PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 13, 2024

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

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES, AND INTEREST ON THE BONDS IS NOT SUBJECT TO THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS; HOWEVER, SUCH INTEREST IS TAKEN INTO ACCOUNT IN DETERMINING THE ANNUAL ADJUSTED FINANCIAL STATEMENT INCOME OF APPLICABLE CORPORATIONS FOR THE PURPOSE OF DETERMINING THE ALTERNATIVE MINIMUM TAX IMPOSED ON CORPORATIONS. SEE "TAX MATTERS" FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

The District will designate the Bonds as "Qualified Tax-Exempt Obligations" for financial institutions. See "TAX MATTERS – Qualified Tax-Exempt Obligations" herein.

NEW ISSUE—BOOK-ENTRY ONLY | **RATINGS: Underlying "Baa1" Moody's**
CUSIP No. 414947 | **See "MUNICIPAL BOND RATING" herein**

$6,600,000
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT No. 33
(A political subdivision of the State of Texas, located in Harris County, Texas)
UNLIMITED TAX BONDS
SERIES 2025

Dated: February 1, 2025 | **Due: March 1 (as shown below)**

Interest on the Bonds (the "Bonds" or the "Series 2025 Bonds") will accrue from February 1, 2025, and will be payable on March 1 and September 1 of each year, commencing September 1, 2025. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein. The initial Paying Agent/Registrar is BOKF, N.A., Dallas, Texas. See "THE BONDS."

Principal Amount	Maturity	Interest Rate	Yield to Maturity(a)	Principal Amount	Maturity	Interest Rate	Yield to Maturity(a)
$125,000	2027	%	%	$250,000	2041 (b)	%	%
$125,000	2028	%	%	$250,000	2042 (b)	%	%
$150,000	2029	%	%	$275,000	2043 (b)	%	%
$150,000	2030 (b)	%	%	$275,000	2044 (b)	%	%
$150,000	2031 (b)	%	%	$300,000	2045 (b)	%	%
$150,000	2032 (b)	%	%	$300,000	2046 (b)	%	%
$175,000	2033 (b)	%	%	$325,000	2047 (b)	%	%
$175,000	2034 (b)	%	%	$325,000	2048 (b)	%	%
$175,000	2035 (b)	%	%	$350,000	2049 (b)	%	%
$200,000	2036 (b)	%	%	$350,000	2050 (b)	%	%
$200,000	2037 (b)	%	%	$375,000	2051 (b)	%	%
$200,000	2038 (b)	%	%	$400,000	2052 (b)	%	%
$225,000	2039 (b)	%	%	$400,000	2053 (b)	%	%
$225,000	2040 (b)	%	%				

(a) The initial reoffering yields are established by and are the sole responsibility of the Underwriter (hereinafter defined) and may be subsequently changed.

(b) The Bonds maturing on or after March 1, 2030, are subject to redemption in whole or from time to time in part, at the option of the District (hereinafter defined), on March 1, 2029, or on any date thereafter, at a price equal to the par value thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. If fewer than all of the Bonds in any one maturity are redeemed, the Bonds to be redeemed shall be selected, on behalf of the District, by the Paying Agent/Registrar, in its capacity as Registrar, by lot or such other customary method, in integral multiples of $5,000 in any one maturity. See "THE BONDS – Optional Redemption."

The proceeds of the Bonds will be used by Harris County Municipal Utility District No. 33 (the "District") to finance: (1) certain improvements to the District's water and wastewater system and associated engineering costs; (2) 12 months of capitalized interest; and (3) costs related to the issuance of the Bonds. See "USE OF BOND PROCEEDS."

The Bonds, when issued, will constitute valid and binding obligations of the District and will be 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 within the District. See "THE BONDS – Source of and Security for Payment." 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. Neither the faith and credit nor the taxing power of the State of Texas, Harris County, or the City of Houston, is pledged to the payment of the principal of or interest on the Bonds. **The Bonds are subject to certain investment considerations described under the caption "RISK FACTORS."**

The Bonds are offered when, as and if issued by the District, subject to approval by the Attorney General of Texas and the approval of certain legal matters by Radcliffe Adams Barner PLLC, Houston, Texas, Bond Counsel. Certain other matters will be passed upon for the District by Sanford Kuhl Hagan Kugle Parker Kahn, LLP, Houston, Texas, Disclosure Counsel. Delivery of the Bonds is expected through the facilities of DTC on February 13, 2025.

