$	4.50	(per 1,000 gallons)

Monthly Charge(s) – Wastewater: \$ 8.00 Base Fee

Wastewater Usage Charge

<u>Gallons</u>			
0-5,000 Gallons	\$	1.00	(per 1,000 gallons)
5,001-10,000 Gallons	\$	1.25	(per 1,000 gallons)

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TABLE 2 – OPERATING REVENUES AND EXPENSES STATEMENT

The following statement sets forth in condensed form the consolidated historical operations of the District. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Such summary has been prepared from information obtained from the District’s financial statements and records. Reference is made to such statements for further and more complete information. Also see “APPENDIX A – Excerpts from the Annual Financial Report.”

	Fiscal Year End September 30,	
	2014	2013
<u>Revenues:</u>		
Property Taxes	\$ 386,258	\$ 389,279
Water and Wastewater Service	556,034	506,709
Other Income	240,641	67,022
Interest on Investments	248	579
Total Revenues	\$ 1,183,181	\$ 963,589
<u>Expenditures:</u>		
Personnel Services	\$ 734,580	\$ 428,275
Repairs and Maintenance	235,102	170,651
Water	53,152	41,971
Supplies	14,448	14,172
Utilities	101,302	69,071
Insurance	20,683	74,588
Legal and Professional	60,129	19,172
Administrative	21,283	19,289
Amortization	8,000	8,000
Capital Outlay	262,430	11,804
Debt Service Principal	15,914	-
Debt Service Interest and Fees	3,975	2,023
Total Expenditures	\$ 1,530,998	\$ 859,016
Excess (Deficiency) of Revenues Over Expenditures	\$ (347,817)	\$ 104,573
Beginning Fund Balance	\$ 633,887	\$ 529,314
Other Sources/Uses	173,641	-
Ending Fund Balance	\$ 459,711	\$ 633,887

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TABLE 3 – DEBT SERVICE SCHEDULE

Fiscal Year Ended	Outstanding Debt			The Bonds			Total Debt Service
	Principal	Interest	Total	Principal	Interest ^(a)	Total	
2016	\$ 215,000	\$ 33,541	\$ 248,541	\$ -	\$ -	\$ -	\$ 248,541
2017	225,000	22,998	247,998	30,000	292,981	322,981	570,978
2018	240,000	11,917	251,917	265,000	209,925	474,925	726,842
2019	-	-	-	275,000	204,625	479,625	479,625
2020	-	-	-	285,000	199,125	484,125	484,125
2021	-	-	-	295,000	193,425	488,425	488,425
2022	-	-	-	310,000	187,525	497,525	497,525
2023	-	-	-	320,000	181,325	501,325	501,325
2024	-	-	-	335,000	171,725	506,725	506,725
2025	-	-	-	350,000	161,675	511,675	511,675
2026	-	-	-	360,000	151,175	511,175	511,175
2027	-	-	-	375,000	140,375	515,375	515,375
2028	-	-	-	395,000	129,125	524,125	524,125
2029	-	-	-	410,000	117,275	527,275	527,275
2030	-	-	-	425,000	104,975	529,975	529,975
2031	-	-	-	445,000	92,225	537,225	537,225
2032	-	-	-	460,000	78,875	538,875	538,875
2033	-	-	-	480,000	65,075	545,075	545,075
2034	-	-	-	500,000	50,075	550,075	550,075
2035	-	-	-	520,000	34,450	554,450	554,450
2036	-	-	-	540,000	17,550	557,550	557,550
	<u>\$ 680,000</u>	<u>\$ 68,456</u>	<u>\$ 748,456</u>	<u>\$ 7,375,000</u>	<u>\$ 2,783,506</u>	<u>\$ 10,158,506</u>	<u>\$ 10,906,961</u>

(a) Interest calculated at a final net interest rate of 3.23%.

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**FINANCIAL STATEMENT
(Unaudited)**

TABLE 4 – ASSESSED VALUE

2014 Certified Assessed Valuation	\$ 147,236,522 (a)
2015 Certified Taxable Assessed Valuation	\$ 161,841,832 (a)
Gross Direct Debt Outstanding	\$ 8,055,000 (b)
Estimated Overlapping Debt	7,093,273 (c)
Gross Direct Debt and Estimated Overlapping Debt	\$ 15,148,273
Ratio of Gross Debt Outstanding to 2015 Certified Assessed Valuation	4.98%

Estimated Population as of September 30, 2015: 2,450^(d)

- (a) Assessed valuation of the District as certified by the Travis Central Appraisal District (“TCAD”). See “TAXING PROCEDURES.”
- (b) Includes the Bonds. See “DEBT SERVICE REQUIREMENTS.”
- (c) See “DEBT SERVICE REQUIREMENTS – Estimated Overlapping Debt.”
- (d) Based upon 3.5 residents per completed and occupied single family home.

TABLE 5 – UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED

Purpose	Date Authorized	Amount Authorized	Amount Heretofore Issued	Amount Being Issued	Unissued Balance
Water, Sewer, Drainage	5/9/2015	\$ 7,375,000	\$ -	\$ 7,375,000	\$ -
Total		<u>\$ 7,375,000</u>	<u>\$ -</u>	<u>\$ 7,375,000</u>	<u>\$ -</u>

TABLE 6 – CASH AND INVESTMENT BALANCE^(a)

Operating Fund	\$ 868,483
General Fund.....	\$ 483,048

(a) Unaudited as of January 31, 2016.

INVESTMENT AUTHORITY AND INVESTMENT PRACTICES OF THE DISTRICT . . . Under Texas law, the District is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) certificates of deposit and share certificates meeting the requirements of the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code, as amended) (the “PFIA”) (i) that are issued by or through an institution that has its main office or a branch office in Texas and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for District deposits; or (ii) that are invested by the District through a depository institution that has its main office or a branch office in the State of Texas and otherwise meets the requirements of the PFIA; (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by obligations described in clause (1), and are placed through a primary government securities dealer or a financial institution doing business in the State of Texas; (9) certain bankers’ acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least “A-1” or “P-1” or the equivalent by at least one nationally recognized credit rating agency; (10) commercial paper with a stated maturity of 270 days or less that is rated at least “A-1” or “P-1” or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (11) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share; and (12) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, invest exclusively in obligations described in the this paragraph, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than “AAA” or its equivalent. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination

date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described below.

A political subdivision such as the District may enter into securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (10) through (12) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the District, held in the District's name and deposited at the time the investment is made with the District or a third party designated by the District; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less.

The District may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAAm" or an equivalent by at least one nationally recognized rating service. The District may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the District retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the District must do so by order, ordinance, or resolution.

The District is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for District funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund, groups methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PPIA. All District funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, 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." At least quarterly the District's investment officers must submit an investment report to the Board of Directors detailing: (1) the investment position of the District, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, and any additions and changes to market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) Texas law. No person may invest District funds without express written authority from the Board of Directors.

Under Texas law, the District is additionally required to: (1) annually review its adopted policies and strategies, (2) require any investment officers with personal business relationships or family relationships with firms seeking to sell securities to the District to disclose the relationship and file a statement with the Texas Ethics Commission and the District, (3) require the registered principal of firms seeking to sell securities to the District to: (a) receive and review the District's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities, and (c) deliver a written statement attesting to these requirements; (4) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the District's investment policy, (5) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement, (6) restrict the investment in non-money market mutual funds in the aggregate to no more than 15% of the District's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service and (7) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements.

TABLE 7 – CURRENT INVESTMENTS

As of February 1, 2016, the District is currently invested in bank Money Market Funds and TexPool. State law requires the District to mark its investments to market price each calendar quarter and upon the conclusion of each fiscal year, for the purpose of compliance with applicable accounting policies concerning the contents of the District’s audited financial statements.

Investments	Market Value	Total
TexPool	\$ 445,389	30.05%
Chase Accounts	896,321	60.48%
Compass Accounts	140,338	9.47%
	\$ 1,482,048	100.00%

ESTIMATED OVERLAPPING DEBT STATEMENT . . . Other governmental entities whose boundaries overlap the District have outstanding bonds payable from ad valorem taxes. The following statement of direct and estimated overlapping ad valorem tax debt was developed from several sources, including information contained in “Texas Municipal Reports,” published by the Municipal Advisory Council of Texas. Except for the amount relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person is entitled to rely upon information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional bonds since the dates stated in this table, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. Political subdivision overlapping the District are authorized by Texas law to levy and collect ad valorem taxes for operation, maintenance and/or general revenue purposes in addition to taxes of debt service and the tax burden for operation, maintenance and/or general purposes is not included in these figures.

Taxing Jurisdiction	Total Tax Supported Debt	FY 2016 Tax Rate	Estimated % Applicable	District's Overlapping Tax Supported Debt as of 1-30-16
Travis County	\$ 695,034,987	\$ 0.4169	0.16%	\$ 1,112,056
Lago Vista ISD	39,694,720	1.3200	14.80%	5,874,819
Travis County ESD #1	1,150,000	0.1000	7.54%	86,710
Travis County Healthcare District	12,305,000	0.1178	0.16%	19,688
Travis County WCID - Point Venture ^(a)	8,055,000	0.6253	100.00%	8,055,000
Total Direct and Overlapping Tax Supported Debt				\$ 15,148,273
Ratio of Direct and Overlapping Tax Supported Debt to 2015 Certified TAV				9.36%

(a) Includes the Bonds.

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TAX DATA

TABLE 8 – TAX COLLECTIONS

The following statement of tax collections sets forth in condensed form the historical fiscal year tax collection experience of the District. Such summary has been prepared by the Financial Advisor for inclusion herein based upon information from District audits and records of the District’s Tax Assessor/Collector. Reference is made to such audits and records for further and more complete information.

Fiscal Year Ended 9/30	Tax Rate	General Operating Fund	Debt I&S Fund	Tax Levy	% Total Collections
2016	\$ 0.6253	\$ 0.2458	\$ 0.3795	\$ 1,050,289 ^(a)	98.48%
2015	0.3991	0.2458	0.1533	619,607	100.00%
2014	0.3991	0.2458	0.1533	621,546	100.00%

(a) Partial collections through January, 2016.

TAX RATE LIMITATION . . . The District’s tax rate for debt service on the Bonds is legally unlimited as to rate and amount.

MAINTENANCE TAX . . . The District has the statutory authority to levy and collect an annual ad valorem tax for maintaining, repairing and operating the District’s facilities and for paying administrative expenses of the District, if such maintenance tax is authorized by the District’s voters. An election for such a tax was held on September 21, 1970 at which time a maintenance tax not to exceed \$1.00 per \$100 assessed valuation was approved by the District’s voters. The District levied a 2015 tax year maintenance tax of \$0.2458 in September 2015 and a debt service rate of \$0.3795.

TABLE 9 – PRINCIPAL TAXPAYERS . . . The following list of principal taxpayers was provided by the Travis Central Appraisal District based on the 2015 tax rolls of the District, which reflect ownership as of January 1 of each year shown.

Taxpayer	Taxable Assessed Value	% of 2015 Taxable Assessed Valuation
Pearson Family Living Trust	\$ 1,067,769	0.66%
Jenkins, Daniel E. III & Rebecca W.	1,006,296	0.62%
White, James S. & Donna M. Revocable Trust	985,518	0.61%
Zavala, Napoleon & Vicki	897,341	0.55%
Jennlaur Ltd.	874,580	0.54%
Rupard, Scott & Leslie	860,175	0.53%
Mach, Thomas John & Kathleen M.	830,000	0.51%
Retrum, Stanley C. & Janice E.	789,213	0.49%
Bratton, James W. & Deborah K.	754,374	0.47%
Cooper, Lonnie C. Jr. & Polly	752,844	0.47%
	\$ 8,818,110	5.45%

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TAXING PROCEDURES

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

PROPERTY TAX CODE AND COUNTY-WIDE APPRAISAL DISTRICT . . . The Texas Property Tax Code (the “Property Tax Code”) specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized here.

The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the appraisal district. The Travis Central Appraisal District has the responsibility for appraising property for all taxing units within Travis County, including the District. Such appraisal values are subject to review and change by the Travis Central Appraisal Review Board (the “Appraisal Review Board”).

PROPERTY SUBJECT TO TAXATION BY THE DISTRICT . . . *General:* Except for certain exemptions provided by State law, all real property, tangible personal property held or used for the production of income, mobile homes, and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District; however, no effort is expected to be made by the Appraisal District to include on a tax roll tangible or intangible personal property not devoted to commercial or industrial use. 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; income producing tangible personal property or mineral interest with a taxable value of less than \$500; certain property used for the control of air, water or land pollution; solar and wind powered energy devices; certain non-profit cemeteries, farm products owned by the producer; and certain property owned by qualified charitable, religious, veterans, youth, or fraternal organizations. Goods, wares, ores and merchandise (other than oil, gas, or petroleum products) that are acquired in or imported into the state and forwarded out of state within 175 days thereafter are also exempt. Article VIII, Section 1-a of the Texas Constitution grants a \$3,000 homestead exemption for all homesteads taxed by counties for farm-to-market roads and flood control purposes. Property owned by a disabled veteran or by the spouse of certain children of a deceased disabled veteran or a veteran who died while on active duty is partially exempt to between \$5,000 and \$12,000 of assessed value depending upon the disability rating of the veteran. 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. Furthermore, subject to certain conditions, the Texas Constitution provides that the surviving spouse of a 100 percent disabled veteran will qualify for the ad valorem tax exemption on the same or subsequently qualified homestead for the same portion of the market value to which the disabled veteran’s exemption would have applied, as if the exemption was in effect on the date the disabled veteran died.

Also partially exempt are residence homesteads of certain persons who are disabled or at least 65 years old, not less than \$3,000 of appraised value or such higher amount as the Board or the District’s voters may approve. The District’s tax assessor/collector is authorized by statute to disregard such exemptions for the elderly and disabled if granting the exemptions would impair the District’s obligation to pay tax supported debt incurred prior to adoption of the exemptions by the District.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by April 30.

Freeport Goods and Goods-in-Transit Exemption: A “Freeport Exemption” applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum 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 the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2011 and prior applicable years, such property 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, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption is limited to tangible personal property acquired

in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. 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. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

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

VALUATION OF PROPERTY FOR TAXATION . . . Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code. Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. In November 1997, Texas voters approved a constitutional amendment to limit increases in the appraised value of residence homesteads to ten percent (10%) annually regardless of the market value of the property.

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business.

Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three (3) years for agricultural use and taxes for the previous five (5) years for open space land and timberland.

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

DISTRICT AND TAXPAYER REMEDIES . . . Under certain circumstances taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a timely petition for review in State district court. In such event, the value of the property in question will be determined by the court or by a jury if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda which could result in the repeal of certain tax increases. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

LEVY AND COLLECTION OF TAXES . . . The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board of Directors, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 15 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax

for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. For those taxes billed at a later date and that become delinquent on or after June 1, they will also incur an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, may be rejected. Additionally, the owner of a residential homestead property that is a person sixty-five (65) years of age or older is entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership.

ROLLBACK OF OPERATION AND MAINTENANCE TAX RATE . . . The qualified voters of the District have the right to petition for a rollback of the District's operation and maintenance tax rate only if the total tax bill on the average residence homestead increases by more than eight percent. If a rollback election is called and passes, the rollback tax rate is the current year's debt service and contract tax rates plus 1.08 times the previous year's operation and maintenance tax rate. Thus, debt service and contract tax rates cannot be changed by a rollback election.

DISTRICT'S RIGHTS IN THE EVENT OF TAX DELINQUENCIES . . . Taxes levied by the District are a personal obligation of the owner of the property on January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each local taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units. See "FINANCIAL STATEMENT – Estimated Overlapping Debt Statement." A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem residential homestead property within two years after the purchaser's deed issued at the foreclosure sale is filed in the county records other property may be redeemed by a taxpayer within 180 days of such filing) or by bankruptcy proceedings which restrict the collection of taxpayer debts. See "RISK FACTORS – Tax Collections and Foreclosure Remedies."

EFFECT OF FIRREA ON TAX COLLECTIONS . . . The "Financial Institutions Reform, Recovery and Enforcement Act of 1989" ("FIRREA") contains provisions which affect the time for protesting property valuations, the fixing of tax liens and the collection of penalties and interest on delinquent taxes on real property owned by the FDIC when the FDIC is acting as the conservator or receiver of an insolvent financial institution.

Under FIRREA, real property held by the FDIC is still subject to ad valorem taxation, but such act states (i) that no real property of the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary lien shall attach to such property, (ii) the FDIC shall not be liable for any penalties or fines, including those arising from the failure to pay any real property taxes when due and (iii) notwithstanding the failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed.

To the extent that the FIRREA provisions are valid and applicable to any property in the District, and to the extent that the FDIC attempts to enforce the same, these provisions may affect the timeliness of collection of taxes on property owned by the FDIC in the District, and may prevent the collection of penalties and interest on such taxes.

LEGAL MATTERS

LEGAL OPINIONS . . . Issuance of the Bonds is subject to the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District. Issuance of the Bonds is also subject to the legal opinion of Andrews Kurth LLP, Austin, Texas ("Bond Counsel"), based upon examination of a transcript of the proceedings incident to authorization and issuance of the Bonds, to the effect that the Bonds are valid and binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by governmental immunity, bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity. Bond Counsel's legal opinion will also address the matters described below under "TAX MATTERS." Such opinions will express

no opinion with respect to the sufficiency of the security for or the marketability of the Bonds. In connection with the issuance of the Bonds, Bond Counsel has been engaged by, and only represents, the District.

The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds are based upon a percentage of Bonds actually issued, sold and delivered, and therefore, such fees are contingent upon the sale and delivery of the Bonds.

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.

NO-LITIGATION CERTIFICATE . . . The District will furnish to the Initial Purchaser a certificate, dated as of the date of delivery of the Bonds, executed by both the President and Secretary of the Board, to the effect that no litigation of any nature has been filed or is then pending or threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the issuance, execution or delivery of the Bonds; affecting the provisions made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the issuance, execution, or delivery of the Bonds; or affecting the validity of the 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 from that set forth or contemplated in the Official Statement.

TAX MATTERS

TAX EXEMPTION . . . Delivery of the Bonds is subject to the opinions of Andrews Kurth LLP, Austin, Texas, Bond Counsel, that interest on the Bonds will be (1) excludable from gross income of the owners thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (2) not includable in the alternative minimum taxable income of individuals or, except as described below, corporations.

Interest on the Bonds owned by a corporation, other than an S corporation, a regulated investment company, a real estate investment trust (REIT), a real estate mortgage investment conduit (REMIC) or a financial asset securitization investment trust (FASIT), will be included in such corporation's adjusted current earnings for purposes of calculating such corporation's alternative minimum taxable income. A corporation's alternative minimum taxable income is the basis on which the alternative minimum tax imposed by the Code is computed.

The foregoing opinions of Bond Counsel are based on the Code and the regulations, rulings and court decisions thereunder in existence on the date of issue of the Bonds. Such authorities are subject to change and any such change could prospectively or retroactively result in the inclusion of the interest on the Bonds in gross income of the owners thereof or change the treatment of such interest for purposes of computing alternative minimum taxable income.

In rendering its opinions, Bond Counsel has assumed continuing compliance by the District with certain covenants contained in the Bond Order and has relied on representations by the District with respect to matters solely within the knowledge of the District, which Bond Counsel has not independently verified. The covenants and representations relate to, among other things, the use of Bond proceeds and any facilities finance therewith, the source of repayment of the Bonds, the investment of Bond proceeds and certain other amounts prior to expenditure, and requirements that excess arbitrage earned on the investment of Bond proceeds and certain other amounts be paid periodically to the United States and that the District file an information report with the Internal Revenue Service. If the District should fail to comply with the covenants in the Bond Order or if its representations relating to the Bonds that are contained in the Bond Order should be determined to be inaccurate or incomplete, interest on the Bonds could become taxable from the date of delivery of the Bonds, regardless of the date on which the event causing such taxability occurs.

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 or accrual of interest on or acquisition or disposition of the Bonds.

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

Under the Code, taxpayers are required to provide information on their returns regarding the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who are deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, taxpayers owning an interest in a FASIT that holds tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. Such prospective purchasers should consult their tax advisors as to the consequences of investing in the Bonds.

PROPOSED TAX LEGISLATION . . . Tax legislation, administrative actions taken by tax authorities, and court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or state income taxation, or otherwise prevent the beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. For example, future legislation to resolve certain federal budgetary issues may significantly reduce the benefit of, or otherwise affect, the exclusion from gross income for federal income tax purposes of interest on all state and local obligations, including the Bonds. In addition, such legislation or actions (whether currently proposed, proposed in the future or enacted) could affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and its impact on their individual situations, as to which Bond Counsel expresses no opinion.

TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE DISCOUNT BONDS . . . Some of the Bonds may be offered at an initial offering price which is less than the stated redemption price payable at maturity of such Bonds. If a substantial amount of any maturity of the Bonds is sold to members of the public (which for this purpose excludes bond houses, brokers and similar persons or entities acting in the capacity of wholesalers or underwriters) at such initial offering price, each of the Bonds of that maturity (the "Discount Bond") will be considered to have "original issue discount" for federal income tax purposes equal to the difference between (a) the stated redemption price payable at the maturity of such Discount Bond and (b) the initial offering price to the public of such Discount Bond. Under existing law, such original issue discount will be treated for federal income tax purposes as additional interest on a Bond and such initial owner will be entitled to exclude from gross income for federal income tax purposes that portion of such original issue discount deemed to be earned (as discussed below) during the period while such Discount Bond continues to be owned by such initial owner. Except as otherwise provided herein, the discussion regarding interest on the Bond under the caption "TAX MATTERS – Tax Exemption" generally applies to original issue discount deemed to be earned on a Discount Bond while held by an owner who has purchased such Bond at the initial offering price in the initial public offering of the Bonds and that discussion should be considered in connection with this portion of the Official Statement.

In the event of a redemption, sale, or other taxable disposition of a Discount Bond prior to its stated maturity, however, any amount realized by such initial owner in excess of the basis of such Discount Bond in the hands of such owner (increased to reflect the portion of the original issue discount deemed to have been earned while such Discount Bond continues to be held by such initial owner) will be includable in gross income for federal income tax purposes.

Because original issue discount on a Discount Bond will be treated for federal income tax purposes as interest on a Bond, such original issue discount must be taken into account for certain federal income tax purposes as it is deemed to be earned even though there will not be a corresponding cash payment. Corporations that purchase a Discount Bond must take into account original issue discount as it is deemed to be earned for purposes of determining alternative minimum tax. Other owners of a Discount Bond may be required to take into account such original issue discount as it is deemed to be earned for purposes of determining certain collateral federal tax consequences of owning a Bond. See "TAX MATTERS – Tax Exemption" for a discussion regarding the alternative minimum taxable income consequences for corporations and for a reference to collateral federal tax consequences for certain other owners.

