

**ENGINEERING REPORT
FOR
SPRINGHOLLOW MUNICIPAL UTILITY DISTRICT
HAYS COUNTY, TEXAS
WATER, SEWER, AND DRAINAGE BOND ISSUE NO. 6
\$4,385,000**

JULY 2026

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TABLE OF CONTENTS

SECTION 1 – GENERAL INFORMATION	5
(A) Laws, Elections, and Acreage:.....	5
(B) Location:.....	5
SECTION 2 – PROPOSED BOND ISSUE	6
(A) Purpose:	6
(B) Bond and Maintenance Tax Authorization:	6
(C) Prior Bond Issues:	7
(D) Type:	7
(E) Interest Rate:	8
(F) Land-Use Plan:.....	8
(G) Recreational Facilities:.....	8
(H) Roads:.....	8
SECTION 3 – FACILITIES PROPOSED FOR FUNDING.....	9
(A) Purchase of Existing Facilities and/or Assumptions of Existing Contracts:.....	9
(B) Facilities to be Constructed:.....	9
SECTION 4 – SUMMARY OF COSTS.....	10
SECTION 5 – DEVELOPMENT STATUS AND LAND USE	11
(A) Land-Use Table: (as of April 2026)	11
(B) Development from Prior Bonds:.....	12
(C) Development from Proposed Bonds:	12
(D) Development from Future Bonds:	12
(E) Historical Build-Out:	13
(F) Floodplain Information:	13
SECTION 6 – SOURCE OF WATER SUPPLY AND SEWAGE TREATMENT FACILITIES	14
(A) Water Supply:.....	14
(B) Wastewater Treatment:	15
(C) Stormwater Drainage Facilities:	15
SECTION 7 – BASIS OF DESIGN	16

(A) Conformity with Regulatory Requirements:.....	16
(B) Oversizing:	16
SECTION 8 – FINANCIAL INFORMATION.....	17
(A) Growth/No Growth:.....	17
(B) Latest Certified Assessed Valuation:	17
(C) Historical Tax Data:	17
(D) Cash and Investment:.....	17
(E) Outstanding Indebtedness:.....	18
(F) Financial Feasibility:	18
(G) Development Status:	20
(H) Market Information:.....	20
SECTION 9 – SHARED FACILITIES	21
(A) Inventory:.....	21
(B) Calculated Pro Rata Shares:	21
(C) Cost Sharing Arrangements Requested for Commission Approval:	21
(D) Oversizing Required by a Local Government or Other Regulatory Agency: ...	21
SECTION 10 – PLANS, SPECIFICATIONS, OTHER CONSTRUCTION DOCUMENTS.....	22
(A) Plans:	22
(B) Contract Documents:	22
(C) Construction Documents:	22
(D) Checklist:.....	22
SECTION 11 – SPECIAL CONSIDERATIONS	23
(A) Developer Projects:	23
(B) All Projects:	23
SECTION 12 – MISCELLANEOUS CONSIDERATIONS	24
(A) Preconstruction Documents:.....	24
(B) Bid Advertisement:	24
(C) Developer’s 30% Contribution Exemption Request:.....	24
(D) Letters of Credit, Deferment of Bond Proceeds, Other Acceptable Financial Guarantees:	24
(E) Developer Interest Reimbursement:	24
(F) Land and Easement Acquisition:	25
(G) District Participation in Regional Drainage Systems:	25
SECTION 13 – MISCELLANEOUS INFORMATION	26

(A)	Contracts with Professional Consultants:.....	26
(B)	Compliance with Commission Rule Section 293.111(a)(6):.....	26
(C)	Key Personnel:	26
(D)	Reporting Requirements:	28
(E)	Name Signs:.....	28
(F)	Other Information:.....	28
LIST OF ATTACHMENTS.....		29

SECTION 1 – GENERAL INFORMATION

(A) Laws, Elections, and Acreage:

- (i) **Authority Creating District:** Created by order of the Texas Commission on Environmental Quality (TCEQ) on October 31, 2016. A copy of the TCEQ's order is provided as Attachment 1.
- (ii) **Governing Law:** Operates under Chapters 49 and 54 of the Texas Water Code pursuant to Article XVI, Section 59 of the Texas Constitution.
- (iii) **Confirmation Election:** The creation of the District was confirmed by District voters on November 8, 2016. A copy of the order calling and the order canvassing the confirmation election was provided with the District's first bond application.
- (iv) **Acreage:** Springhollow Municipal Utility District consisted of 531.542 acres at the time of creation on October 31, 2016. There have been no annexations or exclusions since creation.
- (v) **Boundary Map:** See Attachment 3.