Bids Due: Thursday, January 16, 2025 at 9:00 A.M. Houston Time

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USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12" or the "Rule"), this Preliminary Official Statement constitutes an "official statement" of the District with respect to the Bonds that has been deemed "final" by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

No dealer, broker, salesperson or other individual 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 representations must not be relied upon as having been authorized by the District.

This Official Statement is not to be used in connection with 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 registered or 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, 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 Radcliffe Adams Barner PLLC, 2929 Allen Parkway, Suite 3450, Houston, Texas 77019, upon payment of duplication costs.

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 Underwriter (hereinafter defined).

References to website 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 websites and the information or links contained therein are not incorporated into, and are not part of this Official Statement for any purpose.

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid producing the lowest net interest cost to the District, which was tendered by ________________________________ (the "Underwriter" or "Initial Purchaser"), to purchase the Bonds bearing the rates shown on the cover page of this Official Statement at a price of ____________% of par plus accrued interest to the date of delivery, which resulted in a net effective interest rate of _______________% as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended.

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into unit investment trusts) and others at prices lower than the public offering price stated on the cover page hereof. The initial offering price may be changed from time to time by the Underwriter.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Prices and Marketability

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Underwriter on or before the date of delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity have been sold to the public. For this purpose, the term "public" shall not include any person who is a bond house, broker or similar person acting in the capacity of underwriter or wholesaler. Otherwise, the District has no understanding with the Underwriter regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Underwriter.

THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER 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 UNDERWRITER MAY OVER-ALLOT OR AFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The District has no control over trading of the Bonds in the secondary market. Moreover, there is no guarantee that a secondary market will be made in the Bonds. In such a secondary market, the difference between the bid and asked price of utility district bonds may be greater than the 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 Bonds has been filed with the Securities and Exchange Commission ("SEC") 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. 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.

CONTINUING DISCLOSURE OF INFORMATION - SEC RULE 15c2-12

In the order authorizing the issuance of the Bonds (the "Bond Order"), the District has the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board ("MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") system for information filing.

Annual Reports

The information to be updated with respect to the District includes all quantitative financial information and operating data of the District of the general type included in this Official Statement included under the headings "DISTRICT DEBT" (except for Estimated Overlapping Debt), "DISTRICT TAX DATA" and "APPENDIX A" (Independent Auditor's Report and Financial Statements of the District). The District will update and provide this information within six months after the end of each of its fiscal years ending in or after 2024. The District will provide certain updated information and operating data to the MSRB or any successor to its functions as a repository through its EMMA system.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule. The updated information will include audited financial statements if it commissions an audit and the audit is completed by the required time. If the audit of such financial statements is not complete within such period, the District shall provide unaudited financial statements for the applicable fiscal year to EMMA within such six-month period, and audited financial statements when the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Order, or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

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

Event Notices

The District will provide timely notices of certain events to the MRSB, 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 a 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. In regards to (15) and (16) above, "financial obligations" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule. The term "obligated person" when used in this paragraph shall have the meanings ascribed to them under 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 Order makes any provisions 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, operating data, or financial statements in accordance with its agreement described above under “Annual Reports.”

Availability of Information

The District has agreed to provide the foregoing updated information only to the MSRB. Investors will be able to access, without charge from the MSRB, continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

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

The District may amend its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or 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 described herein in compliance with the Rule, taking into account any amendments and interpretations of the Rule to the date of such amendment, as well as changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent 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 beneficial owners of the Bonds. The District may also amend or repeal the agreement if the SEC amends or repeals the applicable provisions of such rule or a court of final jurisdiction determines that such provisions are invalid but, in either case, only to the extent that its right to do so would not prevent the Underwriter from lawfully purchasing the Bonds in the offering described herein. 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 above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings

During the last five (5) years, the District has complied in all material respects with its continuing disclosure agreements previously made in accordance with SEC Rule 15c2-12.

