PRELIMINARY OFFICIAL STATEMENT DATED MAY 18, 2026

This Preliminary Official Statement is subject to completion and amendment and is intended solely for the purpose of soliciting initial bids on the Bonds. Upon the sale of the Bonds, the Official Statement will be completed and delivered to the Initial Purchaser.

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, INTEREST ON THE BONDS (I) IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES UNDER SECTION 103 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND (II) IS NOT AN ITEM OF TAX PREFERENCE FOR PURPOSES OF THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS. SEE "TAX MATTERS" HEREIN, INCLUDING INFORMATION REGARDING POTENTIAL ALTERNATIVE MINIMUM TAX CONSEQUENCES FOR CORPORATIONS.

THE BONDS WILL BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

NEW ISSUE - Book-Entry-Only

Underlying Rating: S&P "BBB+"
See "MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE" herein.

$5,660,000
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
(A political subdivision of the State of Texas located within Harris County)
DEFINED AREA NO. 1 UNLIMITED TAX BONDS, SERIES 2026

Dated Date: July 1, 2026 **Due: October 1, as shown below**
Interest Accrual Date: Date of Delivery

Principal of the bonds described above (the "Bonds") will be payable at stated maturity or redemption upon presentation of the Bonds at the principal payment office of the paying agent/registrar, initially The Bank of New York Mellon Trust Company, N.A. (the "Paying Agent/Registrar," "Paying Agent" or "Registrar") in Houston, Texas. Interest on the Bonds will accrue from the date of initial delivery (expected to be on or about July 28, 2026) (the "Date of Delivery") and be payable on April 1, 2027 and on each October 1 and April 1 thereafter until the earlier of maturity or redemption. Interest will be calculated on the basis of a 360-day year of twelve 30-day months. The Bonds will be issued only in fully registered form in $5,000 denominations or integral multiples thereof. The Bonds are subject to redemption prior to maturity as shown below.

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 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 as described herein. See "BOOK-ENTRY-ONLY SYSTEM."

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS

Due (Oct. 1)	Principal Amount (a)	Interest Rate	Initial Reoffering Yield (b)	CUSIP Number (c)	Due (Oct. 1)	Principal Amount (a)	Interest Rate	Initial Reoffering Yield (b)	CUSIP Number (c)
2027	$ 75,000				2041	$ 150,000 (d)			
2028	80,000				2042	160,000 (d)			
2029	80,000				2043	170,000 (d)			
2030	85,000				2044	175,000 (d)			
2031	90,000				2045	185,000 (d)			
2032	95,000 (d)				2046	195,000 (d)			
2033	100,000 (d)				2047	205,000 (d)			
2034	105,000 (d)				2048	215,000 (d)			
2035	110,000 (d)				2049	230,000 (d)			
2036	115,000 (d)				2050	240,000 (d)			
2037	125,000 (d)				2051	250,000 (d)			
2038	130,000 (d)				2052	265,000 (d)			
2039	135,000 (d)				2053	750,000 (d)			
2040	145,000 (d)				2054	1,000,000 (d)			

(a) The Initial Purchaser (as defined herein) may elect to designate one or more maturities as term bonds. See accompanying "Official Notice of Sale" and "Official Bid Form."
(b) Initial reoffering yield represents the initial offering yield to the public which has been established by the Initial Purchaser (as herein defined) for offers to the public and which may be subsequently changed by the Initial Purchaser and is the sole responsibility of the Initial Purchaser. The initial reoffering yields indicated above represent the lower of the yields resulting when priced at maturity or to the first call date.
(c) CUSIP Numbers have been assigned to the Bonds by CUSIP Global Services and are included solely for the convenience of the purchasers of the Bonds. Neither the District nor the Initial Purchaser shall be responsible for the selection or correctness of the CUSIP Numbers set forth herein.
(d) Bonds maturing on and after October 1, 2032, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on October 1, 2031, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. See "THE BONDS—Redemption Provisions."

The Bonds, when issued, will constitute valid and legally binding special limited obligations of Harris County Municipal Utility District No. 82 (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 located within Defined Area No. 1 (as defined herein) within the District. The Bonds are not secured by the proceeds of ad valorem taxes levied by the District upon taxable property that is located within the District, but not within Defined Area No. 1. The Bonds are obligations solely of the District and are not obligations of the State of Texas, Harris County, the City of Houston or any entity other than the District. The Bonds are subject to special investment risks described herein. See "INVESTMENT CONSIDERATIONS."

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 Allen Boone Humphries Robinson LLP, Bond Counsel. Delivery of the Bonds through the facilities of DTC is expected on or about July 28, 2026.

Bids Due: Monday, June 22, 2026, at 9:15 A.M., Houston Time in Houston, Texas
Bid Award: Monday, June 22, 2026, at 12:00 Noon, Houston Time in Houston, Texas

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. 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.

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USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, as amended and in effect on the date hereof, this document constitutes an Official Statement 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.

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

This Official Statement is not to be used in an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

All of the summaries of the statutes, resolutions, orders, contracts, audited financial statements, engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, 77027, upon payment of duplication costs.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12, as amended.

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

OFFICIAL STATEMENT SUMMARY

The following information is qualified in its entirety by the detailed information appearing elsewhere in this Official Statement.

THE FINANCING

The Issuer.. Harris County Municipal Utility District No. 82 (the "District"), a political subdivision of the State of Texas, is located in Harris County, Texas. See "THE DISTRICT."

The Issue .... $5,660,000 Defined Area No. 1 Unlimited Tax Bonds, Series 2026 (the "Bonds") are issued pursuant to a resolution (the "Bond Resolution") of the District's Board of Directors and are authorized pursuant to the election held within the District on May 1, 2021. See "THE BONDS—Authority for Issuance." The Bonds will be issued as fully registered bonds maturing on October 1 in the years and in the amounts and paying interest at the rates shown on the cover hereof. Interest on the Bonds accrues from the Date of Delivery and is payable on April 1, 2027, and on each October 1 and April 1 thereafter until the earlier of maturity or prior redemption. See "THE BONDS."

The Bonds maturing on and after October 1, 2032, are subject to redemption, in whole or in part, at the option of the District, prior to their maturity dates, on October 1, 2031, or on any date thereafter. Upon redemption, the Bonds will be payable at a price of par plus accrued interest to the date of redemption. See "THE BONDS."

Source of Payment .... The Bonds are payable from an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within Defined Area No. 1 (defined herein) within the District. See "TAX PROCEDURES." The Bonds are special limited obligations of the District secured by the proceeds of an ad valorem tax levied only upon taxable property located within Defined Area No. 1. **The Bonds are not secured by the proceeds of ad valorem taxes levied by the District upon taxable property that is located within the District but not within Defined Area No. 1.** The Bonds are obligations of the District and are not obligations of the State of Texas, Harris County, the City of Houston or any other political subdivision or entity other than the District, solely as it relates to Defined Area No. 1. See "THE BONDS—Source of and Security for Payment."

Book-Entry-Only System................. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each series and maturity of the Bonds and will be deposited with DTC or its designee. See "BOOK-ENTRY-ONLY SYSTEM."

Payment Record.............................. The Bonds represent the District's third issuance of unlimited tax bonds that are secured by the proceeds of taxes levied upon taxable property located only within Defined Area No. 1. As of the date hereof, the District had an aggregate of $19,830,000 principal amount of unlimited tax bonds that are secured by the taxes levied upon taxable property located only within Defined Area No. 1 (the "Outstanding Bonds"). See "FINANCIAL STATEMENT—Outstanding Bonds." Six (6) months of interest will be capitalized from Bond proceeds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

The District has previously issued unlimited tax bonds that are secured by the proceeds of taxes levied upon taxable property within the entire District (including Defined Area No. 1), including twelve series of unlimited tax bonds, six series of unlimited tax refunding bonds, and five series of waterworks and sanitary sewer system combination unlimited tax and revenue bonds. As of the date hereof, the District has an aggregate of $78,420,000 principal amount of unlimited tax bonds outstanding (the "District Outstanding Bonds"). There are no waterworks and sanitary sewer system combination unlimited tax and revenue bonds outstanding. The District has never defaulted on the payment of principal and interest on any bonds issued by the District. See "FINANCIAL STATEMENT—Outstanding Bonds."

Use of Proceeds	Proceeds from the Bonds will be used to pay for items shown herein under "USE AND DISTRIBUTION OF BOND PROCEEDS," to capitalize six (6) months of interest on the Bonds, to pay interest of funds advanced by the Developers on behalf of Defined Area No. 1, and to pay administrative costs and certain costs associated with the issuance of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."
Qualified Tax-Exempt Obligations	The District will designate the Bonds as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS—Qualified Tax-Exempt Obligations."
Municipal Bond Rating and Municipal Bond Insurance	S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), has assigned a rating of "BBB+" to the Bonds. An explanation of the rating may be obtained from S&P, 55 Water Street, New York, New York 10041. See "MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE." Applications have been made to municipal bond insurance companies for the qualification of the Bonds for municipal bond insurance. If qualified, such insurance will be available at the option and expense of the Initial Purchaser. The rating fee of S&P will be paid for by the District; payment of any other rating fee will be the responsibility of the Initial Purchaser. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance."
Bond Counsel	Allen Boone Humphries Robinson LLP, Bond Counsel, Houston, Texas. See "MANAGEMENT," "LEGAL MATTERS," and "TAX MATTERS."
Financial Advisor	Masterson Advisors LLC, Houston, Texas. See "MANAGEMENT."
District Engineer	Vogler & Spencer Engineering, Inc., Houston, Texas.
Disclosure Counsel	McCall, Parkhurst & Horton L.L.P., Houston, Texas.

THE DISTRICT

Description	The District is a political subdivision of the State of Texas, created by order of the Texas Water Rights Commission, now the Texas Commission on Environmental Quality (the "Commission" or "TCEQ"), on May 30, 1973, and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended. The District is located in northern Harris County approximately 23 miles north of the central business district of the City of Houston, approximately 2 miles east of Interstate 45 and approximately 2 miles southeast of the unincorporated community of Spring and is in the extraterritorial jurisdiction of the City of Houston (the "City"). The District presently contains approximately 2,219 acres of land. See "THE DISTRICT" and "AERIAL PHOTOGRAPH."
Defined Area No. 1	Pursuant to the provisions of Subchapter J of Chapter 54 of the Texas Water Code, as amended, the District is authorized to define areas or designate certain property within the District to pay for improvements, facilities, or services that primarily benefit that area. On February 9, 2021, the District approved the creation of a defined area encompassing approximately 915 acres within the District ("Defined Area No. 1"). At an election within Defined Area No. 1, held on May 1, 2021, the voters within Defined Area No. 1 authorized $100,000,000 principal amount of unlimited tax bonds to finance water, sanitary sewer and drainage improvements solely within Defined Area No. 1, $40,000,000 principal amount of unlimited tax bonds for the further purpose of refunding those bonds, the levy of an unlimited tax in payment of such bonds within Defined Area No. 1 and the levy of a maximum $0.30 operation and maintenance tax for facilities authorized by Article XVI, Section 59 of the Texas Constitution within Defined Area No. 1. The Bonds represent the District's third issuance of unlimited tax bonds that are secured by the proceeds of taxes levied upon taxable property located only within Defined Area No. 1. Properties in Defined Area No. 1 pay taxes to the District based on the District's tax rate plus the Defined Area No. 1 tax rate. For 2025, the total tax rate in Defined Area No. 1 was $0.975 per $100 assessed valuation. The Bonds are secured solely by ad valorem taxes levied on all taxable property in Defined Area No. 1.

Status of Development within Defined Area No. 1..................... All land in Defined Area No. 1 is expected to be developed as a primarily residential development with some commercial development fronting Cypresswood Drive. As of April 2026, approximately 507 acres (2,255 single-family residential lots) within Defined Area No. 1 have been developed into the single-family subdivisions of Pine Grove, Sections 1 and 2, Spring Creek, Breckenridge Forest North, Sections 3 and 4, Creekwood Crossing, Section 1 and 2, Bradbury Forest, Section 11, Breckenridge East, Sections 1 through 10 and Enclave at Cypresswood. As of May 12, 2026, the single-family residential development in Defined Area No. 1 included 2,048 completed homes, 56 homes under construction and 151 vacant developed single-family residential lots available for home construction. The average sales price of homes being constructed within Defined Area 1 ranges from $380,000 to $580,000. Active homebuilding in Defined Area No. 1 is currently being conducted by Long Lake, Ltd.

The remainder of the approximately 408 acres in Defined Area No. 1 includes approximately 78 developable acres not presently served with water, sanitary sewer and drainage facilities, approximately 166 acres developed or planned as school facilities, which are or will be exempt from ad valorem taxation, approximately 9 acres of commercial development served with water, sanitary sewer and drainage facilities upon which a gas station/convenience store has been constructed on approximately one acre and approximately 155 undevelopable acres, which is comprised of water plant and wastewater treatment sites, streets, drainage easements and recreational facilities. The District levied a tax rate of $0.30 per $100 of assessed valuation in Defined Area No. 1 for 2025. See "DEFINED AREA NO. 1."

Status of Development within the District................................ Completed single family development in the District includes water, sanitary sewer and drainage facilities and street paving to serve North Spring, Sections 1, 4 through 8, 10, 12, 14 and 15, Spring Ridge, Sections 1 and 2, Bradbury Forest, Sections 1 through 11, Breckenridge Forest, Sections 1 through 13, Breckenridge Forest North, Sections 1 through 4, Breckenridge Park, Section 1, Partial Replats 1 through 3, Breckenridge Park, Section 2, Forest Point at Cypresswood, Tiffany Meadows, Spring Pines, Pine Grove, Sections 1 and 2, Spring Creek, Breckenridge Park West, Sections 1 through 3, Breckenridge East, Sections 1 through 10, Creekwood Crossing, Section 1 and 2 and Enclave at Cypresswood. Such development encompasses approximately 1,525 acres developed into 6,699 single-family residential lots and various small commercial or other usage tracts. As of May 12, 2026, 6,481 homes were completed (6,405 occupied), 56 homes were under construction or in the name of the builder, and 162 developed single-family residential lots were available for home construction in the District. See "THE DEVELOPERS." The average homestead value according to the 2025 tax rolls was approximately $273,110.

The District contains approximately 305 acres of commercial development, including four small strip shopping centers, a CVS Pharmacy, a veterinarian clinic, three recreation centers, a car wash, a storage facility, four gas stations with convenience stores, three elementary schools, two junior high schools, a Spring Independent School District stadium, three churches, two volunteer fire department stations, a children's home, two auto repair businesses, a fast food restaurant, a tire shop, a scrap metal recycling facility and a small business office. Approximately 90 of the 305 acres of developed commercial property do not have vertical improvements. The schools, stadium, churches, and fire station are not subject to ad valorem taxation by the District.

The District contains approximately 134 developable acres of undeveloped land which are not presently provided with water, sanitary sewer and drainage facilities. The District contains approximately 254 acres of undevelopable land which is comprised of water plant and wastewater treatment sites, streets, drainage easements, recreational facilities, and Harris County park property. Most of the Harris County park property is located within the 100-year flood plain. See "THE DISTRICT—Status of Development."

The Developers D.R. Horton Texas, Ltd., a Texas limited partnership ("D.R. Horton") whose general partner is D.R. Horton, Inc., a Delaware corporation, has developed Breckenridge East, Sections 1 through 10 in Defined Area No. 1. D.R. Horton has developed other subdivisions within the District that are not within Defined Area No. 1. D.R. Horton owns no remaining undeveloped land within Defined Area No. 1 within the District.

Woodmere Development Co., Ltd., a Texas limited partnership ("Woodmere"), the general partner of which is Woodmere GP, L.L.C., a Texas limited liability company, developed Creekwood Crossing, Sections 1 and 2 (131 single-family residential lots on approximately 42 acres) within Defined Area No. 1. Woodmere continues to own approximately 15 acres of developable land within the District within Defined Area No. 1. After developing the land, Woodmere sells the developed lots on an as needed basis to Long Lake Ltd. ("Long Lake"), a Texas limited partnership (doing business as Lake Ridge Builders, Briarwood Homes, Foxwood Builders and Postwood Homes), which builds and sells houses in the District, including within Defined Area No. 1. Woodmere and Long Lake are under common management and common ownership and, through one or more of such entities, have been in the land development business since 1997. Woodmere has developed other subdivisions within the District that are not within Defined Area No. 1.

KB Home Lone Star Inc., a Texas corporation ("KB Home Lone Star"), developed Spring Creek, consisting of 70 single-family residential lots on approximately 15 acres, and Breckenridge Forest North, Sections 3 and 4, consisting of 140 single-family residential lots on approximately 57 acres in Defined Area No. 1. KB Home Lone Star owns no remaining undeveloped land within Defined Area No. 1 within the District.

Apex Commons Ventures LLC, a Texas limited liability company ("Apex"), developed Enclave at Cypresswood, consisting of 45 single-family residential lots on approximately 5 acres in Defined Area No. 1. Apex owns no remaining undeveloped land within Defined Area No. 1 within the District.

D.R. Horton, Woodmere, KB Home Lone Star and Apex are herein defined as the Developers (the "Developers").

The remaining acres of undeveloped land within Defined Area No. 1 within the District are owned by various entities.

See "THE DEVELOPERS" and "TAX DATA—Principal Taxpayers."

INVESTMENT CONSIDERATIONS

THE PURCHASE AND OWNERSHIP OF THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS AND ALL PROSPECTIVE PURCHASERS ARE URGED TO EXAMINE CAREFULLY THIS ENTIRE OFFICIAL STATEMENT WITH RESPECT TO THE INVESTMENT SECURITY ARTICULARLY THE SECTION CAPTIONED "INVESTMENT CONSIDERATIONS."

SELECTED FINANCIAL INFORMATION

2025 Certified Taxable Assessed Valuation of Defined Area No. 1	$469,993,501	(a)
2026 Preliminary Taxable Assessed Valuation of Defined Area No. 1	$557,434,990	(b)
Estimated Taxable Assessed Valuation as of April 1, 2026 of Defined Area No. 1	$561,066,206	(c)
Gross Debt Outstanding of Defined Area No. 1 (including the Bonds)	$25,490,000	(d)
Estimated Overlapping Debt of Defined Area No. 1	58,656,753	(e)
Gross Debt and Estimated Overlapping Debt of Defined Area No. 1	$84,146,753	(e)
Ratios of Gross Debt of Defined Area No. 1 to:		
2026 Preliminary Taxable Assessed Valuation	4.57%	
Estimated Taxable Assessed Valuation as of April 1, 2026	4.54%	
Ratios of Gross Debt and Estimated Overlapping Debt of Defined Area No. 1 to:		
2026 Preliminary Taxable Assessed Valuation	15.10%	
Estimated Taxable Assessed Valuation as of April 1, 2026	15.00%	
2025 Defined Area No. 1 Tax Rate:		
Debt Service	$0.300	
Maintenance and Operations	0.000	
Total	$0.300/$100 A.V.	(f)
2025 District-Wide Tax Rate:		
Debt Service	$0.425	
Maintenance and Operations	0.250	
Total	$0.675/$100 A.V.	
2025 Combined District-Wide and Defined Area No. 1 Tax Rate	$0.975/$100 A.V.	(f)
Projected Maximum Annual Debt Service Requirements (2027) of Defined Area No. 1 Bonds at an assumed interest rate of 4.50% ("Maximum Annual Requirement")	$1,651,285	(g)
Projected Average Annual Debt Service Requirements (2027-2054) of Defined Area No. 1 Bonds at an assumed interest rate of 4.50% ("Average Annual Requirement")	$1,544,337	(g)
Tax Rates Required to pay Maximum Annual Requirement based upon:		
2026 Preliminary Taxable Assessed Valuation at a 95% collection rate	$0.32/$100 A.V.	(h)
Estimated Taxable Assessed Valuation as of April 1, 2026 at a 95% collection rate	$0.31/$100 A.V.	(h)
Tax Rates Required to pay Average Annual Requirement based upon:		
2026 Preliminary Taxable Assessed Valuation at a 95% collection rate	$0.30/$100 A.V.	(h)
Estimated Taxable Assessed Valuation as of April 1, 2026 at a 95% collection rate	$0.29/$100 A.V.	(h)

Single-Family Homes in Defined Area No. 1 as of May 12, 2026 .... 2,048 (i)

Area of Defined Area No. 1 — 915 acres
Estimated 2026 Population — 6,810 (j)

(a) As certified by the Harris Central Appraisal District (the "Appraisal District"). See "TAX PROCEDURES."
(b) Provided by the Appraisal District as a preliminary indication of the 2026 taxable value (as of January 1, 2026). Such amount is subject to property owner protest, review, and downward adjustment prior to certification. The preliminary value provided by the Appraisal District includes $554,386,316 of real property value and does not include an amount for personal property value. The 2025 certified amount of personal property was $3,048,674. The 2026 Preliminary Taxable Assessed Valuation shown throughout this Official Statement includes the 2026 preliminary real property value plus the 2025 certified personal property value. No tax will be levied on such an amount until it is certified. See "TAX PROCEDURES."
(c) Provided by the Appraisal District for informational purposes only. Such amount reflects an estimate of the taxable appraised value within Defined Area No. 1 on April 1, 2026. No tax will be levied on such amount. Taxes are levied on taxable value certified by the Appraisal District as of January 1 of each year. See "TAX PROCEDURES."
(d) See "FINANCIAL STATEMENT—Outstanding Bonds."
(e) See "ESTIMATED OVERLAPPING DEBT STATEMENT."
(f) Approximately 915 acres within the District are assessed the Defined Area No. 1 tax rate for a combined total tax rate in 2025 of $0.975.
(g) See "DEFINED AREA NO. 1 DEBT SERVICE REQUIREMENTS."
(h) See "TAX DATA—Tax Adequacy for Debt Service."
(i) See "THE DISTRICT—Status of Development."
(j) Estimate based on 3.5 persons per single-family residence in Defined Area No. 1, assuming 95% occupancy.

PRELIMINARY OFFICIAL STATEMENT

$5,660,000
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
(A political subdivision of the State of Texas located within Harris County)

DEFINED AREA NO. 1 UNLIMITED TAX BONDS
SERIES 2026

This Official Statement provides certain information in connection with the issuance by Harris County Municipal Utility District No. 82 (the "District") of its $5,660,000 Defined Area No. 1 Unlimited Tax Bonds, Series 2026 (the "Bonds").

The Bonds are issued pursuant to an election held within the District, Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas, a resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the Board of Directors of the District (the "Board"), and an order of the Texas Commission on Environmental Quality (the "TCEQ").

This Official Statement includes descriptions, among others, of the Bonds and the Bond Resolution, the Developers, and certain other information about the District. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents may be obtained from the District upon payment of the costs of duplication therefor.

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Resolution of the Board authorizing the issuance and sale of the Bonds. The Bond Resolution authorizes the issuance and sale of the Bonds and prescribes the terms, conditions, and provisions for the payment of the principal of and interest on the Bonds by the District.

The Bonds will be dated July 1, 2026, with interest accruing from the Date of Delivery, and are payable on each April 1 and October 1 commencing April 1, 2027, until the earlier of stated maturity or prior redemption. The Bonds mature on October 1 in the amounts and years and accrue interest at the rates shown on the cover page of this Official Statement. Interest calculations are based on a 360-day year comprised of twelve 30-day months. The Bonds will be issued only in fully registered form in $5,000 denominations or integral multiples thereof.

Authority for Issuance

At Defined Area No. 1's bond election held on May 1, 2021, the voters of the District have authorized the issuance of $100,000,000 principal amount of unlimited tax bonds for the purpose of constructing and/or acquiring water, sanitary sewer and drainage facilities within Defined Area No. 1. The Bonds are being issued in the principal amount of $5,660,000 pursuant to such election and for the purposes described in "USE AND DISTRIBUTION OF BOND PROCEEDS" in accordance with an order of the TCEQ approving a sale of Bonds.

