

DOWDELL PUBLIC UTILITY DISTRICT

Order for Bond Election

The Board of Directors of Dowdell Public Utility District (the “District”) met at its regular meeting place on February 15, 2018, with a quorum of directors present, as follows:

Jerry L. Nelson, President
Allison Copony, Vice President
James J. Bertus, Secretary
Christopher Kotran, Assistant Secretary
Danny Staab, Director

and the following were absent:

None

when the following business was transacted:

The order set out below was introduced for consideration of the board. It was duly moved and seconded that said order be adopted; and, after due discussion, said motion was carried by the following vote:

Ayes: All directors shown present.

Noes: None.

The order thus adopted is as follows:

Whereas, Dowdell Public Utility District has been legally created; the directors of the District have qualified as required by law, met and organized; said board of directors has adopted plans for the purchase and construction of plants and improvements to carry out the purpose of its organization; the District’s engineer has submitted to the board of directors a complete engineer’s report covering the plants, improvements, facilities, equipment, and appliances to be purchased or constructed and their estimated cost, together with maps, plats, profiles and data fully showing and explaining same, which report and accompanying items have been approved by the board, filed in the meeting place and office of the District, and open to inspection by the public; and said plants and improvements are designed to furnish a water and sanitary sewer system for service within the District and any land which may hereafter be annexed into the District and a drainage system for the drainage of lands within the District and any land which may hereafter be annexed into the

District.

The District's engineer and the District's board of directors make the following estimate of costs:

Construction costs:	
Water supply, storage and distribution system, wastewater collection and treatment system	\$33,000,000
Stormwater drainage and detention system	\$16,400,000
Construction contingencies, investigation, plans and engineering	<u>\$12,350,000</u>
Total:	\$61,750,000
Incidentals:	\$2,000,000
Administrative expenses of issuing and selling bonds, including financial advisory and legal fees, interest on bonds during estimated construction period, discount on bonds, and operating costs during construction	<u>\$11,250,000</u>
Grand Total:	\$75,000,000

Whereas, the board of directors made no change or modification in the work proposed by or the plans and report of the engineer; no preliminary bonds of the District were authorized or issued; all requirements have been met prerequisite to the ordering of a bond election; and the board is of the opinion that the election should be held for the purpose of submitting the proposition set out hereinafter.

Whereas, the board of directors of the District has determined that it is in the public interest to conduct the election on a uniform election date.

Therefore, be it ordered by the board of directors of District, as follows:

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

Section 2. A bond election shall be held for and within Dowdell Public Utility District on May 5, 2018 at Schultz Elementary, 7920 Willow Forest Drive, Tomball, Harris County, Texas 77375, within the District.

Section 3. At the election, the following proposition shall be submitted to the duly qualified resident electors of the District for their action thereon:

PROPOSITION

Shall the board of directors of Dowdell Public Utility District be authorized to issue bonds of said District in the maximum amount of Seventy Five Million Dollars (\$75,000,000), maturing serially or otherwise over a period not to exceed forty (40) years from their date or dates, and to be issued and sold at any price or prices and to bear interest at any rate or rates as shall be determined within the discretion of the board of directors of the District and as authorized by the laws of the State of Texas at the time of such issuance, for the benefit of the District and any land which may be hereafter annexed into the District, for the purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving and extending a water and sanitary sewer system, a surface water system, and sewage disposal facilities for the District and a drainage system for the drainage of lands within the District, and for paying fees or charges to any regional water authority or similar entity for charges or contributions lawfully levied on the District, and for the further purpose of refunding, by any means now or hereafter authorized by law, all or any portion of any bonds or refunding bonds of the District payable in whole or in part from taxes whether heretofore or hereafter issued by the District, and whether authorized hereunder or at previous or subsequent elections held within and for the District, and to provide for the payment of principal of and interest on such bonds by the levy and collection of a sufficient ad valorem tax upon all taxable property within the District, all as authorized by the Constitution and laws of the State of Texas?

Section 4. The election will be conducted in compliance with the provisions of the Texas Election Code.

Section 5. Paper and/or electronic ballots shall be used in the election. Ballots, voting instructions and the proposition shall be made available in the Spanish, Vietnamese and Chinese (Mandarin) languages for those requesting same. The ballots for said election shall conform to the requirements of the Texas Water Code and the Texas Election Code, as amended, so far as applicable, and shall have printed thereon, in the English, Spanish, Vietnamese and Chinese (Mandarin) languages, the following:

OFFICIAL BALLOT

Instruction Note: Place an "X" in the square beside the statement indicating the way you wish to vote

● FOR -

THE ISSUANCE OF BONDS IN THE MAXIMUM AMOUNT OF SEVENTY FIVE MILLION (\$75,000,000) DOLLARS FOR WATER, SEWER AND DRAINAGE SYSTEM IMPROVEMENTS AND THE LEVY OF AD VALOREM TAXES IN PAYMENT OF THE BONDS

● AGAINST -

Section 6. Only duly qualified residents of the District shall be entitled to vote at the election. The entire District shall constitute one election precinct for purposes of this election.