The characterization of original issue discount as interest is for federal income tax purposes only and does not otherwise affect the rights or obligations of the owner of a Discount Bond or of the District. The portion of the principal of a Discount Bond representing original issue discount is payable upon the maturity or earlier redemption of such Bond to the registered owner of the Discount Bond at that time.

Under special tax accounting rules prescribed by existing law, a portion of the original issue discount on each Discount Bond is deemed to be earned each day. The portion of the original issue discount deemed to be earned each day is determined under an actuarial method of accrual, using the yield to maturity as the constant interest rate and semi-annual compounding.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Discount Bonds by an owner that did not purchase such Bonds in the initial public offering and at the initial offering price may be determined according to rules which differ from those described above. All prospective purchasers of Discount Bonds should consult their tax advisors with respect to the determination for federal, state and local income tax purposes of interest and original issue discount accrued upon redemption, sale or other disposition of such 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 Discount Bonds.

TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE PREMIUM BONDS . . . Some of the Bonds may be offered at an initial offering price which exceeds the stated redemption price payable at the maturity of such Bonds. If a substantial amount of any maturity of the Bonds is sold to members of the public (which for this purpose excludes bond houses, brokers and similar persons or entities acting in the capacity of wholesales or underwriters) at such initial offering price, each of the Bonds of such maturity (the "Premium Bond") will be considered for federal income tax purposes to have "bond premium" equal to such excess. The basis for federal income tax purposes of a Premium Bond in the hands of an initial purchaser who purchases such Bond in the initial offering must be reduced each year and upon the sale or other taxable disposition of the Bond by the amount of amortizable bond premium. This reduction in basis will increase the amount of any gain (or decrease the amount of any loss) recognized for federal income tax purposes upon the sale or other taxable disposition of a Premium Bond by the initial purchaser. Generally, no corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium with respect to a Premium Bond. The amount of bond premium on a Premium Bond which is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined under special tax accounting rules which use a constant yield throughout the term of the Premium Bond based on the initial purchaser's original basis in such Premium Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition by an owner of Premium Bonds that are not purchased in the initial offering or which are purchased at a price other than the initial offering price for the Premium Bonds of the same maturity may be determined according to rules which differ from those described above. Moreover, all prospective purchasers of Bonds should consult their tax advisors with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of Premium Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS FOR FINANCIAL INSTITUTIONS . . . Section 265(a) of the Code provides, in general, that interest expense incurred to acquire or carry tax-exempt obligations is not deductible from the gross income of the owner of such obligations. Section 265(b) of the Code limits the portion of interest a financial institution can deduct when it owns obligations yielding tax exempt interest. It also provides an exception to this rule for interest expense allocable to tax-exempt obligations (other than private activity bonds) which are designated by an issuer, such as the District, as "qualified tax-exempt obligations." An issuer may designate obligations as "qualified tax-exempt obligations" only if the amount of the issue of which they are a part, when added to the amount of all other tax-exempt obligations (other than private activity bonds) issued or reasonably anticipated to be issued by the issuer during the same calendar year, does not exceed \$10,000,000.

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

CONTINUING DISCLOSURE OF INFORMATION

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

ANNUAL REPORTS . . . The District will provide certain updated financial information and operating data to the MSRB annually in an electronic format that is prescribed by the MSRB and available via the Electronic Municipal Market Access System ("EMMA") at www.emma.msrb.org. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement under Tables 1 through 9 and in APPENDIX A. The District will update and provide this information within six months after the end of each fiscal year. If audited financial statements are not available when the information is provided, the District will provide audited financial statements when and if they become available and unaudited financial statements within twelve (12) months after fiscal year end, unless audited financial statements are sooner provided. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX A or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation. The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12, as amended (the "Rule"). The District's current fiscal year end is September 30th. Accordingly, it must provide updated information by the last day of March in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

EVENT NOTICES. . . The District will also provide timely notice (not in excess of ten (10) business days after the occurrence of the event) 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 status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to right of holder 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; (13) the consummation

of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, 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; and (14) appointment of a successor trustee or change in the name of the trustee, if material. (Neither the Bonds nor the Bond Order make any provision for debt service reserves, liquidity enhancement or credit enhancement). As used above, the phrase “bankruptcy, insolvency, receivership or similar event” means the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if jurisdiction has been assumed by leaving the Board and officials or officers of the District in possession but subject to supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District. 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”. The District will provide each notice in this paragraph to the MSRB.

AVAILABILITY OF INFORMATION. . . All information and documentation filings required to be made by the District will be made with the MSRB in electronic format in accordance with MSRB guidelines. Access to such filings is provided, without charge to the general public, by the MSRB at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS. . . The District has agreed to update information and to provide notices of certain 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 holders and beneficial owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement. The District may amend its disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. The District may also amend or repeal the provisions of its continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the District 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.

FINANCIAL ADVISOR

The Official Statement was compiled and edited under the supervision of Specialized Public Finance Inc. (the “Financial Advisor”), which firm is currently employed as Financial Advisor to the District. The fees paid to the Financial Advisor for services rendered in connection with the issuance and sale of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered, and therefore such fees are contingent on the sale and delivery of the Bonds.

OFFICIAL STATEMENT

PREPARATION . . . The District has no employees but engages various professionals and consultants to assist the District in the day-to-day activities of the District. See “THE DISTRICT.” The Board of Directors in its official capacity has relied upon the below mentioned experts and sources in preparation of this Official Statement. The information in this Official Statement was compiled and edited by the Financial Advisor. In addition to compiling and editing such information, the Financial Advisor has obtained the information set forth herein under the captions indicated from sources including: River City Engineering, Ltd.; Taylor Morrison of Texas Inc.; Bott Douthitt, P.L.L.C.; and Willatt & Flickinger.

UPDATING THE OFFICIAL STATEMENT DURING UNDERWRITING PERIOD . . . If, subsequent to the date of the Official Statement to and including the date the Initial Purchaser is no longer required to provide and Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the “end of the underwriting period” (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days after the “end of the underwriting period”), the District learns or is notified by the Initial Purchaser of any adverse event which causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the Initial Purchaser a supplement to the Official Statement which corrects such representation to the reasonable satisfaction of the Initial Purchaser, unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds

as described in the Notice of Sale under the heading "DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS – Delivery." The obligation of the District to update or change the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser (the "end of the underwriting period" within the meaning of the Rule), unless the Initial Purchaser provides written notice the District that less than all of the Bonds have been sold to ultimate customers on or before such date, in which case the obligation to update or change the Official Statement will extend for an additional period of time of 25 days after all of the Bonds have been sold to ultimate customers. In the event the Initial Purchaser provides written notice to the District that less than all of the Bonds have been sold to ultimate customers, the Initial Purchaser agrees to notify the District in writing following the occurrence of the "end of the underwriting period" as defined in the Rule.

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 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, description 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. Except as set forth in "CONTINUING DISCLOSURE OF INFORMATION" herein, the District has no obligation to disclose any changes in the affairs of the District and other matters described in this Official Statement subsequent to the "end of the underwriting period" which shall end when the District delivers the Bonds to the Initial Purchaser at closing, unless extended by the Initial Purchaser. All information with respect to the resale of the Bonds subsequent to the "end of the underwriting period" is the responsibility of the Initial Purchaser.

ANNUAL AUDITS . . . Under Texas Law, the District must keep its fiscal records in accordance with generally accepted accounting principles. It must also have its financial accounts and records audited by a certified or permitted public accountant within 120 days after the close of each fiscal year of the District, and must file each audit report with the TCEQ within 135 days after the close of the fiscal year so long as the District has bond outstanding. Copies of each audit report must also be filed in the office of the District. The District's fiscal records and audit reports are available for public inspection during regular business hours, and the District is required by law to provide a copy of the District's audit reports to any Registered Owner or other member of the public within a reasonable time on request, upon payment of prescribed charges.

This Official Statement was approved by the Board of Directors of the District, as of the date shown on the first page hereof.

MISCELLANEOUS

RATINGS . . . The Bonds are expected to be rated "AA" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's") and "AA+" (stable outlook) by Kroll Bond Rating Agency by virtue of a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. at the time of delivery of the Bonds. The Bonds and the outstanding debt of the District are rated "Baa3" by Moody's without regard to credit enhancement. An explanation of the significance of such rating may be obtained from the company furnishing the rating. The rating reflects only the respective view of such organization and the District makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating company, if in the judgment of the company, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

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

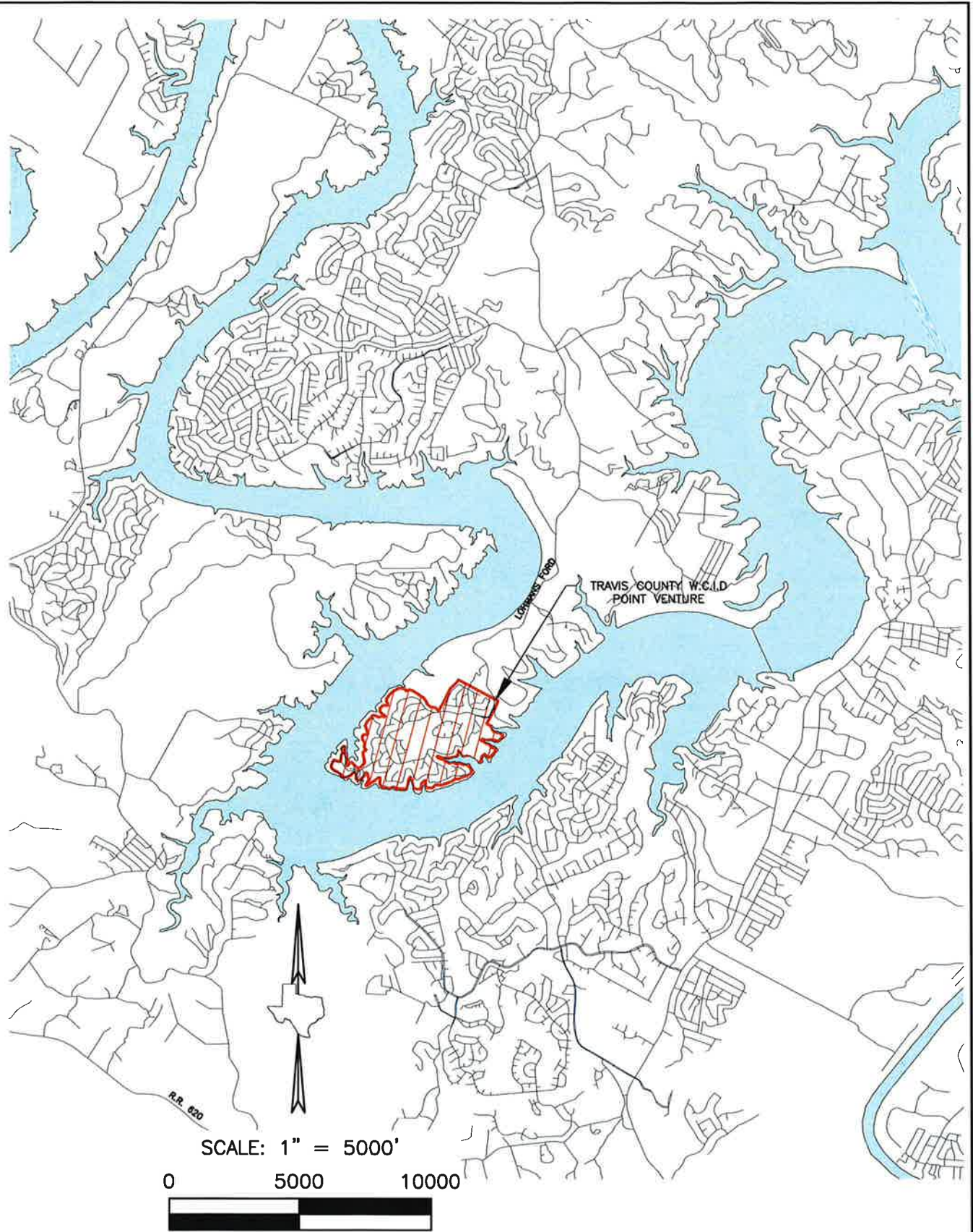
/s/ JOHN FRANZ
Secretary/Treasurer, Board of Directors
Travis County WCID – Point Venture

/s/ FRED MARSHALL
President, Board of Directors
Travis County WCID – Point Venture

LOCATION MAP

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FILE: P:\Projects\7010 (Point Venture - WCID)\Bond Application Report\Preliminary Engineering Report\VICINITY MAP.dwg
TAB: B.5X11 PORTRAIT PLOTTED: 2/17/2015 9:45 AM BY: SVETLANA MANOS



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TRAVIS COUNTY W.C.I.D.
POINT VENTURE

VICINITY MAP

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APPENDIX A

EXCERPTS FROM THE ANNUAL FINANCIAL REPORT

The information contained in this APPENDIX has been excerpted from the financial statements of Travis County Water Control and Improvement District for the fiscal year ended September 30, 2015, as prepared by the District's auditor Neffendorf, Knopp, Doss & Company, P.C.

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NEFFENDORF & KNOPP, P.C.
Certified Public Accountants

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
TEXAS SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Travis County Water Control and Improvement District -
Point Venture
Point Venture, TX 78645

Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Travis County Water Control and Improvement District - Point Venture, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Travis County Water Control and Improvement District - Point Venture, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the financial statements, in 2015, the District adopted new accounting guidance prescribed by GASB #68 for its pension plan a nontraditional defined benefit pension plan. Because GASB #68 implements new measurement criteria and reporting provisions, significant information has been added to the Government Wide Statements, Statement of Net Position and Governmental Funds Balance Sheet discloses the District's Net Pension Liability and some deferred resources inflows and deferred resources outflows related to the District's pension plan. The Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balance discloses the adjustment to the District's Beginning Net Position. Our opinion is not modified with respect to the matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the Schedule of Changes in Net Pension Liability and Related Ratios and the Schedule of Employer Contributions on pages 3 through 8, 26, 27, 28 and 29 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.

The Texas Commission on Environmental Quality requires water districts to include certain information in the Annual Financial Report in conformity with laws and regulations of the State of Texas. This information is in Exhibits identified in the Table of Contents as Exhibits TSI-1 to TSI-8. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


NEFFENDORF & KNOPP, P.C.

Fredericksburg, Texas
February 25, 2016

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Travis County Water Control and Improvement District - Point Venture, we offer readers of the District's financial statements this narrative overview and analysis of the financial statements of the District for the year ended September 30, 2015. Please read it in conjunction with the independent auditors' report on page 1, and District's Basic Financial Statements which begin on page 9.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$3,095,181(net position). Of this amount, \$564,830(unrestricted net position) may be used to meet the District's ongoing obligations to citizen's and creditors.
- The District's net position increased by \$84,903 as a result of this year's operations.
- At September 30, 2015, the District's governmental funds reported combined ending fund balances of \$685,321, an increase of \$10,459 in comparison with the prior year.
- At September 30, 2015, the unreserved fund balance of the general fund was \$475,599 or 47 percent of total general fund expenditures.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net position and the Statement of Activities (on pages 9 and 10). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (also on pages 9 & 10) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget.

The notes to the financial statements (starting on page 11) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The Budgetary Comparison Schedule (operating fund), Schedule of Changes in Net Pension Liability and Related Ratios and the Schedule of Employer Contributions are presented as a required supplemental schedule on page 26, 27, and 28. The section labeled Texas Supplementary Information (TSI) are required supplemental schedules by the Texas Commission on Environmental Quality.

Reporting the District as a Whole

The Statement of Net position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 9. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider other factors as well, such as changes in the District's customers or its property tax base and the condition of the District's facilities.

In the Statement of Net position and the Statement of Activities, the District has one kind of activity:

- Governmental activity - Most of the District's basic services are reported here, including the water, sewer and administration. Property taxes, and user charges, (water and sewer) finance most of these activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements on pages 9 & 10 and provide detailed information about the most significant funds - not the District as a whole. Governmental fund types include the general fund, debt service fund and capital projects fund.

- Governmental funds - All of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds in the adjustments column and Note 3 to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental and business-type activities.

Net position of the District's governmental activities increased from \$2,957,674 to \$3,095,181. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - were \$564,830 at September 30, 2015. This increase in governmental net position was the result of three factors. First, the District's revenues exceeded the expenditures by \$10,459. Second, the District paid bonds and other long-term debt in the amount of \$ 215,722 and acquired capital assets in the amount of \$ 42,158. Third, the District recorded depreciation in the amounts of \$ 194,496.

Table I
Travis County Water Control and Improvement District - Point Venture

NET POSITION
in thousands

		Governmental Activities
		September 30, 2015
Current and Other Assets	\$	887
Capital Assets		3,147
Total Assets	\$	4,034
Deferred Outflows of Resources		
Deferred Outflow Related to TCDRS	\$	14
Total Deferred Outflows of Resources	\$	14
Long-Term Liabilities	\$	591
Other Liabilities		353
Total Liabilities	\$	944
Deferred Inflows of Resources		
Unavailable Revenue - Property Taxes	\$	6
Deferred Resource Inflow Related to TCDRS		3
Total Deferred Inflows of Resources	\$	9
Net Position		
Net Investment in		
Capital Assets	\$	2,321
Restricted		210
Unrestricted		565
Total Net Position	\$	3,095

Table II
Travis County Water Control and Improvement District - Point Venture

CHANGES IN NET POSITION
in thousands

		Governmental Activities
		September 30, 2015
Revenues		
Property Taxes	\$	635
Water and wastewater service		414
Other Income		189
Interest on Investments		0
Total Revenue	\$	1,238
Expenses:		
Personnel services	\$	514
Repairs and Maintenance		197
Water		41
Supplies		11
Utilities		65
Insurance		12
Legal and professional		40
Miscellaneous		21
Amortization		8
Debt Service		50
Depreciation		194
Total Expenses	\$	1,153
Increase In Net Position	\$	85
Net Position Beginning		2,958
Prior Period Adjustment		53
Net Position Ending	\$	3,095

The cost of all governmental activities for the fiscal year was \$ 1,222,329 . However, as shown in the Statement of Activities on page 10, the amount that our taxpayers ultimately financed for these activities through District taxes was only \$ 629,317 because the other costs were paid by those who directly benefited from the programs(\$ 414,442), other income (\$188,740) and interest earned (\$289).

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 9) reported a combined fund balance of \$685,321, which is more than last year's total of \$674,862. Included in this year's total change in fund balance is an increase of \$15,888 in the District's General Fund. The primary reasons for the General Fund's gain mirror the governmental activities analysis highlighted on page 6.

The Board of Directors adopted the General Fund Budget. Actual revenues exceeded the budgeted amounts, while actual expenditures were more than the budgeted amounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2015, the District had \$7,197,988 invested in a broad range of capital assets, including land, buildings, water and sewer systems, machinery and equipment and other improvements. This amount represents a net increase of \$22,055, or 0.3 percent, more than last year.

This year's major additions included:

Equipment	8,596
Construction in Progress	30,707
System Improvements	1,380
Computers	<u>1,475</u>
 Totaling	 \$ <u>42,158</u>

More detailed information about the District's capital assets is presented in Note 6 to the financial statements.

Debt

At September 30, 2015 the District had \$822,005 in bonds and capital leases outstanding versus \$1,037,727 at September 30, 2014 - a decrease of 21 percent. The District paid principal of \$15,722 for the capital lease and \$200,000 for the bonds.

More detailed information about the District's long-term liabilities is presented in Notes 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected officials and management considered many factors when setting the fiscal-year 2016 budget and tax rates. Factors considered in establishing a budget are the funding needs of the District operations and programs necessary to meet the objectives of the District. Amounts available for appropriation in the General Fund budget are \$925,192 and expenditures are estimated to be \$918,350.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at Travis County Water Control and Improvement District - Point Venture, Point Venture, Texas.

BASIC FINANCIAL STATEMENTS

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2015

	General Fund	Debt Service Fund	Total	Adjust- ments (Note 3)	Statement of Net Position September 30, 2015
ASSETS					
Cash	\$ 170,609	\$ 21,402	\$ 192,011		\$ 192,011
Temporary investments	335,251	113,067	448,318		448,318
Receivables:					
Water and wastewater, net of allowance for doubtful accounts of \$10,865	58,835		58,835		58,835
Taxes	22,791	14,967	37,758		37,758
Other	-		-		-
Due from other funds		75,253	75,253	(75,253)	-
Prepaid expenses	-		-		-
Land use rights, net of accumulated amortization of \$88,000	104,276		104,276		104,276
Capital Assets (Net of Accumulated Depreciation) Property, Plant and Equipment			-	3,146,827	3,146,827
Net Pension Asset			-	45,837	45,837
Total Assets	\$ 691,762	\$ 224,689	\$ 916,451	\$ 3,117,411	\$ 4,033,862
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflow Related to TCDRS				14,428	14,428
Total Deferred Outflows of Resources				14,428	14,428
LIABILITIES					
Accounts payable	52,723		52,723		52,723
Deposits payable	65,396		65,396		65,396
Due to other funds	75,253	-	75,253	(75,253)	-
Interest payable				4,193	4,193
Long-term liabilities:					
Due within on year				230,672	230,672
Due after one year				591,333	591,333
Total Liabilities	193,372	-	193,372	750,945	944,317
DEFERRED INFLOW OF RESOURCES					
Deferred Resources Inflow					
Deferred Resource Inflow Related to TCDRS				3,128	3,128
Property Taxes	22,791	14,967	37,758	(32,095)	5,664
Total Deferred Inflows of Resources	22,791	14,967	37,758	(28,967)	8,792
FUND BALANCE/NET POSITION					
Fund Balances:					
Reserved for Debt Service		209,722	209,722	(209,722)	
Undesignated	475,599		475,599	(475,599)	
Total Fund Balances	475,599	209,722	685,321	(685,321)	-
Total Liabilities & Fund Balances	\$ 691,762	\$ 224,689	\$ 916,451		
Net Position:					
Net Investment in Capital Assets				2,320,629	2,320,629
Restricted for Debt Service				209,722	209,722
Unrestricted				564,830	564,830
Total Net Position				\$ 3,095,181	\$ 3,095,181

The notes to the Financial Statements are an integral part of this statement.