The Bonds are issued by the District pursuant to the terms and provisions of the Bond Resolution, an order of the TCEQ, Article XVI, Section 59 of the Texas Constitution, and Chapters 49 and 54 of the Texas Water Code, as amended, and the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas.

Before the Bonds can be issued, the Attorney General of Texas must pass upon the legality of certain related matters. The Attorney General of Texas does not guarantee or pass upon the safety of the Bonds as an investment or upon the adequacy of the information contained in this Official Statement.

Source of and Security for Payment

The Bonds are payable from 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 Defined Area No. 1 (and no other portion of the District). **The Bonds are not secured by taxes levied on any property located within the District outside of the boundaries of Defined Area No. 1.** While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, the District covenants in the Bond Resolution to levy a continuing, direct, annual ad valorem tax, without legal limit as to rate or amount, upon all taxable property within Defined Area No. 1 within the District sufficient to pay the principal of and interest on the Bonds, with full allowance being made for delinquencies and costs of collection. In the Bond Resolution, the District covenants that said taxes are irrevocably pledged to the payment of the interest on and principal of the Bonds and to no other purpose.

The Bonds are special limited obligations of Defined Area No. 1 within the District and are not the obligations of the State of Texas, Harris County, the City of Houston or any entity other than Defined Area No. 1 within the District.

Method of Payment of Principal and Interest

In the Bond Resolution, the Board has appointed The Bank of New York Mellon Trust Company N.A., Houston, Texas as the initial Paying Agent/Registrar for the Bonds. The principal of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America, which, on the date of payment, is legal tender for the payment of debts due the United States of America. In the event the book-entry system is discontinued, principal of the Bonds shall be payable upon presentation and surrender of the Bonds as they respectively become due and payable, at the principal payment office of the Paying Agent/Registrar in Houston, Texas and interest on each Bond shall be payable by check payable on each Interest Payment Date, mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Registered Owner of record as of the close of business on the March 15 or September 15 immediately preceding each Interest Payment Date (defined herein as the “Record Date”), to the address of such Registered Owner as shown on the Paying Agent/Registrar's records (the “Register”) or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and the Registered Owners at the risk and expense of the Registered Owners.

If the date for payment of the principal of or interest on any Bond is not a business day, then the date for such payment shall be the next succeeding business day, as defined in the Bond Resolution.

Funds

In the Bond Resolution, the Defined Area No. 1 Debt Service Fund is confirmed, and the proceeds from all taxes levied, assessed and collected for and on account of the Bonds authorized by the Bond Resolution shall be deposited, as collected, in such fund.

Six (6) months of interest shall be deposited in the Defined Area No. 1 Debt Service Fund upon receipt. The remaining proceeds of the sale of the Bonds shall be deposited into the Defined Area No. 1 Capital Projects Fund to pay the costs of acquiring or constructing District facilities within Defined Area No. 1, to pay interest of funds advanced by the Developers on behalf of Defined Area No. 1 and to pay the costs of issuing the Bonds. See “USE AND DISTRIBUTION OF BOND PROCEEDS” for a more complete description of the use of Bond proceeds.

The District also maintains a District Debt Service Fund that is not pledged to the Bonds. Funds in the District Debt Service Fund are not available to pay principal and interest on any outstanding Defined Area No. 1 water, sanitary sewer and drainage bonds or the Bonds.

No Arbitrage

The District will certify as of the date the Bonds are delivered and paid for that, based upon all facts and estimates then known or reasonably expected to be in existence on the date the Bonds are delivered and paid for, the District reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, or any portion of the Bonds, to be “arbitrage bonds” under the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations prescribed thereunder. Furthermore, all officers, employees, and agents of the District have been authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the District as of the date the Bonds are delivered and paid for. In particular, all or any officers of the District are authorized to certify to the facts and circumstances and reasonable expectations of the District on the date the Bonds are delivered and paid for regarding the amount and use of the proceeds of the Bonds. Moreover, the District covenants in the Bond Resolution that it shall make such use of the proceeds of the Bonds, regulate investment of proceeds of the Bonds, and take such other and further actions and follow such procedures, including, without limitation, calculating the yield on the Bonds, as may be required so that the Bonds shall not become “arbitrage bonds” under the Code and the regulations prescribed from time to time thereunder.

Redemption Provisions

The District reserves the right, at its option, to redeem the Bonds maturing on or after October 1, 2032, prior to their scheduled maturities, in whole or in part, in integral multiples of $5,000, on October 1, 2031, or on any date thereafter, at a price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the District. If less than all the Bonds of any maturity are redeemed at any time, the particular Bonds within a maturity to be redeemed shall be selected by the Paying Agent/Registrar by lot or other customary method of selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

Notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the Paying Agent/Registrar at least thirty (30) days prior to the date fixed for redemption by sending written notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the register. Such notices shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment and, if fewer than all the Bonds outstanding within any one maturity are to be redeemed, the numbers of the Bonds or the portions thereof to be redeemed. Any notice given shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest that would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

Registration and Transfer

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the register at its principal payment office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of the Bond Resolution. While the Bonds are in the Book-Entry-Only System, the Bonds will be registered in the name of Cede & Co. and will not be transferred. See "BOOK-ENTRY-ONLY SYSTEM."

Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System should be discontinued, upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall, upon receipt of certain documentation from the Registered Owner and an indemnity bond, execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount bearing a number not contemporaneously outstanding.

Registered Owners of lost, stolen or destroyed bonds will be required to pay the District's costs to replace such bond. In addition, the District or the Paying Agent/Registrar may require the Registered Owner to pay a sum sufficient to cover any tax or other governmental charge that may be imposed.

Replacement of Paying Agent/Registrar

Provision is made in the Bond Resolution 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 national or state banking institution, a corporation organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise trust powers, and subject to supervision or examination by federal or state authority, to act as Paying Agent/Registrar for the Bonds.

Issuance of Additional Debt

Defined Area No. 1

The District may also issue additional bonds in Defined Area No. 1, subject to the authorization of the Defined Area No. 1 voters and the approval of the Commission. The Defined Area No. 1 voters have authorized $100,000,000 in principal amount of unlimited tax bonds for constructing and/or acquiring water, sanitary sewer and drainage facilities within Defined Area No. 1 and $40,000,000 in principal amount of unlimited tax bonds for the purpose of refunding such bonds. After issuance of the Bonds, $74,275,000 principal amount of unlimited tax bonds will remain authorized but unissued for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities within Defined Area No. 1.

Bonds issued for Defined Area No. 1 are payable solely from the proceeds of taxes levied and collected within the boundaries of Defined Area No. 1 and not on any other part of the District. Proceeds of taxes levied by the District upon taxable property located only within Defined Area No. 1 may not be used for payment of debt service on the District Outstanding Bonds (as defined herein). See "DEFINED AREA NO. 1."

The District

The District's voters have authorized the issuance of $116,405,000 principal amount of unlimited tax bonds for the purpose of constructing and/or acquiring water, sanitary sewer and drainage facilities and $12,513,000 principal amount of unlimited tax bonds for refunding outstanding bonds of the District and could authorize additional amounts. The District currently has $6,790,000 principal amount of unlimited tax bonds authorized but unissued for constructing and/or acquiring water, sanitary sewer and drainage facilities and $10,794,146.76 principal amount of unlimited tax bonds authorized but unissued for refunding outstanding bonds of the District.

The District is also authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purposes. Before the District could issue such bonds, the following actions would be required: (a) authorization of a detailed master plan and bonds for such purposes by the qualified voters in the District; (b) approval of the master plan and bonds by the TCEQ; and (c) approval of bonds by the Attorney General of Texas. The Board has not considered calling an election at this time for such purposes. Fire protection and emergency services are provided within the District by Harris County Emergency Services District No. 7 or Harris County Emergency Services District No. 11.

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. Before the District issues park bonds payable from taxes, the following actions are required: (a) approval of the park plan and bonds by the TCEQ; and (b) approval of the bonds by the City and Attorney General of Texas. Further, the principal amount of unlimited tax bonds issued by the District for constructing and/or acquiring park and recreational facilities may not exceed one percent (1%) of the District's certified taxable assessed valuation, unless the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not greater than three percent (3%) of the value of the taxable property in the District. The Board has not considered authorizing the preparation of a park plan or calling a park bond election at this time.

Pursuant to Chapter 54 of the Water Code, a municipal utility district may petition the TCEQ for the power to issue bonds supported by property taxes to finance roads. Before the District could issue such bonds, the District would be required to receive a grant of such power from the TCEQ or the Texas Legislature, consent from the City, authorization from the District's voters to issue such bonds, and approval of the bonds by the Attorney General of Texas. The District has not considered acquiring "road powers" nor calling such an election at this time.

Issuance of any additional bonds could dilute the investment security for the Bonds.

Annexation by the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston, the District must conform to a City of Houston consent ordinance. Generally, the District may be annexed by the City of Houston without the District's consent, and the City of Houston cannot annex territory within the District unless it annexes the entire District; however, the City of Houston may not annex the District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, a petition has been signed by more than 50 percent of the landowners consenting to the annexation. If the District is annexed, the City of Houston will assume the District's assets and obligations (including the Bonds) and dissolve the District. Annexation of territory by the City of Houston is a policy-making matter within the discretion of the Mayor and City Council of the City of Houston, and therefore, the District makes no representation that the City of Houston will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City of Houston to make debt service payments should annexation occur. Under the terms of the SPA (as hereinafter defined) between the District and the City of Houston, however, the City of Houston has agreed not to annex the District for full purposes (a traditional municipal annexation) for at least thirty (30) years from the effective date of the SPA. See "—Strategic Partnership Agreement" herein. The District could consent to a full purpose annexation prior to that time by agreeing to amend the SPA to such effect, however, the District currently has no intention to do so.

Strategic Partnership Agreement

On December 13, 2010, the District entered into a Strategic Partnership Agreement (the "SPA") with the City of Houston (the "City") pursuant to Chapter 43 of the Texas Local Government Code. The SPA provides for a "limited purpose annexation" of that portion of the District developed for retail and commercial purposes in order to apply certain City health, safety, planning and zoning ordinances within the District. Residential development within the District is not subject to the limited purpose annexation. The SPA also provides that the City will not annex the District for "full purposes" for at least thirty (30) years. Also, as a condition to full purpose annexation, any unpaid reimbursement obligations due to a developer by the District for water, sanitary sewer and drainage facilities must be assumed by the City to the maximum extent permitted by TCEQ rules.

Upon execution of the SPA, the City imposed the one percent (1%) retail City Sales Tax within the portion of the District included in the limited purpose annexation. The City pays to the District an amount equal to one-half of all retail sales tax revenues generated within such area of the District and received by the City from the Comptroller (herein defined as the "—Contract Sales Tax Revenue"). Pursuant to State law, the District is authorized to use the Contract Sales Tax Revenue generated under the SPA for any lawful purpose. None of the anticipated Contract Sales Tax Revenue is pledged toward the payment of principal of and interest on the Bonds.

Consolidation

The District has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its assets (such as cash and the utility system) and liabilities (such as the Bonds), with the assets and liabilities of districts with which it is consolidating. Although no consolidation is presently contemplated by the District, no representation is made concerning the likelihood of consolidation in the future.

Remedies in Event of Default

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

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

Legal Investment and Eligibility to Secure Public Funds in Texas

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

"(a) All bonds, notes, and other obligations issued by a district shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, and trustees, and for all interest and sinking funds and other public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic."

"(b) A district's bonds, notes, and other obligations are eligible and lawful security for all deposits of public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic, to the extent of the market value of the bonds, notes, and other obligations when accompanied by any unmatured interest coupons attached to them."

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

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

Defeasance

The Bond Resolution provides that the District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State of Texas a sum of money equal to the principal of, premium, if any, and all interest to accrue on the Bonds to maturity or redemption or (ii) by depositing with any place of payment (paying agent) of the Bonds or other obligations of the District payable from revenues or from ad valorem taxes or both or with a commercial bank or trust company designated in the proceedings authorizing such discharge, amounts sufficient to provide for the payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct obligations of the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) noncallable 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 governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and which mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds.

Upon such deposit as described above, such bonds shall no longer be regarded as outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the District to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

There is no assurance that the current law will not be changed in the future in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds.

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will do so on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will 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 "Procedure" of DTC to be followed in dealing with DTC Direct Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds, of each series will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. With respect to the Bonds, one fully-registered Bond certificate will be issued of each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of "AA+" from S&P Global Ratings. 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 tum 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 MMI 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 Bonds 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. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is 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.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Initial Purchaser take any responsibility for the accuracy thereof.

THE DISTRICT

General

The District is a municipal utility district created by order of the Texas Water Commission (now the TCEQ), dated May 30, 1973, and operates under the provisions of Chapters 49 and 54 of the Texas Water Code and other general statutes applicable to municipal utility districts. The District is located wholly within the exclusive extraterritorial jurisdiction of the City of Houston, Texas ("Houston" or the "City").

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; the control and diversion of storm water; and solid waste collection and disposal. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District is also empowered to establish, operate, and maintain fire-fighting facilities, independently or with one or more conservation and reclamation districts, after approval by the City, the TCEQ and the voters of the District. Fire protection in the District is provided by either Harris County Emergency Services District No. 7 or No. 11 depending on location. Additionally, the District may, subject to certain limitations, develop and finance recreational facilities. See "THE BONDS—Issuance of Additional Debt."

The TCEQ exercises continuing supervisory jurisdiction over the District. In order to obtain the consent for creation from the City of Houston, within whose extraterritorial jurisdiction the District lies, the District is required to observe certain requirements of the City of Houston which: limit the purposes for which the District may sell bonds to the acquisition, construction, and improvement of waterworks, wastewater, drainage and park facilities; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the City of Houston of District construction plans; and permit connections only to lots and commercial or multi-family reserves described in plats which have been approved by the Planning Commission of the City of Houston and recorded in the real property records. Construction and operation of the District's system is subject to the regulatory jurisdiction of additional governmental agencies. See "THE SYSTEM—Regulation."

Additionally, the District is empowered to purchase, construct, operate, and maintain all works, improvements, facilities, and plants necessary for the supply of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water within Defined Area No. 1.

Description and Location

The District presently contains approximately 2,219 acres of land. The District is located in northern Harris County approximately 23 miles north of the central business district of the City of Houston, two miles east of Interstate 45 and two miles southeast of the unincorporated community of Spring. Aldine-Westfield Road forms the western boundary of the District and Cypresswood Drive bisects the District from east to west. See "AERIAL PHOTOGRAPH."

Status of Development

Completed single-family development in the District includes water, sanitary sewer and drainage facilities and street paving to serve North Spring, Sections 1, 4 through 8, 10, 12, 14 and 15, Spring Ridge, Sections 1 and 2, Bradbury Forest, Sections 1 through 11, Breckenridge Forest, Sections 1 through 13, Breckenridge Forest North, Sections 1 through 4, Breckenridge Park, Section 1, Partial Replats 1 through 3, Breckenridge Park, Section 2, Forest Point at Cypresswood, Tiffany Meadows, Spring Pines, Pine Grove, Sections 1 and 2, Spring Creek, Breckenridge Park West, Sections 1 through 3, Breckenridge East, Sections 1 through 10, Creekwood Crossing, Sections 1 and 2 and Enclave at Cypresswood. Such development encompasses approximately 1,525 acres developed into 6,699 single-family residential lots and various small commercial or other usage tracts. As of May 12, 2026, 6,481 homes were completed (6,405 occupied), 56 homes were under construction or in the name of the builder, and 162 developed single-family residential lots were available for home construction in the District. The average homestead value according to the 2025 tax rolls was approximately $273,110.

The District contains approximately 305 acres of commercial development, including four small strip shopping centers, a CVS Pharmacy, a veterinarian clinic, three recreation centers, a car wash, a storage facility, four gas stations with convenience stores, three elementary schools, two junior high schools, a Spring Independent School District stadium, three churches, two volunteer fire department stations, a children's home, two auto repair businesses, a fast food restaurant, a tire shop, a scrap metal recycling facility and a small business office. Approximately 90 of the 305 acres of developed commercial property do not have vertical improvements. The schools, stadium, churches, and fire station are not subject to ad valorem taxation by the District.

The District contains approximately 134 developable acres of undeveloped land which are not presently provided with water, sanitary sewer and drainage facilities. The District contains approximately 254 acres of undevelopable land which is comprised of water plant and wastewater treatment sites, streets, drainage easements, recreational facilities, and Harris County park property. Most of the Harris County park property is located within the 100-year flood plain.

Community Facilities

The District is located approximately two miles north of FM 1960, and various community facilities are located in the vicinity of the District and the FM 1960 area.

Fire protection is provided by the Spring Volunteer Fire Department, which operates a station within the boundaries of the District. The District is located in the Spring Independent School District, which provides school bus service to students who reside over two miles from their school campus. Three elementary schools and two middle schools are located within the District. The District is located in the Lone Star College District, the central campus of which is located approximately 3-1/2 miles south of the District. The Community College District also conducts night classes in facilities of the various independent school districts within its boundaries.

A neighborhood shopping center is located approximately 1/2 mile south of the District and two major shopping centers are located approximately 3 miles south of the District. The unincorporated community of Spring is located approximately two miles north of the District and includes numerous shopping and banking facilities. In addition, a bank and various retail stores and restaurants are located at the intersection of IH 45 and FM 1960, approximately 6 miles southwest of the District. Numerous other commercial establishments are located along FM 1960 west of IH 45.

DEFINED AREA NO. 1

Pursuant to the provisions of Subchapter J of Chapter 54 of the Texas Water Code, as amended, the District is authorized to define areas or designate certain property of the District to pay for improvements, facilities, or services that primarily benefit that area. On February 9, 2021, the District approved the creation of a defined area encompassing approximately 915 acres within the District ("Defined Area No. 1").

At an election within Defined Area No. 1, held on May 1, 2021, the voters within Defined Area No. 1 authorized $100,000,000 principal amount of unlimited tax bonds to finance water, sanitary sewer and drainage improvements solely within Defined Area No. 1, $40,000,000 principal amount of unlimited tax bonds for the further purpose of refunding those bonds, the levy of an unlimited tax in payment of such bonds within Defined Area No. 1 and the levy of a maximum $0.30 operation and maintenance tax for facilities authorized by Article XVI, Section 59 of the Texas Constitution within Defined Area No. 1.

Properties in Defined Area No. 1 pay taxes to the District based on the District's tax rate plus the Defined Area No. 1 tax rate. For 2025, the Defined Area No. 1 tax rate was $0.30 per $100 assessed valuation and the combined total tax rate in Defined Area No. 1 was $0.975 per $100 assessed valuation.

Bonds issued for Defined Area No. 1 are payable solely from the proceeds of taxes levied and collected within the boundaries of Defined Area No. 1 and not on any other part of the District. Proceeds of taxes levied by the District upon taxable property located only within Defined Area No. 1 may not be used for payment of debt service on the District Outstanding Bonds. See "INVESTMENT CONSIDERATIONS."

All land in Defined Area No. 1 is expected to be developed as a primarily residential development with some commercial development fronting on Cypresswood Drive. As of April 2026, approximately 507 acres (2,255 single-family residential lots) within Defined Area No. 1 have been developed into the single-family subdivisions of Pine Grove, Sections 1 and 2, Spring Creek, Breckenridge Forest North, Sections 3 and 4, Creekwood Crossing, Sections 1 and 2, Bradbury Forest, Section 11, Breckenridge East, Sections 1 through 10 and Enclave at Cypresswood. As of May 12, 2026, the single-family residential development in Defined Area No. 1 included 2,048 completed homes, 56 homes under construction and 151 vacant developed single-family residential lots available for home construction. The average sales price of homes being constructed within Defined Area No. 1 ranges from $380,000 to $580,000. Active homebuilding in Defined Area No. 1 is currently being conducted by Long Lake, Ltd. The remainder of the approximately 408 acres in Defined Area No. 1 includes approximately 78 developable acres not presently served with water, sanitary sewer and drainage facilities, approximately 166 acres developed or planned as school facilities, which are or will be exempt from ad valorem taxation, approximately 9 acres of commercial development served with water, sanitary sewer and drainage facilities upon which a gas station/convenience store has been constructed on approximately one acre and approximately 155 undevelopable acres, which is comprised of water plant and wastewater treatment sites, streets, drainage easements and recreational facilities.

THE DEVELOPERS

Role of a Developer

In general, the activities of a landowner or developer in a municipal utility district such as the District include designing the project, defining a marketing program and setting building schedules; securing necessary governmental approvals and permits for development; arranging for the construction of streets and the installation of utilities; and selling or leasing improved tracts or commercial reserves to other developers or third parties. While a developer is required by the TCEQ to pave streets in areas where utilities are to be financed by a district through a specified bond issue, a developer is under no obligation to a district to undertake development activities according to any particular plan or schedule. Furthermore, there is no restriction on a developer's right to sell any or all of the land which the developer owns within a district. In addition, the developer is ordinarily the major taxpayer within the district during the early stages of development. The relative success or failure of a developer to perform in the above-described capacities may affect the ability of a district to collect sufficient taxes to pay debt service and retire bonds.

Prospective Bond purchasers should note that the prior real estate experience of a developer should not be construed as an indication that further development within a district will occur, or that construction of taxable improvements upon property within a district will occur, or that marketing or leasing of taxable improvements constructed upon property within the District will be successful.

The Developers

D.R. Horton Texas, Ltd., a Texas limited partnership ("D.R. Horton") whose general partner is D.R. Horton, Inc., a Delaware corporation, has developed Breckenridge East, Sections 1 through 10 in Defined Area No. 1. D.R. Horton has developed other subdivisions within the District that are not within Defined Area No. 1. D.R. Horton owns no remaining undeveloped land within Defined Area No. 1 within the District.

Woodmere Development Co., Ltd., a Texas limited partnership ("Woodmere"), the general partner of which is Woodmere GP, L.L.C., a Texas limited liability company, developed Creekwood Crossing, Sections 1 and 2 (131 single-family residential lots on approximately 42 acres) within Defined Area No. 1. Woodmere continues to own approximately 15 acres of developable land within the District within Defined Area No. 1. After developing the land, Woodmere sells the developed lots on an as needed basis to Long Lake Ltd. ("Long Lake"), a Texas limited partnership (doing business as Lake Ridge Builders, Briarwood Homes, Foxwood Builders and Postwood Homes), which builds and sells houses in the District, including within Defined Area No. 1. Woodmere and Long Lake are under common management and common ownership and, through one or more of such entities, have been in the land development business since 1997. Woodmere has developed other subdivisions within the District that are not within Defined Area No. 1.

KB Home Lone Star Inc., a Texas corporation ("KB Home Lone Star"), developed Spring Creek, consisting of 70 single-family residential lots on approximately 15 acres, and Breckenridge Forest North, Sections 3 and 4, consisting of 140 single-family residential lots on approximately 57 acres in Defined Area No. 1. KB Home Lone Star owns no remaining undeveloped land within Defined Area No. 1 within the District.

Apex Commons Ventures LLC, a Texas limited liability company ("Apex"), developed 45 single-family residential lots on approximately 5 acres in Defined Area No. 1. Apex owns no remaining undeveloped land within Defined Area No. 1 within the District.

D.R. Horton, Woodmere, KB Home Lone Star and Apex are herein defined as the Developers ("the Developers").

Other Landowners

The remaining acres of undeveloped land within Defined Area No. 1 within the District are owned by various entities. See "TAX DATA—Principal Taxpayers."

