NOTICE OF BOND ELECTION

TO THE RESIDENT, QUALIFIED ELECTORS OF THE GALVESTON COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1:

 NOTICE IS HEREBY GIVEN that an election will be held in the GALVESTON COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1, on the 6th day of May, 2023, in accordance with the following order:

**ORDER CALLING BOND ELECTION**

 WHEREAS, Galveston County Water Control and Improvement District No. 1 (the “District”), located in Galveston County, Texas, was created under the authority of Article XVI, Section 59 of the Texas Constitution and operates pursuant to Chapters 49 and 51, Texas Water Code, with the purposes and powers described therein; and

 WHEREAS, the Board finds and determines that it is necessary and advisable to call and hold an election for and within the District on the proposition hereinafter set forth; and

 WHEREAS, as required by Section 51.410, Texas Water Code, before an election may be called to authorize the issuance of the bonds, there has been filed in the office of the District, open to inspection by the public, a report prepared by the District’s engineer (the “Report”) covering the land, improvements, facilities, plants, equipment and appliances to be purchased or constructed, as well as additional improvements, to the District’s water, sewer and drainage system and their estimated cost together with maps, plants, profiles, and data fully showing and explaining the report (the “Improvements”);

 WHEREAS, the Board finds that the estimate of probable costs of the design, construction, purchase, and acquisition of the Improvements and additions thereto, and incidental expenses connected with such improvements and the issuance of bonds, is $33,000,000;

WHEREAS, the Board desires to submit to the electors within the District, at an election to be held on May 6, 2023, which is a uniform election date established by Section 41.001, Texas Election Code, a proposition for the issuance of unlimited tax bonds of the District in the maximum principal amount of $33,000,000; and

WHEREAS, Section 51.414, 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, pursuant to Sections 31.092, Texas Election Code, the District intends to contract with Galveston County (the “County”) for certain election services and equipment in connection with the Election, including all of the supervisory and administrative duties relating to the conduct of the Election, pursuant to a contract (the “Election Services Contract”) between the District and the County;

 WHEREAS, pursuant to Chapter 271, Texas Election Code, as amended, the District will conduct a joint election with College of the Mainland (the “College”) and Dickinson Independent School District (the “School District”) via the Election Services Contract;

 WHEREAS, the Board finds and declares that the meeting at which this Order is considered is open to the public, and that the public notice of the time, place and purpose of the meeting was given, as required by Chapter 551, Texas Government Code, as amended and

WHEREAS, the Board wishes to proceed with the ordering of said election; Now, Therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF GALVESTON COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 THAT:

Section 1: Findings. (a) The statements contained in the preamble of this Order are true and correct and have hereby adopted as findings of fact and as a part of the operative provisions hereof.

(b) If the bonds are authorized, the estimated total tax rate of the District is expected to be approximately $0.2891 per $100 of taxable assessed valuation, which represents the sum of (i) the most recently adopted tax rate for operations and maintenance, which is $0.1000 per $100 of taxable assessed valuation, plus (ii) the estimated tax rate for voted debt obligations of the District, including the bonds, which is expected to be approximately $0.1891 per $100 of taxable assessed valuation. This estimated total tax rate is derived from projections obtained from the District’s financial advisor and the appraisal district and is provided without any assurance that such projections will be realized. At the time that bonds are issued, the actual total tax rate will depend upon, among other factors, prevailing interest rates, the assessed value of real property in the District and general market conditions.

(c) As of the beginning of the District’s current fiscal year,

1. the aggregate amount of outstanding principal of the District’s debt obligations was $7,555,000;
2. the aggregate amount of outstanding interest on the District’s debt obligations was $2,349,950, and
3. the District’s ad valorem debt service tax rate as of the date of adoption of this Election Order is $0.1357 per $100 of taxable property.