(B) Location:

The District is located in northern Hays County, approximately 4 miles southwest of the intersection of SH 45 Southwest at FM 1826, on the north side of FM 1826. The District is located within the extraterritorial jurisdiction of the City of Dripping Springs. The District is located within the Bear Creek watershed. A location map is included as Attachment 4

SECTION 2 – PROPOSED BOND ISSUE

(A) **Purpose:**

The purpose of WS&D Bond Issue No. 6 is to fund the Parten Ranch Phase 8, Paving, Drainage, Water, and Wastewater Improvements and the Parten Ranch Phase 6 & 7 Waterline Tie-In. Impact fees paid to the West Travis County Public Utility Agency for Phase 8 will also be funded by Bond Issue No. 6.

(B) **Bond and Maintenance Tax Authorization:**

(i) **Bond Authorization:**

The District is authorized to issue \$55,000,000 in bonds for water, wastewater and drainage facilities. This bond issue does not include any refunding bonds.

The amount of authorized but unissued bonds after this proposed \$4,385,000 Bond Issue is \$13,380,000. In the opinion of the District's Engineer, \$13,380,000 in authorized bonds is sufficient to complete the development of the District's water, wastewater and drainage facilities.

The District is authorized to issue \$17,000,000 in bonds for road facilities.

The amount of authorized but unissued Roadway bonds is \$2,300,000. In the opinion of the District's Engineer, \$2,300,000 in authorized bonds is sufficient to complete the development of the District's roadway facilities.

The District's bond election was held on May 6, 2017. Copies of the order calling and the order canvassing the returns of the bond election were included in the District's first bond application.

Date of Election	Purpose	Amount Approved	Amount Canceled
May 6, 2017	Water, Wastewater & Drainage Facilities	\$55,000,000	\$0.00
May 6, 2017	Roadway Facilities	\$17,000,000	\$0.00

(ii) **Maintenance Tax:**

A maintenance tax election was held in the District on May 6, 2017, and the voters authorized a maintenance tax of \$1.50 per \$100 taxable value. Copies of the order calling and the order canvassing the returns of the maintenance tax election were included in the District's first bond application.

Date of Election	Purpose	Maximum Tax Approved (per each \$100 of AV)	Canceled Prior Authorization
May 6, 2017	General Purpose	\$1.50	\$0.00

(C) **Prior Bond Issues:**

The proposed Bond Issue is the tenth to be completed for the District. Nine prior bond issues (five WS&D, four Roadway) have been closed.

Type of Bonds – Water, Wastewater and Drainage Total Amount Authorized: \$55,000,000			
Bond Issue No.	TCEQ Amount Approved	TCEQ Order Date Approved	Amount Sold
1	\$2,360,000	July 7, 2020	\$2,360,000
2	\$4,375,000	December 17, 2021	\$4,375,000
3	\$12,000,000	April 26, 2023	\$12,000,000
4	\$11,000,000	December 10, 2024	\$11,000,000
5	\$7,500,000	September 8, 2025	\$7,500,000
Total Bonds Sold:			\$37,235,000
Remaining Authorized Bonds:			\$17,765,000

Type of Bonds – Roadway Total Amount Authorized: \$17,000,000			
Bond Issue No.	TCEQ Amount Approved	TCEQ Order Date Approved	Amount Sold
1	N/A	N/A	\$3,900,000
2	N/A	N/A	\$3,400,000
3	N/A	N/A	\$5,400,000
4	N/A	N/A	\$2,000,000
Total Bonds Sold:			\$14,700,000
Remaining Authorized Bonds:			\$2,300,000

(D) **Type:**

Voters approved issuance of unlimited tax bonds. The District seeks the approval of unlimited tax bonds for this issue.

(E) Interest Rate:

An interest rate of 5.25% is proposed for analyzing the feasibility of the proposed Bond Issue.

(F) Land-Use Plan:

A land-use map is shown in Attachment 6.

(G) Recreational Facilities:

No recreational facilities are included in this proposed bond issue.

(H) Roads:

Does the District have the authority to fund roads? ☒ Yes ☐ No

Road powers were granted when the District was created. A copy of the TCEQ's creation order is provided as Attachment 1.

SECTION 3 – FACILITIES PROPOSED FOR FUNDING

(A) **Purchase of Existing Facilities and/or Assumptions of Existing Contracts:**

Project	Contractor	% Complete (Date)	Contract Amount	Amt. Subject to District Contribution
Parten Ranch Ph. 8 – Paving, Drainage, Water & Wastewater	DNT Construction	100% (6/3/26)	\$2,978,280.48 ⁽¹⁾	\$2,053,694.96 ^[2]
Parten Ranch Ph. 6 & 7 – Waterline Tie- In	Joe Bland Construction	100% (10/21/24)	\$150,000.00 ⁽³⁾	\$150,000.00

Notes:

1. Original contract (\$2,879,823.79) plus Change Order No. 1 (+\$26,322.43) for electrical easement clearing and grubbing, plus Change Order No. 2 (+\$60,914.30) for additional hydrants and a valve on an existing line, plus Change Order No. 3 (+\$6,550.00) for a pond actuator valve, plus Change Order No. 4 (+\$13,806.98) for groundwater mitigation, less Change Order No. 5 (-\$9,137.02) for signage.
2. Final contract amount less \$924,585.52 for developer costs.
3. Original amount.