MANAGEMENT

Board of Directors

The District is governed by the Board of Directors, consisting of five directors, which has control over and management supervision of all affairs of the District. Each of the five current Directors owns land and/or resides in the District. Directors are elected by the voters within the District for four-year staggered terms. Directors elections are held only in even numbered years. The Directors of the District are listed below:

Name	Title	Term Expires
Jerry Chesnutt	President	May 2030
Matthew Hoffpauir	Vice President	May 2030
Jack Abercia, Jr.	Secretary	May 2028
Gary Sundstrom	Assistant Vice President	May 2028
Donald J. Hays	Assistant Secretary	May 2028

While the District does not employ any full-time employees, it has contracted for certain services as follows:

Tax Assessor/Collector

Land and improvements within the District are appraised for ad valorem taxation purposes by Harris Central Appraisal District. The District's contracts with Equi-Tax, Inc. to serve as Tax Assessor/Collector.

Bookkeeper

The District has engaged Municipal Accounts & Consulting, L.P. to serve as the District's bookkeeper.

System Operator

The District contracts with M. Marlon Ivy & Associates, Inc. for maintenance and operation of the District's system.

Engineer

The consulting engineer for the District in connection with the design and construction of the District's facilities is Vogler & Spencer Engineering, Inc. (the "Engineer").

Attorney

The District engages Allen Boone Humphries Robinson LLP as general counsel and as Bond Counsel in connection with the issuance of the Bonds. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance 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.

Financial Advisor

Masterson Advisors LLC (the "Financial Advisor") serves as financial advisor to the District. The fees to be paid the Financial Advisor for services rendered in connection with the issuance 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.

Disclosure Counsel

The District has engaged McCall, Parkhurst & Horton L.L.P., Houston, Texas as disclosure counsel. The fees paid to disclosure counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

Auditor

As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which annual audit is filed with the TCEQ. The District's financial statements for the fiscal year ending March 31, 2025 were audited by the independent account firm of McCall Gibson Swedlund Barfoot Ellis, PLLC, Certified Public Accountants. See "APPENDIX A" for a copy of the audited financial statement of the District as of March 31, 2025. The District has engaged McCall Gibson Swedlund Barfoot Ellis, PLLC, to review its financial statements for the fiscal year ended March 31, 2026.

THE SYSTEM

Regulation

According to the District Engineer, the District's water supply and distribution, wastewater collection, and storm drainage facilities (collectively, the "System") have been designed in accordance with accepted engineering practices and the then current requirements of various entities having regulatory or supervisory jurisdiction over the construction and operation of such facilities. The construction of the System is required to be accomplished in accordance with the standards and specifications of such entities and is subject to inspection by each such entity. Operation of the System must be accomplished in accordance with the standards and requirements of such entities. The TCEQ exercises continuing supervisory authority over the District. Discharge of treated sewage is subject to the regulatory authority of the TCEQ and the U.S. Environmental Protection Agency. Construction of drainage facilities is subject to the regulatory authority of the City, Harris County, and, in some instances, the TCEQ. Harris County and the City also exercise regulatory jurisdiction over the System. The regulations and requirements of entities exercising regulatory jurisdiction over the System are subject to further development and revision which, in tum, could require additional expenditures by the District in order to achieve compliance. In particular, additional or revised requirements in connection with any permit for the wastewater treatment plant utilized by the District beyond the criteria existing at the time of construction of such plant could result in the need to construct additional facilities in the future. The following descriptions are based upon information supplied by the District's Engineer.

Water, Sanitary Sewer and Drainage Facilities

Source of Water Supply: The District is served by four water plants. The first plant consists of a 606 gallons per minute ("gpm") well and pump, 420,000 gallons of ground storage capacity, 3,000-gpm of booster pump capacity and two 15,000-gallon pressure tanks. The second plant consists of a 1,544 gpm well and pump, 525,000 gallons of ground storage capacity, 3,000-gpm of booster pump capacity, and a 25,000-gallon pressure tank. The third plant consists of a 1,390 gpm well and pump, 840,000 gallons of ground storage capacity, 4,000-gpm of booster pump capacity, and two 15,000-gallon pressure tanks. The fourth plant consists of a 1,277 gpm well and pump, 280,000 gallons of ground storage capacity, 3,000-gpm of booster pump capacity, and two 15,000-gallon pressure tanks. According to the Engineer, the District's water supply facilities are sufficient to serve approximately 8,028 equivalent single-family connections ("ESFCs"). As of March 2026, the District was serving approximately 7,400 ESFCs with water supply including additional irrigation connections. The District also has emergency water interconnects with Timber Lane Utility District, Harris County Municipal Utility District No. 43 and Postwood Municipal Utility District. The interconnects are for emergency use only and therefore are normally closed.

Subsidence and Conversion to Surface Water Supply: The District is within the boundaries of the Harris Galveston Subsidence District (the "Subsidence District") which regulates groundwater withdrawal. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in certain areas within the Subsidence District's jurisdiction, including the area within the District. In 1999, the Texas legislature created the North Harris County Regional Water Authority ("Authority") to, among other things, reduce groundwater usage in, and to provide surface water to, the northern portion of Harris County. The District is located within the boundaries of the Authority. The Authority has entered into a Water Supply Contract with the City of Houston, Texas ("Houston") to obtain treated surface water from Houston. The Authority has developed a groundwater reduction plan ("GRP") and obtained Subsidence District approval of its GRP. The Authority's GRP sets forth the Authority's plan to comply with Subsidence District regulations, construct surface water facilities, and convert users from groundwater to alternate source water (e.g., surface water). The District's groundwater well(s) are included within the Authority's GRP. The District's authority to pump groundwater is subject to an annual permit issued by the Subsidence District to the Authority, which permit includes all groundwater wells that are included in the Authority's GRP.

The Authority, among other powers, has the power to (i) issue debt supported by the revenues pledged for the payment of its obligations; (ii) establish fees (including fees to be paid by the District for groundwater pumped by the District or for surface water received by the District from the Authority), user fees, rates, and charges as necessary to accomplish its purposes; and (iii) mandate water users, including the District, to convert from groundwater to surface water. The Authority currently charges the District, and other major groundwater users, a fee per 1,000 gallons based on the amount of groundwater pumped by the District and the amount of surface water, if any, received by the District from the Authority. The Authority has issued revenue bonds to fund, among other things, Authority surface water project costs. It is expected that the Authority will continue to issue a substantial amount of bonds by the year 2035 to finance the Authority's project costs, and it is expected that the fees charged by the Authority will increase substantially over such period.

Under the Subsidence District regulations and the GRP, the Authority is required: (i) through the year 2024, to limit groundwater withdrawals to no more than 70% of the total annual water demand of the water users within the Authority's GRP; (ii) beginning in the year 2025, to limit groundwater withdrawals to no more than 40% of the total annual water demand of the water users within the Authority's GRP; and (iii) beginning in the year 2035, and continuing thereafter, to limit groundwater withdrawals to no more than 20% of the total annual water demand of the water users within the Authority's GRP. If the Authority fails to comply with the above Subsidence District regulations or its GRP, the Authority is subject to a disincentive fee penalty per 1,000 gallons ("Disincentive Fees") imposed by the Subsidence District for any groundwater withdrawn in excess of 20% of the total annual water demand in the Authority's GRP. In the event of such Authority failure to comply, the Subsidence District may also seek to collect Disincentive Fees from the District. If the District failed to comply with surface water conversion requirements mandated by the Authority, the Authority would likely impose monetary or other penalties against the District.

The District cannot predict the amount or level of fees and charges, which may be due the Authority in the future, but anticipates the need to pass such fees through to its customers: (i) through higher water rates and/or (ii) with portions of maintenance tax proceeds, if any. In addition, conversion to surface water could necessitate improvements to the System which could require the issuance of additional bonds by the District. No representation is made that the Authority: (i) will build the necessary facilities to meet the requirements of the Subsidence District for conversion to surface water, (ii) will comply with the Subsidence District's surface water conversion requirements, or (iii) will comply with its GRP.

Source of Wastewater Treatment: The District owns and operates a 2.2 million gallon per day ("gpd") wastewater treatment plant which, according to the District's Engineer, is currently capable of providing wastewater treatment capacity for approximately 8,301 ESFCs based upon a flow factor of 265 gpd/ESFC. As of March 2026, the District was serving approximately 7,400 ESFCs with wastewater treatment capacity.

Drainage: The District's drainage system drains into Spring Creek and thence by a series of streams into the Houston Ship Channel and Galveston Bay. At such time as the remaining acreage within the District is developed, additional on-site storm water detention facilities may be required.

100-Year Flood Plain: "Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency ("FEMA") has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rainstorm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. An engineering or regulatory determination that an area is above the 100-year flood plain is no assurance that homes built in such area will not be flooded. The District's drainage system has been designed and constructed to all current standards. See "INVESTMENT CONSIDERATIONS—Extreme Weather Events."

According to the Engineer, approximately 87 acres of undevelopable land, including a portion of the Harris County parks property, within the District are within the 100-year flood plain, as designated by the most recent Federal Emergency Management Agency Flood Insurance Rate Map. All of the land in the District which has been developed is outside the 100-year flood plain.

Atlas 14: In 2018, the National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States ("Atlas 14"). Floodplain boundaries within the District may be redrawn based upon the Atlas 14 study, which is based upon a higher statistical rainfall amount, resulting in interim floodplain regulations applying to a larger number of properties within the District. Such regulations could additionally result in higher insurance rates, increased development fees and stricter building codes for any property located within the expanded boundaries of the floodplain.

USE AND DISTRIBUTION OF BOND PROCEEDS

The estimated use and distribution of Bond proceeds is shown below. Of proceeds to be received from the sale of the Bonds, $4,295,464 is estimated for construction costs, and $1,364,536 is estimated for non-construction costs, including six (6) months of capitalized interest on the Bonds. The actual amounts to be reimbursed by the District and other costs will be finalized after the sale of the Bonds and agreed-upon procedures are completed by an independent accountant. The surplus funds, if any, may be expended for any lawful purpose for which surplus construction funds may be used, if approved by the TCEQ, where required.

CONSTRUCTION COSTS		
Breckenridge Forest North, Section 4 - Water, Wastewater and Drainage….	$	694,257
Breckenridge East, Sections 6 and 7 - Water, Wastewater and Drainage…..		1,362,830
Breckenridge East, Section 10 - Water, Wastewater and Drainage…………		1,618,200
Storm Water Pollution Prevention Plan………………………………………		82,029
Engineering………………………………………………………………………		538,148
Total Construction Costs	**$**	**4,295,464**
NON-CONSTRUCTION COSTS		
Legal Fees……………………………………………………………………….	$	153,200
Financial Advisory Fees……………………………………………………...		113,200
Capitalized Interest (Six (6) Months Estimated at 5.25%) (a) …………………		148,575
Developer Interest (Estimated)………………………………………………		641,744
Bond Discount (Estimated at 3.00%) (a)………………………………………		169,800
Bond Issuance Expenses………………………………………………………		58,207
Bond Application Report…………………………………………………...……		60,000
TCEQ Fee………………………………………………………………………		14,150
Attorney General Fee…………………………………………………………		5,660
Total Non-Construction Costs	**$**	**1,364,536**
TOTAL BOND ISSUE	**$**	**5,660,000**

(a) In its order authorizing the issuance of the Bonds, the TCEQ approved a maximum Bond Discount of 3.00% and six (6) months of capitalized interest at an estimated interest rate of 5.25%.

In the event approved estimated amounts exceed actual costs, the difference comprises a surplus which may be expended for uses in accordance with the rules of the TCEQ. In the event actual costs exceed previously estimated amounts and contingencies, additional TCEQ approval and the issuance of additional bonds may be required.

Future Debt

After reimbursement from Bond proceeds, the District will owe approximately $10,100,000 (as of May 1, 2026) to the Developers in Defined Area No. 1 for financing and constructing water, sanitary sewer and drainage facilities in the District solely within Defined Area No. 1. Also, the District presently contains approximately 78 acres of developable land within Defined Area No. 1 not presently served with water, sanitary sewer and drainage facilities. See "THE BONDS—Issuance of Additional Debt" and "INVESTMENT CONSIDERATIONS—Future Debt." It is anticipated that additional bonds will be issued to reimburse the Developers within Defined Area No. 1 in the District and to finance the construction of such facilities to serve the undeveloped acreage within Defined Area No. 1 within the District. The District can make no representation that any additional development will occur within the District, including within Defined Area No. 1. The Engineer has stated that Defined Area No. 1's authorized but unissued bonds will be adequate, under present land use projections, to finance such improvements. Additionally, conversion to surface water could necessitate improvements to the District's water supply system, which could require issuance of additional bonds by the District.

UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED

Authorized Defined Area No. 1 Ad Valorem Tax Bonds

Date of Authorization	Purpose	Amount Authorized	Issued to Date	Amount Unissued
5/1/21	Water, Sanitary Sewer and Drainage	$100,000,000	$25,725,000*	$74,275,000
5/1/21	Refunding	$40,000,000	$0	$40,000,000

* Includes the Bonds.

Authorized District Ad Valorem Tax Bonds

Date of Authorization	Purpose	Amount Authorized	Issued to Date	Amount Unissued
5/6/00, 5/4/02, 9/13/03, 2/5/05	Water, Sanitary Sewer and Drainage	$116,405,000	$109,615,000	$6,790,000
5/5/90	Refunding	$12,513,000	$1,718,853	$10,794,146.76

FINANCIAL STATEMENT

2025 Certified Taxable Assessed Valuation of Defined Area No. 1	$469,993,501	(a)
2026 Preliminary Taxable Assessed Valuation of Defined Area No. 1	$557,434,990	(b)
Estimated Taxable Assessed Valuation as of April 1, 2026 of Defined Area No. 1	$561,066,206	(c)
Gross Debt Outstanding of Defined Area No. 1		
Outstanding Bonds	$19,830,000	(d)
The Bonds	5,660,000	
Total Outstanding Debt of Defined Area No. 1	$25,490,000	
Ratios of Gross Debt of Defined Area No. 1 to:		
2026 Preliminary Taxable Assessed Valuation	4.57%	
Estimated Taxable Assessed Valuation as of April 1, 2026	4.54%	

Area of Defined Area No. 1 — 915 acres
Estimated 2026 Population — 6,810 (e)

(a) As certified by the Appraisal District. See "TAX PROCEDURES."
(b) Provided by the Appraisal District as a preliminary indication of the 2026 taxable value (as of January 1, 2026). Such amount is subject to property owner protest, review, and downward adjustment prior to certification. The preliminary value provided by the Appraisal District includes $554,386,316 of real property value and does not include an amount for personal property value. The 2025 certified amount of personal property was $3,048,674. The 2026 Preliminary Taxable Assessed Valuation shown throughout this Official Statement includes the 2026 preliminary real property value plus the 2025 certified personal property value. No tax will be levied on such an amount until it is certified. See "TAX PROCEDURES."
(c) Provided by the Appraisal District for informational purposes only. Such amount reflects an estimate of the taxable appraised value within the District on April 1, 2026. No tax will be levied on such amount. Taxes are levied on taxable value certified by the Appraisal District as of January 1 of each year. See "TAX PROCEDURES."
(d) See "—Outstanding Bonds" herein.
(e) Estimate based on 3.5 persons per single-family residence in Defined Area No. 1 assuming 95% occupancy.

Cash and Investment Balances (unaudited as of May 18, 2026)

District General Fund	Cash and Temporary Investments	$17,286,089	
District Capital Projects Fund	Cash and Temporary Investments	$ 943,812	
District Debt Service Fund	Cash and Temporary Investments	$10,067,854	(a)
Defined Area No. 1 Capital Projects Fund	Cash and Temporary Investments	$ 1,509,159	
Defined Area No. 1 Debt Service Fund	Cash and Temporary Investments	$ 2,314,889	(b)

(a) Reflects funds available for payment of debt service on District Outstanding Bonds that are not Defined Area No. 1 Outstanding Bonds. Such funds may not be used for payment of debt service on Defined Area No. 1 bonds, including the Bonds.

(b) Six (6) months of capitalized interest from the Bonds will be deposited into this account upon closing of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS." Such tax is levied by the District upon all taxable property located within Defined Area No. 1 for payment of debt service on the Bonds and any additional bonds that the District may hereinafter issue to serve land within Defined Area No. 1. The proceeds from the tax may not be used for payment of debt service on the District's Outstanding Bonds. Neither the Bond Resolution nor Texas law requires that the District maintain any particular balance in the Debt Service Fund.

Outstanding Bonds (as of May 1, 2026)

Defined Area No. 1

The Bonds represent the District's third issuance of unlimited tax bonds that are secured by the proceeds of taxes levied upon taxable property located only within Defined Area No. 1. The District has previously issued $20,065,000 principal amount of unlimited tax bonds that are secured by the taxes levied upon taxable property located only within Defined Area No. 1, of which 19,830,000 principal amount is outstanding as of the date hereof (the "Outstanding Bonds").

The District

The District has previously issued unlimited tax bonds that are secured by the proceeds of taxes levied upon taxable property within the entire District (including Defined Area No. 1), including twelve series of unlimited tax bonds, six series of unlimited tax refunding bonds, and five series of waterworks and sanitary sewer system combination unlimited tax and revenue bonds. As of the date hereof, the District has an aggregate of $78,420,000 principal amount of unlimited tax bonds outstanding (the "District Outstanding Bonds").

ESTIMATED OVERLAPPING DEBT STATEMENT

Expenditures of the various taxing entities within the territory of the District are paid out of ad valorem taxes levied by such entities on properties within the District. Such entities are independent of the District and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax bonds ("Tax Debt") was developed from information contained in the "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional bonds since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. The following table reflects the estimated share of the overlapping Tax Debt of the District.

Taxing Jurisdiction	Outstanding Bonds		As of	Overlapping Percent	Overlapping Amount
Harris County	$ 2,473,177,553		4/30/2026	0.07%	$ 1,706,493
Harris County Flood Control District	937,165,000		4/30/2026	0.07%	656,016
Harris County Department of Education	28,960,000		4/30/2026	0.07%	19,982
Harris County Hospital District	861,580,000		4/30/2026	0.07%	603,106
Port of Houston Authority	386,074,397		4/30/2026	0.07%	270,252
Spring Independent School District	1,300,200,000		4/30/2026	2.49%	32,413,986
Lone Star College District	342,055,000		4/30/2026	0.14%	468,615
The District	78,420,000		4/30/2026	28.72%	22,518,303
Total Estimated Overlapping Debt					$ 58,656,753
Defined Area No. 1	25,490,000	(a)	Current	100.00%	25,490,000
Total Direct and Estimated Overlapping Debt					$ 84,146,753

Ratios of Gross Debt and Estimated Overlapping Debt to:
2026 Preliminary Taxable Assessed Valuation 15.10%
Estimated Taxable Assessed Valuation as of April 1, 2026 .... 15.00%

(a) Includes the Outstanding Bonds and the Bonds.

Overlapping Tax Rates for 2025

	2025 Tax Rate per $100 of Taxable Assessed Valuation
Harris County (including Harris County Flood Control District, Harris County Hospital District, Harris County Department of Education, and the Port of Houston Authority)	$ 0.628928
Spring Independent School District	1.136900
Harris County ESD No. 7 (a)	0.100000
Lone Star College System	0.106000
The District	0.675000
Total Overlapping Tax Rate	$ 2.646828
Defined Area No. 1	0.300000
Total Tax Rate for District Defined Area No. 1	$ 2.94683

(a) A portion of the District is within Harris County Emergency Services District No. 11, which has a 2025 tax rate of $0.038078. The overlapping tax rate for the portion of the District in Harris County Emergency Services District No. 11 is $2.884906.

TAX DATA

Tax Collections

The following statement of tax collections sets forth in condensed form the historical tax collection experience of Defined Area No. 1. This summary has been prepared for inclusion herein, based upon information from District records. Reference is made to these records for further and more complete information. Values shown in the table below may differ throughout due to timing of reports. See "—Summary of Assessed Valuation" herein.

Tax Year	Certified Taxable Assessed Valuation	Tax Rate	Total Tax Levy	Total Collections as of April 30, 2026 (a) Amount	Percent
2021	$ 6,120,473 (b)	$ 0.300	$ 18,361	$ 18,361	100.00%
2022	40,376,919	0.300	121,131	120,054	99.11%
2023	180,724,559	0.300	542,174	541,504	99.88%
2024	340,545,746	0.300	1,021,637	1,017,388	99.58%
2025	469,993,501	0.300	1,409,981	1,380,257	97.89%

(a) Unaudited.
(b) Initial year of tax levy for Defined Area No. 1.

Taxes are due October 1 or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed. No split payments are allowed, and no discounts are allowed.

Tax Rate Distribution

The District	2025	2024	2023	2022	2021
Debt Service (a)	$ 0.425	$ 0.450	$ 0.450	$ 0.440	$ 0.430
Maintenance and Operations (b)	0.250	0.225	0.225	0.235	0.245
Total	$ 0.675	$ 0.675	$ 0.675	$ 0.675	$ 0.675
Defined Area No. 1					
Debt Service (c)	$ 0.300	$ 0.300	$ -	$ -	$ -
Maintenance and Operations (d)	-	-	0.300	0.300	0.300
Total	$ 0.300	$ 0.300	$ 0.300	$ 0.300	$ 0.300
Combined District and Defined Area No. 1	$ 0.975	$ 0.975	$ 0.975	$ 0.975	$ 0.975

(a) Such tax is levied by the District upon all taxable property located within the District, including Defined Area No. 1, for payment of debt service on the District Outstanding Bonds and any additional bonds that the District may hereinafter issue for the System. The proceeds from this tax may not be used for payment of debt service on the Bonds.
(b) Such tax is levied by the District upon all taxable property located within the District, including Defined Area No. 1, for payment of expenditures for maintenance and operations in the District.
(c) Such tax is levied by the District upon all taxable property located within Defined Area No. 1 for payment of debt service on the Bonds and any additional bonds that the District may hereinafter issue to serve land within Defined Area No. 1. The proceeds from the tax may not be used for payment of debt service on the District's Outstanding Bonds.
(d) Such tax is levied by the District upon all taxable property located within Defined Area No. 1 for payment of expenditures for maintenance and operations in Defined Area No. 1.

Defined Area No. 1 Tax Rate Limitations

Debt Service:	Unlimited (no legal limit as to rate or amount).
Maintenance and Operations:	$0.30 per $100 of taxable assessed valuation.

Defined Area No. 1 Debt Service Tax

All taxable property within Defined Area No. 1 is subject to the assessment, levy and collection by the District of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds and any future bonds issued by the District that are payable from the proceeds of taxes levied by the District upon property located only within Defined Area No. 1. See "TAX PROCEDURES." The Board of Directors of the District has in its Bond Resolution covenanted to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. See "THE BONDS" and "INVESTMENT CONSIDERATIONS." For the 2025 tax year, the District levied a debt service tax on property located in Defined Area No. 1 at the rate of $0.30 per $100 assessed valuation. See "—Tax Rate Distribution" herein.

Defined Area No. 1 Maintenance and Operations Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for maintenance of Defined Area No. 1's improvements, if such maintenance tax is authorized by the District's voters. At an election held May 1, 2021, the Board was authorized to levy such a maintenance tax in an amount not to exceed $0.30 per $100 of taxable assessed valuation in accordance with the constitution and laws of the state of Texas. Such tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds, Defined Area No. 1 bonds, the maintenance tax levied on all property within the District and any additional tax bonds which may be issued in the future. For the 2025 tax year, the District levied a maintenance and operations tax on property located in Defined Area No. 1 at the rate of $0.00 per $100 assessed valuation. See "—Tax Rate Distribution" herein.

District Debt Service Tax

All taxable property within the District is subject to the assessment, levy, and collection by the District of an annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the District Outstanding Bonds and any future tax-supported bonds that the District may hereafter issue for the System. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements, and available funds. In 2025, the District levied a tax in the amount of $0.425 per $100 of assessed valuation for payment of debt service on the District Outstanding Bonds. This debt service rate is levied against all taxable property located within the District, including Defined Area No. 1. See "—Tax Rate Distribution" herein.