 The statements contained in these findings (i) are based on information available to the District on the date of adoption of this Election Order, including projections obtained from the District’s financial advisor, (ii) necessarily consist of estimates and projections that are subject to change based on facts, circumstances and conditions at the time that bonds approved pursuant to this Election Order are issued and (iii) are not intended to limit the authority of the Board to issue bonds in accordance with other terms contained in this Election Order. Accordingly, actual tax rates, interest rates, maturity dates, aggregate outstanding indebtedness and interest on such debt will vary and will be established after the bonds are issued. To the extent of any conflict between this subsection and other terms of this Election Order, such other terms control.

(d) The Early Voting Clerk’s internet website is https://www.galvestonvotes.org/. The District’s internet website is https://www.wcid1.com/.

(e) The form of the voter information document (the “Voter Information Document”) for Proposition A (hereafter defined), as required by Section 1251.052, Texas Government Code, is attached hereto as **Exhibit C**. The Voter Information Document shall be posted in the same manner as is required for the posting of this Order, pursuant to the provisions of Section 4.003(f), Texas Election Code.

Section 2: Approval. The Report and estimate of costs described above are hereby approved.

Section 3: Election Order; Date; Proposition. An election (the “Election”) shall be held for and within the District on Saturday, May 6, 2023 (“Election Day”), in accordance with the Texas Election Code (the “Code”). At the Election, the following proposition (“Proposition A”) shall be submitted to the qualified voters of the District in accordance with law:

**GALVESTON COUNTY WCID NO. 1 SPECIAL ELECTION**

**GALVESTON COUNTY WCID NO. 1 PROPOSITION A**

SHALL THE BOARD OF DIRECTORS OF GALVESTON COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM PRINCIPAL AMOUNT OF $33,000,000 MATURING SERIALLY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD 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 OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH ISSUE OR SERIES OF BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF PURCHASING, CONSTRUCTING, ACQUIRING, OWNING, OPERATING, REPAIRING, IMPROVING, OR EXTENDING, INSIDE AND OUTSIDE THE DISTRICT’S BOUNDARIES, ANY AND ALL DISTRICT WORKS, IMPROVEMENTS, FACILITIES, PLANTS, EQUIPMENT, AND APPLIANCES NEEDED TO PROVIDE A WATERWORKS SYSTEM AND SANITARY SEWER SYSTEM, INCLUDING, BUT NOT LIMITED TO, ALL COSTS ASSOCIATED WITH FLOOD PLAIN AND WETLANDS REGULATION AND ENDANGERED SPECIES, INCLUDING MITIGATION, NEEDED TO ACCOMPLISH THE PURPOSES OF THE DISTRICT; AND SHALL THE BOARD OF DIRECTORS BE AUTHORIZED TO LEVY AND PLEDGE, AND CAUSE TO BE ASSESSED AND COLLECTED, ANNUAL AD VALOREM TAXES ON ALL TAXABLE PROPERTY IN THE DISTRICT SUFFICIENT, WITHOUT LIMIT AS TO RATE OR AMOUNT, TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS; SAID BONDS TO BE ISSUED AND SAID TAXES TO BE LEVIED, PLEDGED, ASSESSED, AND COLLECTED UNDER THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, INCLUDING THE TEXAS WATER CODE?

Section 4: Official Ballot. (a) Voting at the Election, and early voting therefor, shall be by the use of the lawfully approved County voting systems and ballots. The official ballots for the Election shall be prepared in accordance with the Texas Election Code. The official ballots shall be prepared using English and Spanish. Oral assistance in Spanish shall be made available to all persons requiring such assistance.

(b) The preparation of the necessary equipment and the official ballots for the Election shall conform to the requirements of the Code so as to permit the electors to vote “FOR” or “AGAINST” the aforesaid Proposition A which shall be set forth on the ballots substantially in the following form:

**GALVESTON COUNTY WCID NO. 1 SPECIAL ELECTION**

**GALVESTON COUNTY WCID NO. 1 PROPOSITION A**

|  |  |  |  |
| --- | --- | --- | --- |
| [  ][  ] | FORAGAINST | ))))))))) | THE ISSUANCE OF BONDS IN THE AMOUNT OF $33,000,000 FOR WATER AND SANITARY SEWER SYSTEMS AND THE LEVY OF TAXES, WITHOUT LIMIT AS TO RATE OR AMOUNT, IN PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS |

Section 5: Persons Qualified to Vote. All resident, qualified electors of the District shall be eligible to vote at the Election.