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED - SEPTEMBER 30, 2015

	General Fund	Debt Service Fund	Total	Adjust- ments (Note 3)	Statement of Activities Sept 30, 2015
Revenues:					
Property Taxes	\$ 388,050	\$ 241,267	\$ 629,317	\$ 5,306	\$ 634,623
Water and wastewater service	414,442		414,442		414,442
Other Income	188,740		188,740		188,740
Interest on Investments	180	109	289		289
Total Revenues	991,412	241,376	1,232,788	5,306	1,238,094
Expenditures/Expenses:					
Personnel services	\$ 518,745		\$ 518,745	(4,532)	514,212
Repairs and Maintenance	196,726		196,726		196,726
Water	40,911		40,911		40,911
Supplies	11,164		11,164		11,164
Utilities	64,768		64,768		64,768
Insurance	12,396		12,396		12,396
Legal and professional	39,982		39,982		39,982
Administrative	20,785		20,785		20,785
Amortization	8,000		8,000		8,000
Capital Outlay	42,158		42,158	(42,158)	-
Debt Service:					
Principal	15,722	200,000	215,722	(215,722)	-
Interest and Fees	4,167	46,805	50,972	(1,222)	49,750
Depreciation			-	194,496	194,496
Total Expenditures/Expenses	975,524	246,805	1,222,329	(69,138)	1,153,191
Excess (deficiency) of revenues over expenditures	15,888	(5,429)	10,459		
Excess (deficiency) of revenues and transfers in over expenditures and transfers out	15,888	(5,429)	10,459	(10,459)	
Change in Net Position				84,903	84,903
Fund Balance/Net Position:					
Beginning of the Year	459,711	215,151	674,862	2,282,811	2,957,674
Prior Period Adjustment	-		-	52,604	52,604
End of the Year	\$ 475,599	\$ 209,722	\$ 685,321	\$ 2,409,859	\$ 3,095,181

The notes to the Financial Statements are an integral part of this statement.

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT –
POINT VENTURE
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1. CREATION OF DISTRICT

Travis County Water Control and Improvement District – Point Venture was created, organized and established on October 14, 1970, by the Texas Water Commission pursuant to the provisions of Chapter 51 of the Texas Water Code.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Travis County Water Control and Improvement District - Point Venture conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

- A. Reporting Entity - The District has developed criteria to determine if the activities of any outside agencies or organizations should be included within its financial statements. The criteria includes the amount of oversight responsibility exercised by the District over the activities of an agency or organization, the scope of public service of an agency or organization, and the nature of any special financing relationships which may exist between the District and an agency or organization. Oversight responsibility includes financial interdependency, selection of the governing authority, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The District's financial statements include all funds over which the District exercises oversight responsibility. The District does not exercise oversight responsibility over any other reporting entity. Also, The District is not included as a part of any other reporting entity.
- B. Government-Wide and Fund Financial Statements
The Statement of Net position and the Statement of Activities are government-wide financial statements. They report information on all of the Travis County Water Control and Improvement District - Point Venture nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include sources supported by taxes, fees and charges for services.

The Statement of Activities demonstrates how other people or entities that participate in services the District operates have shared in the payment of the direct costs.

Interfund activities between governmental funds appear as due to/due from on the Governmental Fund Balance Sheet and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes and user charges. Property tax revenues and revenues received from customers are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, liabilities, and net position or equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Temporary investments are stated at cost.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property taxes are recorded as revenue when collected, and the amount of billed but uncollected taxes are deferred pending collection.

3. Capital Assets

Capital assets, which include land, buildings, furniture and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an estimated useful life in excess of one years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciable assets of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	30
Building and improvements	30
Water and sewer plant	30
Machinery and equipment	7
Furniture and fixtures	5
Automobiles and trucks	7

4. Vacation and Sick Leave

Vacation and sick pay expenditures are charged to operations when taken by the employees of the District. The liabilities for accumulated vacation leave at September 30, 2015 are estimated to be insignificant, and are not reflected in the accompanying financial statements.

5. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

6. Fund Equity

Beginning with fiscal year end April 30, 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance – amounts that are not in non-spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the

same highest level action to remove or change the constraint.

- Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Board of Directors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Directors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

7. Budget

The Board of Directors adopts an annual budget for the general fund in accordance with the Accounting Principles applicable to this fund.

8. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCERS's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts 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 expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net position

Total Fund Balance - Governmental Funds	\$ 685,321
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$7,175,933 and the accumulated depreciation was \$3,876,768. The effect of including the beginning balances for capital assets (net of depreciation) in the governmental activities is to increase net position.	3,299,165
2 Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government wide financial statements. The net effect of including the 2015 capital outlays is to increase net position.	42,158
3 The 2015 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(194,496)
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension asset required by GASB 68 of \$45,837, a Deferred Resource Outflow related to TCDRS of \$14,428 and a Deferred Resource Inflow related to TCDRS of \$3,128. This amounted to an increase in Net Position in the amount of \$57,137.	57,137
5 Long-term liabilities, including capital lease payable, are not due and payable in the current period and therefore are not reported in the funds.	(826,198)
6 Deferred revenue is not financial resources and therefore is not reported in the funds.	<u>32,095</u>
Net Position of Governmental Activities	<u>\$ 3,095,182</u>

Reconciliation of the Governmental Fund Statement of Revenues, Expenditure, and Changes in Fund Balance to the Statement of Activities

Total Net Change in Fund Balances - Governmental Funds	\$ 10,459
1 Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government wide financial statements. The net effect of removing the 2015 capital outlays is to increase net position.	42,158
2 Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(194,496)
3 The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 12/31/2014 caused the change in the ending net position to increase in the amount of \$9,768. The District recorded pension expense during the measurement period as part of the net pension liability. The amount expensed for FY 2015 was \$8,676 and the amount de-expended was \$3,440. This caused a net decrease in the change in net position of \$5,236. The impact of all of these is to increase net position by \$4,532.	4,532
4 Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of net position: Principal Payments.	215,722
5 Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds: Taxes Receivable.	5,306
6 Expenses in the statement of activities that do not require the use of current financial resources and are not reported as expenditures in the fund: Accrued interest.	<u>1,222</u>
Change in Net Position of Governmental Activities	<u>\$ 84,903</u>

NOTE 4. DEPOSITS AND INVESTMENTS

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

At September 30, 2015, the carrying amount of the District's deposits was \$ 192,011 and the bank balance was \$194,780. The District's cash deposits at September 30, 2015 and during the year ended September 30, 2015 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

The carrying value of investments at September 30, 2015 was 448,318 (TexPool Investment Pool). Local government investment pools operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Local government investment pools use amortized cost rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in these pools is the same as the value of the shares in each pool.

Policies Governing Deposits and Investments

In compliance with the **Public Funds Investment Act**, the District has adopted a deposit and investment policy. That policy does address the following risks:

Custodial Credit Risk - Deposits: This is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District was not exposed to custodial credit risk since its deposits at year-end and during the year ended September 30, 2015 were covered by depository insurance or by pledged collateral held by the District's agent bank in the District's name.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form. Thus positions in external investment pools are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

Other Credit Risk: There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To minimize credit risk, TexPool Investment Pool invests only in investments authorized under the Public Funds Investment Act. TexPool's portfolio has low market (credit) risk due to restrictions on weighted average maturity and maximum maturity of any one investment. The investment manager is required to maintain a stable \$1.00 net asset value and must take immediate action if the net asset value of the portfolio falls below \$.995 or rises above \$1.005.

NOTE 5. PROPERTY TAXES

Travis County Water Control and Improvement District – Point Venture contracted with the Travis Central Appraisal District for the appraisal of taxes. Travis County Tax Assessor Collector collects the taxes. By September 1 of each year, the rate of taxation is set by the Board of Directors based upon the valuation of property within the District as of January 1. Taxes are due October 1, and become delinquent after January 31 of the following year. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of levy.

For the 2014 tax roll, the District levied an ad valorem maintenance tax at a rate of \$.2458 and interest and sinking at a rate of \$.1533 per \$100 of assessed valuation. The total tax rate was \$.3991 per \$100 valuation, which resulted in a tax levy (before corrections and adjustments) of \$632,179 on the taxable valuation of \$157,726,500.

NOTE 6. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year September 30, 2015, was as follows:

	Primary Government			
	Beginning			Ending
	Balance	Additions	Retirements	Balance
	10/1/14			9/30/15
Governmental Activities				
Land	\$ 167,042	\$ -	\$ -	\$ 167,042
Water and wastewater systems	4,107,143	-	-	4,107,143
Building and improvements	595,138			595,138
Office equipment	33,189	1,475		34,664
Machinery and equipment	405,535	8,596	20,103	394,028
Distribution system	1,847,664	1,380		1,849,044
Construction in progress	20,222	30,707		50,929
Totals	\$ 7,175,933	\$ 42,158	\$ 20,103	\$ 7,197,988
Less Accumulated Depreciation	(3,876,768)	(194,496)	20,103	(4,051,161)
Capital Assets, Net	\$ 3,299,165	\$ (152,338)	\$ -	\$ 3,146,827

NOTE 7. GENERAL LONG-TERM DEBT

The following is a summary of changes in general long-term debt:

	Balance			Balance	Due Within
	10/1/14	Issued	Retired		
General Obligation Bonds					
Series 1998-A (Interest Rate 3.35% to 4.05%)	\$ 410,000	\$ -	\$ 95,000	\$ 315,000	\$ 100,000
Series 1998-B (Interest Rate 5.09% to 5.74%)	470,000	-	105,000	365,000	115,000
Capital Lease Payable	157,727		15,722	142,005	15,672
TOTAL LONG-TERM DEBT	\$ 1,037,727	\$ -	\$ 215,722	\$ 822,005	\$ 230,672

The District's bonds outstanding are due for the next five years and thereafter as follows:

Year Ending Sept 30	Principal	Interest	Total
2016	\$ 215,000	\$ 33,542	\$ 248,542
2017	225,000	22,998	247,998
2018	240,000	11,917	251,917
Total	<u>\$ 680,000</u>	<u>\$ 68,457</u>	<u>\$ 748,457</u>

NOTE 8. CAPITAL LEASE

The District entered into a capital lease agreement with Government Capital Corporation (which assigned the contract to Community Bank of Louisiana) for the purchase of electronic meters for \$173,641. The capital lease is payable in ten (10) annual installments of \$19,889.32 (including interest at 2.6%).

A summary of the future minimum lease payments under the lease along with the present value of the minimum lease payments as of September 30, 2015 follows:

Year Ended September 30	\$
2016	19,889
2017	19,889
2018	19,889
2019	19,889
2020-2023	<u>79,556</u>
Total Minimum Lease Payments	\$ 159,112
Less Amount Representing Interest	<u>17,107</u>
Present Value of Lease Payments	<u>\$ 142,005</u>

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District contracts with the Texas Municipal League (TML) to provide insurance coverage for identified risks. TML is a multi-government group that provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Liability by the District is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2015 were \$12,937.

NOTE 10. INSURANCE

All regular employees of the District are eligible under the group hospitalization and life insurance program provided by the District through Blue Cross Blue Shield. The District pays the premium for eligible employees.

NOTE 11. RETIREMENT PLAN

In addition to the social security program, the District became members of the Texas County and District Retirement System in April, 1992.

Plan Description

TCDRS is a statewide, agent multiple-employer, public-employee retirement system. The system serves 677 actively participating counties and districts throughout Texas. Each employer maintains its own customized plan of benefits. Plan provisions are adopted by the governing body of each employer, within the options available in the TCDRS Act. Because of that, employers have the flexibility and local control to select benefits and pay for those benefits based on their needs and budgets. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

Each employer has a defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered qualified under Section 401(a) of the Internal Revenue Code. All employees (except temporary staff) of a participating employer must be enrolled in the plan.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service, with 30 years of service regardless of age or when the sum of their age and years of service equals 80 or more. Members are vested after 10 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a lifetime monthly benefit.

The required contribution was determined as part of the December 31, 2014 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2014 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 4.9 percent. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at December 31, 2014 was 6.6 years.

Employees covered by benefit terms.

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1
Inactive employees entitled to but not yet receiving benefits	6
Active employees	<u>9</u>
	16

Contributions

A combination of three elements fund each employer's plan: employee deposits, employer contributions and investment income.

- The deposit rate for employees is 4%, 5%, 6% or 7% of compensation, as adopted by the employer's governing body.
- Participating employers are required, by law, to contribute at actuarially determined rates, which are determined annually.
- Investment income funds a large part of the benefits employees earn.

Employers have the option of paying more than the required contribution rate each year. Extra contributions can help employers "pre-fund" benefit increases, such as a cost-of-living adjustment to retirees, and they can be used to help offset or mitigate future increases in the required rate due to negative plan experience. There are two approaches for making extra contributions: (a) paying an elected contribution rate higher than the required rate and (b) making an extra lump-sum contribution to the employer account.

The contribution rate payable by the employee members for calendar year 2014 is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. The District's contributions to TCDRS for the year ended September 30, 2015 were \$13,209, and were equal to the required contributions.

Net Pension Liability

The District's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal ⁽¹⁾
Asset Valuation Method	
Smooth Period	5 years
Recognition Method	Non-asymptotic
Corridor	None
Inflation	3.0%
Salary Increases	4.9%
Investment Rate of Return	8.10%
Cost of Living Adjustments	Cost-of-Living Adjustments for Travis County Water Control and Improvement District – Point Venture are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Deferred members are assumed to retire (100% probability) at the later of: a) age 60; b) earliest retirement eligibility.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	RP-2000 Mortality Tables

(1) Individual entry age normal cost method, as required by GASB 68, used for GASB calculations. Note that a slightly different version of the entry age normal cost method is used for the funding actuarial valuation.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2015 information for a 7-10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. See Milliman's TCDRS Investigation of Experience report for the period January 1, 2009 – December 31, 2013 for more details.

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return (Expected Minus Inflation) ⁽²⁾
U.S. Equities	Dow Jones U.S. Total Stock Market Index	16.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	12.00%	8.35%
Global Equities	MSCI World (Net) Index	1.50%	5.65%
International Equities – Developed	50% MSCI World Ex USA (Net) + 50% MSCI World Ex USA 100% Hedged to USD (Net) Index	11.00%	5.35%
International Equities – Emerging	50% MSCI EM Standard (Net) Index + 50% MSCI EM 100% Hedged to USD (Net) Index	9.00%	6.35%
Investment – Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.80%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	-0.20%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.15%

⁽¹⁾ Target asset allocation adopted at the April 2015 TCDRS Board meeting

⁽²⁾ Geometric real rates of return in addition to assumed inflation of 1.7%, per Cliffwater's 2015 capital market assumptions.

⁽³⁾ Includes vintage years 2006 – present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2007 – present of Quarter Pooled Horizon IRRs.

Discount Rate

The discount rate used to measure the Total Pension Liability was 8.10%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pensions plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	Increase/(Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances as of December 31, 2013	\$ 318,197	\$ 360,550	\$ (42,353)
Changes for the Year:			
Service Cost	30,095	-	30,095
Interest on Total Pension Liability ⁽¹⁾	26,881	-	26,881
Effect of Plan Changes	-	-	-
Effects of Economic/Demographic Gains or Losses	(3,476)	-	(3,476)
Effect of Assumptions Changes or Inputs	-	-	-
Refund of Contributions	-	-	-
Benefit Payments	(2,209)	(2,209)	-
Administrative Expenses	-	(300)	300
Member Contributions	-	18,742	(18,742)
Net Investment Income	-	24,866	(24,866)
Employer Contributions	-	13,692	(13,692)
Other ⁽²⁾	-	(16)	16
Balances as of December 31, 2014	<u>\$ 369,489</u>	<u>\$ 415,325</u>	<u>\$ 45,837</u>

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

⁽²⁾ Relates to allocation of system-wide items.

Sensitivity Analysis

The following presents the net pension liability of the District, calculated using the discount rate of 8.10%, as well as what the Travis County Water Control and Improvement District – Point Venture net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease <u>7.10%</u>	Current Discount Rate <u>8.10%</u>	1% Increase <u>9.10%</u>
Total Pension Liability	\$ 414,783	\$ 369,489	\$ 328,536
Fiduciary Net Position	<u>415,325</u>	<u>415,325</u>	<u>415,325</u>
Net Pension Liability/(Asset)	<u>\$ 3,458</u>	<u>\$ (45,837)</u>	<u>\$ (86,789)</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2015 the District recognized pension expense of \$8,676.

<u>Prepaid Expense/(Income)</u>	<u>January 1, 2014 to December 31, 2014</u>
Service Cost	\$ 30,095
Interest on Total Pension Liability ⁽¹⁾	26,881
Effect of Plan Changes	-
Administrative Expenses	300
Member Contributions	(18,742)
Expected Investment Return Net of Investment Expenses	(30,692)
Recognition of Deferred Inflows/Outflows of Resources	-
Recognition of Economic/Demographic Gains or Losses	(348)
Recognition of Assumption Changes or Inputs	-
Recognition of Investment Gains or Losses	1,165
Other ⁽²⁾	<u>16</u>
Pension Expense/(Income)	<u>\$ 8,676</u>

⁽¹⁾ Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

⁽²⁾ Relates to allocation of system-wide items.

As of December 31, 2014, the deferred inflows and outflows of resources are as follows:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 3,128	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings	-	4,660
Contributions made subsequent to measurement date	-	9,768

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	
2015	\$ 818
2016	818
2017	818
2018	818
2019	(348)
Thereafter ⁽³⁾	(1,390)

⁽³⁾ Total remaining balance to be recognized in future years, if any. Note that additional future deferred inflows and outflows of resources may impact these numbers.

NOTE 12. CONTRACTS AND COMMITMENTS

Lower Colorado River Authority

The District has a contract to purchase water from the Lower Colorado River Authority at the rate of \$.41 per thousand gallons. The contract is for a term of 40 years beginning June, 2013. For the year ended September 30, 2015, the District paid \$40,911 under the agreement.

Village of Point Venture

The District entered into an interlocal agreement with the Village of Point Venture to provide certain services and the use of District facilities and personnel. The District receives monthly reimbursement for clerical support and public works (\$8,028 per month in 2015 and \$8,405 per month in 2014). For the year ended September 30, 2015 the District received \$99,578 under the agreement.

NOTE 13. LAND USE RIGHTS

During the year ended April 30, 2004, the District entered into an irrigation system contract with the Point Venture Property Owners Association, Inc. (Association) to construct a new subsurface system within property owned by the Association. The use of the Association's property to dispose of effluent will expand the capacity of the District's wastewater system. The cost of \$192,276 that the District has paid has been recorded as land use rights and will be amortized over 25 years, the remaining terms of the effluent disposal contract between the District and the Association. Land use rights are recorded at \$192,276, net accumulated amortization of \$88,000 for the year ended September 30, 2015.

NOTE 14. INTERFUND RECEIVABLE AND PAYABLES

Interfund balances at September 30, 2015 consisted of the following:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund - Debt Service Fund	-	75,253
Debt Service Fund - General Fund	75,253	-

NOTE 15. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Actual expenditures for the General Fund exceeded the budgeted amounts for several line items and in total.

NOTE 16. PRIOR PERIOD ADJUSTMENT

During fiscal year 2015, the District adopted GASB Statement No. 68 for Accounting and Reporting for Pensions. Adoption of GASB Statement No. 68 required a prior period adjustment to report the effect of GASB Statement No. 68 retroactively. The amount of the prior period adjustment in the governmental activities is \$52,604. The restated beginning net position of the Governmental Activities is \$3,010,278.

NOTE 17. SUBSEQUENT EVENTS

The District has evaluated subsequent events through February 25, 2016, the date which the financial statements were available to be issued. In February 2016, the District issued \$7,375,000 Unlimited Tax Bonds, Series 2016 for water treatment plant expansion, additional storage tank and water system improvements. The District is not aware of any other subsequent events that materially impact the financial statements.

REQUIRED SUPPLEMENTAL SCHEDULE

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
 POINT VENTURE
 REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON
 SCHEDULE - GENERAL FUND - FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$ 387,691	\$ 387,691	\$ 388,050	\$ 359
Water and wastewater service	359,000	359,000	414,442	55,442
Other Income	177,000	177,000	188,740	11,740
Interest on Investments	1,500	1,500	180	(1,320)
Total Revenues	<u>925,191</u>	<u>925,191</u>	<u>991,412</u>	<u>66,221</u>
<u>Expenditures/Expenses:</u>				
Personnel services	\$ 534,600	\$ 534,600	\$ 518,745	\$ 15,855
Repairs and Maintenance	192,100	192,100	196,726	(4,626)
Water	41,000	41,000	40,911	89
Supplies	10,000	10,000	11,164	(1,164)
Utilities	68,400	68,400	64,768	3,632
Insurance	17,150	17,150	12,396	4,754
Legal and professional	31,000	31,000	39,982	(8,982)
Administrative	23,100	23,100	20,785	2,315
Amortization	8,000	8,000	8,000	-
<u>Capital Outlay</u>			42,158	(42,158)
<u>Debt Service:</u>				
Principal			15,722	(15,722)
Interest and Fees			4,167	(4,167)
Total Expenditures/Expenses	<u>925,350</u>	<u>925,350</u>	<u>975,524</u>	<u>(50,174)</u>
Excess (deficiency) of revenues over expenditures	(159)	(159)	15,888	16,047
<u>Fund Balance/Net Assets:</u>				
Beginning of the Year	459,711	459,711	459,711	-
End of the Year	<u>\$ 459,552</u>	<u>\$ 459,552</u>	<u>\$ 475,599</u>	<u>\$ 16,047</u>

The notes to the Financial Statements are an integral part of this statement.

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Year Ended December 31 2014
Total Pension Liability	
Service cost	\$ 30,095
Interest on total pension liability	26,881
Effect of plan changes	
Effect of assumption changes or inputs	
Effect of economic/demographic (gains) or losses	(3,476)
Benefit payments/refunds of contributions	(2,209)
Net change in total pension liability	51,291
Total pension liability, beginning	318,197
Total pension liability, ending (a)	\$ 369,488
Fiduciary Net Position	
Employer contributions	\$ 13,692
Member contributions	18,742
Investment income net of investment expenses	24,866
Benefit payments/refunds of contributions	(2,209)
Administrative expenses	(300)
Other	(16)
Net change in fiduciary net position	54,775
Fiduciary net position, beginning	360,550
Fiduciary net position, ending (b)	\$ 415,325
Net pension liability/(asset), ending = (a)-(b)	\$ (45,837)
Fiduciary net position as a % of total pension liability	112.41%
Pensionable covered payroll	\$ 374,846
Net pension liability as a % of covered payroll	-12.23%

Note: GASB 68, Paragraph 46, a and b requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

Note: Only one year of data is presented in accordance with GASB 68, Paragraph 138. "The information for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Pensionable Covered Payroll	Actual Contribution as a % of Covered Payroll
2005	Not Available	Not Available	Not Available	Not Available	Not Available
2006	7,535	7,535	-	172,821	4.4%
2007	8,613	8,613	-	225,461	3.8%
2008	10,028	10,028	-	277,778	3.6%
2009	10,250	10,250	-	301,460	3.4%
2010	12,017	12,017	-	343,348	3.5%
2011	12,744	12,744	-	361,256	3.5%
2012	12,856	12,856	-	363,736	3.5%
2013	13,690	13,690	-	368,012	3.7%
2014	13,682	13,692	(10)	374,846	3.7%

Payroll is calculated based on contributions as reported to TCDRS

Note: GASB 68, Paragraph 46, c and d requires that the data in this schedule be presented as of the governmental entity's current fiscal year as opposed to the time period covered by the measurement date.