Section 7. The following are appointed to hold said election:

Cheryl Brisbane, Presiding Judge
Donna Ellison, Alternate Presiding Judge

The presiding judge shall be and is hereby authorized to appoint not more than six (6) election clerks to assist in the conduct of said election.

Section 8. The District's attorneys shall be and they are hereby authorized and directed to assist the secretary of the Board in preparing the official ballot, translation of the ballot in the Spanish, Vietnamese and Chinese (Mandarin) languages, and procuring and distributing the election supplies.

Section 9. Early voting and ballots shall conform to the requirements of the said Texas Water Code and Election Code, as amended, so far as applicable. Early voting by personal appearance shall be conducted at Schultz Elementary, 7920 Willow Forest Drive, Tomball, Harris County, Texas 77375, which, for purposes of this election, is declared to be a public place within the boundaries of the District. The early voting polling place will be open for early voting by personal appearance between the hours of 8:00 am to 4:00 p.m. on each day which is not a Saturday, a Sunday, or an official state holiday, beginning on the twelfth day and continuing through the fourth day preceding the date of said election, April 23, 2018 to May 1, 2018. Applications for ballots by mail shall be mailed to: Presiding Judge for Dowdell Public Utility District Election, 6403 Larkmount Drive, Spring, Texas 77389. Applications for ballots by mail must be received no later than the close of business on April 24, 2018.

Section 10. Notice of said election shall be given as required by law.

Section 11. In accordance with the provisions of Section 3.009(b) of the Texas Election Code, it is hereby found and determined that:

- (a) The proposition language that will appear on the ballot is set forth in Section 5 hereof.
- (b) The purpose for which the bonds are to be authorized is set forth in Section 3 hereof.

(c) The principal amount of the bonds to be authorized is set forth in Section 3 hereof.

(d) As set forth in Section 3 hereof, if the bonds are approved by the voters, the Board of Directors will be authorized to levy annual ad valorem taxes on all taxable property in the District, within the limits prescribed by law, sufficient to pay the annual principal of and interest on the bonds.

(e) Based on the bond market conditions at the date of adoption of this Order, the bonds are to be sold at any price or prices and to bear interest at a rate currently estimated to be 4 % given current market conditions. This estimate is for informational purposes only and should in no way be perceived as forming an agreement or binding contract between the District and the voters and/or any other entity, group, individual and/or party. Furthermore, provided good faith interest rate estimate contained herein in no way limits the District's authority to issue bonds authorized pursuant to the authority granted by the voters at the election held pursuant to this Order.

(f) As set forth in Section 3 hereof, if the bonds are approved, they may be issued in one or more series, to mature serially or otherwise, over a period not to exceed 40 years.

(g) As of the fiscal year beginning October 1, 2017, the aggregate principal amount of the outstanding principal of the District's debt obligations which are secured by ad valorem taxes is \$53,615,000.

(h) As of the fiscal year beginning October 1, 2017, the aggregate amount of the outstanding interest of the District's debt obligations which are secured by ad valorem taxes was \$10,853,475.

(i) The District's ad valorem debt service tax rate for the 2017-2018 fiscal year is \$0.74 per \$100 of taxable assessed valuation.

The President or Vice President is authorized to execute and the Secretary or Assistant Secretary to attest this order on behalf of the board; and any of said officers is authorized to do all things necessary and legal in connection with the holding and consummation of said bond election.

Passed, ordered and adopted, this February 15, 2018.

JERRY L. NELSON

President

ATTEST:

JAMES J. BERTUS

Secretary

I, the undersigned secretary of the board of directors of Dowdell Public Utility District, hereby certify that the foregoing is a true and correct copy of the order made by said board at its regular meeting on February 15, 2018, together with minute entry of that date showing its adoption, calling a bond election to be held for and within said District on May 5, 2018. The originals of said order and minutes appear in the official minute book of the board, on file in an office and meeting place of the District.

I further certify that said meeting was open to the public, and that notice thereof was posted in compliance with the provisions of Tex. Gov't. Code Ann. § 551.001 et seq.

Witness my hand and the official seal of said District, on this February 15, 2018.

/s/ JAMES J. BERTUS

Secretary