Section 6: Election Precincts, Voting Locations and Voting Hours on Election Day. The present boundaries of the District are hereby established as and shall constitute one election precinct. The voting location for voting on Election Day shall be as set forth in Exhibit A, attached hereto and incorporated herein. On Election Day the polls shall be open from 7:00 a.m. to 7:00 p.m.

Section 7: Early Voting Locations, Dates and Times. (a) Early voting by personal appearance for all election precincts shall be held at the location, at the times and on the days set forth in Exhibit B, attached hereto and incorporated herein.

(b) The Galveston County Clerk is hereby appointed as the Early Voting Clerk. Applications for ballot by mail shall be sent to:

Galveston County Clerk

 Early Voting Clerk

 P.O. Box 17253

 Galveston, Texas 77552

Section 8: Election Judge and Clerks. The election judges, alternate judges, clerks and other personnel necessary for conducting the Election shall be appointed, and election judges and alternate judges may be changed, in accordance with the Election Services Contract and the Code.

Section 9: Election Services Contract. Pursuant to the applicable provisions of the Election Code, including but not limited to Chapter 31 of the Code, the Board hereby approves and authorizes the President, Secretary and/or the General Manager of the District to sign the Election Services Contract with the County for any election services and equipment the necessary or useful in holding the Election and carrying out the provisions of this Order.

Section 10: Custodian of Records. To the extent not otherwise provided for in the Contract for Election Services with Galveston County, the Board appoints Ivan Langford and Angela Maloney, employees of the District, as Custodians of Records (“Custodians”) and agents to the Board Secretary to perform the duties related to the conduct and maintenance of records of the election as required under the Texas Election Code. The Custodians shall maintain an office open for election duties at least three (3) hours each day, during regular office hours, on regular business days during the period required by law. The Custodians shall post notice of the location and hours of the office as required by the Texas Election Code. The Custodians shall maintain in her office the documents, records and other items relating to the election and shall be the person designated to receive documents on behalf of the District.

Section 11: Notice of Election. Notice of the Election shall be provided to the County Clerk of Galveston County no later than the sixtieth (60th) day before Election Day. Notice of the Election, stating in substance the contents of this Election Order, shall be published one time in English and Spanish, in a newspaper published within the District’s territory or, if none is published in the District’s territory, in a newspaper of general circulation in the District’s territory, at least ten (10) days and no more than thirty (30) days prior to Election Day. Notice of the Election shall also be given by posting a substantial copy of this Election Order, in both English and Spanish, (i) on Election Day and during early voting by personal appearance, in a prominent location at each polling place and (ii) not later than the twenty-first (21st) day before the Election, on the bulletin board used for posting notices of meetings of the Board and in three (3) public places within the boundaries of the District. In addition, this Election Order, together with the notice of Election and the contents of Proposition A, shall be posted on the District’s website, in both English and Spanish, during the twenty-one (21) days before the Election.

Section 12: Conduct of Election. The Election shall be held in accordance with the Code, except as modified by the Texas Water Code, and the Federal Voting Rights Act of 1965, as amended, including particularly Chapter 272 of the Code pertaining to bilingual requirements.

Section 13: Necessary Actions. The President, Vice President and Secretary of the Board, in consultation with the District’s attorney and bond counsel are hereby authorized and directed to take any and all actions necessary to comply with the provisions of the Code and the Federal Voting Rights Act in carrying out and conducting the Election, whether or not expressly authorized herein.

Section 14: Issuance of Bonds. In the event the election results favorably for the proposition submitted regarding the bonds described in the aforesaid proposition, the Board shall be authorized to issue said bonds, payable from taxes, on the terms and conditions described in the proposition voted in the election.