(B) **Facilities to be Constructed:**

All facilities proposed for funding in this bond issue are fully constructed.

SECTION 4 – SUMMARY OF COSTS

Please refer to the following cost summary for projects to be funded from the proceeds of the proposed bond issue. Itemized cost breakdowns for the projects below are included as Attachment 7.

WS&D BOND ISSUE #6 SUMMARY OF COSTS SPRINGHOLLOW MUD

CONSTRUCTION COSTS

A. Developer Contribution Items

	Total Cost	Developer Contribution	District Share
1. Parten Ranch Phase 8			
a. Water	\$ 336,442	\$ -	\$ 336,442
b. Wastewater	\$ 495,268	\$ -	\$ 495,268
c. Drainage	\$ 626,038	\$ -	\$ 626,038
d. Erosion/Sedimentation Control	\$ 200,643	\$ -	\$ 200,643
e. Water Quality	\$ 395,305	\$ -	\$ 395,305
Subtotal	\$ 2,053,695	\$ -	\$ 2,053,695
2. Parten Ranch Phase 6 & 7 Waterline Tie-In	\$ 150,000	\$ -	\$ 150,000
3. Engineering, Testing, and Fees ^{3,4}	\$ 1,455,428	\$ -	\$ 1,455,428
Total Developer Contribution Items	\$ 3,659,123	\$ -	\$ 3,659,123

B. District Items - None

Total Construction Costs	\$ 3,659,123	\$ -	\$ 3,659,123
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83% of Bond Issue Requirements

NON-CONSTRUCTION COSTS

A. Legal & Bond Counsel Fees (3%) ⁵	\$ 131,550
B. Financial Advisory Fees (2%) ⁶	\$ 87,700
C. Interest Costs	
1. Capitalized Interest (Not required per FA)	\$ -
2. Developer Interest ⁷	\$ 245,771
D. Bond Discount (3%)	\$ 131,550
E. TCEQ Issuance Fee (0.25%)	\$ 10,963
F. Bond Issuance Costs and Attorney General's Fee (0.10%)	\$ 4,385
G. Other Bond Expenses	\$ 48,958
H. Bond Application Report Costs	\$ 65,000
Total Non-Construction Costs	\$ 725,877

17% of Bond Issue Requirements

TOTAL BOND ISSUE REQUIREMENT	\$ 4,385,000
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Notes:

1. Assumed Interest Rate **5.25%**
2. Assumed Bond Sale **11/15/2026**
3. Engineering, inspection, testing, and agency fees associated with Parten Ranch Phase 8 construction are included in this application.
4. WTCPUA Impact Fee for Water for Phase 8 was \$14,290 per lot, 83 lots.
5. Legal & Bond Counsel fees are 1.5% each per agreement. See Attachment 21.
6. Financial Advisory fees are 2.0% per agreement. See Attachment 21.
7. See Attachment 9 for Developer Interest calculations.

SECTION 5 – DEVELOPMENT STATUS AND LAND USE

The following information represents development as of **April 1, 2026**.

(A) **Land-Use Table:**

LAND USES	ACREAGE	EQUIVALENT CONNECTIONS	
		EXISTING	PROJECTED
Developable Acreage:			
Developed from prior bond issues (see Table B below)	223.69	419	494
To be developed from the proposed bonds (see Table C below)	21.92	0	86
Currently developed with facilities to be funded in future bonds (see Table D below)	0	0	0
Remaining developable acreage	0	0	0
Subtotal Developable Acreage:	245.61	419	580
Undevelopable Acreage:			
Floodplain, Drainage & Open Space:	234.10	0	0
Other (Public R.O.W.):	51.83	0	0
Subtotal Undevelopable Acreage:	285.93	0	0
Totals	531.54	419	580

(B) Development from Prior Bonds:

**EXISTING DEVELOPMENT
(Prior Bond)**

SECTION	TYPE OF DEVELOPMENT	NO. OF LOTS	ACREAGE	EQUIVALENT CONNECTIONS	
				EXISTING	AT FULL DEVELOPMENT
Parten Ranch Phase 1	Single Family	77	36.82	77	77
Parten Ranch Phase 1 Offsite Development	Utility	None	N/A	None	None
Parten Ranch Phase 2	Single Family	75	54.04	75	75
Parten Ranch Phase 3	Single Family	61	42.14	61	61
Parten Ranch Phase 4	Single Family	87	25.67	87	87
Parten Ranch Phase 5	Single Family	68	27.19	68	68
Parten Ranch Amenity Center	Amenity	1	5.37	4	4
Parten Ranch Phase 6&7	Single Family	122	32.46	47	122
Total		491	223.69	419	494

(C) Development from Proposed Bonds:

**PROPOSED DEVELOPMENT
(Proposed Bond)**

SECTION	TYPE OF DEVELOPMENT	NO. OF LOTS	ACREAGE	EQUIVALENT CONNECTIONS	
				EXISTING	AT FULL DEVELOPMENT
Parten Ranch Phase 8	Single Family	86	21.92	0	86
Total		86	21.92	0	86

(D) Development from Future Bonds:

There is no further development to be funded with WS&D bonds. All areas are built out.

(E) Historical Build-Out:

YEAR	TYPE OF DEVELOPMENT	NO. OF UNITS	ACREAGE/ RESERVES	SQUARE FOOTAGE	EQUIVALENT CONNECTIONS	
					EXISTING	ULTIMATE
2023	Single Family	252	191.23	N/A	252	580
2024	Single Family	372	191.23	N/A	372	580
2025	Single Family	402	223.69	N/A	402	580
TOTALS						580

(F) Floodplain Information:

The current Flood Insurance Rate Map for Hays County, Texas and Incorporated Areas (FIRM Map No. 48209C0140G) dated January 17, 2025 is included as Attachment 11.

(i) What is being done (if anything) to remove the areas of the District currently in the official floodplain?

The portion of the District within the 100-year floodplain contains no proposed development, as shown on the attached Flood Insurance Rate Map for Hays County, Texas and Incorporated Areas (FIRM Map No. 48209C0140G) dated January 17, 2025, included as Attachment 11.

(ii) Are any of the improvements proposed for purchase or construction funding through the proceeds of this bond issue currently in the official floodplain? ____ Yes X No

(iii) Are areas currently in the official floodplain used in the build-out projections used to support this bond issue? ____ Yes X No

(iv) Who is charged with maintaining minimum floor slab elevations in the District area?

Hays County is responsible for maintaining the minimum floor slab elevations.

(v) Are any sites or easements to be funded in the bond issue currently in the floodplain? ____ Yes X No

SECTION 6 – SOURCE OF WATER SUPPLY AND SEWAGE TREATMENT FACILITIES

(A) Water Supply:

(i) **Water Supply Source:**

The District is served by the West Travis County Public Utility Agency (“WTCPUA”) on a retail customer basis. Internal water distribution lines are conveyed from the developer to the District and leased to the WTCPUA for operation as they are completed.

The original developer entered into an agreement with the WTCPUA, “Agreement for the Provision of Nonstandard Retail Water Service”, on April 13, 2015 to provide service to the District. This agreement was assigned to the current developer, HM Parten Ranch Development, Inc., on March 10, 2016. It was amended by “First Amendment to Agreement for the Provision of Nonstandard Retail Water Service” effective June 15, 2017, and by “Second Amendment to Agreement for the Provision of Nonstandard Retail Water Service”, effective April 19, 2018.

The District entered into an agreement with the WTCPUA, “Water Facilities Lease and Services Agreement”, effective May 17, 2018. They also entered into “Agreement for Billing and Disconnection of Retail Water Services” with the WTCPUA effective June 1, 2018.

These agreements are included as Attachment 12.

(ii) **Water Supply Facilities Inventory:**

The District is connected to the WTCPUA’s water system. A detailed inventory of their facilities is not readily available. The WTCPUA has committed to serving the District as documented in the service agreements included as Attachment 12.

(iii) **Interconnects:**

Not applicable.

(iv) The executed Water Supply agreements with the WTCPUA are included as Attachment 12.

(v) No special circumstances exist.

(vi) The District’s water supply is capable of serving 585 ESFCs, which is sufficient to serve the 419 ESFCs necessary to support the feasibility of this proposed bond issue, and the ultimate build out of the District.

(B) Wastewater Treatment:

(i) Wastewater Treatment Facilities:

The original developer entered into a Wholesale Wastewater Agreement with Hays County MUD No. 5 and the District, on September 14, 2015. The agreement provides for sufficient capacity for full development of the District, 580 ESFCs, based on certain improvements made to the Hays County MUD No. 5 WWTP and system. These improvements have all been completed and the District is receiving service from Hays County MUD No. 5. A copy of this agreement is included as Attachment 24. A copy of the Hays County MUD No. 5 wastewater treatment plant permit is included as Attachment 14.