MUNICIPAL BOND RATING

In connection with the sale of the Bonds, the District has made application to Moody’s Investors Service, Inc. (“Moody’s”) which has assigned a rating of “Baa1” on the Bonds based upon the District’s underlying credit without bond insurance. An explanation of the significance of such rating may be obtained from Moody’s. The rating reflects only the view of Moody’s and the District makes no representation as to the appropriateness of such rating. The District can make no assurance that the Moody’s rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by Moody’s if in the judgment of Moody’s circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

BOND INSURANCE

The District has applied to Assured Guaranty Inc. (“AG”) and Build America Mutual Assurance Company (“BAM”) for qualification of the Bonds for bond insurance. The Underwriter may bid for the Bonds with or without bond insurance. If the Underwriter bids for the Bonds with bond insurance, the cost of the bond insurance premium must be paid for by the Underwriter. The District will pay for the cost of the Moody’s rating. The Underwriter must pay for the cost of any rating other than the Moody’s rating. If the Underwriter purchases the Bonds with bond insurance and subsequent to the sale date and prior to the closing date, the bond insurer’s credit rating is downgraded the Underwriter is still obligated to accept delivery of the Bonds. Information relative to the cost of the insurance premium will be available from the bond insurance companies on the day of the sale.

OFFICIAL STATEMENT SUMMARY

The following material is a summary of certain information contained herein and is qualified in its entirety by the detailed information appearing elsewhere in this Official Statement. The reader should refer particularly to sections that are indicated for more complete information.

THE BONDS

Description: The $6,600,000 Unlimited Tax Bonds, Series 2025, are dated February 1, 2025, with interest payable commencing September 1, 2025, and each March 1 and September 1 thereafter until the earlier of maturity or redemption. The Bonds mature on March 1 in the years and in the principal amounts set forth on the cover page of this Official Statement. The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution, the general laws of the State of Texas, including but not limited to Chapters 49 and 54, Texas Water Code, as amended, an order authorizing the issuance of the Bonds (the "Bond Order") to be adopted by the Board of Directors of the District, an approving order of the Texas Commission on Environmental Quality (the "TCEQ"), and a bond election held within the District. See "THE BONDS."

Book-Entry-Only System: The Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM."

Redemption Provisions: The Bonds are subject to early redemption, in whole or in part, on March 1, 2030, are subject to redemption at the option of the District, prior to maturity, in whole or from time to time in part, on March 1, 2029, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. See "THE BONDS – Optional Redemption."

Use of Proceeds: Proceeds from the sale of bonds will be used to finance: (1) certain improvements to the District's water and wastewater system and associated engineering costs; (2) 12 months of capitalized interest; and (3) costs related to the issuance of the Bonds. See "USE OF BOND PROCEEDS."

Legal Opinion: Radcliffe Adams Barner PLLC, Bond Counsel, Houston, Texas. See "LEGAL MATTERS" and "TAX MATTERS."

Paying Agent/Registrar: BOKF, N.A., Dallas, Texas. See "THE BONDS."

Payment Record: The District has never defaulted on the payment of principal or interest on any of its bonds.

Risk Factors: The Bonds are subject to certain investment considerations, as set forth in this Official Statement. Prospective purchasers should carefully examine this Official Statement with respect to the investment security of the Bonds, including particularly the sections captioned "RISK FACTORS."

Qualified Tax Exempt Obligations: The District will designate the Bonds as "qualified tax-exempt obligations" pursuant to section 265(b) of the Internal Revenue Code of 1986 and will represent that the total amount of tax-exempt bonds (including the Bonds) issued by the District during calendar year 2025 is not reasonably expected to exceed $10,000,000. See "TAX MATTERS – Qualified Tax-Exempt Obligations."