Note: Only one year of data is presented in accordance with GASB 68, Paragraph 138. "The information for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT – POINT VENTURE
 NOTES TO THE SCHEDULE OF CONTRIBUTIONS
 SEPTEMBER 30, 2015

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal (1)
Asset Valuation Method	
Smooth period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	3.0%
Salary Increases	4.9%
Investment Rate of Return	8.10%
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Kendall County Water Control and Improvement District #1 are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation
Retirement Age	Deferred members are assumed to retire (100% probability) at the later of : a) age 60, b) earliest retirement eligibility.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	RP-2000 Mortality Tables

(1) Individual entry age normal cost method, as required by GASB 68, used for GASB calculations. Note that a slightly different version of the entry age normal cost method is used for the funding actuarial valuation

Other Information:

Notes There were no benefit changes during the year.

APPENDIX B

FORM OF BOND COUNSEL'S OPINION

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March 24, 2016

WE HAVE ACTED as Bond Counsel for Travis County Water Control and Improvement District - Point Venture (the "District") in connection with an issue of bonds (the "Bonds") described as follows:

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE UNLIMITED TAX BONDS, SERIES 2016, dated February 15, 2016, in the aggregate principal amount of \$7,375,000, maturing on August 15 in each year from 2017 through and including 2032, and in the years 2034 and 2036. The Bonds are issuable in fully registered form only, in denominations of \$5,000 or integral multiples thereof, bear interest, and may be transferred and exchanged as set out in the Bonds and in the order (the "Order") adopted by the Board of Trustees of the District (the "Board") authorizing their issuance.

WE HAVE ACTED as Bond Counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas and with respect to the exclusion of interest on the Bonds from gross income under federal income tax law. In such capacity we have examined the Constitution and laws of the State of Texas; federal income tax law; and a transcript of certain certified proceedings pertaining to the issuance of the Bonds. The transcript contains certified copies of certain proceedings of the District; certain certifications and representations and other material facts within the knowledge and control of the District, upon which we rely; and certain other customary documents and instruments authorizing and relating to the issuance of the Bonds. We have also examined executed Bond No. R-1.

WE HAVE NOT BEEN REQUESTED to examine, and have not investigated or verified, any original proceedings, records, data or other material, but have relied upon the transcript of certified proceedings. We have not assumed any responsibility with respect to the financial condition or capabilities of the District or the disclosure thereof in connection with the sale of the Bonds. Our role in connection with the District's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

BASED ON SUCH EXAMINATION, it is our opinion as follows:

- (1) The transcript of certified proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the Constitution and laws of the State of Texas presently in effect; the Bonds constitute valid and legally binding obligations of the District enforceable in accordance with the terms and conditions thereof, except to the extent that the rights and remedies of the owners of the Bonds may be limited by laws heretofore or hereafter enacted relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws

affecting the rights of creditors of political subdivisions and the exercise of judicial discretion in appropriate cases; and the Bonds have been authorized and delivered in accordance with law; and

- (2) The Bonds are payable, both as to principal and interest, from the receipts of an annual ad valorem tax levied, without legal limit as to rate or amount, upon taxable property located within the District, which taxes have been pledged irrevocably to pay the principal of and interest on the Bonds.

ALSO BASED ON OUR EXAMINATION AS DESCRIBED ABOVE, it is our further opinion that, subject to the restrictions hereinafter described, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes under existing law and is not subject to the alternative minimum tax on individuals or, except as hereinafter described, corporations. The opinion set forth in the first sentence of this paragraph is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted in the Order to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. The Code and the existing regulations, rulings and court decisions thereunder, upon which the foregoing opinions of Bond Counsel are based, are subject to change, which could prospectively or retroactively result in the inclusion of the interest on the Bonds in gross income of the owners thereof for federal income tax purposes. If the District fails to comply with the foregoing provisions of the Order, interest on the Bonds could become includable in gross income from the date of original delivery, regardless of the date on which the event causing such inclusions occurs.

INTEREST ON the Bonds owned by a corporation (other than an S corporation, a regulated investment company, a real estate investment trust (REIT), a real estate mortgage investment conduit (REMIC), or a financial asset securitization investment trust (FASIT)) will be included in such corporation's adjusted current earnings for purposes of calculating such corporation's alternative minimum taxable income. A corporation's alternative minimum taxable income is the basis on which the alternative minimum tax imposed by the Code is computed. Purchasers of Bonds are directed to the discussion entitled "TAX MATTERS" set forth in the Official Statement.

EXCEPT AS DESCRIBED ABOVE, we express no opinion as to any federal, state or local tax consequences under present law, or future legislation, resulting from the ownership of, receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who are deemed to have incurred or continued indebtedness to purchase or carry tax-

March 24, 2016

Page 3

exempt obligations, taxpayers owning an interest in a FASIT that holds tax-exempt obligations and individuals otherwise qualified for the earned income tax credit. For the foregoing reasons, prospective purchasers should consult their tax advisors as to the consequences of investing in the Bonds.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

7874/7868

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APPENDIX C

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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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.
31 West 52nd Street, New York, N.Y. 10019
(212) 974-0100



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES



Blanket Issuer Letter of Representations

[To be Completed by Issuer]

Travis County Water Control and Improvement
District - Point Venture

[Name of Issuer]

August 12, 1998

[Date]

Attention: Underwriting Department — Eligibility
The Depository Trust Company
55 Water Street; 50th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

Travis County Water Control and
Improvement District - Point Venture

(Issuer)

By: _____

Priscilla Hill
(Authorized Officer's Signature)

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: _____

Roger Brando

SCHEDULE A**SAMPLE OFFERING DOCUMENT LANGUAGE**
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$200 million, one certificate will be issued with respect to each \$200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC 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 securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("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, but Beneficial Owners are 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 Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

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

5. 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.

[6. Redemption notices shall be sent to Cede & Co. If less than all of the Securities 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.]

7. Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer 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 the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records.]

10. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Issuer or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

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

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

GENERAL AND NO-LITIGATION CERTIFICATE

THE STATE OF TEXAS §

§

COUNTY OF TRAVIS §

§

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE

We, the undersigned President and Secretary, respectively, of the Board of Directors Travis County Water Control and Improvement District - Point Venture (the "District"), hereby certify as follows:

GENERAL

1. This certificate is executed for and on behalf of the District, for the benefit of the Attorney General of the State of Texas and for the benefit of the Initial Purchaser in connection with the issuance of the Bonds. The words and terms used herein shall have the meanings whenever they are used given in **Exhibit "A"** attached hereto.

2. Any certificate signed by an official of the District delivered to the Initial Purchasers or the Attorney General of the State of Texas shall be deemed a representation and warranty by the District as to the statements made therein. The Public Finance Division of the Office of the Attorney General of the State of Texas is hereby authorized to date this certificate as of the date of approval of the Bonds and is entitled to rely upon the accuracy of the information contained herein unless notified by telephone or fax to the contrary. The Comptroller of Public Accounts is further authorized to register the Bonds upon receipt of the Attorney General approval. After registration, the Bonds, opinions and registration papers shall be delivered as instructed by the District's Bond Counsel, Greg Shields, Andrews Kurth LLP, 111 Congress Avenue, Suite 1700, Austin, Texas 78701.

3. A true and correct copy of the bid for the Bonds submitted to and accepted by the Board of Directors of the District is attached hereto as **Exhibit "B"**.

MATTERS RELATING TO THE DISTRICT

4. We officially executed and signed the Bonds with our manual signatures or by causing facsimiles of our manual signatures to be imprinted or copied on each of the Bonds, and, if appropriate, we hereby adopt said facsimile signatures as our own, respectively, and declare that the facsimile signatures constitute our signatures the same as if we had manually signed each of the Bonds.

5. The Bonds are substantially in the form, and have been duly executed and signed in the manner prescribed in the Order.

6. At the time we so executed and signed the Bonds we were, and at the time of executing this certificate we are, the duly chosen, qualified and acting officers indicated therein, and authorized to execute the same.

7. No litigation of any nature has been filed or is now pending to restrain or enjoin the issuance or delivery of the Bonds, or which would affect the provision made for their payment or security, or in any manner questioning the proceedings or authority concerning the issuance of the Bonds, and that so far as we know and believe no such litigation is threatened.

8. Neither the corporate existence nor boundaries of District is being contested, no litigation has been filed or is now pending which would affect the authority of the officers of the District to issue, execute, sign and deliver the Bonds, and no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded.

9. We have caused the official seal of the District to be impressed, or printed, or copied on the Bonds and said seal on the Bonds has been duly adopted as, and is hereby declared to be, the official seal of the District.

10. The District is a conservation and reclamation district operating and existing under provisions of Article XVI, Section 59 of the Texas Constitution, and Chapters 49 and 51, Texas Water Code, as amended.

11. The following individuals are presently the duly elected or appointed and qualified directors and officers of the District holding offices opposite their names as indicated below.

<u>Name</u>	<u>Office</u>	<u>Term of Office Expires</u>
Fred Marshall	President	November 2018
Carolyn Cook	Vice President	November 2018
John Franz	Secretary/Treasurer	November 2016
Brian Probst	Vice Treasurer	November 2016
Barry Pasarew	Director	November 2018

The directors and officers of the District since the issuance of the District's Unlimited Tax Bonds, Series 1998-A and 1998-B are attached hereto as Exhibit "C".

12. Each member of the Board of Directors of the District has duly qualified as a member of the Board of Directors by executing the sworn statement (when required), by executing the bond required by law, and by taking the official oath of office prescribed by the Constitution for public officers, each such bond was duly approved by the Board of Directors of the District, and each such bond, sworn statement and oath are filed and retained in the District's records and with the Secretary of State. All directors taking or who have taken any action in connection with the authorization, sale, and delivery of the Bonds are or were at the time of such action, duly qualified and acting directors of the District, and all directors executing any documents in connection therewith were duly authorized to execute such documents.

13. Other than the Bonds in the process of issuance and the District's Unlimited Tax Bonds, Series 1998-A and 1998-B, the District has outstanding no indebtedness payable from or secured by the pledge of ad valorem taxes levied by the District.

14. The currently effective ad valorem tax appraisal roll of the District ("Tax Roll") is the Tax Roll prepared and approved during the calendar year 2015, being the most recently approved Tax Roll of the District; the taxable property in the District has been appraised, assessed, and valued as required and provided by the Texas Constitution and Property Tax Code (collectively, "Texas law"); and according to the Tax Roll for 2015 the net aggregate taxable value of taxable property in the District (after deducting the amount of all applicable exemptions required or authorized under Texas law), is \$161,841,832.

15. No petitions for the exclusion of land from the District have been presented to the Board and there have been no changes in the area or boundary of the District since the issuance of the District's Unlimited Tax Bonds, Series 1998-A and Series 1998-B.

16. A District Information Form and amendments thereto have been filed as required by Section 49.455, Texas Water Code. In addition, as of the date of this Certificate, all information required by law to be filed by the District with the TCEQ has been filed. Based upon our actual knowledge, the District is currently in compliance with all regulations of the TCEQ.

17. All meetings of the Board have been open to the public and notice of the time, place, and subject of each such meeting was given as required by Chapter 551, Government Code, as amended, and Chapter 49, Texas Water Code, as amended.

18. The District has complied with the provisions of the Texas Election Code and the Federal Voting Rights Act in all its elections.

19. The District has not limited the taxing powers granted to it by the Constitution and laws of the State of Texas, and no procedure for such action has been taken.

20. The District has not at any time entered into any contract of any nature with the United States or any branch or agency thereof.

21. No motion to overturn the actions of the TCEQ's Executive Director approving the issuance of the Bonds has been filed pursuant to TCEQ Rule 50.139. Additionally, the District has not been notified that the TCEQ or its general counsel has extended the period of time to file such a motion to overturn.

22. The boundary of the District is conterminous with the corporate limits of The Village of Point Venture, Texas (the "Village"). The Village and the District have not entered into any agreement(s) imposing any requirements for the District's issuance of bonds.

23. That with respect to the contracts executed in connection with the authorization and issuance of the Bonds, all disclosure filings and acknowledgments required by Section 2252.908, Texas Government Code, and the rules of the Texas Ethics Commission related to said provision, have been made.

CLOSING MATTERS

24. To our best knowledge and belief in reliance upon the experts and sources as set forth in the Official Statement hereby certifies the following:

(a) the descriptions and statements of or pertaining to the District contained in its Official Notice of Sale, Bid Form and Official Statement dated February 12, 2016 and any addenda, supplement or amendment thereto, for the Bonds, on the date of such Official Statement, or the date of sale of the Bonds, and the acceptance of the best bid therefor, and on the date of the delivery, were and are true and correct in all material respects;

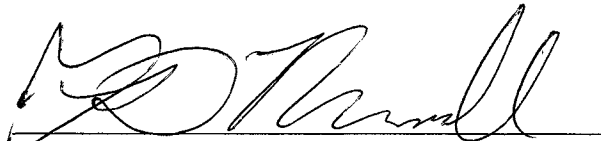
(b) insofar as the District and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(c) insofar as the descriptions and statements, including financial data, of or pertaining to entities other than the District and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the District believes to be reliable but the District has made no independent investigation or verification of such matters; however, the District has no reason to believe that such information contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein made in light of the circumstances under which they are made not misleading; and

(d) there has been no material adverse change in the financial condition of the District since the date of the last audited financial statement of the District for the fiscal year ended September 30, 2015.

SIGNED this the 24th day of March, 2016.


Secretary/Treasurer, Board of Directors

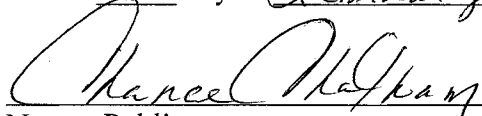

President, Board of Directors

[SEAL]

NOTARY ACKNOWLEDGMENT

BEFORE ME, on this day personally appeared the foregoing individuals, known to me to be the officers whose true and genuine signatures were subscribed to the foregoing instrument in my presence.

Given under my hand and seal of office this 25th day of February, 2016.


Notary Public

(Notary Seal)

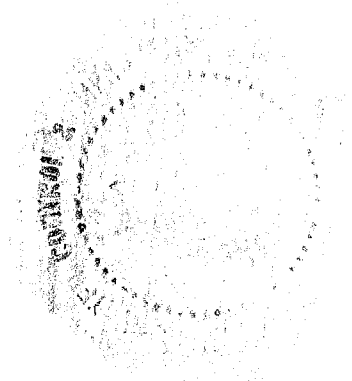
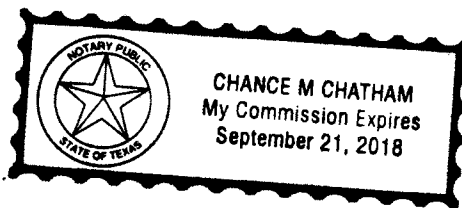


EXHIBIT A

Definitions

<i>Bonds</i>	Travis County Water Control and Improvement District - Point Venture Unlimited Tax Bonds, Series 2016, dated February 15, 2016 in the aggregate principal amount of \$7,375,000.
<i>District</i>	Travis County Water Control and Improvement District - Point Venture
<i>Initial Purchaser</i>	The winning bidder is shown on the bid form attached to this General and No-Litigation Certificate as <u>Exhibit "B"</u> .
<i>Order</i>	The order adopted by the Board of Directors of the District on February 25, 2016 authorizing the issuance of the Bonds.
<i>TCEQ</i>	Texas Commission on Environmental Quality.

EXHIBIT B

Bid for Bonds & Texas Ethics Commission Form 1295

OFFICIAL BID FORM

President and Board of Directors
 Travis County Water Control and Improvement District – Point Venture
 c/o Specialized Public Finance Inc.
 248 Addie Roy Road, Suite B-103
 Austin, Texas 78746

Board of Directors:

We have read in detail your Official Notice of Sale and accompanying Preliminary Official Statement dated February 12, 2016, relating the Travis County Water Control and Improvement District – Point Venture (the “District”) and its \$7,375,000 Unlimited Tax Bonds, Series 2016 (the “Bonds”), as made a part hereof. We realize that the Bonds involve certain risk factors, and we have made inspections and investigations as we deem necessary relating to the District and to the investment quality of the Bonds.

For your legally issued Bonds, in the aggregate principal amount of \$7,375,000, we will pay you a price of \$ 7,172,092.55, representing approximately 97.249 % of the par value. Such Bonds mature August 15, in each of the years and in the amounts and interest rates shown below:

Maturity (August 15)	Principal Amount	Interest Rate	Maturity (August 15)	Principal Amount	Interest Rate
2017	\$ 30,000	<u>2.000</u> %	2027	\$ 375,000	<u>3.000</u> %
2018	265,000	<u>2.000</u> %	2028	395,000	<u>3.000</u> %
2019	275,000	<u>2.000</u> %	2029	410,000	<u>3.000</u> %
2020	285,000	<u>2.000</u> %	2030	425,000	<u>3.000</u> %
2021	295,000	<u>2.000</u> %	2031	445,000	<u>3.000</u> %
2022	310,000	<u>2.000</u> %	2032	460,000	<u>3.000</u> %
2023	320,000	<u>3.000</u> %	2033	480,000	<u>3.125</u> %
2024	335,000	<u>3.000</u> %	2034	500,000	<u>3.125</u> %
2025	350,000	<u>3.000</u> %	2035	520,000	<u>3.250</u> %
2026	360,000	<u>3.000</u> %	2036	540,000	<u>3.250</u> %

Of the principal maturities set forth in the table above, we have created term bonds as indicated in the following table (which may include multiple term bonds, one term bond or no term bond if none is indicated). For those years which have been combined into a term bond, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term bond maturity date shall mature in such year. The term bonds created are as follows:

Term Bonds Maturing August 15	Year of First Mandatory Redemption	Principal Amount	Interest Rate
<u>2034</u>	<u>2033</u>	\$ <u>980,000</u>	<u>3.125</u> %
<u>2036</u>	<u>2035</u>	\$ <u>1,060,000</u>	<u>3.250</u> %
		\$	%
		\$	%
		\$	%
		\$	%

Our calculation (which is not a part of this bid) of the interest cost from the above is:

TOTAL INTEREST COST FROM 3/24/2016	<u>\$2,783,505.63</u>
PLUS DOLLAR AMOUNT OF DISCOUNT	<u>\$202,907.45</u>
NET INTEREST COST	<u>\$2,986,413.08</u>
NET EFFECTIVE INTEREST RATE	<u>3.230701</u> %

A wire transfer or a cashiers or certified check to the District in the amount of \$147,500 will be made available in accordance with the Notice of Sale made a part hereof. Should we fail or refuse to make payment for the Bonds in accordance with the terms and conditions set forth in the Notice of Sale, the proceeds of this deposit shall be retained by the District as complete liquidated damages against us. Please check the box below to designate your Good Faith Deposit option.

For purposes of contracting for the sale of the Bonds, the entity signing the bid form as Initial Purchaser shall be solely responsible for the payment of the purchase price of the Bonds. The Initial Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the District is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

Upon notification of conditional verbal acceptance, the undersigned will complete an electronic form of the Certificate of Interested Parties Form 1295 (the "Form 1295") through the Texas Ethics Commission's (the "TEC") electronic portal and the resulting certified Form 1295 that is generated by the TEC's electronic portal will be printed, signed, notarized and sent by email to the District's financial advisor at 248 Addie Roy Road, Suite B-103, Austin, Texas 78746. The undersigned understands that the failure to provide the certified Form 1295 will prohibit the District from providing final written award of the enclosed bid.

We are having the Bonds insured by AGM (the "Bond Insurer") at a premium of \$ 89,500, said premium to be paid by the Initial Purchaser. Any fees to be paid to the rating agency as a result of said insurance will be paid by the District. The undersigned acknowledges that the Bond Insurer will be required to complete a Form 1295 at the time of delivery of any bond insurance commitment or other agreement to be executed by the District.

The undersigned agrees to complete, execute, and deliver to the District, by the date of delivery of the Bonds, a certificate relating to the "issue price" of the Bonds in the form accompanying the Official Notice of Sale, with such changes thereto as may be acceptable to the District.

We understand the sale of the Bonds has not been registered under the United States Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder; the Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities acts of any other jurisdiction. We hereby represent the sale of the Bonds in jurisdictions other than Texas will be made only pursuant to exemptions from registration or qualification and that where necessary, we will register or qualify the Bonds in accordance with the securities laws and regulations of the jurisdiction in which the Bonds are offered or sold.

We further understand that the District assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement or other information concerning the District and the Bonds to anyone other than to us.

We agree to provide in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award.

Respectfully submitted,

Hutchinson Shockey
Name of Initial Purchaser

Mark / Jim VanMeke
Authorized Representative

312 443-1555
Phone Number

Mark
Signature

Please check one of the options below regarding Good Faith Deposit:

Submit by Wire Transfer
Submit by Bank Cashier's/Certified Check

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by Travis County Water Control and Improvement District this the 25th day of February, 2016.

ATTEST:
Jotipraz
Secretary, Board of Directors
Travis County Water Control and Improvement District -
Point Venture

[Signature]
President, Board of Directors
Travis County Water Control and Improvement District -
Point Venture

Upcoming Calendar	Overview	Result	Excel
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Hutchinson, Shockey, Erley & Co. - Chicago , IL's Bid



**Travis Co Wtr Cntr-PointVenture
\$7,375,000 Unlimited Tax Bonds, Series 2016**

For the aggregate principal amount of \$7,375,000.00, we will pay you \$7,172,092.55, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Bond Insurance
08/15/2017	30M	2.0000	AGM
08/15/2018	265M	2.0000	AGM
08/15/2019	275M	2.0000	AGM
08/15/2020	285M	2.0000	AGM
08/15/2021	295M	2.0000	AGM
08/15/2022	310M	2.0000	AGM
08/15/2023	320M	3.0000	AGM
08/15/2024	335M	3.0000	AGM
08/15/2025	350M	3.0000	AGM
08/15/2026	360M	3.0000	AGM
08/15/2027	375M	3.0000	AGM
08/15/2028	395M	3.0000	AGM
08/15/2029	410M	3.0000	AGM
08/15/2030	425M	3.0000	AGM
08/15/2031	445M	3.0000	AGM
08/15/2032	460M	3.0000	AGM
08/15/2033			
08/15/2034	980M	3.1250	AGM
08/15/2035			
08/15/2036	1,060M	3.2500	AGM

Total Interest Cost: \$2,783,505.63
 Discount: \$202,907.45
 Net Interest Cost: \$2,986,413.08
 NIC: 3.230701
 Total Insurance Premium: \$89,500.00
 Time Last Bid Received On:02/25/2016 9:29:55 CST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Hutchinson, Shockey, Erley & Co., Chicago , IL
 Contact: Jim VanMetre
 Title:
 Telephone:312-443-1555
 Fax: 312-443-7225

Issuer Name: Travis County Water Control and Improvement District-Point Venture

Company Name: _____

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY
 CERTIFICATION OF FILING**

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
 Hutchinson, Shockey, Erley & Co.
 Chicago, IL United States

Certificate Number:
 2016-18402

Date Filed:
 02/25/2016

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
 Travis County Water Control and Improvement District - Point Venture (Travis County, Texas)

Date Acknowledged:
 03/01/2016

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.
 Series 2016 UTB Bid
 Purchase of Bonds

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary
Dannenberg, Thomas	Chicago, IL United States	X	
Fox, Douglas	Chicago, IL United States	X	
Crowley, Dennis	Chicago, IL United States	X	
Meier, Nancy	Chicago, IL United States	X	
Van Metre, James	Chicago, IL United States	X	
Thompson, Paul	Chiago, IL United States	X	

5 Check only if there is NO Interested Party.

6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

 Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this the _____ day of _____, 20_____, to certify which, witness my hand and seal of office.