District Maintenance and Operations Tax

The Board also has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements, if such maintenance tax is authorized by a vote of the District's electorate. The District voters have authorized the levy of such a maintenance tax in an amount not to exceed $0.25 per $100 of assessed valuation. Such tax is in addition to the other taxes that the District is authorized to levy as described above. In 2025, the District levied a maintenance tax in the amount of $0.25 per $100 of assessed valuation. This maintenance tax is levied against all taxable property in the District, including Defined Area No. 1. See "—Tax Rate Distribution" herein.

Tax Exemptions

As discussed in the section titled "TAX PROCEDURES" herein, certain property in the District may be exempt from taxation by the District. The District does not exempt any percentage of the market value of any residential homesteads from taxation. The Developers have executed a Waiver of Special Appraisal, waiving its right to claim any agriculture or open space exemptions, or any other type of exemption or valuation, for the property it owns within the District that would reduce the assessed value of such land below its market value for purposes of ad valorem taxation by the District. Such waiver is binding for a period of thirty years. For the 2026 tax year, the District adopted a $45,000 homestead exemption for disabled persons or persons over 65 years of age. Such exemptions apply only to the tax levied by the District upon all taxable property located within the boundaries of the entire District but are not applicable to property located in and the taxes for Defined Area No. 1.

Additional Penalties

The District has contracted with a delinquent tax attorney to collect certain delinquent taxes. In connection with that contract, the District established an additional penalty of twenty percent (20%) of the tax to defray the costs of collection. This 20% penalty applies to taxes that either: (1) become delinquent on or after February 1 of a year, but not later than May 1 of that year, and that remain delinquent on April 1 (for personal property) and July 1 (for real property) of the year in which they become delinquent or (2) become delinquent on or after June 1, pursuant to the Texas Property Tax Code.

Principal Taxpayers

The following list of principal taxpayers was provided by the District's tax assessor/collector and represents the principal taxpayers' value as a percentage of the 2025 Certified Taxable Assessed Valuation of Defined Area No. 1 of $469,993,501. This represents ownership as of January 1, 2025. Accurate principal taxpayer lists related to the 2026 Preliminary Taxable Assessed Valuation of $557,434,990, which is subject to review and downward adjustment prior to certification, or the Estimated Taxable Assessed Valuation as of April 1, 2026 of $561,066,206 are not available as of the date hereof.

Taxpayer	Type of Property	2025 Certified Taxable Assessed Valuation	% of 2025 Certified Taxable Assessed Valuation
DR Horton Texas Ltd. (a)	Land & Improvements	$ 5,816,927	1.24%
Woodmere Development Co. Ltd. (a)(b)	Land & Improvements	2,879,474	0.61%
Wood Constitute LLC	Land & Improvements	1,811,882	0.39%
Tranquil Spring Ltd.	Land	1,485,273	0.32%
CET Limited	Land	1,467,995	0.31%
BGM Land Investments Ltd.	Land	1,162,922	0.25%
Long Lake LTD (b)	Land	1,153,200	0.25%
Platinum Real Estate LLC	Land	1,018,536	0.22%
Apex Commons Ventures LLC (a)	Land	943,060	0.20%
Gena Properties Investment LLC	Land & Improvements	817,028	0.17%
Total		$ 18,556,297	3.95%

(a) See “THE DEVELOPERS.”
(b) Related entities. See “THE DEVELOPERS.”

Summary of Assessed Valuation

The following summary of the 2025, 2024 and 2023 Certified Taxable Assessed Valuations are provided by the District's Tax Assessor/Collector based on information provided by the Appraisal District and contained in the 2025, 2024 and 2023 certified tax rolls of Defined Area No. 1. Accurate breakdowns related to the 2026 Preliminary Taxable Assessed Valuation of $557,434,990, which is subject to review and downward adjustment prior to certification, or the Estimated Taxable Assessed Valuation as of April 1, 2026 of $561,066,206 are not available as of the date hereof.

	2025 Certified Taxable Assessed Value	2024 Certified Taxable Assessed Value	2023 Certified Taxable Assessed Value
Land	$ 120,732,897	$ 102,362,914	$ 84,865,842
Improvements	446,561,889	350,938,086	230,705,931
Personal Property	3,048,674	1,509,157	505,397
Exemptions	(100,349,959)	(114,264,411)	(135,352,611)
Total Certified	$ 469,993,501	$ 340,545,746	$ 180,724,559

Tax Adequacy for Debt Service

The calculations shown below assume, solely for purposes of illustration, no increase or decrease in assessed valuation over the 2026 Preliminary Taxable Assessed Valuation of $557,434,990, which is subject to review and downward adjustment prior to certification, or the Estimated Taxable Assessed Valuation as of April 1, 2026 of $561,066,206, no use of available funds, and utilize tax rates necessary to pay Defined Area No. 1's average and maximum annual debt service requirements on the Bonds and the Outstanding Bonds.

Maximum annual debt service requirement (2027)	$1,651,285
$0.32 tax rate on the 2026 Preliminary Taxable Assessed Valuation of $557,434,990 at a 95% collection rate produces	$1,694,602
$0.31 tax rate on the Estimated Taxable Assessed Valuation as of April 1, 2026 of $561,066,206 at a 95% collection rate produces	$1,652,340
Average annual debt service requirement (2027-2054)	$1,544,337
$0.30 tax rate on the 2026 Preliminary Taxable Assessed Valuation of $557,434,990 at a 95% collection rate produces	$1,588,690
$0.29 tax rate on the Estimated Taxable Assessed Valuation as of April 1, 2026 of $561,066,206 at a 95% collection rate produces	$1,545,737

No representation or suggestion is made that the 2026 Preliminary Taxable Assessed Valuation, which is subject to review and downward adjustment prior to certification, or the Estimated Taxable Assessed Valuation as of April 1, 2026 provided by the Appraisal District for Defined Area No. 1 will be certified as taxable value by the Appraisal District, and no person should rely upon such amounts or their inclusion herein as assurance of their attainment. See "TAX PROCEDURES."

TAX 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 Defined Area No. 1 in an amount sufficient to pay the principal of and interest on the Outstanding Bonds, the Bonds and any additional bonds which the District may hereinafter issue payable from taxes levied by the District upon property located only within Defined Area No. 1 (see "INVESTMENT CONSIDERATIONS—Future Debt") and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Resolution to levy such a tax from year to year as described more fully herein under "THE BONDS—Source of and Security for Payment."

The Board is further authorized to levy a separate ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District, including Defined Area No. 1, in a sufficient amount to pay the principal of and interest on the District Outstanding Bonds and any additional bonds that the District may hereafter issue for the System as well as to pay the expenses of assessing and collecting such taxes. The proceeds from such taxes levied by the District for payment of debt service on District Outstanding Bonds are not available for payment of debt service on the Bonds. Under Texas law, the Board may also levy and collect an annual ad valorem tax for the operation and maintenance of the District and for the payment of certain contractual obligations. See "TAX DATA—District Debt Service Tax," "—Defined Area No. 1 Debt Service Tax," "—District Maintenance and Operations Tax" and "—Defined Area No. 1 Maintenance and Operations Tax."

Property Tax Code and County-Wide Appraisal District

Title I of the Texas 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 Harris Central Appraisal District (the "Appraisal District") has the responsibility for appraising property for all taxing units within Harris County, including the District. Such appraisal values are subject to review and change by the Harris County Appraisal Review Board (the "Appraisal Review Board").

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas 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. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years of age or older and of certain disabled persons to the extent deemed advisable by the Board. For the 2026 tax year, the District has granted a $45,000 tax exemption on residential homesteads for persons 65 years of age or older or disabled. The District may be required to call such an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the previous election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between $5,000 and $12,000 of taxable valuation depending upon the disability rating of the veteran claiming the exemption, and qualifying surviving spouses of persons 65 years of age or older will be entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse. A veteran who receives a disability rating of 100% is entitled to an exemption for the full amount of the veteran's residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed or fatally injured in the line of duty is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. See "TAX DATA."

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 before July 1.

Freeport Goods and Goods-in-Transit Exemptions: 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 includes 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

Harris County or the City of Houston may designate all or part of the area within the District as a reinvestment zone. Thereafter, Harris County, the District, and the City of Houston (if it were to annex 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 (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. 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. Generally, 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. In determining market value, either the replacement cost or the income or the market data method of valuation may be used, whichever is appropriate. Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. Increases in the appraised value of residence homesteads are limited by the Texas Constitution to 10 percent 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 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, 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 (3) years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis. The 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.

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

District and Taxpayer Remedies

Under certain circumstances taxpayers and taxing units (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 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 1 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. A delinquent tax on personal property incurs an additional penalty, in an amount established by the District and a delinquent tax attorney, 60 days after the date the taxes become delinquent. 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, which may be rejected by taxing units. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continue to accrue during the period of deferral.

Tax Payment Installations After Disaster

Certain qualified taxpayers, including owners of residential homesteads, located within a designated disaster area or emergency area and whose property has been damaged as a direct result of the disaster or emergency, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction, such as the District, if the taxpayer pays at least one-fourth of the tax bill imposed on the property by the delinquency date. The remaining taxes may be paid without penalty or interest in three equal installments within six months of the delinquency date. Additionally, the Property Tax Code authorizes a taxing jurisdiction such as the District, solely at the jurisdiction's discretion to adopt a similar installment payment option for taxes imposed on property that is located within a designated disaster area or emergency area and is owned or leased by certain qualified business entities, regardless of whether the property has been damaged as a direct result of the disaster or emergency.

Additional Penalties

The District has contracted with a delinquent tax attorney to collect certain delinquent taxes. In connection with that contract, the District can establish an additional penalty of twenty percent (20%) of the tax to defray the costs of collection. This 20% penalty applies to taxes that either: (1) become delinquent on or after February 1 of a year, but not later than June 1 of that year, and that remain delinquent on April 1 (for personal property) and July 1 (for real property) of the year in which they become delinquent or (2) become delinquent on or after June 1, pursuant to the Texas Tax Code.

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code, as amended, classifies districts differently based on the current operation and maintenance tax rate or on the percentage of build-out that the District has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per $100 of taxable value are classified as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate is described for each classification below. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described herein.

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

Developed Districts: Developed Districts that adopt a total tax rate that would impose more than1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions for the preceding tax year, plus any unused increment rates, as calculated and described in Section 26.013 of the Tax Code, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

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

The District: A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District is made by the Board of Directors on an annual basis. The District was designated as a "Developing District" for 2026. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of 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 "ESTIMATED OVERLAPPING DEBT STATEMENT—Overlapping Tax Rates for 2025." 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 subject to the restrictions on residential homesteads described above under "Levy and Collection of Taxes." 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 cost of suit and sale, 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 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) or by bankruptcy proceedings which restrict the collection of taxpayer debts. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. See "INVESTMENT CONSIDERATIONS—Tax Collection Limitations."

WATER AND SEWER OPERATIONS

General

The Outstanding Bonds and the Bonds are payable from the levy of an ad valorem tax, without legal limitation as to rate or amount, upon all taxable property in Defined Area No. 1 within the District. Net revenues, if any, derived from the operation of the District's water and sewer operations are not pledged to the payment of the Bonds and the Outstanding Bonds but are available for any lawful purpose including payment of debt service on the Bonds and the Outstanding Bonds, at the discretion and upon action of the Board. It is not anticipated that any significant revenues will be available for the payment of debt service on the Bonds and the Outstanding Bonds.

Waterworks and Sewer System Operating Statement

The following statement sets forth in condensed form the historical results of operation of the District's General Fund. Accounting principles customarily employed in the determination of net revenues have been observed and, in all instances, exclude depreciation. Such summary is based upon information obtained from the District's audited financial statements for fiscal years ended March 31, 2022 through 2025, and an unaudited summary for the fiscal year ended March 31, 2026 as provided by the District's bookkeeper. Reference is made to such statements and records for further and more complete information.

	Fiscal Year Ended March 31				
	2026 (a)	2025	2024	2023	2022
Revenues					
Property Taxes	$ 4,024,132	$ 3,467,057	$ 3,357,195	$ 2,384,230	$ 2,009,981
Water Service	1,925,290	2,096,741	1,815,628	1,375,502	1,181,376
Wastewater Service	3,007,375	2,803,743	2,062,014	1,757,960	1,468,816
Sales Tax Receipts	61,243	76,723	70,795	67,368	67,579
Regional Water Authority Fee	1,466,970	1,748,980	2,105,099	1,899,711	1,590,450
Penalty and Interest	295,228	406,637	359,197	177,576	103,227
Tap Connection and Inspection Fees	322,622	1,885,514	2,783,751	1,016,396	587,096
Investment Revenues	588,829	611,989	503,462	215,738	13,076
Miscellaneous	1,486	104,895	149,513	121,961	216,191
Total Revenues	$ 11,693,174	$ 13,202,279	$ 13,206,654	$ 9,016,442	$ 7,237,792
Expenditures					
Professional Fees	$ 945,618	$ 382,500	$ 548,771	$ 391,833	$ 356,397
Contracted Services	3,330,244	3,264,509	2,757,411	2,203,768	1,968,063
Utilities	335,686	321,299	234,540	228,316	208,443
Regional Water Authority Assessment	1,435,369	1,613,358	1,617,639	1,950,912	1,644,252
Repairs and Maintenance	2,157,771	2,153,577	3,138,668	1,394,467	546,774
Other	239,421	1,838,980	1,967,488	947,161	698,113
Bond Issuance Costs	-	-	-	-	-
Capital Outlay	344,931	322,795	132,323	329,165	1,284,326
Total Expenditures	$ 8,789,040	$ 9,897,018	$ 10,396,840	$ 7,445,622	$ 6,706,368
Revenues Over (Under) Expenditures	$ 2,904,134	$ 3,305,261	$ 2,809,814	$ 1,570,820	$ 531,424
Other Sources (Interfund Transfer)	$ 32,378	$ 58,461	$ 28,724	$ 13,368	$ -
Fund Balance (Beginning of Year)	$ 16,186,872	$ 12,823,150	$ 9,984,612	$ 8,400,424	$ 7,869,000
Fund Balance (End of Year)	$ 19,123,384	$ 16,186,872	$ 12,823,150	$ 9,984,612	$ 8,400,424

(a) Unaudited. Provided by the District's bookkeeper.

DEFINED AREA NO. 1 DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Outstanding Bonds and the estimated debt service requirements for the Bonds at an assumed interest rate of 4.50% per annum. This schedule does not reflect the fact that the District will capitalize six (6) months of interest from Bond proceeds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Year	Outstanding Bonds Debt Service Requirements	Plus: Debt Service on the Bonds Principal	Interest	Total	Total Debt Service Requirements
2026	$ 852,781 (a)				$ 852,781
2027	1,277,013	$ 75,000	$ 299,273	$ 374,273	1,651,285
2028	1,272,638	80,000	251,325	331,325	1,603,963
2029	1,269,813	80,000	247,725	327,725	1,597,538
2030	1,265,938	85,000	244,125	329,125	1,595,063
2031	1,256,138	90,000	240,300	330,300	1,586,438
2032	1,250,613	95,000	236,250	331,250	1,581,863
2033	1,239,163	100,000	231,975	331,975	1,571,138
2034	1,233,063	105,000	227,475	332,475	1,565,538
2035	1,230,463	110,000	222,750	332,750	1,563,213
2036	1,232,063	115,000	217,800	332,800	1,564,863
2037	1,232,663	125,000	212,625	337,625	1,570,288
2038	1,231,956	130,000	207,000	337,000	1,568,956
2039	1,229,931	135,000	201,150	336,150	1,566,081
2040	1,226,556	145,000	195,075	340,075	1,566,631
2041	1,222,163	150,000	188,550	338,550	1,560,713
2042	1,221,388	160,000	181,800	341,800	1,563,188
2043	1,219,363	170,000	174,600	344,600	1,563,963
2044	1,221,088	175,000	166,950	341,950	1,563,038
2045	1,216,363	185,000	159,075	344,075	1,560,438
2046	1,215,388	195,000	150,750	345,750	1,561,138
2047	1,212,963	205,000	141,975	346,975	1,559,938
2048	1,209,088	215,000	132,750	347,750	1,556,838
2049	1,202,988	230,000	123,075	353,075	1,556,063
2050	1,200,406	240,000	112,725	352,725	1,553,131
2051	1,196,138	250,000	101,925	351,925	1,548,063
2052	1,190,163	265,000	90,675	355,675	1,545,838
2053	522,500	750,000	78,750	828,750	1,351,250
2054	-	1,000,000	45,000	1,045,000	1,045,000
Total	$ 33,350,781	$ 5,660,000	$ 5,083,448	$ 10,743,448	$ 44,094,229

(a) Excludes the April 1, 2026 debt service payment of $495,823.

Average Annual Debt Service Requirements (2027-2054)..$1,544,337
Maximum Annual Debt Service Requirements (2027)..$1,651,285

INVESTMENT CONSIDERATIONS

General

The Bonds are obligations solely of the District and are not obligations of the City of Houston, Harris County, the State of Texas, or any entity other than the District. Payment of the principal of and interest on the Bonds depends upon the ability of the District to collect taxes levied on taxable property within Defined Area No. 1 within the District in an amount sufficient to service Defined Area No. 1's bonded debt or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. See "THE BONDS—Source of and Security for Payment." 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 taxable property within Defined Area No. 1 within the District will maintain taxable values sufficient to justify continued payment of taxes by property owners or that there will be a market for the property or that owners of the property will have the ability to pay taxes. See "—Registered Owners' Remedies and Bankruptcy Limitations" herein.

Undeveloped Acreage and Vacant Lots

There are approximately 78 developable acres of land in Defined Area No. 1 that have not been fully provided with water, sanitary sewer, storm sewer, road and other facilities necessary for the construction of taxable improvements and 151 developed single-family residential lots that remain vacant as of May 12, 2026. Failure of the Developers to develop the developable land or of builders to construct taxable improvements on developed lots could restrict the rate of growth of taxable values in the District. Future increases in value in Defined Area No. 1 will result primarily from the construction of taxable improvements on developed tracts of land and single-family residential lots. The District, including Defined Area No. 1, makes no representation as to when or if development of the undeveloped acreage will occur or the success of any homebuilding programs. See "THE DISTRICT—Status of Development."

Landowner Obligation to the District

There are no commitments from or obligations of the Developers or any other landowner to the District to proceed at any particular rate or according to any specified plan with the development of land or the construction of improvements in Defined Area No. 1, and there is no restriction on any landowner's right to sell its land. Failure to construct taxable improvements on developed tracts of land or developed lots could restrict the rate of growth of taxable values in Defined Area No. 1. The District cannot and does not make any representations that over the life of the Bonds, Defined Area No. 1 will increase or maintain its taxable value.

Economic Factors and Interest Rates

A substantial percentage of the taxable value of Defined Area No. 1 results from the current market value of single-family residences and developed lots which are owned by the Developers or homebuilders. The market value of such properties is related to general economic conditions in the Houston region and the national economy and those conditions affecting the demand for properties. Demand for lots of this type and the construction of residential dwellings thereon can be significantly affected by factors such as interest rates, credit availability (see "—Credit Markets and Liquidity in the Financial Markets" below), construction costs, energy availability and the prosperity and demographic characteristics of the urban center toward which the marketing of such properties is directed. Decreased levels of construction activity could tend to restrict the growth of property values in Defined Area No. 1 or could adversely impact such values. See "DEFINED AREA NO. 1."

Credit Markets and Liquidity in the Financial Markets

Interest rates and the availability of mortgage and development funding have a direct impact on the construction activity, particularly short-term interest rates at which developers are able to obtain financing for development costs. Interest rate levels may affect the ability the Developers to undertake and complete construction activities within Defined Area No. 1. Because of the numerous and changing factors affecting the availability of funds, particularly liquidity in the national credit markets, the District is unable to assess the future availability of such funds for continued construction within Defined Area No. 1. In addition, since the District is located approximately 23 miles from the central downtown business district of the City of Houston, the success of development within Defined Area No. 1 and growth of Defined Area No. 1's taxable property values are, to a great extent, a function of the Houston metropolitan and regional economies and national credit and financial markets. A downturn in the economic conditions of Houston or a decline in the nation's real estate and financial markets could adversely affect development and home-building plans in Defined Area No. 1 and restrain the growth of or reduce Defined Area No. 1's property tax base.

Competition

The demand for and construction of single-family homes in the District, including within Defined Area No. 1, which is approximately 23 miles from the central downtown business district of the City of Houston, could be affected by competition from other residential developments including other residential developments located in the northern portion of the Houston metropolitan area. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in the area of the District and in more established neighborhoods closer to downtown Houston. Such homes could represent additional competition for new homes proposed to be sold within the District.

The competitive position of the Developers in the sale of single-family residential houses within the District is affected by most of the factors discussed in this section. Such a competitive position directly affects the growth and maintenance of taxable values in the District. The District can give no assurance that building and marketing programs in the District by the Developers will be implemented or, if implemented, will be successful.

Increase in Costs of Building Materials

As a result of supply issues, shipping constraints, and ongoing trade disputes (including tariffs), there have been recent substantial increases in the cost of lumber and other building materials, causing many homebuilders and general contractors to experience budget overruns. Further, the unpredictable nature of current trade policy (including the threatened imposition of tariffs) may impact the ability of the Developers or homebuilders in Defined Area No. 1 to estimate costs. Additionally, immigration policies may affect the State's workforce, and any labor shortages that could occur may impact the rate of construction within the District. Uncertainty surrounding availability and cost of materials may result in decreased levels of construction activity, and may restrict the growth of property values in the District, including within Defined Area No 1. The District makes no representations regarding the probability of development or homebuilding continuing in a timely manner or the effects that current or future economic or governmental circumstances may have on any plans of the Developers or homebuilders.

Maximum Impact on District Tax Rate

Assuming no further development, the value of the land and improvements currently within Defined Area No. 1 will be the major determinant of the ability or willingness of owners of property within Defined Area No. 1 to pay their taxes. The 2026 Preliminary Taxable Assessed Valuation is $557,434,990, which is subject to review and downward adjustment prior to certification. After issuance of the Bonds, the maximum annual debt service requirement will be $1,651,285 (2027) and the average annual debt service requirement will be $1,544,337 (2027-2054, inclusive). Assuming no increase or decrease from the 2026 Preliminary Taxable Assessed Valuation, the issuance of no additional debt, and no other funds available for the payment of debt service, tax rates of $0.32 and $0.30 per $100 of assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the maximum annual debt service requirement and average annual debt service requirement, respectively. The Estimated Taxable Assessed Valuation as of April 1, 2026, is $561,066,206. Assuming no increase or decrease from the Estimated Taxable Assessed Valuation as of April 1, 2026, the issuance of no additional debt, and no other funds available for the payment of debt service, tax rates of $0.31 and $0.29 per $100 of assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the maximum annual debt service requirement and average annual debt service requirement, respectively. See "DEFINED AREA NO. 1 DEBT SERVICE REQUIREMENTS." Although calculations have been made regarding the tax rate necessary to pay the maximum and average annual debt service on the Bonds based upon the 2026 Preliminary Taxable Assessed Valuation, which is subject to review and downward adjustment prior to certification, and the Estimated Taxable Assessed Valuation as of April 1, 2026, the District can make no representations regarding the future level of assessed valuation within the District. See "TAX DATA—Tax Adequacy for Debt Service" and "TAX PROCEDURES."

Future Debt

Defined Area No. 1

The District may issue additional bonds in Defined Area No. 1, subject to the authorization of the Defined Area No. 1 voters and the approval of the TCEQ. The Defined Area No. 1 voters have authorized $100,000,000 in principal amount of unlimited tax bonds for constructing and/or acquiring water, sanitary sewer and drainage facilities within Defined Area No. 1 and $40,000,000 in principal amount of unlimited tax bonds for the purpose of refunding such bonds. After issuance of the Bonds, $74,275,000 principal amount of unlimited tax bonds will remain authorized but unissued for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities within Defined Area No. 1.