Section 15: Severability. If any provision, section, subsection, sentence, clause or phrase of this Order, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, invalid, or unenforceable, neither the remaining portions of this Order nor their application to other persons or sets of circumstances shall be affected thereby, it being the intent of the Board in adopting this Order that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, invalidity or unenforceability of any other portion hereof, and all provisions of this Order are declared to be severable for that purpose.

PASSED AND APPROVED on the 17th day of January, 2023.

 /s/ Ron Morales

 President, Board of Directors

 Galveston County Water Control and Improvement District No. 1

ATTEST:

/s/ Doreen Bridges

Secretary, Board of Directors

Galveston County Water Control and Improvement District No. 1

(SEAL)

**EXHIBIT A**

GALVESTON COUNTY VOTING LOCATIONS\*

Saturday, May 6, 2023: 7AM – 7PM

*\*Locations subject to change pursuant to Election Services Contract*

**Moody Methodist Church**

2803 53rd Street

Galveston, TX 77551

**Galveston Court House**

722 Moody St

Galveston, TX 77550

**Seaside Church**

16534 Termini- San Luis Pass Rd

Galveston, TX 77554

**Pump House**

715 30th street

Galveston, TX 77550

**Mud 12 Building**

2929 Hwy 6 2nd Floor

Bayou Vista, TX 77563

**Hitchcock ISD**

7801 Neville Rd. Board Rm.

Hitchcock, TX 77563

**La Marque Community Room**

1109 Bayou Rd

La Marque, TX 77568

**Carver Park**

6415 Park Ave.

Texas City, TX 77591

**Nessler Center Surf Rm.**

2010 5th Ave. N.

Texas City, TX 77590

**COM Main**

1200 Amburn Rd. Tech Voc. Bldg. Rm. 1344

Texas City, TX 77591

**Santa Fe Museum**

13304 Highway 6

Santa Fe, TX 77510

**Dickinson City Hall**

4403 Hwy 3 Meeting Rm. 2

Dickinson, TX 77539

**Dickinson Com. Center**

2714 Hwy 3

Dickinson, TX 77539

**Kemah Community Center**

800 Harris Ave

Kemah, TX 77565

**Clear Lake Shores Club House**

931 Cedar Rd.

Clear Lake Shores, TX 77565

**Education Support Center**

2425 S. Main St.

League City, TX 77573

**COM League City**

1411 W. Main St. Rm. 103

League City, TX 77573

**First Baptist Church FW Club 56 Room**

202 Heritage

Friendswood, TX 77546

**Friendswood Fire Dpt. 1**

1610 Whitaker Dr. Meeting Rm.

Friendswood, TX 77546

**EXHIBIT B**

EARLY VOTING LOCATION, DATES AND TIMES

*\*Locations subject to change pursuant to Election Services Contract*

**Monday, April 24, 2023 – Friday, April 28, 2023…………………………8:00 am to 5:00 pm**

**Monday, May 1, 2023 – Tuesday, May 2, 2023……………………………7:00 am to 7:00 pm**

**Main Early Voting Location**

**Galveston County Justice Center**

**600 59th St. 1st Floor Concession Area**

**Galveston, TX 77551**

**Moody Methodist Church**

2803 53rd Street

Galveston, TX 77551

**Galveston Court House**

722 Moody St

Galveston, TX 77550

**Seaside Church**

16534 Termini- San Luis Pass Rd

Galveston, TX 77554

**Pump House**

715 30th street

Galveston, TX 77550

**Galveston ISD Admin Bldg.**

3904 Ave T

Galveston, TX 77550

**Mud 12 Building**

2929 Hwy 6 2nd Floor

Bayou Vista, TX 77563

**Hitchcock City Hall**

7423 Hwy 6

Hitchcock, TX 77563

**La Marque Community Room**

1109 Bayou Rd

La Marque, TX 77568

**Carver Park**

6415 Park Ave.

Texas City, TX 77591

**Nessler Center**

2010 5th Ave. N.