Municipal Bond Rating: In connection with the sale of the Bonds, the District has made application to Moody's which assigned the underlying rating of "Baa1" on the Bonds based upon the District's underlying credit without bond insurance. An explanation of the significance of such rating may be obtained from Moody's. The rating reflects only the view of Moody's, and the District makes no representation as to the appropriateness of such rating. See "MUNICIPAL BOND RATING."

Bond Insurance: The District has applied to AG and BAM for qualification of the Bonds for bond insurance. The Underwriter may bid for the Bonds with or without bond insurance. If the Underwriter bids for the Bonds with bond insurance, the cost of the bond insurance premium must be paid for by the Underwriter. Information relative to the cost of the insurance premium will be available from the bond insurance companies on the day of the sale. See "BOND INSURANCE."

THE DISTRICT

Description: The District is a municipal utility district created by an order of the Texas Water Rights Commission, the predecessor state agency to the TCEQ; entered on April 20, 1977, which was confirmed at an election within the District on August 13, 1977, by a vote of 3 for and 0 against. The District operates as a municipal utility district under Chapters 49 and 54 of the Texas Water Code. Creation of the District was initiated as a means of financing construction of waterworks, sanitary sewage, and drainage facilities to serve the area within the District's boundaries. The District contains 610.388 acres of land. The District is located in northern Harris County approximately 14 miles north, northwest of the Houston Central Business District. The District is divided in a north-south direction by Veterans Memorial Parkway. The District has direct access via the Sam Houston Tollway to Interstate Highway 45, approximately two (2) miles to the east of the District. The District lies approximately three (3) miles north and two (2) miles west of the present Houston city limits and is within the extra-territorial jurisdiction of the City of Houston. See "THE DISTRICT – Description."

Authority: The rights, powers, privileges, authority and functions of the District are established by the general laws of the State of Texas pertaining to municipal utility districts, including particularly Chapters 49 and 54 of the Texas Water Code, as amended. See "THE DISTRICT – Authority."

Summary of Land Use: A summary of the approximate land use in the District appears in the following table as of October 1, 2024:

Type of Land Use	Approximate Acres	
Fully Developed Residential Acreage	353	(a)
Fully Developed Commercial Acreage	188	
Acres Currently Being Developed	0	
Additional Developable Acreage	13	(b)
Easements, Rights of Way and Reserves	56	
Total Approximate Acres	**610**	

(a) Includes approximately 1,658 developed lots, all of the lots have homes constructed on them (as of October 1, 2024, 1,624 of such completed homes were occupied).

(b) Includes approximate acreage that may be developed in the future (most likely for commercial or non-profit school purposes).

Building Development: As of October 1, 2024, the District contained 1,658 completed homes (1,624 of such completed homes were occupied), no homes under construction, and no vacant developed lots. Commercial development in the District includes an automobile parts manufacturer, a Food Town Grocery Store, a private day care center, 4 restaurants, a carwash, 6 strip shopping centers, 2 service stations with car wash, 2 small grocery stores, a motel, a bank building, 2 office warehouse developments located along the Beltway, 2 not-for-profit schools also located along the Beltway, and a manufacturing facility.

SELECTED FINANCIAL INFORMATION
(Unaudited)

11/1/2024 Estimate Taxable Value	$376,245,971	(a)
2024 Certified Taxable Value	$358,562,467	(b)
Direct Debt:		
Outstanding Bonds (as of October 1, 2024)	$10,990,000	
The Bonds	$6,600,000	
Total Direct Debt	$17,590,000	
See “DISTRICT DEBT”		
Estimated Overlapping Debt	$16,975,051	
Direct and Estimated Overlapping Debt	$34,565,051	
Percentage of Direct Debt to:		
11/1/2024 Estimate Taxable Value	4.68%	
2024 Certified Taxable Value	4.91%	
See “DISTRICT DEBT”		
Percentage of Direct and Estimated Overlapping Debt to:		
11/1/2024 Estimate Taxable Value	9.19%	
2024 Certified Taxable Value	9.64%	
See “DISTRICT DEBT”		
2024 Tax Rate Per $100 of Assessed Value		
Debt Service Tax	$0.23	
Maintenance Tax	$0.33	
Total 2024 Tax Rate	$0.56	
Cash and Investment Balances as of October 17, 2024		
General Fund	$5,333,629	(c)
Debt Service Fund (Pro-Forma)	$1,465,162	(c)