Bonds issued for Defined Area No. 1 are payable solely from the proceeds of taxes levied and collected within the boundaries of Defined Area No. 1 and not on any other part of the District. Proceeds of taxes levied by the District upon taxable property located only within Defined Area No. 1 may not be used for payment of debt service on the District Outstanding Bonds. See "DEFINED AREA NO. 1."

The District

The District reserves the right to issue the remaining $6,790,000 principal amount of bonds for the purpose of constructing and/or acquiring water, sanitary sewer and drainage facilities and $10,794,146.76 principal amount of bonds for refunding outstanding bonds of the District, which have been authorized at elections held within the District and such additional bonds as may be voted hereafter. The issuance of such future obligations may adversely affect the investment security of the Bonds.

After reimbursement from Bond proceeds, the District will owe approximately $10,100,000 (as of May 1, 2026) to the Developers in Defined Area No. 1 for financing and constructing water, sanitary sewer and drainage facilities in the District solely within Defined Area No. 1. Also, the District presently contains approximately 134 acres of developable land not presently served with water, sanitary sewer and drainage facilities. The District intends to issue additional bonds in order to fully reimburse the various developers and to develop the remainder of the undeveloped but developable land. The District does not employ any formula with regard to assessed valuations or tax collections or otherwise to limit the amount of bonds which may be issued. Any bonds issued by the District for water, sanitary sewer, and drainage facilities, however, must be approved by the TCEQ, the Attorney General of Texas and the Board of the District.

Tax Collection Limitations

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 state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by market conditions limiting the proceeds from a foreclosure sale of taxable property and collection procedures. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. The costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid. See "TAX PROCEDURES—District's Rights in the Event of Tax Delinquencies."

Registered Owners' Remedies and Bankruptcy Limitations

If the District defaults in the payment of principal, interest , or redemption price on the Bonds when due, if it fails to make payments into any fund or funds created in the Bond Resolution, or if it defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Resolution , the Registered Owners have the statutory right of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Resolution. Except for mandamus, the Bond Resolution does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default, and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Resolution may not be reduced to a judgment for money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

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 U.S.C. Sections 901-946. The filing of such petition would automatically stay the enforcement of Registered Owner's remedies, including mandamus. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismisses 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 is (1) 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 negotiation is impracticable. Special districts such as the District must obtain the approval of the TCEQ as a condition to seeking relief under the Federal Bankruptcy Code. The TCEQ 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.

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 Registered Owners by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating the collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of the Registered Owners' claims against a district.

A district may not be forced into bankruptcy involuntarily.

Specific Flood Type Risks

Ponding (or Pluvial) Flood: Ponding, or pluvial, flooding occurs when heavy rainfall creates a flood event independent of an overflowing water body, typically in relatively flat areas. Intense rainfall can exceed the drainage capacity of a drainage system, which may result in water within the drainage system becoming trapped and diverted onto streets and nearby property until it is able to reach a natural outlet. Ponding can also occur in a flood pool upstream or behind a dam, levee or reservoir.

Riverine (or Fluvial) Flood: Riverine, or fluvial, flooding occurs when water levels rise over the top of river, bayou or channel banks due to excessive rain from tropical systems making landfall and/or persistent thunderstorms over the same area for extended periods of time. The damage from a riverine flood can be widespread. The overflow can affect smaller rivers and streams downstream, or may sheet-flow over land. Flash flooding is a type of riverine flood that is characterized by an intense, high velocity torrent of water that occurs in an existing river channel with little to no notice. Flash flooding can also occur even if no rain has fallen, for instance, after a levee, dam or reservoir has failed or experienced an uncontrolled release, or after a sudden release of water by a debris or ice jam. In addition, planned or unplanned controlled releases from a dam, levee or reservoir also may result in flooding in areas adjacent to rivers, bayous or man-made drainage systems (canals or channels) downstream.

Extreme Weather Events

The greater Houston area, including the District, is subject to occasional severe weather events, including tropical storms and hurricanes. If the District were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected. The greater Houston area has experienced multiple storms exceeding a 0.2% probability (i.e. “500-year flood” events) since 2015, including Hurricane Harvey which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four days.

According to the Engineer, the District's System did not sustain any material damage, there was no interruption of water and sewer service, and no homes or commercial improvements within the District experienced structural flooding or other material damage as a result of Hurricane Harvey.

If a hurricane (or any other natural disaster) significantly damaged all or part of the improvements within the District, the assessed value of property within the District could be substantially reduced, with a corresponding decrease in tax revenues or necessity to increase the District’s tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District would be adversely affected.

Potential Effects of Oil Price Volatility on the Houston Area

The economy of the Houston area has, in the past, been particularly affected by adverse conditions in the oil and gas industry, and such conditions and their spillover effects into other industries could result in declines in the demand for residential and commercial property in the Houston area and could reduce or negatively affect property values or homebuilding activity within Defined Area No. 1. The District cannot predict the impact that negative conditions in the oil and gas industry could have on property values in Defined Area No. 1.

Environmental Regulations

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

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

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

Air Quality Issues: Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the Texas Commission on Environmental Quality (the "TCEQ") may impact new industrial, commercial and residential development in the Houston area. Under the Clean Air Act ("CAA") Amendments of 1990, the eight-county Houston-Galveston-Brazoria area ("HGB Area")—Harris, Galveston, Brazoria, Chambers, Fort Bend, Waller, Montgomery and Liberty Counties—has been designated a nonattainment area under two separate federal ozone standards: the eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (the "2008 Ozone Standard"), and the EPA's most-recent promulgation of an even lower, 70 ppb eight-hour ozone standard in 2015 (the "2015 Ozone Standard"). While the State of Texas has been able to demonstrate steady progress and improvements in air quality in the HGB Area, the HGB Area remains subject to CAA nonattainment requirements.

The HGB Area is currently designated as a "severe" nonattainment area under the 2008 Ozone Standard, with an attainment deadline of July 20, 2027. If the EPA ultimately determines that the HGB Area has failed to meet the attainment deadline based on the relevant data, the area is subject to reclassification to a nonattainment classification that provides for more stringent controls on emissions from the industrial sector. In addition, the EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects if it finds that an area fails to demonstrate progress in reducing ozone levels.

The HGB Area is currently designated as a "serious" nonattainment area under the 2015 Ozone Standard, with an attainment deadline of August 3, 2027. For purposes of the 2015 Ozone Standard, the HGB Area consists of only six counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties.

In order to demonstrate progress toward attainment of the EPA's ozone standards, the TCEQ has established a state implementation plan ("SIP") for the HGB Area setting emission control requirements, some of which regulate the inspection and use of automobiles. These types of measures could impact how people travel, what distances people are willing to travel, where people choose to live and work, and what jobs are available in the HGB Area. These SIP requirements can negatively impact business due to the additional permitting/regulatory constraints that accompany this designation and because of the community stigma associated with a nonattainment designation. It is possible that additional controls will be necessary to allow the HGB Area to reach attainment with the ozone standards by the EPA's attainment deadlines. These additional controls could have a negative impact on the HGB Area's economic growth and development.

Water Supply & Discharge Issues: Water supply and discharge regulations that municipal utility districts, including the District, may be required to comply with involve: (1) groundwater well permitting and surface water appropriation; (2) public water supply systems; (3) wastewater discharges from treatment facilities; (4) storm water discharges; and (5) wetlands dredge and fill activities. Each of these is addressed below:

Certain governmental entities regulate groundwater usage in the HGB Area. A municipal utility district or other type of special purpose district that (i) is located within the boundaries of such an entity that regulates groundwater usage, and (ii) relies on local groundwater as a source of water supply, may be subject to requirements and restrictions on the drilling of water wells and/or the production of groundwater that could affect both the engineering and economic feasibility of district water supply projects.

Pursuant to the federal Safe Drinking Water Act ("SDWA") and the EPA's National Primary Drinking Water Regulations ("NPDWRs"), which are implemented by the TCEQ's Water Supply Division, a municipal utility district's provision of water for human consumption is subject to extensive regulation as a public water system. Municipal utility districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency's rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future. Further, the EPA has established a NPDWR for six (6) Per- and Polyflouroalkyl Substances ("PFAS"), which requires public water systems to perform certain monitoring and remediation measures. Public water systems may be subject to additional PFAS regulation in the future, which could increase the cost of constructing, operating, and maintaining water production and distribution facilities.

Texas Pollutant Discharge Elimination System ("TPDES") permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. The TCEQ reissued the TPDES Construction General Permit (TXR150000) ("CGP"), with an effective date of March 5, 2023, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain non-stormwater discharges into surface water in the state. The CGP has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act ("CWA") and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district's ability to obtain and maintain compliance with TPDES permits.

The District's stormwater discharges currently maintain permit coverage through the Municipal Separate Storm System Permit (the "Current Permit") issued to the Storm Water Management Joint Task Force consisting of Harris County, Harris County Flood Control District, the City of Houston, and the Texas Department of Transportation. In the event that at any time in the future the District is not included in the Current Permit, it may be required to seek independent coverage under the TCEQ's General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit"), which authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. If the District's inclusion in the MS4 Permit were required at a future date, the District could incur substantial costs to develop, implement, and maintain the necessary plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

Operations of utility districts, including the District, are also potentially subject to requirements and restrictions under the CWA regarding the use and alteration of wetland areas that are within the "waters of the United States." The District must obtain a permit from the United States Army Corps of Engineers ("USACE") if operations of the District require that wetlands be filled, dredged, or otherwise altered.

In 2023, the Supreme Court of the United States issued its decision in *Sackett v. EPA*, which clarified the definition of "waters of the United States" and significantly restricted the reach of federal jurisdiction under the CWA. Under the *Sackett* decision, "waters of the United States" includes only geographical features that are described in ordinary parlance as "streams, oceans, rivers, and lakes" and to adjacent wetlands that are indistinguishable from such bodies of water due to a continuous surface connection. Subsequently, the EPA and USACE issued a final rule amending the definition of "waters of the United States" under the CWA to conform with the Supreme Court's decision.

While the *Sackett* decision and subsequent regulatory action removed a great deal of uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction, operations of municipal utility districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements, in the future.

Continuing Compliance with Certain Covenants

The Bond Resolution contains covenants by the District intended to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds. Failure by the District to comply with such covenants in the Bond Resolution on a continuous basis prior to maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See "TAX MATTERS."

Marketability

The District has no agreement 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 of 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 generally bought, sold or traded in the secondary market.

Risk Factors Related to the Purchase of Municipal Bond Insurance

The District has applied for a bond insurance policy (the "Policy") to guarantee the scheduled payment of principal and interest on the Bonds. If the Policy is purchased, investors should be aware of the following investment considerations:

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

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

Neither the District nor the Initial Purchaser has made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer 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 the Insurer, particularly over the life of the investment. See "MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE" for further information provided by the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.

Cybersecurity

The District's consultants use digital technologies to collect taxes, hold funds and process disbursements. These systems necessarily hold sensitive protected information that is valued on the black market. As a result, the electronic systems and networks of organizations like the District's consultants are considered targets for cyber-attacks and other potential breaches of their systems. To the extent the District is determined to be the party responsible for various electronic systems or suffers a loss of funds due to a security breach, there could be a material adverse effect on the District's finances. Insurance to protect against such breaches is limited.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas, payable from the proceeds of an annual ad valorem tax levied, without legal limitation as to rate or amount, upon all taxable property within Defined Area No. 1, and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the approving legal opinion of Bond Counsel to a like effect and to the effect that, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Code (as defined herein), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

Bond Counsel has reviewed the information appearing in this Official Statement under "THE BONDS," "THE DISTRICT—General," "TAX PROCEDURES," "LEGAL MATTERS," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION" solely to determine if such information, insofar as it relates to matters of law, is true and correct, and whether such information fairly summarizes the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein.

Allen Boone Humphries Robinson LLP also serves as General Counsel to the District on matters other than the issuance of bonds. The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the bonds actually issued, sold, and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds. The legal fees paid to Allen Boone Humphries Robinson LLP in its capacity as General Counsel are based on time charges actually incurred.

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 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 Preliminary Official Statement, as it may be amended or supplemented through the date of sale.

No-Litigation Certificate

The District will furnish the Initial Purchaser a certificate, executed by both the President and Secretary of the Board, and dated as of the date of delivery of the Bonds, to the effect that there is not pending, and to their knowledge, there is not threatened, any litigation affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, or the organization or boundaries of the District, or the title of the officers thereof to their respective offices, and that no additional bonds or other indebtedness have been issued since the date of the statement of indebtedness or nonencumbrance certificate submitted to the Attorney General of Texas in connection with approval of the Bonds.

TAX MATTERS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

Tax Exemption

In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The District has covenanted in the Bond Resolution that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Bond Resolution pertaining to those sections of the Code that affect the excludability of interest on the Bonds from gross income for federal income tax purposes and, in addition, will rely on representations by the District and other parties involved with the issuance of the Bonds with respect to matters solely within the knowledge of the District and such parties, which Bond Counsel has not independently verified. If the District fails to comply with the covenants in the Bond Resolution or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the date of delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Bond Counsel will express no opinion as to the amount or timing of interest on the Bonds or, except as stated above, any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds. Certain actions may be taken or omitted subject to the terms and conditions set forth in the Bond Resolution upon the advice or with the approving opinion of Bond Counsel. Bond Counsel will express no opinion with respect to Bond Counsel's ability to render an opinion that such actions, if taken or omitted, will not adversely affect the excludability of interest of the Bonds from gross income for federal income tax purposes.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the District as the taxpayer, and the Owners of the Bonds may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds, regardless of the ultimate outcome of the audit.

Qualified Tax-Exempt Obligations

The Code requires a pro rata reduction in the interest expense deduction of a financial institution to reflect such financial institution's investment in tax-exempt obligations acquired after August 7, 1986. An exception to the foregoing provision is provided in the Code for "qualified tax-exempt obligations," which include tax-exempt obligations, such as the Bonds, (a) designated by the issuer as "qualified tax-exempt obligations" and (b) issued by or on behalf of a political subdivision for which the aggregate amount of tax-exempt obligations (not including private activity bonds other than qualified 501(c)(3) bonds) to be issued during the calendar year is not expected to exceed $10,000,000.

The District will designate the Bonds as "qualified tax-exempt obligations" and has represented that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during calendar year 2026 is not expected to exceed $10,000,000 and that the District and entities aggregated with the District under the Code have not designated more than $10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2026.

Notwithstanding these exceptions, financial institutions acquiring the Bonds will be subject to a 20% disallowance of allocable interest expense

Additional Federal Income Tax Considerations

Collateral Tax Consequences: Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences, including but not limited those noted below. Therefore, prospective purchasers of the Bonds should consult their own tax advisors as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

An "applicable corporation" (as defined in section 59(k) of the Code) may be subject to a 15 percent alternative minimum tax imposed under section 55 of the Code on its "adjusted financial statement income" (as defined in section 56A of the Code) for such taxable year. Because interest on tax-exempt obligations, such as the Bonds, is included in a corporation's "adjusted financial statement income," ownership of the Bonds could subject certain corporations to alternative minimum tax consequences.

Ownership of tax-exempt obligations also may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds.

Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

Tax Accounting Treatment of Original Issue Premium: If the issue price of any maturity of the Bonds exceeds the stated redemption price payable at maturity of such Bonds, such Bonds (the "Premium Bonds") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

Tax Accounting Treatment of Original Issue Discount: If the issue price of any maturity of the Bonds is less than the stated redemption price payable at maturity of such Bonds (the "OID Bonds"), the difference between (i) the amount payable at the maturity of each OID Bond, and (ii) the initial offering price to the public of such OID Bond constitutes original issue discount with respect to such OID Bond in the hands of any owner who has purchased such OID Bond in the initial public offering of the Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such OID Bond equal to that portion of the amount of such original issue discount allocable to the period that such OID Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Bonds under the captions "—Tax Exemption" and "—Additional Federal Income Tax Considerations—*Collateral Tax Consequences*" and "—*Tax Legislative Changes*" generally apply and should be considered in connection with the discussion in this portion of the Official Statement.

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

The foregoing discussion assumes that (i) the Initial Purchaser has purchased the Bonds for contemporaneous sale to the public and (ii) all of the OID Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the cover page of this Official Statement. Neither the District nor Bond Counsel has made any investigation or offers any assurance that the OID Bonds will be offered and sold in accordance with such assumptions.

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

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of OID Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of OID Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of interest accrued upon redemption, sale or other disposition of such OID Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such OID Bonds.

Tax Legislative Changes: Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any recently enacted, proposed, pending or future legislation.

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 interest cost, which bid was tendered by ______________________ (the "Initial Purchaser") bearing the interest rates shown on the cover page hereof, at a price of __________% of the principal amount thereof which resulted in a net effective interest rate of __________% as calculated pursuant to Chapter 1204 of the Texas Government Code.

Prices and Marketability

The prices and other terms with respect to the offering and sale of the Bonds may be changed at any 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 that stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The District has no control over the 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 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; nor have the Bonds 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 RATING AND MUNICIPAL BOND INSURANCE

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), has assigned a rating of "BBB+" to the Bonds. An explanation of the rating may be obtained from S&P, 55 Water Street, New York, New York 10041. The rating fees of S&P will be paid by the District; however, the fees associated with any other rating will be the responsibility of the Initial Purchaser.

Applications have been made to municipal bond insurance companies for the qualification of the Bonds for municipal bond insurance. If qualified, such insurance will be available at the option and expense of the Initial Purchaser. The rating fees of S&P will be paid by the District; any other rating fees associated with the insurance will be the responsibility of the Initial Purchaser. See "INVESTMENT CONSIDERATIONS—Risk Factors Related to the Purchase of Municipal Bond Insurance."

There is no assurance that such rating will continue for any given period of time or that it will not be revised or withdrawn entirely by S&P, if in its judgment, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

The financial data and other information contained in this Official Statement has been obtained primarily from the District's records, the Developers, the Engineer, the Tax Assessor/Collector, the Appraisal District and information from certain other sources. All of these sources are believed to be reliable, but no guarantee is made by the District as to the accuracy or completeness of the information derived from sources other than the District, and its inclusion herein is not to be construed as a representation on the part of the District except as described under "—Certification of Official Statement." Furthermore, there is no guarantee that any of the assumptions or estimates contained herein will be realized. The summaries of the agreements, reports, statutes, resolutions, engineering and other related information set forth in this Official Statement are included herein subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents for further information.

Financial Advisor

Masterson Advisors LLC is employed as the Financial Advisor to the District to render certain professional services, including advising the District on a plan of financing and preparing the Official Statement, including the Official Notice of Sale and the Official Bid Form for the sale of the Bonds. In its capacity as Financial Advisor, Masterson Advisors LLC has compiled and edited this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Consultants

In approving this Official Statement, the District has relied upon the following consultants.

Engineer: The information contained in this Official Statement relating to engineering matters and to the description of the System and in particular that information included in the sections entitled "THE DISTRICT," "DEFINED AREA NO. 1." and "THE SYSTEM" has been provided by Vogler & Spencer Engineering, Inc. and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

Appraisal District: The information contained in this Official Statement relating to the assessed valuations has been provided by the Harris Central Appraisal District and has been included herein in reliance upon the authority of such entity as experts in assessing the values of property in Harris County, including the District.

Tax Assessor/Collector: The information contained in this Official Statement relating to the historical breakdown of the Assessed Valuations, principal taxpayers, and certain other historical data concerning tax rates and tax collections has been provided by Equi-Tax, Inc., and is included herein in reliance upon the authority of said firm as an expert in assessing and collecting taxes.

Auditor: The District's financial statements for the fiscal year ending March 31, 2025, were audited by McCall Gibson Swedlund Barfoot Ellis, PLLC, Certified Public Accountants. See APPENDIX A for a copy of the District's audited financial statements for the fiscal year ended March 31, 2025.

Bookkeeper: The information related to the "unaudited" summary of the District's General Operating Fund as it appears in "WATER AND SEWER OPERATIONS" has been provided by Municipal Accounts & Consulting, L.P. and is included herein in reliance upon the authority of such firm as experts in the tracking and managing the various funds of municipal utility districts.

Updating the Official Statement

If, subsequent to the date of the Official Statement, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser, of any adverse event which causes the Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement satisfactory to the Initial Purchaser; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser, unless the Initial Purchaser notifies the District on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time as required by law (but not more than 90 days after the date the District delivers the Bonds).

Certification of Official Statement

The District, acting through its Board of Directors in its official capacity, hereby certifies, as of the date hereof, that the information, statements, and descriptions or any addenda, supplement and amendment thereto pertaining to the District and its affairs contained herein, to the best of its knowledge and belief, contain no untrue statement 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 are made, not misleading. With respect to information included in this Official Statement other than that relating to the District, 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 herein, in the light of the circumstances under which they are made, not misleading; however, the Board has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the District. In rendering such certificate, the official executing this certificate may state that he has relied in part on his examination of records of the District relating to matters within his own area of responsibility, and his discussions with, or certificates or correspondence signed by, certain other officials, employees, consultants and representatives of the District.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Resolution, the District has made the following agreement for the benefit of the registered 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 certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") System.

Annual Reports

The District will provide certain financial information and operating data annually to the MSRB. The financial information and operating data which will be provided with respect to the District includes all quantitative financial information and operating data of the general type included in this Official Statement under the headings "THE SYSTEM," "FINANCIAL STATEMENT," "TAX DATA," "WATER AND SEWER OPERATIONS," "DEFINED AREA NO. 1 DEBT SERVICE REQUIREMENTS," and in APPENDIX A. The District will update and provide this information to the MSRB within six months after the end of each of its fiscal years ending in or after 2026. Any financial statements provided by the District shall be prepared in accordance with generally accepted auditing standards or other such principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable year to the MSRB within such six month period and audited financial statements when the audit becomes available.

The District's current fiscal year end is March 31. Accordingly, it must provide updated information by September 30 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 provide timely notices of certain specified events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of an definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms "obligated person" and "financial obligation" when used in this paragraph shall have the meanings ascribed to them under SEC Rule 15c2-12 (the "Rule"). The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operational data, or financial statements in accordance with its agreement described above under "—Annual Reports."

Availability of Information from MSRB

The District has agreed to provide the foregoing information only to the MSRB. The MSRB makes the information available to the public without charge through the EMMA internet portal at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of 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 or Beneficial Owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its continuing disclosure agreement from time to time to adapt the 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, if but only if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby 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 either the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the Registered and Beneficial Owners of the Bonds. The District may amend or repeal the agreement in the Bond Resolution if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid or unenforceable, but only to the extent that its right to do so would not prevent the Initial Purchaser from lawfully purchasing the Bonds in the initial offering. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described under "—Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings

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

MISCELLANEOUS

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.

This Official Statement was approved by the Board of Directors of Harris County Municipal Utility District No. 82, as of the date shown on the cover page.