 Signature of officer administering oath Printed name of officer administering oath Title of officer administering oath

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
Hutchinson, Shockey, Erley & Co.
Chicago, IL United States

Certificate Number:
2016-18402

Date Filed:
02/25/2016

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
Travis County Water Control and Improvement District - Point Venture (Travis County, Texas)

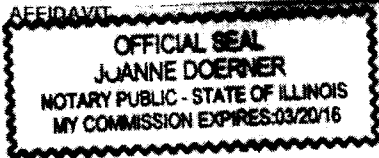
Date Acknowledged:

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.
Series 2016 UTB Bid
Purchase of Bonds

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary
Dannenberg, Thomas	Chicago, IL United States	X	
Fox, Douglas	Chicago, IL United States	X	
Crowley, Dennis	Chicago, IL United States	X	
Meier, Nancy	Chicago, IL United States	X	
Van Metre, James	Chicago, IL United States	X	
Thompson, Paul	Chiago, IL United States	X	

5 Check only if there is NO Interested Party.

6 AFFIDAVIT



I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

Thomas E. Dannenberg
Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said Thomas Dannenberg, this the 25th day of February, 2016, to certify which, witness my hand and seal of office.

Joanne Doerner
Signature of officer administering oath

Joanne Doerner
Printed name of officer administering oath

Sr. Vp. Ops.
Title of officer administering oath

EXHIBIT C
BOARD OF DIRECTORS

Directors from September 10, 1998 to October 21, 1998:

<u>DIRECTOR</u>	<u>TITLE</u>
Ansel Isbell	President
Chadbourne B. Smith	Vice President
Jeanne Calvi	Secretary
Cynthia Crawford	Director
Anton Van Tilburg	Director

Directors from October 21, 1998 to March 29, 2000:

<u>DIRECTOR</u>	<u>TITLE</u>
Chadbourne B. Smith	President
Anton Van Tilburg	Vice President
Elise Strickler	Secretary
Cynthia Crawford	Director
Joe McGarrah	Director

Directors from March 29, 2000 to May 6, 2000:

<u>DIRECTOR</u>	<u>TITLE</u>
Anton Van Tilburg	President
Joe McGarrah	Vice President
Judy Longest	Secretary
Fred Krause	Director
Bruce Banasik	Director

Directors from May 6, 2000 to May 15, 2004:

<u>DIRECTOR</u>	<u>TITLE</u>
Anton Van Tilburg	President
Joe McGarrah	Vice President
Judy Longest	Secretary
Fred Krause	Director
Cynthia Crawford	Director

Directors from May 15, 2004 to December 28, 2005:

<u>DIRECTOR</u>	<u>TITLE</u>
Anton Van Tilburg	President
Joe McGarrah	Vice President
Judy Longest	Secretary
Bruce Banasik	Director

Directors from December 28, 2005 to May 13, 2006:

<u>DIRECTOR</u>	<u>TITLE</u>
Joel Desmarais	President
Mel Kruth	Vice President
Fred Krause	Secretary
Robert Helton	Director
Joe McGarrah	Director

Directors from May 13, 2006 to May 10, 2008:

<u>DIRECTOR</u>	<u>TITLE</u>
Robert Helton	President
Carolyn Cook	Vice President
Darrell Carson	Secretary/Treasurer
Joe McGarrah	Director
Sue Filbey	Director

Directors from May 10, 2008 to June 21, 2008:

<u>DIRECTOR</u>	<u>TITLE</u>
Carolyn Cook	President
Sandy Shinn	Vice President
Sue Filbey	Treasurer
Bradley Westmoreland	Assistant Treasurer
Fred Marshall	Director

Directors from June 21, 2008 to May 8, 2010:

<u>DIRECTOR</u>	<u>TITLE</u>
Carolyn Cook	President
Sandy Shinn	Vice President
Sue Filbey	Treasurer
Bradley Westmoreland	Assistant Treasurer
Fred Marshall	Director

Directors from May 8, 2010 to January 20, 2011:

<u>DIRECTOR</u>	<u>TITLE</u>
Fred Marshall	President
Carolyn Cook	Vice President
Sandy Shinn	Secretary
Margret (Sue) Filbey	Treasurer
Bradley Westmoreland	Director

Directors from January 20, 2011 to June 20, 2012:

<u>DIRECTOR</u>	<u>TITLE</u>
Fred Marshall	President
Carolyn Cook	Vice President
Sandy Shinn	Secretary
Margret (Sue) Filbey	Treasurer
John Franz	Director

Directors from June 20, 2012 to November 10, 2014:

<u>DIRECTOR</u>	<u>TITLE</u>
Fred Marshall	President
Carolyn Cook	Vice President
Sandy Shinn	Secretary
John Franz	Treasurer
Brian Probst	Director

Directors from November 10, 2014 to April 10, 2015:

<u>DIRECTOR</u>	<u>TITLE</u>
Fred Marshall	President
Carolyn Cook	Vice President
John Franz	Secretary/Treasurer
Brian Probst	Assistant Treasurer
Vacant	Director

Directors from April 10, 2015 to Present:

<u>DIRECTOR</u>	<u>TITLE</u>
Fred Marshall	President
Carolyn Cook	Vice President
John Franz	Secretary/Treasurer
Brian Probst	Assistant Treasurer
Barry Paserew	Director

TAX EXEMPTION CERTIFICATE

I, the undersigned officer of Travis County Water Control and Improvement District – Point Venture (the “District” or “Issuer”), a political subdivision of the State of Texas, make this certification for the benefit of all persons interested in the exclusion from gross income and certain other treatment for federal income tax purposes of the interest to be paid on the District’s \$7,375,000 Unlimited Tax Bonds, Series 2016 (the “Bonds”), which are being issued and delivered simultaneously with the delivery of this certificate (the “Certificate”). I do hereby certify as follows:

A. General.

1. I, along with other officers of the Issuer, am charged with the responsibility of issuing the Bonds and of directing the investment of proceeds of the Bonds and other funds of the Issuer.

2. I am executing and delivering this Certificate pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”), and the final and temporary Treasury Regulations promulgated thereunder and applicable to the Bonds (the “Regulations”).

3. This certificate is based on the facts and estimates described herein in existence on the date hereof, which is the date of delivery of the Bonds against payment by the initial purchasers thereof. On the basis of such facts and estimates, the Issuer and I expect that the future events described herein will occur. All descriptions of future events contained herein are statements of expectation only, and not warranties that such events will occur, whether expressly so stated or not. To the best of my knowledge and belief such expectations are reasonable.

4. A capitalized term used in this Certificate (unless otherwise defined herein) shall have the meaning ascribed to it in the order authorizing the issuance of the Bonds adopted on February 25, 2016, (the “Bond Order”).

B. Purpose and Size.

1. The Bonds are being issued to (i) finance the District’s cost of acquisition or construction of (a) water treatment plant expansion, (b) effluent storage tank, and (c) water system improvements for the District (together with (a) and (b), the “Project”); (ii) pay engineering fees associated with the Project; (iii) and to pay for administrative and issuance costs, legal fees, fiscal agent’s fees, fees to the Texas Commission on Environmental Quality (the “TCEQ”) and the Attorney General of Texas, and certain financing costs related to the issuance of the Bonds, including the premium (the “Insurance Premium”) for a policy of municipal bond insurance for the Bonds (the “Policy”).

2. The Project will be owned, operated, and maintained by the Issuer, and the Issuer has not contracted in any manner with any company, firm, or other person or entity to operate and/or maintain the Project or any part of it, for and on behalf of the Issuer. The Issuer

does not expect to enter into any other contract for the operation, maintenance or management of the Project or any part of it.

3. There is not, and as of the date hereof the Issuer does not anticipate entering into, any lease, contract, or other understanding or arrangement, such as a take-or-pay contract or output contract, with any person other than a state or local governmental unit, pursuant to which the Issuer expects that proceeds of the Bonds or the Project financed therewith will be used in the trade or business of such person (including all activities of such persons who are not individuals).

4. The District has not entered into, and as of the date hereof the District does not anticipate entering into, any contract with any person, other than a state or local governmental unit, for the sale of water or the collection and treatment of sewage at or for any one of the Projects, which extends for a period greater than 100 days, including optional renewals, other than contracts on terms available to the general public, including discounts for greater volume.

5. The amounts received from the sale of the Bonds, when added to the amounts expected to be received from the investment thereof, do not exceed the amounts required to pay (a) the costs of the Project to be financed by the Bonds, and b) costs of issuing the Bonds, including the Insurance Premium.

6. No receipts from the sale of the Bonds or amounts received from the investment thereof will be used to pay the principal of or interest on any presently outstanding issue of bonds or other similar obligations of the Issuer other than the Bonds.

7. The Issuer did not sell or issue any obligations other than the Bonds within 15 days before or after February 25, 2016, the date on which the Issuer entered into a binding contract to sell the Bonds.

C. Source and Disbursement of Funds.

1. The Issuer has received \$7,172,092.55 this date as a result of sale of the Bonds in a competitive public offering to Hutchinson, Shockey, Erley & Co. (the "Underwriter"), which amount is equal to the issue price of the Bonds of \$7,364,866.30, as represented by the Underwriter, with no accrued interest, less the underwriter's discount of \$192,773.75, from which the Underwriter has paid the Insurance Premium of \$89,500.00.

2. The Issuer has incurred legal fees and expenses of approximately \$147,500.00, financial advisory fees and expenses of approximately \$147,500.00, filing fees to the TCEQ of \$18,438.00 and the Attorney General of \$7,375.00, respectively, and other costs of approximately \$28,995.70, totaling approximately \$349,808.70 in connection with the issuance of the Bonds.

3. The Issuer reasonably expects that the proceeds from the sale of the Bonds, together with any earnings from the investment thereof, will not exceed the amount required for the purposes set forth in Section B.1 The Issuer has covenanted in the Bond Order that, to the extent the proceeds of the Bonds and investment income thereon are in excess of the

amount required for the purposes set forth in Section B.1, then in the discretion of the Issuer it shall transfer such unexpended proceeds or income to the Debt Service Fund for the Bonds or apply the same for one or more other authorized purposes.

D. Temporary Periods and Time for Expenditures.

1. Within six (6) months from the date hereof, the Issuer reasonably expects to enter into binding obligations for the acquisition and construction of the Project which require the Issuer to expend at least \$368,243.32, which is 5% of the net sale proceeds of the Bonds.

2. Acquisition and construction of the Project will proceed with due diligence to completion.

3. Amounts received from sale of the Bonds and all income from the investment thereof will be expended as follows:

a) approximately \$542,582.45 will be used within 90 days of the date hereof to pay costs of issuing the Bonds, including the Insurance Premium, and

b) any remaining proceeds of the Bonds, including all income from the investment of proceeds of the sale of the Bonds, will be expended to pay costs of the Project within three years after the date hereof.

4. Consequently, the Issuer expects to expend within three years from the date hereof, in addition to the costs of issuance of the Bonds, an amount of proceeds of the Bonds equal to not less than 85% of the net sale proceeds of the Bonds.

5. No proceeds of the Bonds have been or will be invested in investments which have a substantially guaranteed yield for four years or more.

E. Qualified Guarantee

1. The Underwriter has advised the District that the present value of the Insurance Premium for the Policy is less than the present value of the interest saved as a result of insuring the Bonds, using the Bond Yield as the discount factor; that the Policy was negotiated in an arm's length transaction; that the Insurance Premium does not include any payment for any direct or indirect services other than the transfer of credit risk; and that the Insurance Premium represents a reasonable charge for the transfer of credit risk.

2. Under the Policy, the issuer of the Policy (the "Guarantor") is unconditionally and with full recourse obligated to pay all or a portion of the principal of or interest on the Bonds. Neither the Guarantor nor any person related to the Guarantor within the meaning of section 144(a)(3) of the Code will use more than 10% of the proceeds of the Bonds.

3. The District reasonably expects that the Guarantor will not be called upon to make a payment of principal of or interest on the Bonds. The Guarantor is entitled to be immediately and fully reimbursed for any payment of principal of or interest on the Bonds.

4. The Insurance Premium has been allocated among each of the Bonds in a manner that properly reflects the proportionate credit risk for which the Guarantor has been compensated.

F. Debt Service Fund.

1. The Issuer has covenanted to levy a tax on all taxable property within the Issuer to pay principal of and interest on the Bonds as such becomes due and has pledged such tax, together with the Net Revenues, to the payment of debt service on the Bonds. Amounts collected from such tax are to be deposited to the credit of the Debt Service Fund. No other funds will be used to pay principal of or interest on the Bonds, other than bond proceeds deposited to the Debt Service Fund to pay capitalized interest.

2. The Debt Service Fund will be maintained by the Issuer primarily to achieve a proper matching of revenues and debt service within each bond year. The Issuer expects that the following will occur with respect to the amounts deposited in such fund in each year (the "Current Account"), other than deposits made to defease in whole or in part the obligations of the Issuer to make deposits thereto:

a) such Current Account will be depleted at least once a year except possibly for a carry-over amount not greater than the larger of one year's income from the investment of such portion or one-twelfth (1/12) of the annual debt service requirements on the Bonds;

b) all deposits to such Current Account will be spent within 13 months of deposit; and

c) all amounts received from the investment of such Current Account will be deposited therein and will be expended within 12 months of receipt.

3. Except as described herein, no funds of the Issuer have been pledged to the payment of principal of or interest on the Bonds or otherwise restricted so as to give reasonable assurance of the availability of such funds for such purpose.

G. Other.

1. No amounts received from sale of the Bonds, income from the investment thereof, or amounts expected to be used to pay principal of or interest on the Bonds will be invested at a Yield which exceeds the Yield on the Bonds except for a) the amounts on deposit from time to time in the Current Account, b) amounts in the Debt Service Fund in excess of the Current Account (the "Residual Account") which do not exceed 10% of the proceeds of the Bonds then outstanding, which serve as a reserve against periodic fluctuations in the amount and timing of ad valorem tax collections by the Issuer, and c) amounts in the Residual Account or Construction Fund which do not exceed \$100,000.00 at any one time.

2. The Issuer is a governmental unit with general taxing powers, will use at least 95% of the net proceeds of the Bonds and income from the investment thereof for local governmental activities of the Issuer, and reasonably expects that the aggregate amount of all

tax-exempt bonds (other than “private activity bonds” within the meaning of section 141 of the Code) issued or expected to be issued by the Issuer during the current calendar year will not exceed \$10,000,000.00. There are no other entities which derive their authority from or are subject to the control of the Issuer and which have the authority to issue obligations described in section 103 of the Code.

3. In connection with the issuance of the Bonds, the Issuer has not
 - a) employed any abusive arbitrage device,
 - b) overburdened the market for tax-exempt obligations.

EXECUTED AND DATED as of this 24th day of March, 2016.

TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT – POINT VENTURE



President, Board of Directors

ISSUE PRICE CERTIFICATE

The undersigned hereby certifies with respect to the sale by the Travis County Water Control and Improvement District – Point Venture (the “District”) of its Unlimited Tax Bonds, Series 2016 (the “Bonds”), issued in the aggregate principal amount of \$7,375,000, as follows:

1. The undersigned is the duly authorized representative of the purchaser (the “Initial Purchaser”) of the Bonds from the District.
2. All of the Bonds of each maturity have been offered to members of the public in a bona fide initial offering at the price set forth below which, on the date of such offering, was reasonably expected by the Initial Purchaser to be equal to the fair market value of such maturity. For purposes of this Certificate, the term “public” does not include any bondhouses, brokers, dealers, and similar persons or organizations acting in the capacity of underwriters or wholesalers (including the Initial Purchaser or members of the selling group or persons that are related to, or controlled by, or are acting on behalf of or as agents for the undersigned or members of the selling group).
3. At least ten (10) percent of each maturity of the Bonds for sale to the public at the price set forth below, except for the Bonds maturing in the years 2017 through 2032, inclusive, _____ and _____ (the “Excepted Maturities”),.

Principal Amount Maturing	Year of Maturity	Offering Price (%/Yield)	Principal Amount Maturing	Year of Maturity	Offering Price (%/Yield)
\$ 30,000	2017	<u>101.378 %</u>	\$ 375,000	2027	<u>101.996 %</u>
265,000	2018	<u>101.701 %</u>	395,000	2028	<u>100.991 %</u>
275,000	2019	<u>101.646 %</u>	410,000	2029	<u>100.000 %</u>
285,000	2020	<u>101.476 %</u>	425,000	2030	<u>99.419 %</u>
295,000	2021	<u>100.705 %</u>	445,000	2031	<u>99.781 %</u>
310,000	2022	<u>100.000 %</u>	460,000	2032	<u>97.462 %</u>
320,000	2023	<u>100.428 %</u>	480,000	2033	<u>96.260 %</u>
335,000	2024	<u>104.385 %</u>	500,000	2034	<u>96.200 %</u>
350,000	2025	<u>104.040 %</u>	520,000	2035	<u>96.375 %</u>
360,000	2026	<u>103.012 %</u>	540,000	2036	<u>96.375 %</u>

4. On the date the District entered into a binding written obligation for all the Bonds, the Initial Purchaser reasonably expected to sell at least ten percent (10%) of each maturity of the Excepted Maturities to the public at the Offering Price set forth above.
5. Based on the foregoing, the aggregate of such issue prices for the Bonds is \$ 7,304,800.30 (the “Issue Price”).
6. Please choose the appropriate statement:

The Initial Purchaser will not purchase bond insurance for the Bonds.

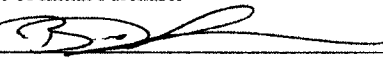
The Initial Purchaser will purchase bond insurance from ASSURED GUARANTY MUNK (the “Insurer”) for a fee/premium of \$ 89,500.00 (the “Fee”). The Fee is a reasonable amount payable solely for the transfer of credit risk for the payment of debt service on the Bonds and does not include any amount payable for a cost other than such guarantee, e.g., a credit rating or legal fees. The Initial Purchaser represents that the present value of the fee for each obligation constituting the Bonds to which such Fee is properly allocated and which are insured thereby is less than the present value of the interest reasonably expected to be saved as a result of the insurance on each obligation constituting the Bonds. The Fee has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Bonds. In determining present value for this purpose, the yield of the Bonds (determined with regard to the payment of the guarantee fee) has been used as the discount rate. No portion of the Fee is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such Fee that has not been earned.

7. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Federal Tax Certificate prepared by the District in connection with the issuance of the Bonds and by Andrews Kurth LLP, Bond Counsel (i) in connection with rendering its opinion to the district that interest on the Bonds is excludable from gross income thereof for income tax purposes, and (ii) for purposes of completing the IRS Form 8038-G. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned’s interpretation of any laws or the application of any laws to these facts.

EXECUTED and DELIVERED this 24th day of MARCH, 2016.

HUTCHINSON, SHOCKEY, ERLEY & CO.

Name of Initial Purchaser

By: 

Title: SVP

ANDREWS
KURTH

Andrews Kurth LLP
111 Congress Avenue, Suite 1700
Austin, Texas 78701
+1.512.320.9200 Phone
+1.512.320.9292 Fax
andrewskurth.com

March 24, 2016

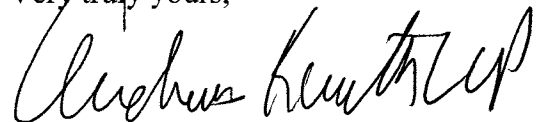
Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019

Re: \$7,375,000 Travis County Water Control and Improvement District - Point
Venture Unlimited Tax Bonds, Series 2016 (the "Bonds")

Ladies and Gentlemen:

We have this day issued our opinion as Bond Counsel in connection with the referenced Bonds. Please be advised that you may rely upon such opinion as if it were addressed to you.

Very truly yours,



7867/7866

March 24, 2016

WE HAVE ACTED as Bond Counsel for Travis County Water Control and Improvement District - Point Venture (the "District") in connection with an issue of bonds (the "Bonds") described as follows:

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE UNLIMITED TAX BONDS, SERIES 2016, dated February 15, 2016, in the aggregate principal amount of \$7,375,000, maturing on August 15 in each year from 2017 through and including 2032, and in the years 2034 and 2036. The Bonds are issuable in fully registered form only, in denominations of \$5,000 or integral multiples thereof, bear interest, and may be transferred and exchanged as set out in the Bonds and in the order (the "Order") adopted by the Board of Trustees of the District (the "Board") authorizing their issuance.

WE HAVE ACTED as Bond Counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas and with respect to the exclusion of interest on the Bonds from gross income under federal income tax law. In such capacity we have examined the Constitution and laws of the State of Texas; federal income tax law; and a transcript of certain certified proceedings pertaining to the issuance of the Bonds. The transcript contains certified copies of certain proceedings of the District; certain certifications and representations and other material facts within the knowledge and control of the District, upon which we rely; and certain other customary documents and instruments authorizing and relating to the issuance of the Bonds. We have also examined executed Bond No. R-1.

WE HAVE NOT BEEN REQUESTED to examine, and have not investigated or verified, any original proceedings, records, data or other material, but have relied upon the transcript of certified proceedings. We have not assumed any responsibility with respect to the financial condition or capabilities of the District or the disclosure thereof in connection with the sale of the Bonds. Our role in connection with the District's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

BASED ON SUCH EXAMINATION, it is our opinion as follows:

- (1) The transcript of certified proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the Constitution and laws of the State of Texas presently in effect; the Bonds constitute valid and legally binding obligations of the District enforceable in accordance with the terms and conditions thereof, except to the extent that the rights and remedies of the owners of the Bonds may be limited by laws heretofore or hereafter enacted relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws

affecting the rights of creditors of political subdivisions and the exercise of judicial discretion in appropriate cases; and the Bonds have been authorized and delivered in accordance with law; and

- (2) The Bonds are payable, both as to principal and interest, from the receipts of an annual ad valorem tax levied, without legal limit as to rate or amount, upon taxable property located within the District, which taxes have been pledged irrevocably to pay the principal of and interest on the Bonds.