(a) The Estimated Taxable Value as of November 1, 2024, was prepared by the Harris Central Appraisal District (“HCAD” or the “Appraisal District”) and provided to the District for informational purposes only. Such value is not binding on HCAD, and any new value, subsequent to January 1, 2024, will not be included on the District’s tax roll until the 2025 certified tax roll is prepared by HCAD during the second half of 2025. The District is authorized by law to levy taxes only against certified values. See “DISTRICT TAX DATA” and “TAXING PROCEDURES.”

(b) Reflects the January 1, 2024 Certified Taxable Value according to data supplied to the District by HCAD. which includes $4,164,721 of uncertified taxable value that is still in the certification process. Such amount of uncertified value represents HCAD’s estimate of the taxable value that will ultimately be certified on the District’s tax roll after successful protest. The District is authorized by law to levy taxes only against certified values. See "DISTRICT TAX DATA" and "TAXING PROCEDURES."

(c) Unaudited figure per the District’s records. Neither Texas law nor the District’s Bond Order requires that the District maintain any particular balance in the Debt Service Fund. The cash and investment balance in the Debt Service Fund includes $346,500 of capitalized interest to be funded with the proceeds of the Bonds to be deposited into such fund on the date of delivery of the Bonds. See “DISTRICT TAX DATA – Adequacy of Tax Revenue” and “USE OF BOND PROCEEDS.”

DEBT SERVICE REQUIREMENTS

The following table sets forth the District's outstanding debt service requirements and the debt service requirements for the Bonds.

Year	Outstanding Debt Service Requirements	Series 2025 Bonds Principal	Series 2025 Bonds Interest*	Total Debt Service Requirements*
2025	$838,312	-	$169,400	$1,007,712
2026	$830,823	-	$290,400	$1,121,223
2027	$848,034	$125,000	$287,650	$1,260,684
2028	$839,872	$125,000	$282,150	$1,247,022
2029	$885,519	$150,000	$276,100	$1,311,619
2030	$872,276	$150,000	$269,500	$1,291,776
2031	$707,536	$150,000	$262,900	$1,120,436
2032	$723,766	$150,000	$256,300	$1,130,066
2033	$709,448	$175,000	$249,150	$1,133,598
2034	$719,678	$175,000	$241,450	$1,136,128
2035	$748,849	$175,000	$233,750	$1,157,599
2036	$732,217	$200,000	$225,500	$1,157,717
2037	$587,980	$200,000	$216,700	$1,004,680
2038	$566,305	$200,000	$207,900	$974,205
2039	$598,696	$225,000	$198,550	$1,022,246
2040	$629,374	$225,000	$188,650	$1,043,024
2041	$604,486	$250,000	$178,200	$1,032,686
2042	$634,112	$250,000	$167,200	$1,051,312
2043	$618,062	$275,000	$155,650	$1,048,712
2044	-	$275,000	$143,550	$418,550
2045	-	$300,000	$130,900	$430,900
2046	-	$300,000	$117,700	$417,700
2047	-	$325,000	$103,950	$428,950
2048	-	$325,000	$89,650	$414,650
2049	-	$350,000	$74,800	$424,800
2050	-	$350,000	$59,400	$409,400
2051	-	$375,000	$43,450	$418,450
2052	-	$400,000	$26,400	$426,400
2053	-	$400,000	$8,800	$408,800
TOTALS	**$13,695,345**	**$6,600,000**	**$5,155,700**	**$25,451,045**

Maximum Annual Debt Service Requirements (2029) ....……………………….…………………$1,311,619*

$0.37 debt service tax rate on the 11/1/2024 Estimated Taxable Value
@ 95% collections produces………………………………………….……………………………......$1,322,505*

$0.39 debt service tax rate on the 2024 Certified Taxable Value
@ 95% collections produces…………………………………….…………………………………......$ 1,328,474*

See "DISTRICT TAX DATA – Adequacy of Tax Revenue."