/s/ ______________________________
President, Board of Directors
Harris County Municipal Utility District No. 82

ATTEST:

/s/ ______________________________
Secretary, Board of Directors
Harris County Municipal Utility District No. 82

AERIAL PHOTOGRAPH
(Approximate boundaries of Defined Area No. 1 as of May 2026)


N
Harris County Municipal
Utility District No. 82
Defined Area No. 1

PHOTOGRAPHS OF DEFINED AREA NO. 1
(Taken May 2026)


23827

Regular Cash
3.99 9/10
Regular Credit
4.09 9/10
Diesel
4.99 9/10
Top Rock
TOP ROCK
TAQUERIA
Inside the store
AIR

APPENDIX A

District Audited Financial Statements for the fiscal year ended March 31, 2025

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

MARCH 31, 2025

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

TABLE OF CONTENTS

McCall Gibson Swedlund Barfoot Ellis PLLC
Certified Public Accountants

Chris Swedlund
Noel W. Barfoot
Joseph Ellis
Ashlee Martin

Mike M. McCall
(retired)
Debbie Gibson
(retired)

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harris County Municipal
Utility District No. 82
Harris County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 82 (the "District") as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of March 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Houston | Austin | Dallas
13100 Wortham Center Drive, Suite 235, Houston, Texas 77065-5610 713-462-0341

Board of Directors
Harris County Municipal Utility District No. 82

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Board of Directors
Harris County Municipal Utility District No. 82

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot Ellis PLLC

McCall Gibson Swedlund Barfoot Ellis PLLC
Certified Public Accountants
Houston, Texas

July 28, 2025

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2025

Management's discussion and analysis of Harris County Municipal Utility District No. 82's (the "District") financial performance provides an overview of the District's financial activities for the year ended March 31, 2025. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. This report also includes required and other supplementary information in addition to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective like that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes all the District's assets, liabilities, and, if applicable, deferred inflows and outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District's net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund financial statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the period. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") and other supplementary information. The budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by $10,386,301 as of March 31, 2025.

A portion of the District's net position reflects its net investment in capital assets (water and wastewater facilities less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide water and wastewater services. The following is a comparative analysis of the government-wide changes in net position:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2025	2024	Change Positive (Negative)
Current and Other Assets	$ 34,821,335	$ 30,364,811	$ 4,456,524
Capital Assets (Net of Accumulated Depreciation)	84,671,582	84,285,001	386,581
Total Assets	$ 119,492,917	$ 114,649,812	$ 4,843,105
Deferred Outflows of Resources	$ 343,800	$ 396,826	$ (53,026)
Long-Term Liabilities	$ 90,128,880	$ 73,638,990	$ (16,489,890)
Other Liabilities	19,321,536	34,175,190	14,853,654
Total Liabilities	$ 109,450,416	$ 107,814,180	$ (1,636,236)
Net Position:			
Net Investment in Capital Assets	$ (17,145,355)	$ (14,077,054)	$ (3,068,301)
Restricted	11,171,860	8,211,747	2,960,113
Unrestricted	16,359,796	13,097,765	3,262,031
Total Net Position	$ 10,386,301	$ 7,232,458	$ 3,153,843

The following table provides a summary of the District's operations for the fiscal years ended March 31, 2025, and March 31, 2024.

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	$ 11,059,408	$ 9,168,403	$ 1,891,005
Charges for Services	9,076,758	9,207,304	(130,546)
Other Revenues	1,525,976	1,582,900	(56,924)
Total Revenues	$ 21,662,142	$ 19,958,607	$ 1,703,535
Expenses for Services	18,508,299	20,509,968	2,001,669
Change in Net Position	$ 3,153,843	$ (551,361)	$ 3,705,204
Net Position, Beginning of Year	7,232,458	7,783,819	(551,361)
Net Position, End of Year	$ 10,386,301	$ 7,232,458	$ 3,153,843

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of March 31, 2025, were $31,949,786, an increase of $5,830,402 from the prior year.

The General Fund fund balance increased by $3,363,722, primarily due to property tax revenues and service revenues exceeding service operation costs and capital outlay.

The Debt Service Fund fund balance increased by $2,978,285, primarily due to the structure of the District's outstanding debt and the receipt of capitalized interest from the sale of Series 2024 Defined Area No. 1 Bonds.

The Capital Projects Fund fund balance decreased by $511,605. The District sold its Series 2024 Bonds and Series 2024 Defined Area No. 1 Tax Bonds and used the proceeds to fund current year capital costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated budget during the current fiscal year. The budget was amended to increase the budgeted amounts for capital outlay. Actual revenues were $606,613 less than budgeted revenues, actual expenditures were $444,789 more than budgeted expenditures and actual transfers were less than budgeted transfers by $1,539, which resulted in a negative variance of $1,052,941. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of March 31, 2025, total $84,671,582 (net of accumulated depreciation) and include the water and wastewater systems. Significant capital asset activity during the current year includes construction and engineering costs for: water plant no. 4 construction, Breckendridge Forest North, Sections 3, 4, 5, 8 and 9, wastewater and drainage facilities; water plant no. 3 ground storage tank; and water plant no. 1 recoating project.

CAPITAL ASSETS (Continued)

Capital Assets At Year-End, Net of Accumulated Depreciation

	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 12,254,047	$ 14,722,547	$ (2,468,500)
Construction in Progress	23,487,944	21,283,266	2,204,678
Capital Assets, Net of Accumulated Depreciation:			
Water System	12,426,987	11,593,950	833,037
Wastewater System	22,401,758	22,352,693	49,065
Detention Facilities	14,100,846	14,332,545	(231,699)
Total Net Capital Assets	$ 84,671,582	$ 84,285,001	$ 386,581

Additional information on the District's capital assets can be found in Note 6 of this report.

LONG-TERM DEBT ACTIVITY

As of March 31, 2025, the District had total bond debt payable of $94,540,000. The changes in the debt position of the District during the year ended March 31, 2025, are summarized as follows:

Bond Debt Payable, April 1, 2024	$ 76,340,000
Add: Bond Sales	20,690,000
Less: Bond Principal Paid	2,490,000
Bond Debt Payable, March 31, 2025	$ 94,540,000

The District's underlying rating is "A" by Standard and Poor's Rating Agency. The Series 2017 Refunding and Series 2020 bonds carry an "AA" rating by virtue of bond insurance issued by Build American Mutual Assurance Company. The Series 2014 Refunding and Series 2015 Refunding bonds are non-rated. The Series 2017A bonds were originally insured by virtue of bond insurance issued by National Public Finance Group. National Public Finance Group's rating has been withdrawn. The Series 2018, Series 2022, Series 2022A, Series 2023, Series 2024 and Series 2024 Defined Area No. 1 bonds carry an "AA" rating by virtue of bond insurance issues by Assured Guaranty. Credit enhanced ratings provided through bond insurance policies are subject to change based on the rating of the bond insurance company. The ratings above include all changes to ratings of bond insurers through March 31, 2025.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Harris County Municipal Utility District No. 82, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
MARCH 31, 2025

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 1,837,618	$ 252,551
Investments	14,460,771	10,910,909
Receivables:		
Property Taxes	172,924	367,073
Penalty and Interest on Delinquent Taxes		
Service Accounts	1,177,010	
Accrued Interest	36,057	3,180
Due from Other Funds	171,360	
Prepaid Costs	215,285	
Due from Other Governmental Units	18,087	
Land		
Construction in Progress		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 18,089,112	$ 11,533,713
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	$ - 0 -	$ - 0 -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 18,089,112	$ 11,533,713

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 356	$ 2,090,525	$	$ 2,090,525
5,288,254	30,659,934		30,659,934
	539,997		539,997
		81,260	81,260
	1,177,010		1,177,010
	39,237		39,237
	171,360	(171,360)	
	215,285		215,285
	18,087		18,087
		12,254,047	12,254,047
		23,487,944	23,487,944
		48,929,591	48,929,591
$ 5,288,610	$ 34,911,435	$ 84,581,482	$ 119,492,917
$ - 0 -	$ - 0 -	$ 343,800	$ 343,800
$ 5,288,610	$ 34,911,435	$ 84,925,282	$ 119,836,717

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
MARCH 31, 2025

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	$ 988,406	$
Accrued Interest on Compound Interest Bonds		
Due to Developers	1,500	
Due to Other Funds		140,860
Due to Taxpayers		8,377
Security Deposits	739,410	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 1,729,316	$ 149,237
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 172,924	$ 367,073
FUND BALANCES		
Nonspendable:		
Prepaid Costs	$ 215,285	$
Restricted for Authorized Construction		
Restricted for Defined Area	758,394	
Restricted for Debt Service		11,017,403
Unassigned	15,213,193	
TOTAL FUND BALANCES	$ 16,186,872	$ 11,017,403
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 18,089,112	$ 11,533,713
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 512,599	$ 1,501,005	$	$ 1,501,005
		293,876	293,876
	1,500	12,762,368	12,763,868
30,500	171,360	(171,360)	
	8,377		8,377
	739,410		739,410
		4,015,000	4,015,000
		90,128,880	90,128,880
$ 543,099	$ 2,421,652	$ 107,028,764	$ 109,450,416
$ - 0 -	$ 539,997	$ (539,997)	$ - 0 -
$	$ 215,285	$ (215,285)	$
4,745,511	4,745,511	(4,745,511)	
	758,394	(758,394)	
	11,017,403	(11,017,403)	
	15,213,193	(15,213,193)	
$ 4,745,511	$ 31,949,786	$ (31,949,786)	$ - 0 -
$ 5,288,610	$ 34,911,435		
		$ (17,145,355)	$ (17,145,355)
		11,171,860	11,171,860
		16,359,796	16,359,796
		$ 10,386,301	$ 10,386,301

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
MARCH 31, 2025

Total Fund Balances - Governmental Funds		$ 31,949,786
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Land, construction in progress and capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		84,671,582
Interest paid in advance as part of a refunding bond sale is recorded as a deferred outflow in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.		343,800
Deferred inflows of resources related to property tax revenues and penalty and interest receivable on delinquent taxes for the 2024 and prior tax levies became part of recognized revenue in the governmental activities of the District.		621,257
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:		
Due to Developer	$ (12,762,368)	
Accrued Interest on Compound Interest Bonds	(293,876)	
Bonds Payable Within One Year	(4,015,000)	
Bonds Payable After One Year	(90,128,880)	(107,200,124)
Total Net Position - Governmental Activities		$ 10,386,301

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2025

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 3,467,057	$ 7,682,924
Water Service	2,096,741	
Wastewater Service	2,803,743	
Sales Tax Receipts	76,723	
Regional Water Authority Fees	1,748,980	
Penalty and Interest	406,637	133,510
Tap Connection and Inspection Fees	1,885,514	
Investment Revenues	611,989	413,847
Miscellaneous Revenues	104,895	840
TOTAL REVENUES	$ 13,202,279	$ 8,231,121
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 382,500	$ 42,488
Contracted Services	3,264,509	186,581
Utilities	321,299	
Regional Water Authority Assessment	1,613,358	
Repairs and Maintenance	2,153,577	
Depreciation		
Developer Interest		
Other	1,838,980	47,853
Capital Outlay	322,795	
Conveyance of Assets		
Debt Service:		
Bond Issuance Costs		
Bond Principal		2,490,000
Bond Interest		2,991,177
TOTAL EXPENDITURES/EXPENSES	$ 9,897,018	$ 5,758,099
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	$ 3,305,261	$ 2,473,022
OTHER FINANCING SOURCES (USES)		
Transfers In(Out)	$ 58,461	$
Long-Term Debt Issued		505,263
Bond Discount		
Bond Premium		
TOTAL OTHER FINANCING SOURCES (USES)	$ 58,461	$ 505,263
NET CHANGE IN FUND BALANCES	$ 3,363,722	$ 2,978,285
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - APRIL 1, 2024	12,823,150	8,039,118
FUND BALANCES/NET POSITION - MARCH 31, 2025	$ 16,186,872	$ 11,017,403

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 11,149,981	$ (90,573)	$ 11,059,408
	2,096,741		2,096,741
	2,803,743		2,803,743
	76,723		76,723
	1,748,980		1,748,980
	540,147	1,633	541,780
	1,885,514		1,885,514
317,682	1,343,518		1,343,518
	105,735		105,735
$ 317,682	$ 21,751,082	$ (88,940)	$ 21,662,142
$ 19,650	$ 444,638	$	$ 444,638
1,692	3,452,782		3,452,782
	321,299		321,299
	1,613,358		1,613,358
14,548	2,168,125		2,168,125
		1,403,084	1,403,084
1,062,558	1,062,558		1,062,558
485	1,887,318		1,887,318
18,110,014	18,432,809	(18,432,809)	
		1,518,505	1,518,505
1,561,519	1,561,519		1,561,519
	2,490,000	(2,490,000)	
	2,991,177	83,936	3,075,113
$ 20,770,466	$ 36,425,583	$ (17,917,284)	$ 18,508,299
$ (20,452,784)	$ (14,674,501)	$ 17,828,344	$ 3,153,843
$ (58,461)	$	$	$
20,184,737	20,690,000	(20,690,000)	
(634,979)	(634,979)	634,979	
449,882	449,882	(449,882)	
$ 19,941,179	$ 20,504,903	$ (20,504,903)	$ -0-
$ (511,605)	$ 5,830,402	$ (5,830,402)	$
		3,153,843	3,153,843
5,257,116	26,119,384	(18,886,926)	7,232,458
$ 4,745,511	$ 31,949,786	$ (21,563,485)	$ 10,386,301

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2025

Net Change in Fund Balances - Governmental Funds	$ 5,830,402
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.	(90,573)
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.	1,633
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.	(1,403,084)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases, net any assets conveyed to others, and the Statement of Activities is not affected.	16,914,304
Governmental funds report bond premiums and discounts as other financing sources and uses in the period received or paid. However, in the Statement of Net Position, bond premiums and discounts are amortized over the life of the bonds and the current period amortized portion is recorded in the Statement of Activities.	185,097
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.	2,490,000
Governmental funds report interest expenditures on long-term debt as expenditures in the period paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.	(83,936)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.	(20,690,000)
Change in Net Position - Governmental Activities	$ 3,153,843

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

NOTE 1. CREATION OF DISTRICT

Harris County Municipal Utility District No. 82 of Harris County, Texas (the "District") was created effective May 30, 1973, by an Order of the Texas Water Rights Commission presently known as the Texas Commission on Environmental Quality (the "Commission"). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants, and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The District is also empowered to contract for or employ its own peace officers with powers to make arrests and to establish, operate and maintain a fire department to perform all fire-fighting activities within the District. The Board of Directors held its first meeting on October 4, 1973, and the first bonds were sold September 23, 1974.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

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

<u>Financial Statement Presentation</u>

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting ("GASB Codification").

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current period revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated to obtain net total revenues and expenses of the government-wide Statement of Activities.

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Governmental Funds Balance Sheet and a Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

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

General Fund - To account for resources not required to be accounted for in another fund, customer service revenues, operating costs and general expenditures.

Debt Service Fund - To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

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

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year-end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due. The District has applied a current accounting standard that provides for an exception to the basic concept that general long-term indebtedness is not reported as an expenditure until the amount becomes due and payable. This exception allows the District to record the April 1, 2025, debt service payments as expenditures during the current year.

Property taxes considered available by the District and included in revenue include taxes collected during the current year and taxes collected after March 31, 2025, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of March 31, 2025, the District recorded liabilities of $140,860 in the Debt Service Fund for the collection of maintenance tax revenues due to the General Fund and $30,500 in the Capital Projects Fund for current year bond issuance costs. The Capital Projects Fund transferred $58,461 to the General Fund for prior year bond application fees.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Interest costs, including developer interest, engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than $25,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Buildings	40
Water System	10-45
Wastewater System	10-45
Drainage System	10-45
All Other Equipment	3-20

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Pensions

A pension plan has not been established. The District does not have employees, except that the Internal Revenue Service has determined that fees of office received by Directors are wages subject to federal income tax withholding for payroll tax purposes only.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

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

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances. The District does not have and assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3. LONG-TERM DEBT

The following is a summary of transactions regarding bonds payable for the year ended March 31, 2025:

	April 1, 2024	Additions	Retirements	March 31, 2025
Bonds Payable	$ 76,340,000	$ 20,690,000	$ 2,490,000	$ 94,540,000
Unamortized Discounts	(993,904)	(634,979)	(53,949)	(1,574,934)
Unamortized Premiums	782,894	449,882	53,962	1,178,814
Bonds Payable, Net	$ 76,128,990	$ 20,504,903	$ 2,490,013	$ 94,143,880

Amount Due Within One Year	$ 4,015,000
Amount Due After One Year	90,128,880
Bonds Payable, Net	$ 94,143,880

NOTE 3. LONG-TERM DEBT (Continued)

	Refunding Series 2014	Refunding Series 2015	Series 2017A
Amount Outstanding – March 31, 2025	$1,795,000	$4,550,000	$3,565,000
Interest Rates	2.52%	2.77%	3.00% - 3.375%
Maturity Dates – Serially Beginning/Ending	October 1, 2025/2026	October 1, 2025/2030	October 1, 2025/2037
Interest Payment Dates	April 1/ October 1	April 1/ October 1	April 1/ October 1
Callable Dates	October 1, 2021*	October 1, 2020*	October 1, 2024*

	Refunding Series 2017		
	Bonds	Premium Compound Interest Bond**	Series 2018
Amount Outstanding – March 31, 2025	$1,740,000	$565,000	$3,000,000
Interest Rates	4.00%	5.319571%	3.00% - 3.75%
Maturity Dates – Serially Beginning/Ending	October 1, 2025/2030, 2032/2033	October 1, 2031	October 1, 2025/2039
Interest Payment Dates	April 1/ October 1	October 1, 2031	April 1/ October 1
Callable Dates	October 1, 2024*	October 1, 2024*	October 1, 2023*

* At the option of the District, in whole or in part, on the call option date or any date thereafter, at par plus accrued interest to the date of redemption. Series 2015 term bonds maturing October 1, 2030, are subject to mandatory redemption beginning October 1, 2015. Series 2017 Refunding term bonds maturing October 1, 2030 are subject to mandatory redemption beginning October 1, 2024. Series 2017A term bonds maturing October 1, 2027, October 1, 2029 and October 1, 2032, are subject to mandatory redemption beginning October 1, 2025, October 1, 2028, and October 1, 2030, respectively. Series 2018 term bonds maturing October 1, 2031 and 2033 are subject to mandatory redemption beginning October 1, 2030 and 2032, respectively. The Series 2014 Refunding bonds and the Series 2015 Refunding bonds are private placement bonds.

** The par value of these bonds is $565,000 and the maturity value is $1,090,000. Interest on these bonds will be paid at maturity. Accrued interest of $293,876 has been recorded as a liability in Statement of Net Position.

NOTE 3. LONG-TERM DEBT (Continued)

	Series 2020	Series 2022	Series 2022A
Amount Outstanding – March 31, 2025	$19,910,000	$12,050,000	$9,600,000
Interest Rates	2.00% - 4.00%	2.00% - 4.00%	4.00% - 6.25%
Maturity Dates – Serially Beginning/Ending	October 1, 2025/2045	October 1, 2025/2051	October 1, 2025/2051
Interest Payment Dates	April 1/ October 1	April 1/ October 1	April 1/ October 1
Callable Dates	October 1, 2025*	October 1, 2027*	October 1, 2028*

	Series 2023	Series 2024	Defined Area No. 1 Series 2024
Amount Outstanding – March 31, 2025	$17,075,000	$8,350,000	$12,340,000
Interest Rates	4.25% - 6.25%	3.25% - 5.75%	4.00% - 5.00%
Maturity Dates – Serially Beginning/Ending	October 1, 2025/2051	October 1, 2025/2051	October 1, 2025/2052
Interest Payment Dates	April 1/ October 1	April 1/ October 1	April 1/ October 1
Callable Dates	October 1, 2029*	October 1, 2030*	October 1, 2030*

* At the option of the District, in whole or in part, on the call option date or any date thereafter, at par plus accrued interest to the date of redemption. Series 2020 term bonds maturing October 1, 2045 are subject to mandatory redemption beginning October 1, 2043. The Series 2022 term bonds maturing October 1, 2044, 2047 and 2051 are subject to mandatory redemption beginning October 1, 2043, 2045 and 2048, respectively. The Series 2022A term bonds maturing October 1, 2040, 2042, 2044, 2047 and 2051 are subject to mandatory redemption beginning October 1, 2039, 2041, 2043, 2045 and 2048, respectively. The Series 2023 term bonds maturing October 1, 2032, 2041, and 2051 are subject to mandatory redemption beginning October 1, 2030, 2040, and 2044, respectively. The Series 2024 term bonds maturing October 1, 2034, 2036, 2038, 2040, 2042, 2044, 2047 and 2051 are subject to mandatory redemption beginning October 1, 2033, 2035, 2037, 2039, 2041, 2043, 2045 and 2048, respectively. The Series 2024 Defined Area term bonds maturing October 1, 2039 are subject to mandatory redemption beginning October 1, 2038.

As of March 31, 2025, the District had authorized but unissued bonds in the amount of $6,790,000 for utility facilities and $10,794,147 for refunding bonds.

NOTE 3. LONG-TERM DEBT (Continued)

As of March 31, 2025, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 4,015,000	$ 3,289,983	$ 7,304,983
2027	4,160,000	3,100,193	7,260,193
2028	4,010,000	2,916,047	6,926,047
2029	3,530,000	2,756,650	6,286,650
2030	2,800,000	2,639,912	5,439,912
2031-2035	14,390,000	12,375,854	26,765,854
2036-2040	16,670,000	9,407,244	26,077,244
2041-2045	18,585,000	6,760,579	25,345,579
2046-2050	17,975,000	3,608,338	21,583,338
2051-2053	8,405,000	399,078	8,804,078
	$ 94,540,000	$ 47,253,878	$ 141,793,878

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount. During the year ended March 31, 2025, the District levied an ad valorem debt service tax rate of $0.45 per $100 of assessed valuation, which resulted in a tax levy of $6,659,137 on the adjusted taxable valuation of $1,479,808,177 for the 2024 tax year.

The bond resolutions require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

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

Defined Area No. 1

Pursuant to the provisions of Subchapter J of Chapter 54 of the Texas Water Code, as amended, the District is authorized to define areas or designate certain property of the District to pay for improvements, facilities or services that primarily benefit that area. On February 9, 2021, the District approved the creation of a defined area (the "Defined Area No. 1").

NOTE 3. LONG-TERM DEBT (Continued)

Defined Area No. 1 (Continued)

At an election within the District on May 1, 2021, the voters authorized $100,000,000 principal amount of bonds to finance water, wastewater and drainage improvements within the Defined Area No. 1 and $40,000,000 principal amount of bonds for refunding purposes. Any bonds issued for the Defined Area No. 1 shall be payable solely from a tax levied within the boundaries of the Defined Area No. 1 and not on any other part of the District. The District has authorized but unissued Defined Area No. 1 bonds of $127,660,000. During the fiscal year ended March 31, 2025, the District levied an ad valorem debt service tax of $0.30 per $100 of assessed valuation within the Defined Area No. 1, which resulted in a total tax levy of $1,026,076 on the adjusted taxable valuation of $342,025,456 for the 2024 tax year.

NOTE 4. SIGNIFICANT BOND RESOLUTIONS AND LEGAL REQUIREMENTS

All investments and any profits realized from or interest accruing on such investments shall belong to the fund from which the moneys for such investments were taken; provided, however, that in the discretion of the Board of Directors the profits realized from and interest accruing on investments made from any fund may be transferred to the Debt Service Fund.

The bond resolutions state that the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data to the Municipal Securities Rulemaking Board. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds, within the meaning of Section 148 (f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on the five-year anniversary of each issue.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At March 31, 2025, the carrying amount of the District's deposits was $5,145,525 and the bank balance was $5,646,775. The District was not exposed to custodial credit risk at year-end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at March 31, 2025, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	$ 1,837,618	$ 1,880,000	$ 3,717,618
DEBT SERVICE FUND	252,551	1,175,000	1,427,551
CAPITAL PROJECTS FUND	356		356
TOTAL DEPOSITS	$ 2,090,525	$ 3,055,000	$ 5,145,525

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest District funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District's investment policy may be more restrictive than the Public Funds Investment Act.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District invests in Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS"), an external public funds investment pool that is not SEC-registered. Public Trust Advisors, LLC serves as the pool's administrator and investment advisor. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board. UMB Bank, N.A. serves as custodian for the pool. Investments held by Texas CLASS are priced to market on a weekly basis. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District's position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from Texas CLASS.