ALSO BASED ON OUR EXAMINATION AS DESCRIBED ABOVE, it is our further opinion that, subject to the restrictions hereinafter described, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes under existing law and is not subject to the alternative minimum tax on individuals or, except as hereinafter described, corporations. The opinion set forth in the first sentence of this paragraph is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted in the Order to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. The Code and the existing regulations, rulings and court decisions thereunder, upon which the foregoing opinions of Bond Counsel are based, are subject to change, which could prospectively or retroactively result in the inclusion of the interest on the Bonds in gross income of the owners thereof for federal income tax purposes. If the District fails to comply with the foregoing provisions of the Order, interest on the Bonds could become includable in gross income from the date of original delivery, regardless of the date on which the event causing such inclusions occurs.

INTEREST ON the Bonds owned by a corporation (other than an S corporation, a regulated investment company, a real estate investment trust (REIT), a real estate mortgage investment conduit (REMIC), or a financial asset securitization investment trust (FASIT)) will be included in such corporation's adjusted current earnings for purposes of calculating such corporation's alternative minimum taxable income. A corporation's alternative minimum taxable income is the basis on which the alternative minimum tax imposed by the Code is computed. Purchasers of Bonds are directed to the discussion entitled "TAX MATTERS" set forth in the Official Statement.

EXCEPT AS DESCRIBED ABOVE, we express no opinion as to any federal, state or local tax consequences under present law, or future legislation, resulting from the ownership of, receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who are deemed to have incurred or continued indebtedness to purchase or carry tax-

March 24, 2016

Page 3

exempt obligations, taxpayers owning an interest in a FASIT that holds tax-exempt obligations and individuals otherwise qualified for the earned income tax credit. For the foregoing reasons, prospective purchasers should consult their tax advisors as to the consequences of investing in the Bonds.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

7874/7868

A handwritten signature in black ink, appearing to read "Andrew Keith". The signature is written in a cursive, flowing style.

ANDREWS
KURTH

Andrews Kurth LLP
111 Congress Avenue, Suite 1700
Austin, Texas 78701
+1.512.320.9200 Phone
+1.512.320.9292 Fax
andrewskurth.com

March 24, 2016

Board of Directors
Travis County Water Control and Improvement District - Point Venture
c/o Willatt & Flickinger
2001 North Lamar
Austin, Texas 78705

Re: \$7,375,000 Travis County Water Control and Improvement District - Point Venture Unlimited Tax Bonds, Series 2016 (the "Bonds")

Ladies and Gentlemen:

We have acted as special disclosure counsel to Travis County Water Control and Improvement District - Point Venture (the "District") in connection with the issuance of the referenced Bonds pursuant to that certain order of the Board of Directors of the District, dated February 25, 2016 authorizing the issuance of the Bonds (the "Order").

With regard to the above, we have reviewed (i) the Preliminary Official Statement of the District dated February 12, 2016 (the "Preliminary Official Statement"), (ii) the Official Statement of the District dated February 25, 2016 (the "Official Statement") and (iii) Letters of Representation provided to the District by certain of its agents (the "Letters of Representation"). We have also discussed the Official Statement with the District's general counsel and its bond counsel and certain other representatives and agents of the District and reviewed such records of the District as we deem relevant to our review of the Official Statement.

Based on (1) our review of the documents described above, (2) our discussions with the District's general counsel and its bond counsel and other representatives and agents of the District and (3) such other matters as we deem relevant, we are of the opinion that the offering and sale of the Bonds are not required to be registered under the Securities Act of 1933, as amended; and the Order is not required to be qualified under the Trust Indenture Act of 1939, as amended.

In addition, based upon our limited review of the Preliminary Official Statement and the Official Statement, which does not include our independent inquiry or investigation into the

Austin Beijing Dallas Dubai Houston London New York Research Triangle Park The Woodlands Washington, DC

HOU:3653341.1

March 24, 2016
Page 2

accuracy, completeness or fairness of the statements contained therein, and in reliance upon the accuracy of the representations contained in the Letters of Representation, nothing has come to our attention to lead us to believe that the Preliminary Official Statement or the Official Statement (except for financial, forecast, technical and statistical statements and data therein and the information regarding The Depository Trust Company and its book-entry only system and information regarding the municipal bond insurance policy, in each case as to which we are not called upon to comment), as of their dates or as of the date hereof, contained or contains any untrue statement of a material fact, or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This opinion may be relied upon only by you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Andrew Kuntz". The signature is written in a cursive, flowing style.

7874/7866

WILLATT & FLICKINGER
ATTORNEYS AT LAW

2001 NORTH LAMAR • AUSTIN, TEXAS 78705 • (512) 476-6604 • FAX (512) 469-9148

February 25, 2016

Travis County Water Control and Improvement
District - Point Venture
c/o Willatt & Flickinger
2001 North Lamar
Austin, Texas 78705

Andrews Kurth LLP
111 Congress Avenue, Suite 1700
Austin, Texas 78701

Specialized Public Finance, Inc.
248 Addie Roy Road, Suite B-103
Austin, Texas 78746

Re: Travis County Water Control and Improvement District - Point Venture
Unlimited Tax Bonds, Series 2016

Ladies and Gentlemen:

Willatt & Flickinger, acting in the capacity of General Counsel for Travis County Water Control and Improvement District - Point Venture (the "District"), does hereby represent the following:

1. We have generally reviewed the information contained in the Preliminary Official Statement and the Official Statement (collectively, the "Official Statement"), relating to the District's issuance of Bonds as described above. Nothing has come to our attention that would lead us to believe that the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

2. We agree to the use of our name in the Official Statement for the Bonds.

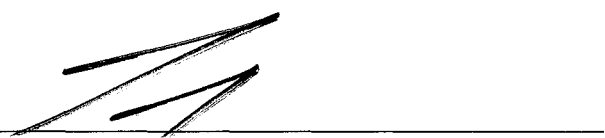
3. We agree that to the best of our ability, we will inform you immediately should we learn of any event(s) or information of which you are not aware subsequent to the date of this certificate and prior to the actual time of delivery of the Bonds which would render any such information in the Official Statement untrue, incomplete, or incorrect, in any material fact or render any statement in such document materially misleading.

4. The undersigned hereby represents that he/she has been duly authorized to execute this letter of representations.

Sincerely yours,

WILLATT & FLICKINGER

By: _____

A handwritten signature consisting of several overlapping, diagonal strokes, positioned above a horizontal line that extends to the right.



February 29, 2016

Travis County Water Control and Improvement
District - Point Venture
c/o Willatt & Flickinger
2001 North Lamar
Austin, Texas 78705

Andrews Kurth LLP
111 Congress Avenue, Suite 1700
Austin, Texas 78701

Specialized Public Finance, Inc.
248 Addie Roy Road, Suite B-103
Austin, Texas 78746

Re: Travis County Water Control and Improvement District - Point Venture
Unlimited Tax Bonds, Series 2016

Ladies and Gentlemen:

The undersigned, David Kneuper, P.E., of River City Engineering, Ltd. ("River City") acting in the capacity of Engineer for Travis County Water Control and Improvement District - Point Venture (the "District"), does hereby represent the following:

1. On behalf of River City, I have supplied certain information relating to engineering and to the description of the system contained in the Preliminary Official Statement and the Official Statement (collectively, the "Official Statement"), relating to the District's issuance of Bonds as described above. The information I have provided relating to the engineering and to the description of the system in the District is located in the Official Statement under the captions "THE SYSTEM" and the "THE DISTRICT." Capitalized terms used herein and not otherwise defined have the meaning assigned in the Official Statement.

2. To the best of my knowledge and belief, as of the date hereof, the section of the Official Statement described above does not contain an untrue statement of a material fact as to the information and data set forth therein, and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

3. I have also generally reviewed the other information in the Official Statement. I cannot, of course, make any representation to you as to the accuracy or completeness of statements of fact contained in such other information, nor have I made any investigation as to the accuracy or completeness of such other information. Nothing, however, has come to my attention that would lead me to believe that the Official Statement contains an untrue statement

of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

4. I agree to the use of the name of River City Engineering, Ltd., in the Official Statement for the Bonds, and in particular to the description of the firm and its professional employees as experts.

5. I agree that, to the best of my ability, I will inform you immediately should I learn of any event(s) or information of which you are not aware subsequent to the date of this letter and prior to the actual time of delivery of the Bonds which would render any such information in the Official Statement untrue, incomplete, or incorrect, in any material fact or render any statement in such document materially misleading.

6. The undersigned hereby represents that he/she has been duly authorized to execute this letter of representation.

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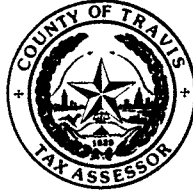
Sincerely yours,

RIVER CITY ENGINEERING, LTD.

By:  _____

Name: David Kneuper, P.E.

Title: Project Manager



BRUCE ELFANT

TAX ASSESSOR - COLLECTOR
VOTER REGISTRAR

February 25, 2016

Travis County Water Control and Improvement
District - Point Venture
c/o Willatt & Flickinger
2001 North Lamar
Austin, Texas 78705

Andrews Kurth LLP
111 Congress Avenue, Suite 1700
Austin, Texas 78701

Specialized Public Finance, Inc.
248 Addie Roy Road, Suite B-103
Austin, Texas 78746

Re: Travis County Water Control and Improvement District - Point Venture
Unlimited Tax Bonds, Series 2016

Ladies and Gentlemen:

The undersigned, Bruce Elfant, tax assessor-collector for Travis County Water Control and Improvement District - Point Venture (the "District"), does hereby represent the following:

1. We have supplied certain information contained in the Preliminary Official Statement and the Official Statement (collectively, the "Official Statement"), relating to the District's issuance of Bonds as described above. The information we have provided relating to the collection rates and appraisals is located in the Official Statement under the heading "TAX DATA - Tax Collections."

2. To the best of our knowledge and belief, as of the date hereof, the sections of the Official Statement described above do not contain an untrue statement of a material fact as to information and data set forth therein, and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

3. We have also generally reviewed the information in the Official Statement. We cannot, of course, make any representation to you as to the accuracy or completeness of statements of fact contained in such other information, nor have we made any investigation as to the accuracy or completeness of such other information. Nothing, however, has come to our attention that would lead us to believe that the Official Statement contains an untrue statement of

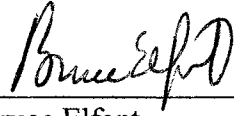
a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

4. We agree to the use of the name of my office in the Official Statement for the Bonds, and in particular to the description of me as an expert.

5. We agree that, to the best of our ability, we will inform you immediately should we learn of any event(s) or information of which you are not aware subsequent to the date of this certificate and prior to the actual time of delivery of the Bonds which would render any such information in the Official Statement untrue, incomplete, or incorrect, in any material fact or render any statement in such document materially misleading.

[The remainder of this page is intentionally left blank.]

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Bruce Elfant".

Bruce Elfant
Travis County Tax Assessor-Collector

TL



KEN PAXTON
ATTORNEY GENERAL OF TEXAS

March 23, 2016

THIS IS TO CERTIFY that Travis County Water Control and Improvement District - Point Venture (the "Issuer") has submitted the Travis County Water Control and Improvement District - Point Venture Unlimited Tax Bond, Series 2016 (the "Bond") in the principal amount of \$7,375,000, for approval. The Bond is dated February 15, 2016, numbered T-1, and was authorized by an Order of the Issuer passed on February 25, 2016.

The Office of the Attorney General has examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.


As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We express no opinion relating to the official statement or any other offering material relating to the Bond.

Based on our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

- (1) The Bond has been issued in accordance with law and is a valid and binding obligation of the Issuer.
- (2) The Bond is payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the Issuer.

Therefore, the Bond is approved.


Attorney General of the State of Texas

No. 60456
Book No. 2016-A
MAR

*See attached Signature Authorization


OFFICE OF THE ATTORNEY GENERAL §
OF THE STATE OF TEXAS §

I, KEN PAXTON, Attorney General for the State of Texas, do hereby authorize the employees of the Public Finance Division of the Office of the Attorney General to affix a digital image of my signature, in my capacity as Attorney General, to the opinions issued by this office approving the issuance of public securities by the various public agencies, non-profit corporations, district, entities, bodies politic or corporate, or political subdivisions of this State as required by law, the opinions approving those contracts designated by the Legislature as requiring the approval of the Attorney General, and the obligations, proceedings and credit agreements required by law to be approved by the Attorney General. The authorized digital image of my signature is attached as Exhibit A and is hereby adopted as my own for the purposes set forth herein. This supersedes any prior signature authorizations for the same purpose.

The authority granted herein is to be exercised on those occasions when I am unavailable to personally sign said opinions, and upon the condition that the opinions to which the digital image signature is affixed have been approved by an authorized Assistant Attorney General following the completion of the Public Finance Division's review of the transcripts of proceedings to which the opinions relate.

Given under my hand and seal of office at Austin, Texas, this the 5th day of January, 2015.




KEN PAXTON
Attorney General of the State of Texas

OFFICE OF COMPTROLLER

OF THE STATE OF TEXAS

I, GLENN HEGAR, Comptroller of Public Accounts of the State of Texas, do hereby certify that the attachment is a true and correct copy of the opinion of the Attorney General approving the:

Travis County Water Control and Improvement District - Point Venture Unlimited Tax Bond, Series 2016

numbered T-1, of the denomination of \$ 7,375,000, dated February 15, 2016, as authorized by issuer, interest various percent, under and by authority of which said bonds/certificates were registered electronically in the office of the Comptroller, on the 23rd day of March 2016, under Registration Number 86731.

Given under my hand and seal of office, at Austin, Texas, the 23rd day of March 2016.

A handwritten signature in black ink, appearing to read "Glenn Hagar", written in a cursive style.

GLENN HEGAR
Comptroller of Public Accounts
of the State of Texas

OFFICE OF COMPTROLLER
OF THE STATE OF TEXAS

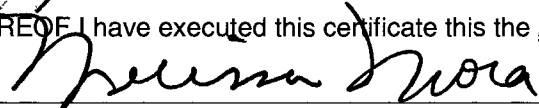
I, Melissa Mora, Bond Clerk Assistant Bond Clerk in the office of the Comptroller of the State of Texas, do hereby certify that, acting under the direction and authority of the Comptroller on the 23rd day of March 2016, I signed the name of the Comptroller to the certificate of registration endorsed upon the:

Travis County Water Control and Improvement District - Point Venture Unlimited Tax Bond, Series 2016,

numbered T-1, dated February 15, 2016, and that in signing the certificate of registration I used the following signature:



IN WITNESS WHEREOF I have executed this certificate this the 23rd day of March 2016.



I, Glenn Hegar, Comptroller of Public Accounts of the State of Texas, certify that the person who has signed the above certificate was duly designated and appointed by me under authority vested in me by Chapter 403, Subchapter H, Government Code, with authority to sign my name to all certificates of registration, and/or cancellation of bonds required by law to be registered and/or cancelled by me, and was acting as such on the date first mentioned in this certificate, and that the bonds/certificates described in this certificate have been duly registered in the office of the Comptroller, under Registration Number 86731.

GIVEN under my hand and seal of office at Austin, Texas, this the 23rd day of March 2016.



GLENN HEGAR
Comptroller of Public Accounts
of the State of Texas



February 25, 2016

VIA E-MAIL

Ms. Jessica Neibert
Hutchinson, Shockey, Erley & Co.
222 West Adams Street, Suite 1700
Chicago, Illinois 60606

Re: Not to Exceed \$7,375,000 aggregate principal amount of Travis County Water Control and Improvement District – Point Venture (A Political Subdivision of the State of Texas Located in Travis County, Texas) Unlimited Tax Bonds, Series 2016

Dear Ms. Neibert:

Enclosed please find Assured Guaranty Municipal Corp.'s ("AGM") commitment letter (the "Commitment") in respect of the above-referenced issue. Please return one fully executed original to me at the address indicated below. The signed Commitment, executed by an authorized officer, must be returned to me prior to any reference to AGM as insurer of the issue being made in marketing efforts in respect of the issue.

Upon acceptance and satisfaction of the conditions of the Commitment, the following must occur in order for AGM to complete its review of applicable disclosure and financing documents in advance of the closing date, request the assignment of an insured rating for the Bonds, and timely issue its insurance policy:

- The financing schedule and a distribution list should be forwarded to the attention of the Closing Coordinator listed below.
- A copy of (i) the preliminary official statement and the final official statement, each of which shall include the disclosure provided by AGM and the specimen policy and any other references to AGM, and (ii) the Bonds, together with the legend to be affixed to such Bonds, must be delivered to the Closing Coordinator by fax or e-mail in order that AGM may confirm its accuracy.
- Once determined, the underwriters' final pricing numbers, including the final debt service schedule for the Bonds, should be delivered to the credit analyst and Closing Coordinator responsible for the transaction by fax and/or e-mail in order that AGM may confirm the premium to be paid for the insurance policy and request the assignment of an insured rating for the Bonds.
- A copy of either (i) the final pricing wire with CUSIP numbers shown or CUSIP wire evidencing the CUSIP numbers assigned to the Bonds; or (ii) the letter from the CUSIP Service Bureau listing the CUSIP numbers assigned to the Bonds should be delivered to the Closing Coordinator listed below by fax and/or email in order that AGM may request the assignment of an insured rating for the Bonds.

AGM will require, prior to closing, four hard copies of the final official statement. Also, please notify me of a confirmed closing date as soon as it becomes available.

My contact information is as follows:

Telephone: (212) 261-5593
Fax: (212) 581-3268
Email: NCinquegrana@assuredguaranty.com

Assured Guaranty Municipal Corp.

31 West 52nd Street
New York, NY 10019

main 1 212 974 0100
fax 1 212 608 3101

info@assuredguaranty.com

www.assuredguaranty.com

Ms. Jessica Neibert
Hutchinson, Shockey, Erley & Co.
February 25, 2016

Page 2

Attached as a link to this e-mail is AGM's website, where the logo, statement of insurance, disclosure language, specimen policy, procedures for premium payment, form of opinion and form of disclosure certificate may be accessed and downloaded as needed.

Assuming the requirements of the Commitment have been met, AGM will deliver to Bond Counsel at the pre-closing, a copy of the municipal bond insurance policy of AGM, the executed disclosure, no default and tax certificate and the executed opinion of Counsel and other certificates needed in the transaction via email. The original municipal bond insurance policy will be sent to your attention via overnight mail to be held in escrow until the closing. Any inquiries regarding rating agency fees should be directed to the respective rating agencies. As a post-closing condition, AGM shall receive one original and two copies of the final closing transcript of proceedings. Such closing transcript may be in the form of either hard copies or three CD-ROMs.

AGM looks forward to working with you on this transaction.

Very truly yours,



Nicole Cinquegrana
Closing Coordinator

Enclosures

cc: Jerry Kyle, Esq.; Andrews Kurth L.L.P.
Daniel Wegmiller; Specialized Public Finance Inc.



MUNICIPAL BOND INSURANCE COMMITMENT

ASSURED GUARANTY MUNICIPAL CORP. ("AGM") hereby commits to issue its Municipal Bond Insurance Policy (the "Policy") relating to whole maturities of the debt obligations described in Exhibit A attached hereto (the "Bonds"), subject to the terms and conditions set forth in this Commitment, or added hereto (the "Commitment"). For the avoidance of doubt, each of the Exhibits attached hereto is an integrated part of this Commitment. To keep this Commitment in effect after the Expiration Date set forth in Exhibit A attached hereto, a request for renewal must be submitted to AGM prior to such Expiration Date. AGM reserves the right to refuse wholly or in part to grant a renewal.

THE MUNICIPAL BOND INSURANCE POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED:

1. The transaction documents to be executed and delivered in connection with the issuance and sale of the Bonds shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.
2. No event shall occur which would permit any underwriter or purchaser of the Bonds, otherwise required, not to be required to underwrite or purchase the Bonds on the date scheduled for the issuance and delivery thereof ("Closing Date").
3. On the date hereof and on the Closing Date, there shall have been no material adverse change in or affecting the Issuer or the Bonds (including, without limitation, the security for the Bonds or the proposed debt service schedule of the Bonds), any disclosure document relating to the Bonds (the "Official Statement"), the financing documents to be executed and delivered with respect to the Bonds, the legal opinions to be executed and delivered in connection with the issuance and sale of the Bonds, or any other information submitted to AGM with respect to the referenced transaction, or the Bonds, from that previously delivered or otherwise communicated to AGM.
4. The Bonds shall contain no reference to AGM, the Policy or the insurance evidenced thereby except as may be approved by AGM. BOND PROOFS SHALL HAVE BEEN APPROVED BY AGM PRIOR TO PRINTING. The Bonds shall bear a Statement of Insurance in the form provided by AGM.
5. AGM shall be provided with:
 - (a) Executed copies of all financing documents, the Official Statement and the various legal opinions delivered in connection with the issuance and sale of the Bonds (which shall be dated the Closing Date and which, except for the opinions of counsel relating to the adequacy of disclosure, shall be addressed to AGM or accompanied by a letter of such counsel permitting AGM to rely on such opinion as if such opinion were addressed to AGM), including, without limitation, the approving opinion of bond counsel. Each of the foregoing shall be in form and substance acceptable to AGM. Copies of all drafts of such documents prepared subsequent to the date of the Commitment (blacklined to reflect all revisions from previously reviewed drafts) shall be furnished to AGM for review and approval. Final drafts of such documents shall be provided to AGM at least three (3) business days prior to the issuance of the Policy, unless AGM shall agree to some shorter period.
 - (b) Evidence of wire transfer in federal funds of an amount equal to the insurance premium, unless alternative arrangements for the payment of such amount acceptable to AGM have been made prior to the delivery date of the Bonds.
 - (c) Standard & Poor's Rating Services and Moody's Investors Service Inc. will separately present bills for their respective fees relating to the Bonds. Payment of such bills by the Issuer should be made directly to such rating agency. Payment of the rating fee is not a condition to release of the Policy by AGM.
6. Promptly after the closing of the Bonds, AGM shall receive three completed sets of executed documents (one original and either (i) two photocopies (each unbound) or (ii) two compact discs).
7. The Official Statement shall contain the language provided by AGM and only such other references to AGM or otherwise as AGM shall supply or approve. AGM SHALL BE PROVIDED WITH FOUR PRINTED COPIES OF THE OFFICIAL STATEMENT.

TERM SHEET FOR MUNICIPAL BOND INSURANCE COMMITMENT

Issuer: Travis County Water Control and Improvement District – Point Venture (A Political Subdivision of the State of Texas Located in Travis County, Texas)

Principal Amount of Bonds Insured: Not to Exceed \$7,375,000

Name of Bonds Insured: Unlimited Tax Bonds, Series 2016

Date of Commitment: February 25, 2016

Expiration Date: Friday, April 29, 2016*

Premium: \$89,500.00 with an S&P rating (the cost of the S&P rating to be paid by AGM).

Bond Counsel Opinion -- Language Requirements:

The approving opinion of Bond Counsel shall include language to the effect that the Bonds are a full faith and credit general obligation of the Issuer, the payment for which the Issuer is obligated to exercise its ad valorem taxing power, without legal limitation as to rate or amount, upon all taxable property within the Issuer.