* Preliminary, subject to change

OFFICIAL STATEMENT

relating to

$6,600,000

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT No. 33

(A political subdivision of the State of Texas located within Harris County, Texas)
UNLIMITED TAX BONDS
SERIES 2025

INTRODUCTION

This Official Statement provides certain information in connection with the issuance of the $6,600,000 Harris County Municipal Utility District No. 33 Unlimited Tax Bonds, Series 2025 (the "Bonds").

The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution and general laws of the State of Texas, particularly Chapters 49 and 54 of the Texas Water Code, as amended, an order (the "Bond Order") adopted by the Board of Directors of Harris County Municipal Utility District No. 33 (the "District"), and an election held within the District.

This Official Statement includes descriptions of the Bonds, the Bond Order and certain information about the District and its financial condition. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from Bond Counsel upon payment of duplication costs thereof.

RISK FACTORS

General

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. The Bonds are payable from a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District. See "THE BONDS – Source of and Security for Payment." The investment quality of the Bonds depends on the ability of the District to collect all taxes levied against the taxable property within the District and, in the event of foreclosure of the District's tax lien, on the marketability of the property and the ability of the District to sell the property at a price sufficient to pay taxes levied by the District and by other overlapping taxing authorities. The District cannot and does not make any representations that over the life of the Bonds the taxable property within the District will accumulate or maintain taxable values sufficient to justify the continued payment of taxes by property owners.

Marketability

The District has no understanding (other than the initial reoffering yields) 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 spread between the bid and asked price of more traditional issuers, as such bonds are generally bought, sold or traded in the secondary market.

Tax Collections

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 (a) cumbersome, time-consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, (c) market conditions limiting the proceeds from a foreclosure sale of taxable property or (d) the taxpayer's right to redeem the property within six (6) months for commercial property and two (2) years for residential and all other property after the purchaser's deed issued at the foreclosure sale is filed in the county records. 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. Attorney's fees and other costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes 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 (2) other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six (6) 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 "TAXING PROCEDURES."

Registered Owners' Remedies

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 Order, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Order, the Registered Owners have the 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 Order. Except for mandamus, the Bond Order 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 may not waive the local government's sovereign immunity from suits for money damages. Even if such sovereign immunity were waived and a judgment against the District for money damages was obtained, the judgment could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District 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.

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of the Registered Owners may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Specifically, the District may voluntarily file a petition for protection from creditors under the federal bankruptcy laws. During the pendency of the bankruptcy proceedings, the remedy of mandamus would not be available to the Registered Owners unless authorized by a federal bankruptcy judge.

Subject to the requirements of Texas law, the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Section 901-946, if the District: (a) is generally authorized to file for federal bankruptcy protection by the State law; (b) is insolvent or unable to meet its debts as they mature; (c) desires to effect a plan to adjust such debts; and (d) 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. Under Texas law, the District must obtain the approval of the TCEQ prior to filing bankruptcy. Such law requires that the TCEQ investigate the financial condition of the District and authorize the District to proceed only if the District has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

Notwithstanding noncompliance by a district with Texas law requirements, a district could file a voluntary bankruptcy petition under Chapter 9, thereby invoking the protection of the automatic stay until the bankruptcy court, after a hearing, dismisses the petition. A federal bankruptcy court is a court of equity and federal bankruptcy judges have considerable discretion in the conduct of bankruptcy proceedings and in making the decision of whether to grant the petitioning district relief from its creditors. While such a decision might be appealable, the concomitant delay and loss of remedies to the Registered Owners could potentially and adversely impair the value of the Registered Owners' claim.

If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the Federal Bankruptcy Code, it could file a plan for an adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect 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 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 the district.

A district cannot be place into bankruptcy involuntarily.