The District records certificates of deposit at acquisition cost.

As of March 31, 2025, the District had the following investments and maturities:

		Maturities in Years			
Fund and Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
GENERAL FUND					
Texas CLASS	$ 12,580,771	$ 12,580,771	$	$	$
Certificates of Deposit	1,880,000	1,880,000			
DEBT SERVICE FUND					
Texas CLASS	9,735,909	9,735,909			
Certificates of Deposit	1,175,000	1,175,000			
CAPITAL PROJECTS FUND					
Texas CLASS	5,288,254	5,288,254			
TOTAL INVESTMENTS	$ 30,659,934	$ 30,659,934	$ - 0 -	$ - 0 -	$ - 0 -

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At March 31, 2025, the District's investment in Texas CLASS was rated AAAm by Standard and Poor's. The District also manages credit risk by investing in certificates of deposits with balances below FDIC coverage.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in Texas CLASS to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value. The District also manages interest rate risk by investing in certificates of deposit with maturities of less than one year.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Restrictions

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

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2025:

	April 1, 2024	Increases	Decreases	March 31, 2025
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 14,722,547	$	$ 2,468,500	$ 12,254,047
Construction in Progress	21,283,266	2,204,678		23,487,944
Total Capital Assets Not Being Depreciated	$ 36,005,813	$ 2,204,678	$ 2,468,500	$ 35,741,991
Capital Assets Subject to Depreciation				
Water System	$ 17,396,903	$ 1,272,208	$	$ 18,669,111
Wastewater System	28,438,952	679,201		29,118,153
Detention Facilities	15,031,831	102,078		15,133,909
Total Capital Assets Subject to Depreciation	$ 60,867,686	$ 2,053,487	$ - 0 -	$ 62,921,173
Less Accumulated Depreciation				
Water System	$ 5,802,953	$ 439,171	$	$ 6,242,124
Wastewater System	6,086,259	630,136		6,716,395
Detention Facilities	699,286	333,777		1,033,063
Total Accumulated Depreciation	$ 12,588,498	$ 1,403,084	$ - 0 -	$ 13,991,582
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 48,279,188	$ 650,403	$ - 0 -	$ 48,929,591
Total Capital Assets, Net of Accumulated Depreciation	$ 84,285,001	$ 2,855,081	$ 2,468,500	$ 84,671,582

NOTE 7. MAINTENANCE TAX

On May 2, 1998, the voters of the District approved the levy and collection of a maintenance tax not to exceed $0.25 per $100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and sanitary sewer system. During the year ended March 31, 2025, the District levied an ad valorem maintenance tax rate of $0.225 per $100 of assessed valuation, which resulted in a tax levy of $3,329,568 on the adjusted taxable valuation of $1,479,808,177 for the 2024 tax year.

On May 1, 2021, the voters of the Defined Area No. 1 approved the levy and collection of a maintenance tax not to exceed $0.30 per $100 of assessed valuation for property within the Defined Area No. 1. During the fiscal year ended March 31, 2025, the District did not levied an ad valorem maintenance tax for the 2024 tax year.

NOTE 8. EMERGENCY WATER SUPPLY CONTRACTS

On May 27, 1981, the District entered into an Emergency Water Supply Contract with Timber Lane Utility District. The rate to be charged by each district will be $0.50 per 1,000 gallons of water supplied. The term of this agreement is ten (10) years. This contract expired in May of 1991. On April 23, 2001, the Amendment to Emergency Water Supply Contract was approved. This amendment noted the expiration of the earlier agreement and the desire of the districts to continue and amend the contract to provide for the ongoing maintenance of the interconnect facilities. In accordance with this amendment, the districts agreed to share the cost of the maintenance and operations of the interconnect facilities on a 50/50 basis. The term of the agreement was extended to December 31, 2041. On May 22, 2006, the Second Amendment to Emergency Water Supply Contract was approved. This amendment noted that the point of interconnect between the districts would be changed. It also noted that the rate to be charged by each district will now be $0.75 per 1,000 gallons, plus an additional flat rate water fee based on the amount of the North Harris County Regional Water Authority pumpage fee.

On January 28, 2008, the District entered into an Emergency Water Supply Agreement with Harris County Municipal Utility District No. 43 (District No. 43). In accordance with the agreement, the interconnect will be constructed with District No. 43 paying all the costs related to the interconnect. The rate charged by the receiving district will be $0.75 per 1,000 gallons, plus the then current pumpage fees charged by the North Harris County Regional Water Authority. The term of the agreement is 40 years and shall automatically thereafter for successive five-year terms, unless notice of non-renewal is provided to the other party at least nine months prior to the commencement of the renewal term.

NOTE 8. EMERGENCY WATER SUPPLY CONTRACTS (Continued)

On December 17, 2009, the District executed an emergency interconnect agreement with Post Wood Municipal Utility District (Post Wood) and Tattor Road Municipal Utility District (Tattor Road) to provide for the construction of an interconnect water line from within the District to the District's boundary, along with the meter and meter vault, if required by the City of Houston, and connection and flushing valves located on either side of the point of connection. The purpose of the interconnect line is to provide water to Post Wood and Tattor Road on an emergency basis. The agreement provided that the Post Wood split the costs of the Post Wood portion of the line on a 50/50 basis with Tattor Road. The District, Post Wood, and Tattor Road will share one-third each of any costs relating to the meter. On August 24, 2020, the First Amendment to Emergency Interconnect Agreement was approved. This amendment allows for the relocation of the existing point of interconnect to allow the District to provide water to a newly annexed area of the District. The District agrees to reimburse Post Wood and Tattor Road $74,565 to fully compensate each district for its cost of the Post Wood water line. During a prior fiscal year, the District reimbursed Post Wood and Tattor Road $74,565 each related to this agreement.

NOTE 9. UNREIMBURSED COSTS

The District has executed various agreements for financing of facilities with Developers within the District. The agreements call for the Developers to fund costs associated with water, wastewater and drainage facilities until such time as the District can sell bonds. As of March 31, 2025, the District has recorded a liability of $12,762,368 for completed projects. Any reimbursement is contingent upon future bond sales or use of available surplus funds.

Due to Developer, beginning of year	$ 27,887,007
Additions	1,437,315
Reimbursements	16,561,954
Due to Developer, end of year	$ 12,762,368

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, error and omission and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage and no settlements have exceeded coverage in the past three years.

NOTE 11. NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY

The District is located within the boundaries of the North Harris County Regional Water Authority (the "Authority"). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 2965 (the "Act"), as passed by the 75th Texas Legislature, in 1999. The Act empowers the Authority to provide for the conservation, preservation, protection, recharge and prevention of waste of groundwater, and for the reduction of groundwater withdrawals. The Authority is overseeing that its participants comply with the Harris-Galveston Subsidence District pumpage requirements. The District is required to convert its water supply to surface water over a period of time. A five-member board of directors governs the Authority. The directors serve staggered four-year terms.

The Authority charges a fee, based on the amount of water pumped from a well, to the owner of wells located within the boundaries of the Authority, unless exempted. This fee enables the Authority to fulfill its purpose and regulatory functions. The fee currently being charged is $2.60 per 1,000 gallons of water pumped from each well. The District recorded expenditures of $1,613,358 for fees assessed during the year ended March 31, 2025.

NOTE 12. STRATEGIC PARTNERSHIP AGREEMENT

Effective December 13, 2010, the District entered into a Strategic Partnership Agreement with the City of Houston, Texas. The agreement provides that in accordance with Subchapter F of Chapter 43 of the Local Government Code and Act, the City shall annex a tract of land defined as the "Subject Tract" for the limited purposes described below. The District will continue to develop, to own, and to operate and maintain a water and wastewater system in the District.

Neither the District nor any owners of taxable property within the District is liable for any present or future debts of the City, and current and future ad valorem taxes levied by the City will not be levied on taxable property within the District. Provisions of the Regulatory Plan adopted by the City will be applicable to the Subject Tract of land within the District. The District's assets, liabilities, indebtedness, and obligations will remain the responsibility of the District during the period preceding full-purpose annexation. The qualified voters of the Subject Tract may vote in City elections pursuant to Local Government Code. The City is responsible for notifying the voters within the Subject Tract. The City's Municipal Courts shall have jurisdiction to adjudicate cases filed under the most current section of the Fire Code banning fireworks.

The City has imposed a sale and use tax within the boundaries of the subject tract upon the limited-purpose annexation of the subject tract. The sales and use tax is imposed on the receipts from the sale and use at retail of taxable items at the rate of one percent or the rate specified under the future amendments to Chapter 321 of the Tax Code. The City agreed to pay to the District an amount equal to one-half of all sales and use tax revenues generated within the boundaries of the subject tract. The City agreed to deliver to the District its share of the sales tax receipts within 30 days of the City receiving the funds from the State Controller's office.

NOTE 12. STRATEGIC PARTNERSHIP AGREEMENT (Continued)

The City agrees that it will not annex the District for full purposes or commence any action to annex the District for full purposes during the term of this Agreement. The term of this Agreement is 30 years from the effective date of the agreement. During the year ended March 31, 2025, the District recorded $76,723 of revenue related to this agreement, of which $18,087 was receivable at March 31, 2025.

NOTE 14. BOND SALES

On September 26, 2024, the District closed on the sale of its $8,350,000 Series 2024 Unlimited Tax Bonds. Proceeds were used to fund the cost of acquisition or construction of the following: water, wastewater, and drainage facilities serving Breckenridge Park West, Section 3, Breckenridge East, Section 5, Breckenridge Forest North, Sections 3 and 4; Breckenridge Forest North, Section 3 and 4 clearing and grubbing and detention pond improvements; and land acquisition costs for Breckenridge Forest North detention ponds. Proceeds were also used to pay issuance costs of the bonds

On September 26, 2024, the District closed on the sale of its $12,340,000 Series 2024 Defined Area No. 1 Unlimited Tax Bonds. Proceeds were used to fund the cost of acquisition or construction of the following: water, wastewater, and drainage facilities serving Breckenridge East, Sections 3, 4 and 8; land acquisition costs for Breckenridge East Detention Reserves and Phase 2 Detention, Section 11 Reserve F. Proceeds were also used to fund capitalized interest and to pay issuance costs of the bonds

NOTE 15. SUBSEQUENT EVENT – BOND SALE

On or about July 31, 2025, subsequent to year-end, the District anticipates closing on the sale of its $7,725,000 Defined Area No. 1 Unlimited Tax Bonds, Series 2025. Proceeds will be used to finance the cost of construction for Breckenridge East, Phase 2 detention and clearing and grubbing, Breckenridge East, Section 2 water, wastewater and drainage, Bradbury Forest Sections 11-14 clearing and grubbing and land acquisition costs for Breckenridge East Phase 2 detention, Section 10 Reserve J. Proceeds will also be used to fund capitalized interest and to pay issuance costs of the bonds.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

REQUIRED SUPPLEMENTARY INFORMATION

MARCH 31, 2025

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR YEAR ENDED MARCH 31, 2025

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Taxes	$ 3,005,000	$ 3,005,000	$ 3,467,057	$ 462,057
Water Service	2,038,831	2,038,831	2,096,741	57,910
Wastewater Service	2,142,797	2,142,797	2,803,743	660,946
Sales Tax Receipts	71,899	71,899	76,723	4,824
Regional Water Authority Fee	2,296,898	2,296,898	1,748,980	(547,918)
Penalty and Interest	376,557	376,557	406,637	30,080
Tap Connection and Inspection Fees	3,403,878	3,403,878	1,885,514	(1,518,364)
Investment Revenues	432,772	432,772	611,989	179,217
Miscellaneous Revenues	40,260	40,260	104,895	64,635
TOTAL REVENUES	$ 13,808,892	$ 13,808,892	$ 13,202,279	$ (606,613)
EXPENDITURES				
Service Operations:				
Professional Fees	$ 398,500	$ 398,500	$ 382,500	$ 16,000
Contracted Services	2,900,236	2,900,236	3,264,509	(364,273)
Utilities	244,114	244,114	321,299	(77,185)
Regional Water Authority Assessment	1,621,041	1,621,041	1,613,358	7,683
Repairs and Maintenance	1,430,819	1,430,819	2,153,577	(722,758)
Other	1,950,519	1,950,519	1,838,980	111,539
Capital Outlay	807,000	907,000	322,795	584,205
TOTAL EXPENDITURES	$ 9,352,229	$ 9,452,229	$ 9,897,018	$ (444,789)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 4,456,663	$ 4,356,663	$ 3,305,261	$ (1,051,402)
OTHER FINANCING SOURCES(USES)				
Transfers In / (Out)	$ 60,000	$ 60,000	$ 58,461	$ (1,539)
NET CHANGE IN FUND BALANCE	$ 4,516,663	$ 4,416,663	$ 3,363,722	$ (1,052,941)
FUND BALANCE - APRIL 1, 2024	12,823,150	12,823,150	12,823,150	
FUND BALANCE - MARCH 31, 2025	$ 17,339,813	$ 17,239,813	$ 16,186,872	$ (1,052,941)

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

SUPPLEMENTARY INFORMATION REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

MARCH 31, 2025

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
SERVICES AND RATES
FOR THE YEAR ENDED MARCH 31, 2025

1. SERVICES PROVIDED BY THE DISTRICT DURING THE CURRENT YEAR:

X	Retail Water		Wholesale Water	X	Drainage
X	Retail Wastewater		Wholesale Wastewater		Irrigation
	Parks/Recreation		Fire Protection	X	Security
X	Solid Waste/Garbage		Flood Control		Roads
	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
	Other (specify):				

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 3/4" METER (OR EQUIVALENT):

Based on the rate order approved September 23, 2024.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$ 18.83	3,000	N	$ 1.25	3,001 to 10,000
				$ 1.50	10,001 to 20,000
				$ 2.00	20,001 to 30,000
				$ 2.50	30,001 to 40,000
				$ 3.00	40,001 and up
WASTEWATER:	$ 40.86		Y		
SURCHARGE:					
Solid Waste/ Garbage	Included in wastewater bill				
Commission Regulatory Assessments					
Regional Water Authority Fees			N	$2.86	Each 1,000 gallons over -0- usage
Other (Name)					

District employs winter averaging for wastewater usage? ____ Yes X No

Total monthly charges per 10,000 gallons usage: Water: $27.58 Wastewater: $40.86 Surcharge: $28.60

See accompanying independent auditor's report.

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"	6,379	6,331	x 1.0	6,331
1"	44	43	x 2.5	108
1½"	10	10	x 5.0	50
2"	47	47	x 8.0	376
3"	2	2	x 15.0	30
4"	4	4	x 25.0	100
6"	3	3	x 50.0	150
8"	1	1	x 80.0	80
10"			x 115.0	
Total Water Connections	6,490	6,441		7,225
Total Wastewater Connections	6,413	6,365	x 1.0	6,365

3. TOTAL WATER CONSUMPTION DURING THE YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)

Gallons pumped into system:	517,740,000	Water Accountability Ratio: 94.43 % (Gallons billed and sold/Gallons pumped and purchased)
Gallons billed to customers:	488,904,000	

See accompanying independent auditor's report.

4. **STANDBY FEES** (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes ___ No _X_

Does the District have Operation and Maintenance standby fees? Yes ___ No _X_

5. **LOCATION OF DISTRICT:**

Is the District located entirely within one county?

Yes _X_ No ___

County or Counties in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely ___ Partly ___ Not at all _X_

Is the District located within a city's extraterritorial jurisdiction (ETJ)?

Entirely _X_ Partly ___ Not at all ___

ETJ's in which District is located:

City of Houston, Texas

Are Board Members appointed by an office outside the District?

Yes ___ No _X_

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2025

PROFESSIONAL FEES:		
Arbitrage	$	5,000
Auditing		19,250
Engineering		219,011
Legal		139,239
TOTAL PROFESSIONAL FEES	$	382,500
CONTRACTED SERVICES:		
Bookkeeping	$	96,261
Operations and Billing		441,524
Security		977,552
Solid Waste Disposal		1,749,172
TOTAL CONTRACTED SERVICES	$	3,264,509
UTILITIES:		
Electricity	$	319,438
Telephone		1,861
TOTAL UTILITIES	$	321,299
REPAIRS AND MAINTENANCE	$	2,153,577
ADMINISTRATIVE EXPENDITURES:		
Director Fees	$	32,615
Insurance		90,306
Office Supplies and Postage		58,690
Payroll Taxes		2,495
Election Costs		32,609
Travel and Meetings		13,699
Regional Water Authority Assessment		1,613,358
Other		58,863
TOTAL ADMINISTRATIVE EXPENDITURES	$	1,902,635

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2025

CAPITAL OUTLAY	$	322,795
TAP CONNECTIONS	$	664,950
OTHER EXPENDITURES:		
Chemicals	$	340,286
Laboratory Fees		73,415
Permit Fees		23,436
Reconnection Fees		43,898
Inspection Fees		94,845
Regulatory Assessment		21,182
Sludge Hauling		287,691
TOTAL OTHER EXPENDITURES	$	884,753
TOTAL EXPENDITURES	$	9,897,018

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
INVESTMENTS
MARCH 31, 2025

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
Texas CLASS	XXXX0001	Varies	Daily	$ 11,880,923	$
Texas CLASS	XXXX0005	Varies	Daily	699,848	
Certificate of Deposit	XXXX0684	4.00%	12/17/25	235,000	232
Certificate of Deposit	XXXX8214	5.25%	04/18/25	235,000	11,695
Certificate of Deposit	XXXX5683	4.56%	06/22/25	235,000	2,848
Certificate of Deposit	XXXX7775	4.00%	03/13/26	235,000	464
Certificate of Deposit	XXXX0358	5.05%	05/23/25	235,000	10,144
Certificate of Deposit	XXXX0977	5.25%	08/09/25	235,000	7,909
Certificate of Deposit	XXXX5633	4.20%	02/01/26	235,000	1,055
Certificate of Deposit	XXXX0161	4.15%	01/26/26	235,000	1,710
TOTAL GENERAL FUND				$ 14,460,771	$ 36,057
DEBT SERVICE FUND					
Texas CLASS	XXXX0003	Varies	Daily	$ 8,259,777	$
Texas CLASS	XXXX0009	Varies	Daily	1,476,132	
Certificate of Deposit	XXXX5787	4.50%	09/01/25	235,000	753
Certificate of Deposit	XXXX8462	4.56%	09/15/25	235,000	352
Certificate of Deposit	XXXX6034	4.25%	09/18/25	235,000	246
Certificate of Deposit	XXXX5640	4.20%	02/25/26	235,000	920
Certificate of Deposit	XXXX0617	4.15%	02/25/26	235,000	909
TOTAL DEBT SERVICE FUND				$ 10,910,909	$ 3,180
CAPITAL PROJECTS FUND					
Texas CLASS	XXXX0002	Varies	Daily	$ 998,121	$
Texas CLASS	XXXX0006	Varies	Daily	621,221	
Texas CLASS	XXXX0007	Varies	Daily	824,544	
Texas CLASS	XXXX0008	Varies	Daily	985,006	
Texas CLASS	XXXX0010	Varies	Daily	466,978	
Texas CLASS	XXXX0011	Varies	Daily	1,392,384	
TOTAL CAPITAL PROJECTS FUND				$ 5,288,254	$ -0-
TOTAL - ALL FUNDS				$ 30,659,934	$ 39,237

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MARCH 31, 2025

	Maintenance Taxes		Debt Service Taxes		Defined Area No. 1 - Maintenance Taxes		Defined Area No. 1 - Debt Service Taxes	
TAXES RECEIVABLE -								
APRIL 1, 2024	$ 181,522		$ 355,955		$ 93,093		$ -0-	
Adjustments to Beginning Balance	4,565	$ 186,087	8,828	$ 364,783	31,233	$ 124,326		$ -0-
Original 2024 Tax Levy	$ 3,288,536		$ 6,577,073		$ -0-		$ 1,006,550	
Adjustment to 2024 Tax Levy	41,032	3,329,568	82,064	6,659,137		- 0 -	19,526	1,026,076
TOTAL TO BE ACCOUNTED FOR		$ 3,515,655		$ 7,023,920		$ 124,326		$ 1,026,076
TAX COLLECTIONS:								
Prior Years	$ 135,545		$ 265,285		$ 118,267		$	
Current Year	3,213,245	3,348,790	6,426,490	6,691,775		118,267	991,148	991,148
TAXES RECEIVABLE - MARCH 31, 2025		$ 166,865		$ 332,145		$ 6,059		$ 34,928
TAXES RECEIVABLE BY YEAR:								
2024		$ 116,323		$ 232,647		$		$ 34,928
2023		20,629		41,257		3,922		
2022		11,265		21,091		2,137		
2021		5,654		9,923				
2020		4,682		7,960				
2019		3,087		6,835				
2018		1,508		3,016				
2017		1,263		2,526				
2016		949		1,817				
2015		129		232				
2014		94		249				
2013		76		211				
2012		55		173				
2011		39		134				
2010		181		624				
2009		183		709				
2008		183		709				
2007		183		709				
2006		193		705				
2005		189		618				
TOTAL		$ 166,865		$ 332,145		$ 6,059		$ 34,928

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82

TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED MARCH 31, 2025

	2024	2023	2022	2021
DISTRICT WIDE:				
Land	$ 352,429,594	$ 324,271,736	$ 227,178,264	$ 163,979,921
Improvements	1,360,981,514	1,244,803,025	1,016,677,032	815,776,865
Personal Property	26,845,396	22,654,593	31,125,177	30,985,089
Exemptions	(260,448,327)	(327,384,707)	(272,648,134)	(190,691,481)
TOTAL PROPERTY VALUATIONS	$ 1,479,808,177	$ 1,264,344,647	$ 1,002,332,339	$ 820,050,394
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.450	$ 0.450	$ 0.440	$ 0.430
Maintenance	0.225	0.225	0.235	0.245
TOTAL TAX RATES PER $100 VALUATION	$ 0.675	$ 0.675	$ 0.675	$ 0.675
ADJUSTED TAX LEVY*	$ 9,988,705	$ 8,534,327	$ 6,765,743	$ 5,535,341
DEFINED AREA NO. 1:				
PROPERTY VALUATIONS	$ 342,025,456	$ 173,774,317	$ 37,782,472	$ 5,718,790
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.30	$ 0.00	$ 0.00	$ 0.00
Maintenance	0.00	0.30	0.30	0.30
TOTAL TAX RATES PER $100 VALUATION	$ 0.30	$ 0.30	$ 0.30	$ 0.30
ADJUSTED TAX LEVY*	$ 1,026,076	$ 521,323	$ 117,279	$ 17,156
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	96.51 %	99.27 %	99.50 %	99.72 %

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

Maintenance Tax – Maximum tax rate of $0.25 per $100 of assessed valuation approved by voters on May 2, 1998.