Additional Conditions: None

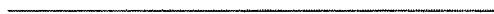
ASSURED GUARANTY MUNICIPAL CORP.



Authorized Officer

*To keep the Commitment in effect to the Expiration Date set forth above, AGM must receive a duplicate of this Exhibit A executed by an authorized officer by the earlier of the date on which the Official Statement containing disclosure language about AGM is circulated and ten days from the Date of Commitment.

HUTCHINSON, SHOCKEY, ERLEY & CO.



Authorized Officer

**PROCEDURES FOR PREMIUM PAYMENT
TO
ASSURED GUARANTY MUNICIPAL CORP.
("AGM")**

AGM's issuance of its municipal bond insurance policy at bond closing is contingent upon payment and receipt of the premium. **NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED.** Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Confirmation of Amount to be Paid:	Upon determination of the final debt service schedule, fax such schedule to AGM Attention: Maria Sazon, Director Phone No.: 212-339-0836 Fax No.: 212-408-6090
---------------------------------------	--

Confirm with AGM's credit analyst that you are in agreement with respect to par and premium on the transaction prior to the closing date.

Payment Date: Date of Delivery of the insured bonds.

Method of Payment: Wire transfer of Federal Funds.

Wire Transfer Instructions:

Bank:	The Bank of New York
ABA#:	021 000 018
Acct. Name:	Assured Guaranty Municipal Corp.
Account No.:	8900297263
Policy No.:	217449-N

CONFIRMATION OF PREMIUM WIRE NUMBER AT CLOSING

AGM will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated on the closing date to Nicole Cinquegrana, Closing Coordinator - (212) 261-5593.

ASSURED GUARANTY MUNICIPAL CORP.

DOCUMENT, PRINTING AND DISCLOSURE INFORMATION FOR PUBLIC FINANCE TRANSACTIONS

(Revised November 12, 2015)

This information is intended for use by Bond Counsel, printers and preparers of municipal bond offerings that will be insured by Assured Guaranty Municipal Corp. ("AGM"). Prior to any reference to AGM in your marketing efforts in respect of an AGM-insured issue, AGM must receive an executed copy of its commitment letter. Blacklined copies of each draft of each financing document, preliminary and final official statements, and bond form should be delivered to AGM for review and comment with reasonable opportunity to submit any comments prior to printing. AGM will deliver to Bond Counsel, at the pre-closing, assuming the requirements of the commitment letter have been met, an opinion of counsel as to the validity of the policy, a disclosure, no default and tax certificate of AGM, the executed policy and other certificates required in the transaction. Prior to closing, AGM will obtain rating letters from the rating agencies indicated on the official statement. Note that any questions with regard to rating agency fees should be directed to the respective rating agency.

INDEX

EXHIBIT NO.

DIRECTORY

Legal Department Directory

OFFICIAL STATEMENT

AGM Disclosure Information 1
(for inclusion in the Official Statement)

Specimen:

- Municipal Bond Insurance Policy (Form 500 NY)

WIRE INSTRUCTIONS

Procedures For Premium Payment 2
(including wire-transfer instructions)

BOND FORM

Statement of Insurance (Language for Bond Form) 3

LEGAL DEPARTMENT DIRECTORY

<u>NAME</u>	<u>TITLE</u>	<u>TELEPHONE</u>	<u>FAX</u>
<u>PUBLIC FINANCE ATTORNEYS</u>			
Lyons, Kevin	Deputy General Counsel	(212) 339-3546	(212) 857-0439
Schreiber, Elliot	Counsel	(212) 339-0869	(212) 857-0518
Torkelson, Eric	Counsel	(212) 408-6057	(212) 581-3268
Tremblay, Peter	Counsel	(212) 261-5564	(212) 857-0316
Woodruff, Natalie	Counsel	(212) 261-5553	(212) 857-0289
Workman, Terence	Counsel	(212) 408-6053	(212) 581-3268
<u>LEGAL ASSISTANTS</u>			
DiMarco, Nicole	Legal Assistant/Closing Coordinator	(212) 261-5593	(212) 581-3278
Paredes, Erika	Legal Assistant/Closing Coordinator	(212) 893-2706	(212) 857-0349
Udit-Adler, Audrey	Legal Assistant /Closing Coordinator	(212) 339-3548	(212) 857-0560

ASSURED GUARANTY MUNICIPAL CORP.
("AGM")
DISCLOSURE INFORMATION
(FOR INCLUSION IN THE OFFICIAL STATEMENT)

The following are AGM's requirements for printing the preliminary and final official statements:

1. Both the preliminary and final official statements must contain the information set forth in these Exhibits and AGM must be provided with final drafts for its approval and sign off thereon at least two business days prior to the printing thereof;
2. Any changes made to the AGM Disclosure Information for inclusion in the preliminary and final official statements must first be approved by AGM, and
3. AGM must receive 4 final official statements upon printing.

TO BE PRINTED ON THE COVER OF THE OFFICIAL STATEMENT:

The following language should be used when insuring:

1. THE ENTIRE ISSUE:

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.**

2. CAPITAL APPRECIATION BONDS:

The scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) 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.**

3. PARTIAL MATURITIES (LESS THAN ENTIRE ISSUE):

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

4. CERTIFICATES OR NOTES:

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

**PRINTER'S NOTE: USE ASSURED GUARANTY MUNICIPAL CORP.
LOGO AND INK #PMS 202 FOR RED INK and INK #PMS 647 FOR BLUE INK.
IF THIS DOCUMENT WAS MAILED IN HARDCOPY, A LOGO SHEET IS ATTACHED.
OTHERWISE, THE LOGO MAY BE REQUESTED FROM AGM'S WEBSITE
ASSUREDGUARANTY.COM/LOGOS**

TO BE PRINTED IN THE BODY OF THE OFFICIAL STATEMENT OR AS AN EXHIBIT

USE THE FOLLOWING LANGUAGE WHEN INSURING THE ENTIRE ISSUE:

NOTE: The language under the subheading "Bond Insurance Policy" should be modified when insuring Capital Appreciation Bonds, Partial Maturities (less than the entire issue), Certificates and/or Notes. See page 4 of Exhibit 1 for the appropriate language.

BOND INSURANCE

BOND INSURANCE POLICY

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

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

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

Current Financial Strength Ratings

On June 29, 2015, S&P issued a credit rating report in which it 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 November 13, 2014, KBRA assigned an insurance financial strength rating of "AA+" (stable outlook) to AGM. AGM can give no assurance as to any further ratings action that KBRA may take.

On July 2, 2014, Moody's issued a rating action report stating that it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). On February 18, 2015, Moody's published a credit opinion under its new financial guarantor ratings methodology maintaining its existing rating and outlook on AGM. 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, 2014.

Capitalization of AGM

At September 30, 2015, AGM's policyholders' surplus and contingency reserve were approximately \$3,769 million and its net unearned premium reserve was approximately \$1,603 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd. and 60.7% of AGM's indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

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, 2014 (filed by AGL with the SEC on February 26, 2015);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015 (filed by AGL with the SEC on May 8, 2015);
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015 (filed by AGL with the SEC on August 6, 2015); and
- (iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015 (filed by AGL with the SEC on November 6, 2015).

All consolidated financial statements of AGM and all other 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.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

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

Miscellaneous Matters

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

The Bond Insurance language for the Official Statement under the subheading "Bond Insurance Policy" should be replaced with the following language when insuring:

1. CAPITAL APPRECIATION BONDS:

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

2. PARTIAL MATURITIES (LESS THAN THE ENTIRE ISSUE):

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds maturing on _____ of the years _____ through _____, inclusive (the "Insured Bonds"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

3. CERTIFICATES OR NOTES:

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

**TO BE PRINTED ON THE INSIDE COVER OF OFFICIAL STATEMENT
AS PART OF THE DISCLAIMER STATEMENT:**

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

**PROCEDURES FOR PREMIUM PAYMENT
TO
ASSURED GUARANTY MUNICIPAL CORP.
("AGM")**

This form is not to be included in the Official Statement.

AGM's issuance of its municipal bond insurance policy at bond closing is contingent upon payment and receipt of the premium. NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED. Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Upon determination of the final debt service schedule, fax such schedule to the appropriate AGM Analyst, Attention: MUNICIPAL DEPARTMENT:

NEW YORK OFFICE

Phone No. (212) 974-0100
Fax No. (212) 339-3450

CALIFORNIA OFFICE

Phone No. (415) 995-8000
Fax No. (415) 995-8008

Confirm with the individual in our underwriting department that you are in agreement with respect to par and premium on the transaction prior to the closing date.

Payment Date: Date of Delivery of the insured bonds.

Method of Payment: Wire transfer of Federal Funds.

Wire Transfer Instructions:

**Bank: The Bank of New York
ABA#: 021 000 018
Acct. Name: Assured Guaranty Municipal Corp.
Account No.: 8900297263
Policy No.: [To Be Assigned]**

CONFIRMATION OF PREMIUM

AGM will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated to the appropriate Legal Assistant on the closing date:

NEW YORK OFFICE

Nicole DiMarco (212) 261-5593
Erika Paredes (212) 893-2706
Audrey Udit-Adler (212) 339-3548

STATEMENT OF INSURANCE
(Language for the Bond Form)
This form is not to be included in the Official Statement.

The Bonds shall bear a Statement of Insurance in the following form.

The following language should be used when insuring

1. THE ENTIRE ISSUE:

Assured Guaranty Municipal Corp. ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to **{insert name of paying agent}, {city or county}, {state}**, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

2. CAPITAL APPRECIATION BONDS:

Assured Guaranty Municipal Corp. ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") in respect of the scheduled payments due of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on this Bond to **{insert name of paying agent}, {city or county}, {state}**, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

3. PARTIAL MATURITIES (LESS THAN ENTIRE ISSUE):

Assured Guaranty Municipal Corp. ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on the Bonds maturing on _____ of the years _____ through _____, inclusive (the "Insured Bonds"), to **{insert name of paying agent}, {city or county}, {state}**, or its successor, as paying agent for the Insured Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the

provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

4. CERTIFICATES OR NOTES:

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.



March 22, 2016

VIA OVERNIGHT MAIL

Jerry Kyle, Esq.
Andrews Kurth L.L.P.
111 Congress Avenue, Suite 1700
Austin, Texas 78701-4069

Re: \$7,375,000 in aggregate principal amount of Travis County Water Control and Improvement District – Point Venture (A Political Subdivision of the State of Texas Located in Travis County, Texas) Unlimited Tax Bonds, Series 2016 (Policy No. 217449-N)

Dear Mr. Kyle:

Enclosed herewith please find Assured Guaranty Municipal Corp.'s ("AGM") original Municipal Bond Insurance Policy (the "Policy") relating to the above-referenced issue scheduled to close on March 24, 2016. The Policy should be held in escrow by you subject to the terms of our transmittal letter of even date herewith detailing the conditions to the release of the Policy.

Please forward said Policy to the Paying Agent/Trustee for this transaction.

Please contact me if you have any questions about the enclosed document.

Very truly yours,

Nicole Cinquegrana
Closing Coordinator

Enclosures

Assured Guaranty Municipal Corp.

31 West 52nd Street
New York, NY 10019

main 1 212 974 0100
fax 1 212 688 3101

info@assuredguaranty.com

www.assuredguaranty.com

In the event the Insurer is unable to fulfill its contractual obligation under this policy or contract or application or certificate or evidence of coverage, the policyholder or certificate holder is not protected by an insurance guaranty fund or other solvency protection arrangement.



MUNICIPAL BOND INSURANCE POLICY

ISSUER: Travis County Water Control and Improvement District – Point Venture (A Political Subdivision of the State of Texas Located in Travis County, Texas)

Policy No.: 217449-N

Effective Date: March 24, 2016

Premium: \$89,500.00

BONDS: \$7,375,000 in aggregate principal amount of Unlimited Tax Bonds, Series 2016

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

In the event the Insurer is unable to fulfill its contractual obligation under this policy or contract or application or certificate or evidence of coverage, the policyholder or certificate holder is not protected by an insurance guaranty fund or other solvency protection arrangement.

Page 2 of 2
Policy No. 217449-N

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.

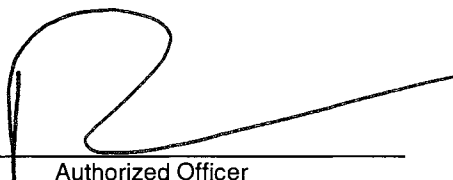
AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying 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.
31 West 52nd Street, New York, N.Y. 10019

(212) 974-0100

Form 500NY (5/90)



Mr. Richard J. Bauerfeld
Chief Surveillance Officer, Structured Finance
Assured Guaranty
31 West 52nd Street
New York, NY 10019

February 25, 2016

Re: \$7,375,000 Travis County Water Control and Improvement District - Point Venture (A Political Subdivision of the State of Texas Located in Travis County, Texas) Unlimited Tax Bonds, Series 2016, dated: February 15, 2016 – Policy No. 217449-N

Dear Mr. Bauerfeld:

With respect to the above-referenced obligation, Kroll Bond Rating Agency, Inc. ("KBRA") has assigned an insurance financial strength rating of AA+, Stable to Assured Guaranty Municipal Corp. ("Financial Guarantor"), which is providing an unconditional and irrevocable guarantee of the above-referenced obligation. Based entirely on the rating of the Financial Guarantor, KBRA hereby assigns a AA+, Stable rating to the above-referenced security. This rating is based exclusively on KBRA's published rating of the Financial Guarantor and the policy issued by the Financial Guarantor. KBRA has not conducted a comprehensive analysis of the above-referenced obligation on a stand-alone basis, the issuer of such obligation or the related transaction. In the event KBRA's rating on the Financial Guarantor changes, KBRA's rating on the above-referenced obligation will change accordingly.

In accordance with KBRA policy, assigned ratings are subject to revision or withdrawal, without notice, at the sole discretion of KBRA.

The rating and other views of KBRA are statements of opinion and not statements of fact. They are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, marketability, the suitability of any investment, loan or security for a particular investor (including, but not limited to, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. You acknowledge that KBRA is not your advisor and is not providing you any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. The rating should not be viewed as a replacement for such advice or services. You understand that KBRA has not consented to, and will not consent to, being named an "expert" under the federal securities laws including, without limitation, Section 7 of the Securities Act of 1933. Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between you and us or between us and any user of the rating set forth above.

This letter constitutes KBRA's permission to you to disseminate the rating set forth above to interested parties in accordance with applicable laws. The rating set forth above is subject to the terms and conditions set forth in KBRA's website and those attached hereto, which any party receiving this letter or the rating set forth above should review and understand.



KBRA shall have the right to publish, disseminate or license others to publish or otherwise to disseminate the rating set forth above or the rationale for the rating.

KBRA is pleased to have had the opportunity to be of service to you.

Sincerely,

KROLL BOND RATING AGENCY, INC.

By:

A handwritten signature in black ink, appearing to read "Paul Kwiatkoski", is written over a solid black horizontal line.

Paul Kwiatkoski
Managing Director

MOODY'S

INVESTORS SERVICE

Moody's Investors Service, Inc.
7 World Trade Center
at 250 Greenwich Street
New York, NY 10007
+1.212.553.0300 tel
+1.212.553.4820 fax
www.moody's.com

February 25, 2016

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, NY 10019

To Whom It May Concern:

Moody's Investors Service has assigned the rating of A2 to the \$7,375,000.00 Travis County Water Control and Improvement District – Point Venture (A Political Subdivision of the State of Texas Located in Travis County, Texas), Unlimited Tax Bonds, Series 2016, dated February 15, 2016 which sold on February 25, 2016, insured by Assured Guaranty Municipal Corp. (Policy No.217449-N). The rating is the highest of (i) the guarantor's financial strength rating, (ii) any published underlying rating on the security, or (iii) any published enhanced rating based on a state credit enhancement program.

Credit ratings issued by Moody's Investors Service, Inc. and its affiliates ("Moody's") are Moody's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities and are not statements of current or historical fact. Moody's credit ratings address credit risk only and do not address any other risk, including but not limited to: liquidity risk, market value risk, or price volatility.

This letter uses capitalized terms and rating symbols that are defined or referenced either in *Moody's Definitions and Symbols Guide* or *MIS Professional Code of Conduct* as of the date of this letter, both published on www.moody's.com. The Credit Ratings will be publicly disseminated by Moody's through normal print and electronic media as well as in response to verbal requests to Moody's Rating Desk. Moody's related research and analyses will also be published on www.moody's.com and may be further distributed as otherwise agreed in writing with us.

Moody's Credit Ratings or any corresponding outlook, if assigned, will be subject to revision, suspension or withdrawal, or may be placed on review, by Moody's at any time, without notice, in the sole discretion of Moody's. For the most current Credit Rating, please visit www.moody's.com.

Moody's has not consented and will not consent to being named as an expert under applicable securities laws, such as section 7 of the Securities Act of 1933. The assignment of a rating does not create a fiduciary relationship between Moody's and you or between Moody's and other recipients of a Credit Rating. Moody's Credit Ratings are not and do not provide investment advice or recommendations to purchase, sell or hold particular securities. Moody's issues Credit Ratings with the expectation and understanding that each investor will make its own evaluation of each security that is under consideration for purchase, sale or holding.

Moody's adopts all necessary measures so that the information it uses in assigning a Credit Rating is of sufficient quality and from sources Moody's considers to be reliable including, when appropriate, independent third-party sources. However, Moody's is not an auditor and cannot in every instance independently validate or verify information received in the rating process. Moody's expects and is relying upon you possessing all legal rights and required consents to disclose the information to Moody's, and that such information is not subject to any restrictions that would prevent use by Moody's for its ratings process. In assigning the Credit Ratings, Moody's has relied upon the truth, accuracy, and completeness of the information supplied by you or on your behalf to Moody's. Moody's expects that you will, and is relying upon you to, on an ongoing basis, promptly provide Moody's with all information necessary in order for Moody's to accurately and timely monitor the Credit Ratings, including current financial and statistical information.

Under no circumstances shall Moody's have any liability (whether in contract, tort or otherwise) to any person or entity for any loss, injury or damage or cost caused by, resulting from, or relating to, in whole or in part, directly or indirectly, any action or error (negligent or otherwise) on the part of, or other circumstance or contingency within or outside the control of, Moody's or any of its or its affiliates, directors, officers, employees or agents in connection with the Credit Ratings. **ALL INFORMATION, INCLUDING THE CREDIT RATING, ANY FEEDBACK OR OTHER COMMUNICATION**

RELATING THERETO IS PROVIDED "AS IS" WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND. MOODY'S MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH INFORMATION.

Any non-public information discussed with or revealed to you must be kept confidential and only disclosed either (i) to your legal counsel acting in their capacity as such; (ii) to your other authorized agents acting in their capacity as such with a need to know that have entered into non-disclosure agreements with Moody's in the form provided by Moody's and (iii) as required by applicable law or regulation. You agree to cause your employees, affiliates, agents and advisors to keep non-public information confidential.

If there is a conflict between the terms of this rating letter and any related Moody's rating application, the terms of the executed rating application will govern and supercede this rating letter.

Should you have any questions regarding the above, please do not hesitate to contact Daniel Hellige at (212) 553-3682.

Sincerely yours,

Moody's Investors Service, Inc.

Moody's Investors Service, Inc.



55 Water Street, 38th Floor
New York, NY 10041-0003
tel 212 438-2074
reference no.: 1428479

February 29, 2016

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, NY 10019
Attention: Mr. Richard Bauerfeld, Chief Surveillance Officer

**Re: \$7,375,000 Travis County Water Control And Improvement District – Point Venture, Texas,
Unlimited Tax Bonds, Series 2016, dated: February 15, 2016, due: August 15, 2017-2036,
(POLICY #217449-N)**

Dear Mr. Bauerfeld:

Standard & Poor's Ratings Services ("Ratings Services") has assigned an insured rating of "AA" on the above obligations, based on the policy provided by your company.

We may adjust the underlying rating and the capital charge as a result of changes in the financial position of the issuer or performance of the collateral, or of amendments to the documents governing the issue, as applicable. With respect to the letter, please notify us of any changes or amendments over the term of the debt.

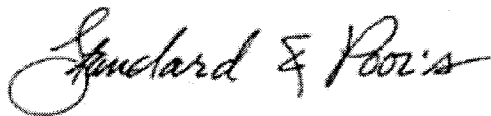
The credit ratings and other views of Ratings Services are statements of opinion and not statements of fact. Credit ratings and other views of Ratings Services are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While Ratings Services bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, Ratings Services does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and Ratings Services' opinions should not be relied upon in making any investment decision. Ratings Services does not act as a "fiduciary" or an investment advisor. Ratings Services neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice.

Standard & Poor's must receive complete documentation relating to this issue no later than 90 days after the date of this letter. Standard & Poor's assumes that the documents you have provided to us are final. If any subsequent changes were made in the final documents, you must notify us of such changes by sending us the revised final documents with the changes clearly marked.

Page | 2

Ratings Services is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing Ratings Services.

Sincerely yours,

A handwritten signature in black ink that reads "Standard & Poor's". The script is cursive and elegant, with the ampersand being particularly stylized.

Standard & Poor's Ratings Services

sp
enclosure



Standard & Poor's Ratings Services Terms and Conditions Applicable To Public Finance Credit Ratings

General. The credit ratings and other views of Standard & Poor's Ratings Services ("Ratings Services") are statements of opinion and not statements of fact. Credit ratings and other views of Ratings Services are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While Ratings Services bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, Ratings Services does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and Ratings Services' opinions should not be relied upon in making any investment decision. Ratings Services does not act as a "fiduciary" or an investment advisor. Ratings Services neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice. Unless otherwise indicated, the term "issuer" means both the issuer and the obligor if the obligor is not the issuer.

All Credit Rating Actions in Ratings Services' Sole Discretion. Ratings Services may assign, raise, lower, suspend, place on CreditWatch, or withdraw a credit rating, and assign or revise an Outlook, at any time, in Ratings Services' sole discretion. Ratings Services may take any of the foregoing actions notwithstanding any request for a confidential or private credit rating or a withdrawal of a credit rating, or termination of a credit rating engagement. Ratings Services will not convert a public credit rating to a confidential or private credit rating, or a private credit rating to a confidential credit rating.

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No Third Party Beneficiaries. Nothing in any credit rating engagement, or a credit rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of a credit rating. No person is intended as a third party beneficiary of any credit rating engagement or of a credit rating when issued.

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
 BOKF, NA (Bank of Texas)
 Austin, TX United States

Certificate Number:
 2016-18408

Date Filed:
 02/25/2016

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
 Travis County Water Control and Improvement District - Point Venture

Date Acknowledged:
 03/01/2016

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.
 2016 UTB PAR
 Unlimited Tax Bonds, Series 2016

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary
BOKF, NA	Austin, TX United States		X
Gaytan, Jose	Austin, TX United States		X

5 Check only if there is NO Interested Party.

6 AFFIDAVIT I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

 Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this the _____ day of _____, 20_____, to certify which, witness my hand and seal of office.