- (ii)** The District has been allocated a flow factor of 225 gpd/LUE per the Wholesale Wastewater Agreement.
- (iii)** Not applicable.
- (iv)** No special circumstances exist.
- (v)** The District's wastewater capacity is capable of serving 580 ESFCs, which is sufficient to serve the 419 ESFCs necessary to support the feasibility of this proposed bond issue, and the ultimate build out of the District.

(C) Stormwater Drainage Facilities:

- (i)** Stormwater flows from the northern portion of the District to Springhollow Creek, a tributary of Bear Creek, which is a tributary to Onion Creek, a tributary of the Colorado River.
- (ii)** Stormwater is collected through a system of curb and gutter, storm inlets, storm sewers, drainage channels, storm water detention and water quality basins, which ultimately flow into Springhollow Creek.
- (iii)** The drainage facilities proposed for funding include curb inlets, storm sewer lines, and a pond.
- (iv)** The TCEQ Edwards Aquifer Authority requires stormwater quality facilities for this development. A batch detention pond and vegetative filter strips are proposed for funding in this application.

SECTION 7 – BASIS OF DESIGN

(A) Conformity with Regulatory Requirements:

The facilities proposed for funding in this application are designed in accordance with the applicable criteria established by regulatory authorities as follows:

(i) **Texas Commission on Environmental Quality:** Yes X No N/A

(ii) **City of Dripping Springs:** Yes X No N/A

(iii) **County of Hays:** Yes X No N/A

(iv) **County Flood Control District:** Yes No N/A X

The District is not located within any county's flood control district.

(v) **Commission Permit Required by Water Code 16.236:** Yes No
N/A X

The District has not constructed any levees.

(vi) **Others:** Not applicable.

(B) Oversizing:

Is the District constructing any facility with capacity in excess of that reasonably anticipated for future in-district uses? Yes X No If yes, is the additional capacity required by a local government or other regulatory agency?
 Yes No X N/A

SECTION 8 – FINANCIAL INFORMATION

(A) **Growth/No Growth:**

The economic feasibility of this bond issue is based on **no-growth**.

The highest projected taxable value shown in the cash flow schedule is **\$420,456,365**.

(B) **Latest Certified Assessed Valuation:**

\$337,099,862 as of **January 1, 2025**. The certificate from the Hays County Appraisal District is included as Attachment 18.

Latest Certified Estimate of Assessed Valuation: \$420,456,365 as of April 1, 2026. The certificate from the Hays County Appraisal District is included as Attachment 18.

(C) **Historical Tax Data:**

The following information is as of **May 1, 2026**. Tax data from the Hays Central Appraisal District was included.

YEAR COLLECTED	ASSESSED VALUATION	DEBT SERVICE TAX RATE	MAINTENANCE TAX RATE	AMOUNT COLLECTED	TOTAL
2020	\$30,133,697	\$0.300	\$0.700	\$301,337	\$301,337
2021	\$58,501,949	\$0.405	\$0.595	\$585,020	\$585,020
2022	\$129,967,388	\$0.500	\$0.500	\$1,299,674	\$1,299,674
2023	\$247,503,969	\$0.750	\$0.250	\$2,475,041	\$2,475,041
2024	\$299,709,691	\$0.825	\$0.175	\$2,991,723	\$2,998,944
2025	\$332,307,070	\$0.850	\$0.150	\$3,261,236	\$3,320,307

(D) **Cash and Investment:**

CASH AND INVESTMENT BALANCES	
As of May 28, 2026	
General Operating	\$3,484,440
Debt Service Fund	\$5,327,981
Capital Projects Fund	\$652,810
Other Funds	\$0.00

(E) **Outstanding Indebtedness:**

(i) **Bond Issues:**

Category	Outstanding Debt	Proposed Debt	Combined Debt	Debt Ratio based on Current Certified or Estimated Value
Water, Wastewater & Drainage	\$36,535,000	\$4,385,000	\$40,920,000	9.73%
Roadway	\$14,410,000	\$0	\$14,410,000	3.43%
Recreational	\$0.00	\$0.00	\$0.00	0

(ii) **Bond-Anticipation Notes:**

The District does not have any outstanding bond-anticipation notes.

(iii) **Were the provisions of Commission Rule 293.54 followed in the issuance of all Bond-Anticipation Notes?** ___Yes ___No X N/A

(iv) **Tax-Anticipation Notes:**

None.

(v) **Other obligations:**

None.

(F) **Financial Feasibility:**

(i) **Build-Out Projections: Is the feasibility of this bond issue based on growth?** ___Yes X No

(ii) **Debt-Service Schedule**

The Projected Debt-Service Schedule is provided as Attachment 15.