Defined Area No. 1 Maintenance Tax – Maximum tax rate of $0.30 per $100 of assessed valuation approved by voters on May 1, 2021.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
LONG-TERM DEBT SERVICE REQUIREMENTS
MARCH 31, 2025

	SERIES-2014 REFUNDING		
Due During Fiscal Years Ending March 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2026	$ 905,000	$ 33,831	$ 938,831
2027	890,000	11,214	901,214
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
	$ 1,795,000	$ 45,045	$ 1,840,045

The District pays the amount due April 1 prior to that date. This schedule shows the amounts paid within the fiscal years assuming this practice will continue in the future.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
LONG-TERM DEBT SERVICE REQUIREMENTS
MARCH 31, 2025

	SERIES-2015 REFUNDING		
Due During Fiscal Years Ending March 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2026	$ 270,000	$ 122,295	$ 392,295
2027	265,000	114,886	379,886
2028	1,015,000	97,158	1,112,158
2029	1,000,000	69,250	1,069,250
2030	1,010,000	41,412	1,051,412
2031	990,000	13,711	1,003,711
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
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2047			
2048			
2049			
2050			
2051			
2052			
2053			
	$ 4,550,000	$ 458,712	$ 5,008,712

The District pays the amount due April 1 prior to that date. This schedule shows the amounts paid within the fiscal years assuming this practice will continue in the future.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
LONG-TERM DEBT SERVICE REQUIREMENTS
MARCH 31, 2025

Due During Fiscal Years Ending March 31	SERIES-2017 REFUNDING Principal Due October 1	Interest Due October 1/ April 1	Total
2026	$ 30,000	$ 69,000	$ 99,000
2027	30,000	67,800	97,800
2028	35,000	66,500	101,500
2029	35,000	65,100	100,100
2030	35,000	63,700	98,700
2031	40,000	62,200	102,200
2032	565,000	586,400	1,151,400
2033	1,045,000	40,500	1,085,500
2034	490,000	9,800	499,800
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
	$ 2,305,000	$ 1,031,000	$ 3,336,000

The District pays the amount due April 1 prior to that date. This schedule shows the amounts paid within the fiscal years assuming this practice will continue in the future.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
LONG-TERM DEBT SERVICE REQUIREMENTS
MARCH 31, 2025

	S E R I E S - 2 0 1 7 A		
Due During Fiscal Years Ending March 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2026	$ 50,000	$ 115,987	$ 165,987
2027	50,000	114,488	164,488
2028	125,000	111,862	236,862
2029	125,000	108,113	233,113
2030	125,000	104,362	229,362
2031	140,000	100,213	240,213
2032	100,000	96,312	196,312
2033	100,000	93,062	193,062
2034	550,000	82,500	632,500
2035	550,000	64,625	614,625
2036	550,000	46,406	596,406
2037	550,000	27,844	577,844
2038	550,000	9,281	559,281
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
	$ 3,565,000	$ 1,075,055	$ 4,640,055

The District pays the amount due April 1 prior to that date. This schedule shows the amounts paid within the fiscal years assuming this practice will continue in the future.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
LONG-TERM DEBT SERVICE REQUIREMENTS
MARCH 31, 2025

	SERIES-2018		
Due During Fiscal Years Ending March 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2026	$ 200,000	$ 94,750	$ 294,750
2027	200,000	88,750	288,750
2028	200,000	82,750	282,750
2029	200,000	76,750	276,750
2030	200,000	70,750	270,750
2031	200,000	64,500	264,500
2032	200,000	58,000	258,000
2033	200,000	51,500	251,500
2034	200,000	45,000	245,000
2035	200,000	38,500	238,500
2036	200,000	31,875	231,875
2037	200,000	25,125	225,125
2038	200,000	18,250	218,250
2039	200,000	11,125	211,125
2040	200,000	3,750	203,750
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
	$ 3,000,000	$ 761,375	$ 3,761,375

The District pays the amount due April 1 prior to that date. This schedule shows the amounts paid within the fiscal years assuming this practice will continue in the future.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
LONG-TERM DEBT SERVICE REQUIREMENTS
MARCH 31, 2025

	SERIES-2020		
Due During Fiscal Years Ending March 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2026	$ 250,000	$ 406,919	$ 656,919
2027	250,000	399,418	649,418
2028	275,000	394,169	669,169
2029	300,000	388,419	688,419
2030	325,000	382,168	707,168
2031	350,000	375,419	725,419
2032	375,000	368,169	743,169
2033	400,000	360,418	760,418
2034	425,000	352,169	777,169
2035	825,000	339,669	1,164,669
2036	850,000	322,918	1,172,918
2037	910,000	305,319	1,215,319
2038	925,000	286,969	1,211,969
2039	1,500,000	262,719	1,762,719
2040	1,525,000	232,469	1,757,469
2041	1,725,000	199,969	1,924,969
2042	1,725,000	165,469	1,890,469
2043	1,725,000	129,891	1,854,891
2044	1,750,000	92,969	1,842,969
2045	1,750,000	55,781	1,805,781
2046	1,750,000	18,594	1,768,594
2047			
2048			
2049			
2050			
2051			
2052			
2053			
	$ 19,910,000	$ 5,840,004	$ 25,750,004

The District pays the amount due April 1 prior to that date. This schedule shows the amounts paid within the fiscal years assuming this practice will continue in the future.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
LONG-TERM DEBT SERVICE REQUIREMENTS
MARCH 31, 2025

	SERIES-2022		
Due During Fiscal Years Ending March 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2026	$ 225,000	$ 291,688	$ 516,688
2027	225,000	282,687	507,687
2028	225,000	273,688	498,688
2029	225,000	266,938	491,938
2030	250,000	262,188	512,188
2031	250,000	257,187	507,187
2032	250,000	252,187	502,187
2033	250,000	247,188	497,188
2034	400,000	240,688	640,688
2035	450,000	232,187	682,187
2036	450,000	223,187	673,187
2037	450,000	213,906	663,906
2038	450,000	204,062	654,062
2039	450,000	193,938	643,938
2040	450,000	183,813	633,813
2041	450,000	173,406	623,406
2042	450,000	162,719	612,719
2043	450,000	151,750	601,750
2044	450,000	140,500	590,500
2045	450,000	129,250	579,250
2046	450,000	118,000	568,000
2047	725,000	103,312	828,312
2048	725,000	85,187	810,187
2049	725,000	66,609	791,609
2050	725,000	47,578	772,578
2051	725,000	28,547	753,547
2052	725,000	9,516	734,516
2053			
	$ 12,050,000	$ 4,841,906	$ 16,891,906

The District pays the amount due April 1 prior to that date. This schedule shows the amounts paid within the fiscal years assuming this practice will continue in the future.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
LONG-TERM DEBT SERVICE REQUIREMENTS
MARCH 31, 2025

	SERIES-2022A		
Due During Fiscal Years Ending March 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2026	$ 250,000	$ 467,188	$ 717,188
2027	250,000	451,562	701,562
2028	250,000	435,938	685,938
2029	250,000	420,312	670,312
2030	250,000	407,500	657,500
2031	250,000	397,344	647,344
2032	250,000	386,875	636,875
2033	250,000	376,094	626,094
2034	250,000	365,000	615,000
2035	250,000	353,750	603,750
2036	250,000	342,500	592,500
2037	250,000	331,094	581,094
2038	250,000	319,531	569,531
2039	250,000	307,812	557,812
2040	250,000	295,938	545,938
2041	250,000	284,062	534,062
2042	250,000	272,188	522,188
2043	250,000	260,312	510,312
2044	250,000	248,281	498,281
2045	250,000	236,094	486,094
2046	250,000	223,750	473,750
2047	725,000	199,375	924,375
2048	725,000	163,125	888,125
2049	725,000	126,875	851,875
2050	725,000	90,625	815,625
2051	725,000	54,375	779,375
2052	725,000	18,125	743,125
2053			
	$ 9,600,000	$ 7,835,625	$ 17,435,625

The District pays the amount due April 1 prior to that date. This schedule shows the amounts paid within the fiscal years assuming this practice will continue in the future.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
LONG-TERM DEBT SERVICE REQUIREMENTS
MARCH 31, 2025

	S E R I E S - 2 0 2 3		
Due During Fiscal Years Ending March 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2026	$ 1,100,000	$ 817,187	$ 1,917,187
2027	1,000,000	746,313	1,746,313
2028	125,000	708,344	833,344
2029	125,000	699,906	824,906
2030	125,000	691,469	816,469
2031	150,000	683,313	833,313
2032	150,000	675,437	825,437
2033	200,000	666,250	866,250
2034	200,000	656,750	856,750
2035	300,000	646,125	946,125
2036	325,000	632,844	957,844
2037	325,000	619,031	944,031
2038	375,000	603,687	978,687
2039	400,000	586,250	986,250
2040	425,000	567,688	992,688
2041	500,000	546,250	1,046,250
2042	550,000	521,312	1,071,312
2043	600,000	494,000	1,094,000
2044	650,000	464,313	1,114,313
2045	700,000	432,250	1,132,250
2046	750,000	397,812	1,147,812
2047	1,100,000	353,875	1,453,875
2048	1,200,000	299,250	1,499,250
2049	1,300,000	239,875	1,539,875
2050	1,400,000	175,750	1,575,750
2051	1,500,000	106,875	1,606,875
2052	1,500,000	35,625	1,535,625
2053			
	$ 17,075,000	$ 14,067,781	$ 31,142,781

The District pays the amount due April 1 prior to that date. This schedule shows the amounts paid within the fiscal years assuming this practice will continue in the future.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
LONG-TERM DEBT SERVICE REQUIREMENTS
MARCH 31, 2025

	SERIES-2024		
Due During Fiscal Years Ending March 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2026	$ 500,000	$ 371,750	$ 871,750
2027	750,000	335,813	1,085,813
2028	1,500,000	271,125	1,771,125
2029	1,000,000	199,250	1,199,250
2030	200,000	164,750	364,750
2031	200,000	153,250	353,250
2032	200,000	141,750	341,750
2033	200,000	130,250	330,250
2034	200,000	121,250	321,250
2035	200,000	114,750	314,750
2036	200,000	108,250	308,250
2037	200,000	101,750	301,750
2038	200,000	95,250	295,250
2039	200,000	88,750	288,750
2040	200,000	82,250	282,250
2041	200,000	75,750	275,750
2042	200,000	69,250	269,250
2043	200,000	62,750	262,750
2044	200,000	56,250	256,250
2045	200,000	49,750	249,750
2046	200,000	43,250	243,250
2047	200,000	36,750	236,750
2048	200,000	30,250	230,250
2049	200,000	23,625	223,625
2050	200,000	16,875	216,875
2051	200,000	10,125	210,125
2052	200,000	3,375	203,375
2053			
	$ 8,350,000	$ 2,958,188	$ 11,308,188

The District pays the amount due April 1 prior to that date. This schedule shows the amounts paid within the fiscal years assuming this practice will continue in the future.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
LONG-TERM DEBT SERVICE REQUIREMENTS
MARCH 31, 2025

	SERIES-2024 DEFINED AREA NO. 1		
Due During Fiscal Years Ending March 31	Principal Due October 1	Interest Due October 1/ April 1	Total
2026	$ 235,000	$ 499,388	$ 734,388
2027	250,000	487,262	737,262
2028	260,000	474,513	734,513
2029	270,000	462,612	732,612
2030	280,000	451,613	731,613
2031	295,000	440,112	735,112
2032	305,000	428,113	733,113
2033	320,000	415,612	735,612
2034	330,000	402,613	732,613
2035	345,000	389,112	734,112
2036	360,000	375,013	735,013
2037	375,000	360,312	735,312
2038	390,000	345,013	735,013
2039	410,000	329,012	739,012
2040	425,000	312,313	737,313
2041	445,000	294,912	739,912
2042	460,000	276,813	736,813
2043	480,000	258,012	738,012
2044	500,000	238,413	738,413
2045	525,000	217,913	742,913
2046	545,000	196,512	741,512
2047	570,000	174,213	744,213
2048	595,000	150,912	745,912
2049	620,000	126,225	746,225
2050	645,000	100,134	745,134
2051	675,000	72,909	747,909
2052	700,000	44,550	744,550
2053	730,000	15,056	745,056
	$ 12,340,000	$ 8,339,187	$ 20,679,187

The District pays the amount due April 1 prior to that date. This schedule shows the amounts paid within the fiscal years assuming this practice will continue in the future.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
LONG-TERM DEBT SERVICE REQUIREMENTS
MARCH 31, 2025

	ANNUAL REQUIREMENTS FOR ALL SERIES		
Due During Fiscal Years Ending March 31	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	$ 4,015,000	$ 3,289,983	$ 7,304,983
2027	4,160,000	3,100,193	7,260,193
2028	4,010,000	2,916,047	6,926,047
2029	3,530,000	2,756,650	6,286,650
2030	2,800,000	2,639,912	5,439,912
2031	2,865,000	2,547,249	5,412,249
2032	2,395,000	2,993,243	5,388,243
2033	2,965,000	2,380,874	5,345,874
2034	3,045,000	2,275,770	5,320,770
2035	3,120,000	2,178,718	5,298,718
2036	3,185,000	2,082,993	5,267,993
2037	3,260,000	1,984,381	5,244,381
2038	3,340,000	1,882,043	5,222,043
2039	3,410,000	1,779,606	5,189,606
2040	3,475,000	1,678,221	5,153,221
2041	3,570,000	1,574,349	5,144,349
2042	3,635,000	1,467,751	5,102,751
2043	3,705,000	1,356,715	5,061,715
2044	3,800,000	1,240,726	5,040,726
2045	3,875,000	1,121,038	4,996,038
2046	3,945,000	997,918	4,942,918
2047	3,320,000	867,525	4,187,525
2048	3,445,000	728,724	4,173,724
2049	3,570,000	583,209	4,153,209
2050	3,695,000	430,962	4,125,962
2051	3,825,000	272,831	4,097,831
2052	3,850,000	111,191	3,961,191
2053	730,000	15,056	745,056
	$ 94,540,000	$ 47,253,878	$ 141,793,878

The District pays the amount due April 1 prior to that date. This schedule shows the amounts paid within the fiscal years assuming this practice will continue in the future.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED MARCH 31, 2025

Description	Original Bonds Issued	Bonds Outstanding April 1, 2024
Harris County Municipal Utility District No. 82 Unlimited Tax Refunding Bonds - Series 2014	$ 8,030,000	$ 2,715,000
Harris County Municipal Utility District No. 82 Unlimited Tax Refunding Bonds - Series 2015	5,050,000	4,780,000
Harris County Municipal Utility District No. 82 Unlimited Tax Refunding Bonds - Series 2017	3,400,000	2,335,000
Harris County Municipal Utility District No. 82 Unlimited Tax Bonds - Series 2017A	3,915,000	3,615,000
Harris County Municipal Utility District No. 82 Unlimited Tax Bonds - Series 2018	5,365,000	3,200,000
Harris County Municipal Utility District No. 82 Unlimited Tax Bonds - Series 2020	20,510,000	20,160,000
Harris County Municipal Utility District No. 82 Unlimited Tax Bonds - Series 2022	13,660,000	12,860,000
Harris County Municipal Utility District No. 82 Unlimited Tax Bonds - Series 2022A	9,600,000	9,600,000
Harris County Municipal Utility District No. 82 Unlimited Tax Bonds - Series 2023	17,075,000	17,075,000
Harris County Municipal Utility District No. 82 Unlimited Tax Bonds - Series 2024	8,350,000	
Harris County Municipal Utility District No. 82 Defined Area No. 1 Unlimited Tax Bonds - Series 2024	12,340,000	
TOTAL	$ 107,295,000	$ 76,340,000

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements		Bonds	
Bonds Sold	Principal	Interest	Outstanding March 31, 2025	Paying Agent
$	$ 920,000	$ 56,826	$ 1,795,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	230,000	129,221	4,550,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	30,000	70,200	2,305,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	50,000	117,487	3,565,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	200,000	100,750	3,000,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	250,000	416,919	19,910,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	810,000	312,387	12,050,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
		475,000	9,600,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
		854,313	17,075,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
8,350,000		198,425	8,350,000	The Bank of New York Mellon Trust Company, N.A. Houston, TX
12,340,000		259,649	12,340,000	The Bank of New York Mellon Trust Company, N.A. Houston, TX
$ 20,690,000	$ 2,490,000	$ 2,991,177	$ 94,540,000	

See accompanying independent auditor’s report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED MARCH 31, 2025

Bond Authority:	Tax Bonds*	Refunding Bonds	Defined Area No. 1 Tax and Refunding Bonds
Amount Authorized by Voters	$ 116,405,000	$ 12,513,000	$ 140,000,000
Amount Issued	109,615,000	1,718,853	12,340,000
Remaining to be Issued	$ 6,790,000	$ 10,794,147	$ 127,660,000

Debt Service Fund cash and investment balances as of March 31, 2025:	$ 11,163,460
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 5,064,067

See Note 3 for interest rate, interest payment dates and maturity dates.

* Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	$ 3,467,057	$ 3,357,195	$ 2,384,230
Water Service	2,096,741	1,815,628	1,375,502
Wastewater Service	2,803,743	2,062,014	1,757,960
Sales Tax Receipts	76,723	70,795	67,368
Regional Water Authority Fee	1,748,980	2,105,099	1,899,711
Penalty and Interest	406,637	359,197	177,576
Tap Connection and Inspection Fees	1,885,514	2,783,751	1,016,396
Investment Revenues	611,989	503,462	215,738
Miscellaneous Revenues	104,895	149,513	121,961
TOTAL REVENUES	$ 13,202,279	$ 13,206,654	$ 9,016,442
EXPENDITURES			
Service Operations:			
Professional Fees	$ 382,500	$ 548,771	$ 391,833
Contracted Services	3,264,509	2,757,411	2,203,768
Utilities	321,299	234,540	228,316
Regional Water Authority Assessment	1,613,358	1,617,639	1,950,912
Repairs and Maintenance	2,153,577	3,138,668	1,394,467
Other	1,838,980	1,967,488	947,161
Capital Outlay	322,795	132,323	329,165
TOTAL EXPENDITURES	$ 9,897,018	$ 10,396,840	$ 7,445,622
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 3,305,261	$ 2,809,814	$ 1,570,820
OTHER FINANCING SOURCES (USES)			
Transfers In(Out)	$ 58,461	$ 28,724	$ 13,368
NET CHANGE IN FUND BALANCE	$ 3,363,722	$ 2,838,538	$ 1,584,188
BEGINNING FUND BALANCE	12,823,150	9,984,612	8,400,424
ENDING FUND BALANCE	$ 16,186,872	$ 12,823,150	$ 9,984,612

See accompanying independent auditor's report.

2022	2021	2025	2024	2023	2022	2021
		Percentage of Total Revenues				
$ 2,009,981	$ 1,820,638	26.3 %	25.6 %	26.3 %	27.8 %	28.1 %
1,181,376	1,336,843	15.9	13.7	15.3	16.3	20.7
1,468,816	1,418,921	21.2	15.6	19.5	20.3	22.0
67,579	52,330	0.6	0.5	0.7	0.9	0.8
1,590,450	1,560,479	13.2	15.9	21.1	22.0	24.2
103,227	108,745	3.1	2.7	2.0	1.4	1.7
587,096	94,110	14.3	21.1	11.3	8.1	1.5
13,076	18,004	4.6	3.8	2.4	0.2	0.3
216,191	44,962	0.8	1.1	1.4	3.0	0.7
$ 7,237,792	$ 6,455,032	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 356,397	$ 407,739	2.9 %	4.2 %	4.3 %	4.9 %	6.3 %
1,968,063	1,827,011	24.7	20.9	24.4	27.2	28.3
208,443	209,439	2.4	1.8	2.5	2.9	3.2
1,644,252	1,596,034	12.2	12.2	21.6	22.7	24.7
546,774	650,878	16.3	23.8	15.5	7.6	10.1
698,113	477,524	13.9	14.9	10.5	9.6	7.5
1,284,326	2,274,931	2.4	1.0	3.7	17.7	35.2
$ 6,706,368	$ 7,443,556	74.8 %	78.8 %	82.5 %	92.6 %	115.3 %
$ 531,424	$ (988,524)	25.2 %	21.2 %	17.5 %	7.4 %	(15.3) %
$ - 0 -	$ 182,647					
$ 531,424	$ (805,877)					
7,869,000	8,674,877					
$ 8,400,424	$ 7,869,000					

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	$ 7,682,924	$ 5,681,112	$ 4,286,980
Penalty and Interest	133,510	65,664	45,959
Interest on Investments	413,847	335,029	142,884
Miscellaneous Revenues	840	980	5,601
TOTAL REVENUES	$ 8,231,121	$ 6,082,785	$ 4,481,424
EXPENDITURES			
Tax Collection Expenditures	$ 271,222	$ 197,831	$ 150,329
Debt Service Principal	2,490,000	2,500,000	1,685,000
Debt Service Interest and Fees	2,996,877	2,131,556	1,544,373
TOTAL EXPENDITURES	$ 5,758,099	$ 4,829,387	$ 3,379,702
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 2,473,022	$ 1,253,398	$ 1,101,722
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	$ 505,263	$ - 0 -	$ - 0 -
NET CHANGE IN FUND BALANCE	$ 2,978,285	$ 1,253,398	$ 1,101,722
BEGINNING FUND BALANCE	8,039,118	6,785,720	5,683,998
ENDING FUND BALANCE	$ 11,017,403	$ 8,039,118	$ 6,785,720
TOTAL ACTIVE RETAIL WATER CONNECTIONS	6,441	5,921	5,134
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	6,365	5,848	5,077

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
$ 3,527,868	$ 3,113,221	93.4 %	93.4 %	95.7 %	98.2 %	98.3 %
45,020	40,065	1.6	1.1	1.0	1.3	1.3
11,402	13,349	5.0	5.5	3.2	0.3	0.4
6,136	80			0.1	0.2	
$ 3,590,426	$ 3,166,715	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 124,827	$ 126,590	3.3 %	3.3 %	3.4 %	3.5 %	4.0 %
1,960,000	2,020,000	30.3	41.1	37.6	54.6	63.8
1,045,628	919,651	36.4	35.0	34.5	29.1	29.0
$ 3,130,455	$ 3,066,241	70.0 %	79.4 %	75.5 %	87.2 %	96.8 %
$ 459,971	$ 100,474	30.0 %	20.6 %	24.5 %	12.8 %	3.2 %
$ 360,587	$ 435,919					
$ 820,558	$ 536,393					
4,863,440	4,327,047					
$ 5,683,998	$ 4,863,440					
4,246	4,188					
4,231	4,461					

See accompanying independent auditor’s report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MARCH 31, 2025

District Mailing Address	-	Harris County Municipal Utility District No. 82 c/o Allen Boone Humphries Robinson LLP 3200 Southwest Freeway, Suite 2600 Houston, TX 77027
District Telephone Number	-	(713) 860-6400

Board Members:	Term of Office (Elected or Appointed)	Fees of office for the year ended March 31, 2025	Expense reimbursements for the year ended March 31, 2025	Title
Jerry Chesnutt	05/2022 05/2026 (Elected)	$ 5,746	$ 730	President
Matthew Hoffpauir	05/2022 05/2026 (Elected)	$ 6,630	$ 690	Vice President
Gary Sundstrom	05/2024 05/2028 (Elected)	$ 6,630	$ 360	Assistant Vice President
Jack Abercia, Jr	05/2024 05/2028 (Elected)	$ 7,200	$ 1,186	Secretary
Don Hays	05/2024 05/2028 (Elected)	$ 6,409	$ 1,487	Assistant Secretary

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

Submission date of most recent District Registration Form: May 13, 2024

The limit on Fees of Office that a Director may receive during a fiscal year is the maximum amount allowed by law as set by Board Resolution (TWC Section 49.060). Fees of Office are the amounts actually paid to a Director during the District's current period.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 82
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
MARCH 31, 2025

Consultants:	Date Hired	Fees for the year ended March 31, 2025	Title
Allen Boone Humphries Robinson LLP	07/27/03	$ 200,254 $ 511,651	General Counsel Bond Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	08/13/07	$ 19,250 $ 30,500	Auditor Bond Related
Municipal Accounts & Consulting, L.P.	05/01/20	$ 115,374	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/22/96	$ 42,488	Delinquent Tax Attorney
Vogler & Spencer Engineering, Inc.	05/22/84	$ 424,096	Engineer
Masterson Advisors LLC	04/23/18	$ 425,975	Financial Advisor
Mark M. Burton	05/01/20	$ -0-	Investment Officer
Environmental Development Partners, LLC	01/23/23	$ 2,759,077	Operator
Kenneth R, Byrd, RTA	02/27/80	$ 146,507	Tax Assessor/ Collector

See accompanying independent auditor's report.