 Signature of officer administering oath Printed name of officer administering oath Title of officer administering oath

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
2016-18408

Date Filed:
02/25/2016

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

BOKF, NA (Bank of Texas)
Austin, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Travis County Water Control and Improvement District - Point Venture

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.

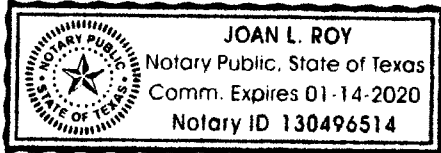
2016 UTB PAR
Unlimited Tax Bonds, Series 2016

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary
BOKF, NA	Austin, TX United States		X
Gaytan, Jose	Austin, TX United States		X

5 Check only if there is NO Interested Party.

6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.



[Handwritten Signature]

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said JOSE GAYTAN, this the 25th day of February, 2016, to certify which, witness my hand and seal of office.

[Handwritten Signature]

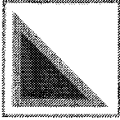
Signature of officer administering oath

Joan L. Roy

Printed name of officer administering oath

Notary Public

Title of officer administering oath



FINAL

Date: March 23, 2016
To: Attached Distribution
From: Dan Wegmiller
Re: \$7,375,000 Travis County WCID – Point Venture (the “District”) Unlimited Tax Bonds, Series 2016 (the “Bonds”)

- 1) On **Thursday, March 24, 2016** (the “Closing Date”), by 10:00 AM, CDT, Hutchinson, Shockey, Erley & Co. (the “Purchaser”) shall wire transfer to BOKF, NA (the “Paying Agent/Registrar”) the amount of \$7,172,092.55 (the “Purchase Price”) which consists of the following:

Par Amount of the Bonds	\$ 7,375,000.00
Less: Bid Discount	<u>(202,907.45)</u>
Total Purchase Price	\$ 7,172,092.55

BOKF, NA
 ABA No: 1039-00036
 Acct. No.: 600024642
 Acct Name: Wealth Management
 FFC: Attn: Jose Gaytan 512/813-2002
 Re: Travis County WCID – Point Venture

- 2) On the Closing Date, by 10:00 AM, CDT, the Purchaser shall wire transfer to Assured Guaranty Municipal Corp. (“AGM”) the amount of \$89,500.00 for the bond insurance premium:

The Bank of New York
 New York, New York
 Account Name: Assured Guaranty Municipal Corp.
 Account Number: 8900297263
 ABA No: 021 000 018
 Policy No: 217449-N

Upon transmission of the wire of funds to AGM, the Purchaser will notify Bond Counsel of the wire reference number, the time such wire was sent and the amount. Bond Counsel will contact AGM to obtain release of the municipal bond insurance policy, and upon such release Bond Counsel will contact the Paying Agent/Registrar with regard to disbursement of the funds listed below and the release of the definitive Bonds.

3) Upon receipt of the funds, the Paying Agent/Registrar will complete the following:

A) Wire transfer \$6,821,901.62 to TexPool for deposit into the District's Capital Projects Fund.

State Street Bank and Trust Company
Boston, MA
Amount (2000): \$6,821,901.62
BNF (4200): Attn: TexPool # 67573774
RFB (4320): Location ID # 79433
OBI (6000): Pool # 449, Account #2462500007
Participant Name: Travis County WCID – Point Venture
Account Name: SR2016 Capital Projects Account
ABA (3400): 011000028

B) Wire transfer \$18,438.00 to TCEQ for the filing fee on the Bonds.

JPMorgan Chase Bank
Austin, Texas
Account Name: Comptroller of Public Accounts
ABA #: 021409169
Account #: 0135821003
Attn: Renee Crowder 512/239-0357
Reference: Travis County WCID – Point Venture

C) Wire transfer \$163,318.99 to Andrews Kurth LLP which represents \$147,500.00 for Bond Counsel fees, \$8,000.00 for Disclosure Counsel fee, \$7,375.00 for the Attorney General fee and \$443.99 in reimbursable expenses incurred in connection with the issuance of the Bonds.

JPMorgan Chase
Houston, Texas
ABA #: 021000021
Account #: 00100184952
SWIFT Code: CHASUS33
Attention: Invoice #10702688
Reference: 07874 0034691/0228959

- D) Wire transfer \$152,193.70 to Specialized Public Finance Inc. which represents \$147,500.00 for the Financial Advisory Fee, \$693.70 for the newspaper advertisement, \$3,500.00 document fee, and \$500.00 miscellaneous costs and expenses related to the issuance of the Bonds.

The Independent Bankers Bank
ABA #: 111010170
Beneficiary: Pioneer Bank, SSB
Acct. #: 1019660
Further Credit: Specialized Public Finance Inc.
Acct. #: 2002079

- E) Wire transfer \$13,500.00 to Moody's Investors Service for a municipal rating on the Bonds.

Sun Trust Bank
Atlanta, GA
ABA #: 061000104
SWIFT Code: SNTRUS3A
Acct. #: 8801939847
Ref. #: #P0193648/Travis County WCID – Point Venture Unlimited Tax
Bonds, Series 2016

- F) Wire transfer \$602.00 to CUSIP Global Services for the assignment of CUSIP numbers on the Bonds.

Bank of America
Chicago, IL
ABA #: 0260-09593
Beneficiary: S&P Capital IQ LLC
Acct. #: 8188068164
SWIFT Code: BOFAUS3N
Ref. #: #35157641/Travis County WCID – Point Venture Unlimited Tax
Bonds, Series 2016

- G) Wire transfer \$538.24 to Island Financial for printing and distribution of the offering document:

Dubuque Bank and Trust Company
Dubuque, Iowa
ABA #: 0739 0053 5
Beneficiary Bank: Morrill & Janes Bank, Merriam, Kansas
Beneficiary ABA #: 101101950
FFC: Financial Printing Resource, Inc.
Beneficiary Acct. #: 620440
Reference: Invoice #9179
Contact: Vicki Kennamer 800/863-5611

Travis County WCID – Point Venture
Closing Memo
Page 4

H) Wire transfer \$1,200.00 to i-Preo LLC for electronic distribution of the offering documents:

JPMorgan Chase
New York, New York
ABA #: 021-000-021
SWIFT CODE: CHASUS33
Acct. #: 066603161
FCC: #10029370 Travis County WCID – Point Venture Unlimited Tax
Bonds, Series 2016

I) Retain \$400.00 for Paying Agent/Registrar services for the Bonds.

If you have any questions, please feel free to contact either Dan Wegmiller or Monica Melvin at 512/275-7300.

Thank you.

FINANCIAL ADVISOR

Dan Wegmiller

Specialized Public Finance Inc.
248 Addie Roy Road
Suite B-103
Austin, Texas 78746
512/275-7300
512/275-7305 Fax
dan@spubfin.com
kristin@spubfin.com
jeff@spubfin.com
monica@spubfin.com

ENGINEER

David Kneuper, P.E.

River City Engineering
1011 W. County Line Road
New Braunfels, Texas 78130
830/626-3588 ext. 154
830/626-3601
kneuper@rcetx.com

AUDITOR

Keith Neffendorf

Neffendorf, Knopp, Doss & Company, P.C.
P.O. Box 874
Fredericksburg, Texas 78624-0874
830/997-3348
nkhd@austin.rr.com

BOOKKEEPER

Mrs. Chance Chatham

Village Secretary
WCID Point Venture Office Manager
18606 Venture Drive
Point Venture, Texas 78645
512/267-5511
512/267-1641
512/267-0818 fax
pointventurevillage@yahoo.com

BOND COUNSEL/

DISCLOSURE COUNSEL

Jerry Kyle

Andrews Kurth LLP
111 Congress Avenue, Suite 1700
Austin, Texas 78701
512/320-9271

jerrykyle@andrewskurth.com
gregshields@andrewskurth.com

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Austin, Texas 78705
512/476-6604
jconcienne@wfaustin.com

PURCHASER

Jessica L. Neibert

Jim VanMetre

Hutchinson, Shockey, Erley & Co.
222 W Adams Street, Suite 1700
Chicago, IL 60606
312/443-1555
312/443-7225 Fax
jneibert@hsemuni.com
jvanmetre@hsemuni.com
chamilton@hsemuni.com
os@hsemuni.com

PAYING AGENT/REGISTRAR

Jose Gaytan

BOKF, NA
100 Congress Ave., Suite 250
Austin, Texas 78701
512/813-2002
512/579-1401
jgaytan@bankoftexas.com
ahansen@bankoftexas.com

INSURANCE COMPANY

Nicole Cinquegrana

Assured Guaranty
31 West 52nd Street, 27th Floor
New York, NY 10019
212/893-2706
212/857-0349 Fax
ncinquegrana@assuredguaranty.com
RCassata@assuredguaranty.com
tworkman@assuredguaranty.com
msazon@assuredguaranty.com

Certified Article Number

9414 7266 9904 2039 4405 93

SENDERS RECORD

March 28, 2016

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**


Internal Revenue Service
Ogden, Utah 84201-0020

Re: Travis County Water Control and Improvement District—Point Venture Unlimited
Tax Bonds, Series 2016

Ladies and Gentlemen:

Enclosed for filing is an original of Form 8038-G with respect to the referenced bonds.

Very truly yours,


Gregg H. Jones

GHJ:klc

Enclosure

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here

1 Issuer's name Travis County Water Control and Improvement District -- Point Venture		2 Issuer's employer identification number (EIN) 74-1815633
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) 18606 Venture Drive	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Point Venture, TX 78645		7 Date of issue 03/24/2016
8 Name of issue Unlimited Tax Bonds, Series 2016		9 CUSIP number 894393 FG7
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Fred Marshall, President, Board of Directors		10b Telephone number of officer or other employee shown on 10a (512) 267-5511

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11	Education	11		
12	Health and hospital	12		
13	Transportation	13		
14	Public safety	14		
15	Environment (including sewage bonds)	15		
16	Housing	16		
17	Utilities	17	7,364,866	30
18	Other. Describe ▶	18		
19	If obligations are TANs or RANs, check only box 19a			
	If obligations are BANs, check only box 19b			
20	If obligations are in the form of a lease or installment sale, check box			

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	08/15/2036	\$ 7,364,866.30	\$ 7,375,000.00	12.410 years	3.12898 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest	22	-0-	
23	Issue price of entire issue (enter amount from line 21, column (b))	23	7,364,866	30
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	453,082	45
25	Proceeds used for credit enhancement	25	89,500	00
26	Proceeds allocated to reasonably required reserve or replacement fund	26	-0-	
27	Proceeds used to currently refund prior issues	27	-0-	
28	Proceeds used to advance refund prior issues	28	-0-	
29	Total (add lines 24 through 28)	29	542,582	45
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	6,822,283	85

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31	Enter the remaining weighted average maturity of the bonds to be currently refunded	_____ years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded	_____ years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	_____
34	Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	_____

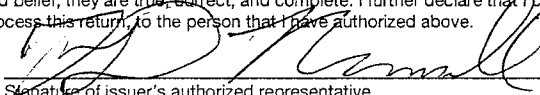
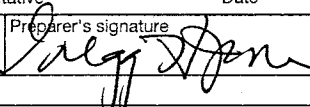
For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

Form **8038-G** (Rev. 9-2011)

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	-0-
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	-0-
b	Enter the final maturity date of the GIC ▶ _____		
c	Enter the name of the GIC provider ▶ _____		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	-0-
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool obligation ▶ _____		
c	Enter the EIN of the issuer of the master pool obligation ▶ _____		
d	Enter the name of the issuer of the master pool obligation ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box		<input checked="" type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box		<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b	Name of hedge provider ▶ _____		
c	Type of hedge ▶ _____		
d	Term of hedge ▶ _____		
42	If the issuer has superintegrated the hedge, check box		<input type="checkbox"/>
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box		<input type="checkbox"/>
44	If the issuer has established written procedures to monitor the requirements of section 148, check box		<input type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b	Enter the date the official intent was adopted ▶ _____		

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
		Date	Fred Marshall, President	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Gregg H. Jones		3/24/16	PTIN P00969069
	Firm's name ▶ Andrews Kurth LLP	Firm's EIN ▶ 74-1027138		
	Firm's address ▶ 600 Travis Street, Suite 4200, Houston, TX 77002	Phone no. 713-220-4479		

9414 7266 9904 2039 4405 93

TO:

Internal Revenue Service
Ogden, Utah 84201-0020

SENDER:

Gregg H. Jones

REFERENCE:

Matter No. 228959
Travis Co WCID-PV/16 Bds

PS Form 3800, January 2005

RETURN RECEIPT SERVICE	Postage	
	Certified Fee	
	Return Receipt Fee	3.10
	Restricted Delivery	2.55
	Total Postage & Fees	0.00

USPS®
Receipt for
Certified Mail®

No Insurance Coverage Provided
Do Not Use for International Mail

POSTMARK OR DATE
MAR 28 2016
SAM HOUSTON P O

UNITED STATES OF AMERICA
STATE OF TEXAS

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT
DISTRICT - POINT VENTURE
UNLIMITED TAX BONDS, SERIES 2016

NO. R-1

PRINCIPAL
AMOUNT
\$30,000

<u>INTEREST RATE</u>	<u>DATE OF BONDS</u>	<u>MATURITY DATE</u>	<u>CUSIP NO.</u>
2.000%	February 15, 2016	August 15, 2017	894393EM5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THIRTY THOUSAND AND NO./100 DOLLARS

ON THE MATURITY DATE specified above, TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE (the "District"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assign (hereinafter called the "registered owner") the principal amount set forth above, and to pay interest thereon calculated on the basis of a 360-day year of twelve 30-day months, from the date of initial delivery, payable on February 15, 2017 and semiannually on each August 15 and February 15 thereafter to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then its Bond shall bear interest from the date to which such interest has been paid in full. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the District and the securities depository. The date of initial delivery of this bond is printed on the back of this Bond.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity at the designated office for payment of BOKF, NA, (the "Paying Agent/Registrar") in Austin, Texas. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the District required by the order authorizing the issuance of the Bonds (the "Bond Order") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on or before each such interest payment date, to the registered owner hereof, at its address on the close of business on the last calendar day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 calendar days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if any when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner as it appears on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for payment at the designated office for payment of the Paying Agent/Registrar. The District covenants with the registered owner of this Bond that on or before each principal payment date, interest payment date, and any redemption date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Order, the amount required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for any payment due on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the office for payment of the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds dated as of February 15, 2016 and authorized to be issued pursuant to the Bond Order adopted by the Board of Directors of the District in the principal amount of \$7,375,000 for the purpose or purposes authorized by the Election and the Commission Order including (1) adding an additional treatment plant and an effluent storage

tank and associated yard piping to serve the tank; (2) making improvements to the District's water system; and (3) certain costs associated with the Issuance of the Bonds. The Bonds are issued under the authority of the constitution and laws of the State of Texas, including particularly Chapters 49 and 51 of the Texas Water Code, as amended; the bond election and an order issued by the Texas Commission on Environmental Quality.

ON AUGUST 15, 2023 OR ON ANY DATE THEREAFTER, the Bonds maturing on and after August 15, 2024, may be redeemed prior to their scheduled maturities, at the option of the District, with funds derived from any available and lawful source, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed will be selected by the District. If less than all the bonds of a certain maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent/Registrar by lot or other random method (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

THE BONDS MATURING ON August 15 in the years 2034 and 2036 (the "Term Bonds") are subject to mandatory sinking fund redemption by lot prior to maturity in the following amounts on the following dates and at a price of par plus accrued interest to the redemption date on the respective dates and in principal amounts as follows:

Term Bond Maturing on August 15, 2034

<u>Redemption Date</u>	<u>Principal Amount</u>
August 15, 2033	\$480,000
August 15, 2034*	500,000

*Stated Maturity

Term Bond Maturing on August 15, 2036

<u>Redemption Date</u>	<u>Principal Amount</u>
August 15, 2035	\$520,000
August 15, 2036*	540,000

*Stated Maturity

THE PRINCIPAL AMOUNT of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the District by the principal amount of any Term Bonds of the stated maturity which, at least 45 days prior to a mandatory redemption date, (1) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District with monies in the Interest and Sinking Fund at a price not exceeding the principal amount of the

Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

NOT LESS THAN THIRTY (30) DAYS prior to a redemption date, a notice of redemption will be sent by U.S. mail, first class postage prepaid, in the name of the District to each registered owner of a Bond to be redeemed in whole or in part at the address of the registered owner appearing on the registration books of the Registrar at the close of business on the business day next preceding the date of mailing. When Bonds or portions thereof have been called for redemption and due provision has been made to redeem the same, the amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the Bonds or portions thereof called for redemption shall terminate on the date fixed for redemption.

WITH RESPECT to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Bond Order have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the District will not redeem such Bonds, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

THE PAYING AGENT/REGISTRAR AND THE DISTRICT, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption, notice of proposed amendment to the Bond Order or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, shall not affect the validity of the redemption of the Bond called for redemption or any other action premised on any such notice. Redemption of portions of the Bond by the District will reduce the outstanding principal amount of such Bonds held by DTC.

IN SUCH AN EVENT, DTC may implement, through its Book-Entry-Only System, a redemption of such Bond held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Bonds from the beneficial owners.

ANY SUCH SELECTION of Bond to be redeemed will not be governed by the Bond Order and will not be conducted by the District or the Paying Agent/Registrar. Neither the District nor the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments on the Bond or the providing of notice to DTC participants, indirect participants, or beneficial owners of the selection of portions of the bond for redemption.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denominations of any integral multiple of \$5,000. As provided in the Bond Order, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Order. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The Form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the District. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within forty-five (45) calendar days prior to its redemption date.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the District, resigns, or otherwise ceases to act as such, the District has covenanted in the Bond Order that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the registered owners of the Bonds.

THE BONDS are payable from the proceeds of a tax, without legal limit as to rate or amount, levied upon all taxable property within the District. The Bond Order provides that the pledge of taxes to the payment of the Bonds shall terminate at such time, if ever, as money and/or direct obligations of the United States or obligations unconditionally guaranteed by the United States in an amount sufficient to defease the Bonds is deposited with or made available to the Paying Agent/Registrar in accordance with the Bond Order.

THE BONDS are issued pursuant to the Bond Order, whereunder the District covenants to levy a continuing direct annual ad valorem tax, without legal limit as to rate or amount, on taxable property within the District, for each year while any part of the Bonds are considered outstanding under the provisions of the Bond Order, in sufficient amount, together with revenues and receipts available from other sources which are equally available for such purposes, to pay interest on the Bonds as it becomes due, to provide a sinking fund for the payment of the principal of the Bonds when due or the redemption price at any earlier required redemption date, to pay when due the other contractual obligations of the District payable in whole or in part from taxes, and to pay the expenses of assessing and collecting such tax, all as more specifically provided in the Bond Order. Reference is hereby made to the Bond Order for provisions with respect to the operation and maintenance of the District's facilities, the custody and application of funds, remedies in the event of a default hereunder or thereunder, and the other rights of the registered owners of the Bonds. By acceptance of this Bond the registered owner hereof consents to all of the provisions of the Bond Order, a certified copy of which is on file in the office of the District.

THE OBLIGATION to pay the principal of and the interest on this Bond is solely and exclusively the obligation of the District until such time, if ever, as the District is abolished and this Bond is assumed as described above. No other entity, including the State of Texas, any political subdivision thereof other than the District, or any other public or private body, is obligated, directly, indirectly, contingently, or in any other manner, to pay the principal of or the interest on this Bond from any source whatsoever. No part of the physical properties of the District, including the properties provided by the proceeds of the Bonds, is encumbered by any lien for the benefit of the registered owner of this Bond.

THE DISTRICT RESERVE THE RIGHT to issue (i) additional bonds equally secured by a pledge of taxes; (ii) bonds, notes and other obligations of inferior liens; and (iii) revenue bonds, payable solely from contracts with other persons, including private corporations, municipalities, and political subdivisions to finance facilities needed in performing any such contracts. Reference is made to the Bond Order for a complete description of the right to issue additional obligations.

TO THE EXTENT permitted by and in the manner provided in the Bond Order, the terms and provisions of the Bond Order and the rights of the registered owners of the Bonds may be modified with, in certain circumstances, the consent of the registered owners of a majority in aggregate principal amount of the Bonds affected thereby; provided, however, that, without the consent of the registered owners of all of the Bonds affected, no such modification shall (i) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of the Bonds required for consent to any such modification.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Bond Order unless this Bond either (a) is registered by the Comptroller of Public Accounts of the State of Texas as evidenced by execution of the registration certificate endorsed

hereon or (b) is authenticated as evidenced by execution of the authentication certificate endorsed hereon by the Paying Agent/Registrar.

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Bonds in order to render the same legal, valid, and binding obligations of the District have happened and have been accomplished and performed in regular and due time, form, and manner, as required by law; that provision has been made for the payment of the principal of and interest on the Bonds by the levy of a continuing, direct annual ad valorem tax upon all taxable property within the District; and that issuance of the Bonds does not exceed any constitutional or statutory limitation. In the event that any provisions herein contained do or would, presently or prospectively, operate to make any part hereof void or voidable, such provisions shall be without effect or prejudice to the remaining provisions hereof, which shall nevertheless remain operative, and such violative provisions, if any, shall be reformed by a court of competent jurisdiction within the limits of the laws of the State of Texas.

IN WITNESS WHEREOF, the District has caused this Bond to be signed with the manual or facsimile signature of the President or Vice President of the Board of Directors of the District and countersigned with the manual or facsimile signature of the Secretary or Assistant Secretary of the Board of Directors of the District, and has caused the official seal of the District to be duly impressed, or placed in facsimile, on this Bond.

**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT - POINT
VENTURE**

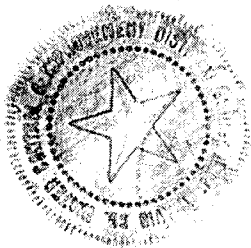


Secretary,
Board of Directors



President,
Board of Directors

[DISTRICT SEAL]



PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Bond is not accompanied by an
executed Registration Certificate of the Comptroller
of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Order described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a Bond, Bonds, or a portion of a Bond or Bonds of a series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

BOKF, NA
Paying Agent/Registrar

Dated:

By: _____
Authorized Representative

SPECIMEN

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or Taxpayer
Identification Number of Transferee

(Please print or typewrite name and address,
including zip code of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____, attorney, to register the transfer of the Bond on the
books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

NOTICE: Signature(s) must be guaranteed
by an eligible guarantor or institution
participating in a securities transfer
association recognized signature guarantee
program.

NOTICE: The signature above must
correspond with the name of the registered
owner as it appears upon the front of this
Bond in every particular, without alteration
of enlargements or any change whatsoever.

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to BOKF, NA, Austin, Texas, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

SPECIMEN