(iii) **Revenue Projections**

(a) **Does the District intend to use net revenues from operations for debt service payments?** ___Yes X No

(b) **Does the District intend to use revenues received from a municipality through either a consent agreement or strategic partnership agreement for debt service payments?** ___Yes X No

(iv) **Operating Budget**

The proposed project will not affect the District's operating costs. The current Operating Budget is included as Attachment 16.

(v) **Projected Cash Flow Analysis for Proposed and Existing Debt of District**

Not applicable.

(vi) **No-Growth Cash Flow Analysis for Proposed and Existing Debt of District**

Please refer to Attachment 17.

(vii) **Cash Flow Analysis for All Overlapping Taxing Entities Specifically Attributable to Water, Wastewater, Firefighting, Recreation, or Roads**

Not applicable.

(viii) **Combined Tax Rate**

	Projected Tax Rate	No-Growth Tax Rate
District tax rate		
a. Debt service as shown in cash flow analysis	\$0.850	\$0.850
b. Maintenance Tax (See Attachment 16)	\$0.150	\$0.150
Tax rate for overlapping entities as defined in Commission Rules 293.59(f)(2) and (f)(6) and (e)(2) and (e)(6)		
a. Debt service as shown in cash flow analysis		
1. Entity No. 1:	N/A	N/A
2. Entity No. 2:	N/A	N/A
b. Maintenance Tax		
1. Entity No. 1:	N/A	N/A
2. Entity No. 2:	N/A	N/A
Equivalent surcharge for water and wastewater, if any: If District is within a city, then indicate the portion of the city's tax rate specifically attributable to water, wastewater, drainage, or recreation:	\$0.00	\$0.00
Less any equivalent tax rebate:	\$0.00	\$0.00
TOTAL COMBINED TAX RATE	\$1.00	\$1.00

(ix) **Total Taxable Value of Area to be Taxed**

\$420,456,365 as of **April 1, 2026.**

(x) **Waiver of Special Appraisal**

The Waiver of Special Appraisal is provided in Attachment 19.

(xi) **Overlapping Tax Rates**

TAXING JURISDICTIONS	TAX YEAR	CURRENT TAX RATE PER \$100 VALUATION	PROJECTED TAX RATE PER \$100 VALUATION
Hays County	2025	0.3999	0.3999
Dripping Springs I.S.D.	2025	1.1052	1.1052
Special Road District	2025	0.0415	0.0415
Hays Co. Fire E.S.D. No. 6	2025	0.08024	0.08024
North Hays Co. E.S.D. No. 1	2025	0.05	0.05
Springhollow MUD	2025	1.0000	1.0000
TOTAL	-	2.67684	2.67684

(G) **Development Status:**

Does the District have a developer as defined by Water Code Section 49.052(d)?

☒ Yes ☐ No

(i) **Status of Construction**

Does the District meet the conditions of Commission Rule 293.59(k)(6) regarding completion of facilities prior to Commission approval necessary to serve the projected development?

- 1. Compliance with 293.59(k)(6)(A)?** ☒ Yes ☐ No ☐ Exempt
- 2. Compliance with 293.59(k)(6)(B)?** ☒ Yes ☐ No ☐ Exempt
- 3. Compliance with 293.59(k)(6)(C)?** ☒ Yes ☐ No ☐ Exempt
- 4. Compliance with 293.59(k)(6)(D)?** ☒ Yes ☐ No ☐ Exempt
- 5. Compliance with 293.59(k)(6)(E)?** ☒ Yes ☐ No ☐ Exempt

(ii) **Status of Growth Projected in Previous Bond Issue, if Applicable**

- (a) Does the District meet the conditions of Commission Rule 293.59(l)(2) and 293.59(l)(3) regarding completion of water and wastewater facilities necessary to serve the connections projected in the previous bond applications?** ☐ Yes ☐ No ☒ N/A

The previous Bond Issue was based on No-Growth.

- (b) Does the District meet the condition of Commission Rule 293.59(l)(4) regarding 75% completion of all prior bond issues?** ☐ Yes ☐ No ☒ N/A

The previous Bond Issue was based on No-Growth.

(H) **Market Information:**

A market study is not provided for the reason below:

No growth is projected in determining the feasibility of this bond issue.

SECTION 9 – SHARED FACILITIES

(A) **Inventory:**

There are no shared facilities to be funded with the proceeds of this application.

(B) **Calculated Pro Rata Shares:**

Not applicable.

(C) **Cost Sharing Arrangements Requested for Commission Approval:**

Not applicable.

(D) **Oversizing Required by a Local Government or Other Regulatory Agency:**

Not applicable.