Texas City, TX 77590

**COM Main**

1200 Amburn Rd. Tech Voc. Bldg. Rm 1344

Texas City, TX 77591

**Santa Fe Museum**

13304 Highway 6

Santa Fe, TX 77510

**Dickinson City Hall**

4403 Hwy 3 Meeting Rm. 2

Dickinson, TX 77539

**Dickinson Com. Center**

2714 Hwy 3

Dickinson, TX 77539

**Kemah Community Center**

800 Harris Ave

Kemah, TX 77565

**Clear Lake Shores Club House**

931 Cedar Rd.

Clear Lake Shores, TX 77565

**Education Support Center**

2425 E. Main St.

League City, TX 77573

**COM League City**

1411 W. Main St. Rm 103

League City, TX 77573

**First Baptist Church FW Club 56 Room**

202 Heritage

Friendswood, TX 77546

\*Subject to change up until election day

**EXHIBIT C**

**Voter Information Document for galveston county water control and improvement district no. 1 Bond Proposition A**

(a) The language that will appear on the ballot for Proposition A is set forth below:

**galveston county water control and improvement district no. 1 PROPOSITION A**

 [ ] FOR

THE ISSUANCE OF BONDS IN THE AMOUNT OF $33,000,000 FOR WATER AND SANITARY SEWER SYSTEMS AND THE LEVY OF TAXES, WITHOUT LIMIT AS TO RATE OR AMOUNT, IN PAYMENT OF THE PRINCIPAL AND INTEREST ON THE BONDS

 [ ] AGAINST

(b) Certain information is provided in the table below:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Principal Amount of Bonds to be Authorized: | Estimated Interest for Bonds to be Authorized: | Estimated Combined Principal and Interest for Bonds to be Authorized: | Principal of all Outstanding Tax Debt (as of date of the Election Order): | Estimated Remaining Interest on all Outstanding Tax Debt (as of date of the Election Order): | Estimated Combined Principal and Interest on all Outstanding Tax Debt (as of date of the Election Order): |
| $33,000,000 | $19,410,500  | $52,410,500  | $7,555,000  | $2,349,950  | $9,904,950  |

(c) The estimated maximum annual increase in the amount of taxes that would be imposed on a residence homestead in the District with an appraised value of $100,000 to repay the Bonds to be authorized under Proposition A is $151.86, assuming: (i) the Bonds to be authorized are issued over a 20-year period, from 2023 to 2043, (ii) a maximum maturity of 40 years for the Bonds, (iii) an amortization of all debt obligations of the District including the Bonds, over 20 years, (iv) an interest rate of 5.00% on the Bonds, and (v) a 0.0% – 2.0% annual growth in taxable assessed values in the District over the life of the bonds. The foregoing is only an estimate provided to comply with Texas law and is subject to change; it does not serve as a limitation or a guarantee regarding outstanding indebtedness, the amount of taxes actually imposed, the amortization period for the bonds or the District’s other debt obligations, interest rates, or taxable assessed values.

CERTIFICATE FOR ORDER

THE STATE OF TEXAS §

COUNTY OF GALVESTON §

We, the undersigned officers of the Board of Directors of Galveston County Water Control and Improvement District No. 1, hereby certify as follows:

1. The Board of Directors of Galveston County Water Control and Improvement District No. 1, convened in regular session on the 17th day of January, 2023, at the regular meeting place thereof, within the boundaries of the District, and the roll was called of the duly constituted officers and members of said Board of Directors, to wit:

Ron Morales President

Shamarion Barber Vice President

Doreen Bridges Secretary-Treasurer

John Mitchiner Director

Jeffrey Spriggins Director

and all of said persons were present, except the following absentee(s): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

ORDER CALLING BOND ELECTION

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

AYES: All members of said Board shown present above voted "Aye".

NOES: None.

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

SIGNED AND SEALED this 17th day of January, 2023.

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 Secretary-Treasurer, Board of Directors

(SEAL)