SECTION 10 – PLANS, SPECIFICATIONS, OTHER CONSTRUCTION DOCUMENTS

(A) Plans:

(i) Construction Plans

Copies of the Parten Ranch Phase 8 Paving, Drainage, Water and Wastewater Improvements plans and Parten Ranch Phase 6 & 7 Waterline Tie-In plan are submitted with this bond application. See Attachment 20.

(ii) Plat

A copy of the Parten Ranch Phase 8 recorded plat has been included with this bond application. See Attachment 20.

(B) Contract Documents:

Contract documents for the Parten Ranch Phase 8 Paving, Drainage, Water and Wastewater Improvements are submitted with this bond application. See Attachment 20.

(C) Construction Documents:

Construction documents for Parten Ranch Phase 8 Paving, Drainage, Water and Wastewater Improvements and the Parten Ranch Phase 6 & 7 Waterline Tie-In are submitted with this bond application. See Attachment 20.

(D) Checklist:

Construction contract checklists are included with the construction documents.

SECTION 11 – SPECIAL CONSIDERATIONS

(A) Developer Projects:

Are any of the projects in the proposed bond issue developer projects as defined in Commission Rule 293.44(a)(1)? ☒ Yes ☐ No

(i) **Clearing and Grubbing:** Not applicable.

(ii) **Spreading and Compacting of Fill:** Not applicable.

(iii) **Change in Development Plan:**

Do any of the projects in the proposed bond issue include the replacement or relocation of existing or designed facilities? ☐ Yes
☒ No

(iv) **Railroad, Pipeline, or Underground Utility Relocations:** Not applicable.

(v) **Joint-Use Engineering Studies:** No funding is requested for engineering studies.

(vi) **Bridges and Culverts:** There is one culvert included in the Phase 8 project proposed for funding. There is a 36" culvert crossing at Bird Hollow. The cross-sectional area is less than 9 square feet.

(vii) **Proration of Dual Lake-Detention Pond:**

Does the project include funds for the purchase or construction of detention pond facilities which will hold water continuously for aesthetic or recreational purposes? ☐ Yes ☒ No

(viii) **Floodplain Mitigation:**

Does the project include funds for costs associated with the mitigation of floodplain areas? ☐ Yes ☒ No

(B) All Projects:

(i) **Appraisals:** None of the facilities are being purchased on the basis of an appraisal as prescribed by Commission Rule 293.44(b)(1).

(ii) **Contract Revenue bonds:**

Are the proposed bonds contract revenue bonds? ☐ Yes ☒ No

(iii) **Impact Fees and Capital Recovery Fees:**

Does the proposed bond issue include funding for fees calculated and collected under the provisions of Local Government Code 395?
☒ Yes ☐ No

Water impact fees are required per Section 4.1 of the Water Agreement with the WTCPUA, which is provided as Attachment 12.

SECTION 12 – MISCELLANEOUS CONSIDERATIONS

(A) **Preconstruction Documents:**

A copy of the developer financing agreement is included as Attachment 19.

(B) **Bid Advertisement:**

Were the competitive bidding statutes complied with in each of the construction contracts executed? X Yes No

The Parten Ranch Phase 6 & 7 Waterline Tie-In was not bid because it was intended to be a change order to the Parten Ranch Phase 6 & 7 Paving, Drainage, Water, and Wastewater Improvements contract. The WTCPUA required the installation of a pressure reducing valve (PRV) in a vault at the tie-in to an existing waterline during the course of construction. The WTCPUA approval of the PRV was not received until after the Phase 6 & 7 project was closed and nearing the end of the acceptance process with the WTCPUA. Rather than re-opening the project to issue a change order, which would have restarted the acceptance process with the WTCPUA, or having another contractor work on a waterline that was already under warranty by the current contractor, the work was done by the Phase 6 & 7 contractor as an independent item.

(C) **Developer's 30% Contribution Exemption Request:**

The District is requesting a *conditional exemption* from the requirement to obtain a 30% contribution from the developer on certain construction contracts on the anticipation of the following condition being met:

 X The District anticipates obtaining an acceptable credit rating [as such rating is defined in Commission Rule 293.47(b)(4)] prior to the sale of the proposed bond issue. A letter from the District's financial adviser addressing the District's ability to obtain such a rating is included as Attachment 25.

(D) **Letters of Credit, Deferment of Bond Proceeds, Other Acceptable Financial Guarantees:**

Not applicable. The facilities proposed for funding in this bond issue and the facilities required to serve the development assumed in determining the feasibility of this bond issue are complete.

(E) **Developer Interest Reimbursement:**

The District is requesting approval to reimburse the developer for interest. A tabular breakdown is included as Attachment 9.

(F) Land and Easement Acquisition:

(i) Stormwater Detention Facilities:

Does the District intend to purchase easements or sites for stormwater detention facilities? ____ Yes X No

(ii) Easements Outside the District's Boundaries:

Does the District intend to purchase easements outside the District's boundaries? ____ Yes X No

(iii) Downstream Drainage Channels:

Does the District intend to purchase easements to improve drainage channels downstream of the District that pass through other Districts? ____ Yes X No

(iv) Recreational Facility Sites:

Does the District intend to purchase sites for recreational facilities? ____ Yes X No

(G) District Participation in Regional Drainage Systems:

Does the proposed bond issue include funds to be paid to a regional drainage authority for capacity in a regional stormwater detention system? ____ Yes X No

SECTION 13 – MISCELLANEOUS INFORMATION

(A) Contracts with Professional Consultants:

Copies of contracts with professional consultants whose fees are included in this bond issue are enclosed as Attachment 21.

(B) Compliance with Commission Rule Section 293.111(a)(6):

The West Travis County PUA is responsible for the water and wastewater service connection inspection program. See Attachment 22.

(C) Key Personnel:

(i) President, Board of Directors

Scott Deskins
c/o Armburst & Brown, PLLC
100 Congress Avenue, Suite 1300
Austin, Texas 78701
Attention: Carter Dean
Phone: (512) 435-2300

(ii) District Attorney

Mr. Carter Dean
Armbrust & Brown, PLLC
100 Congress Ave., Suite 1300
Austin, Texas 78701
Phone: (512) 435-2300

(iii) Bond Counsel

Ms. Carol Polumbo
McCall Parkhurst & Horton, L.L.P.
600 Congress Ave., Suite 1800
Austin, Texas 78701
Phone: (512) 478-3805

(iv) Financial Advisor

Specialized Public Finance, Inc.
248 Addie Roy Road
Suite B-103
Austin, Texas 78746
Attention: Mr. Garry R. Kimball
Phone: (512) 275-7300

(v) Operator

Mr. Andrew Hunt
Crossroads Utility Services, LLC
2501 Forest Creek Drive
Round Rock, Texas 78665
Phone: (512) 246-1400

(vi) General Manager

Mr. Andrew Hunt
Crossroads Utility Services, LLC
2501 Forest Creek Drive
Round Rock, Texas 78665
Phone: (512) 246-1400

(vii) Tax Assessor-Collector

Hays County
712 S. Stagecoach Trail, Suite 1120
San Marcos, Texas 78666
Attention: Ms. Jennifer Escobar
Phone: (512) 393-5545

(viii) Chief Appraiser, Hays County

Hays Central Appraisal District
21001 N. IH 35
Kyle, Texas 78640
Attention: Ms. Laura Raven
Phone: (512) 268-2522

(ix) Principal Developer

Mr. Tim Sawtelle
HM Parten Ranch Development, Inc.
2901 Bee Caves Road, Suite F
Austin, Texas 78746
Phone: (512) 481-0303

(x) Engineer

LJA Engineering, Inc.
3711 S. Mopac Expressway, Building II, Suite 500
Austin, Texas 78746
Attention: Mr. Daniel Ryan, P.E.
Phone: (512) 439-4700

(xi) Bookkeeper

Mr. Allen Douthitt
Bott & Douthitt, P.L.L.C.
P.O. Box 2445
Round Rock, Texas 78680
Phone: (512) 733-0700

(D) Reporting Requirements:

Has the District submitted a current Directors' Registration Form?

 X Yes No

Has the District submitted a current District Information Form as required by Water Code Section 49.455? X Yes No

Has the District submitted a current Audit Report or Financial Dormancy Affidavit? X Yes No

(E) Name Signs:

Has the District posted at least two name signs, at two or more principal entrances to the District? X Yes No

One name sign is posted along Parten Ranch Parkway and the second is located along Parten Ranch Parkway at the entrance from F.M. 1826. A photo is included as Attachment 23.

(F) Other Information:

None.

LIST OF ATTACHMENTS

1. Creation Documents
2. Annexations and Exclusions (N/A)
3. Current Boundary Map
4. Location Map
5. Bond Election (See District's First Bond Application)
6. Land Use Plan
7. Itemized Cost Breakdowns
8. Pro-Rata Cost Share Calculations (N/A)
9. Tabular Breakdown of Developer Interest
10. Copies of Special Contracts Between the Developer and City
11. Floodplain Map
12. Water Agreements
13. Engineering Report on Water System of a Supplying Entity (N/A)
14. Wastewater Permit
15. Debt Service Schedule
16. Operating Budget
17. Pro Forma
18. Latest Assessed Valuation
19. Preconstruction Agreements
20. Construction Documents (under separate cover)
21. Professional Consultant Contracts
22. Rule 293.111 Compliance Certificate
23. Name Signs
24. Parten Ranch Wholesale Wastewater Agreement
25. Letter from Financial Advisor