Approval of the Bonds

As required by law, the Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas does not pass upon or guarantee the safety of the Bonds as an investment or the adequacy or accuracy of the information contained in this Official Statement.

Economic Factors

The Houston area economy is particularly tied to the energy industry, and continuing low oil and natural gas prices could adversely affect the demand for housing and the assessed values of properties located in the District.

The continued growth of taxable values in the District is directly related to the housing and building industry. The housing and building industry has historically been a cyclical industry, affected by both short-term and long-term interest rates, availability of mortgage and development funds, labor conditions, and general economic conditions. A return to relatively high mortgage interest rates similar to those experienced in the past may adversely affect the availability and desirability of mortgage financing for new homes, hence reducing demand by homebuilders for lots within the District.

Interest rates and the availability of mortgage and development funds have a direct impact on construction activity, particularly the short-term interest rates at which developers and builders are able to obtain financing for development or building costs. Interest rate levels may affect the developers' or builders' ability to complete development or building plans. Long-term interest rates affect home purchasers' ability to qualify for and afford the total financing costs of a new home. The continuation of long-term interest rates at higher levels may negatively affect home sales and the rate of growth of taxable values in the District.

The Houston metropolitan area has, in the past, experienced increased unemployment, business failures, and slow absorption of office space. These factors, if they recur, could affect the demand for new residential home construction and commercial development and hence the growth of property values in the District. An oversupply of homes, along with a decreased demand in new housing because of general economic conditions or relatively high interest rates, may have an adverse impact on sale prices for homes and, consequently, may materially adversely affect property values or, in some instances, cause builders to abandon homebuilding plans altogether.

The housing industry in the Houston area is competitive and the District can give no assurance that current building programs will be completed. The competitive position of the Developer in the sale of its developed lots or, respectively, that of present and prospective builders in the construction of single-family residential houses, is affected by most of the factors discussed herein. Such a competitive position is directly related to tax revenues to be received by the District and the growth and maintenance of taxable values in the District.

Alternative sites are available for the construction of single-family residential improvements and within the market area in which the District is located. Such sites could pose competition to the continued homebuilding development and commercial development on comparable sites within the District.

Dependence on Principal Taxpayers

Based upon the 2024 certified tax rolls, the top ten taxpayers are responsible for approximately 15.08% of the District's 2024 taxes. The ability of the principal taxpayers to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District's ability to meet its debt service obligations. If, for any reason, the principal taxpayers do not pay taxes due or do not pay in a timely manner, the District may need to use other funds available for debt service purposes to the extent available. The District has no understanding with any of the principal taxpayers regarding their future level of operations in the District. The District has not covenanted in the Bond Order, nor is it required by Texas law, to maintain any particular balance in its Debt Service Fund or any other funds. Therefore, failure by the principal taxpayers to pay their taxes on a timely basis in amounts in excess of the District's available funds could have a material adverse effect upon the District's ability to pay debt service on the Bonds on a current basis. "DISTRICT TAX DATA – Principal Taxpayers."

Potential Impact on District Tax Rates

Assuming no further development within the District other than that which has been constructed, the value of such land and improvements currently located within the District could be a major determinant of the ability of the District to collect, and the willingness of property owners to pay, ad valorem taxes levied by the District. After issuance of the Bonds, the Maximum Annual Debt Service Requirement will be $1,311,619 (2029). The District's 11/1/2024 Estimated Taxable Value is $376,245,971. Assuming no increase or decrease from the 11/1/2024 Estimated Taxable Value and no use of other District funds, a tax rate of $0.37 per $100 of Assessed Valuation at 95% collection rate would be necessary to pay the Maximum Annual Debt Service Requirements. The District's 1/1/2024 Taxable Value is $358,562,467. Assuming no increase or decrease from the 1/1/2024 Taxable Value and no use of other District funds, a tax rate of $0.39 per $100 of Assessed Valuation at 95% collection rate would be necessary to pay the Maximum Annual Debt Service Requirements. See "DISTRICT TAX DATA – Adequacy of Tax Revenue."

Future Debt

The District has $3,235,000 authorized but unissued unlimited tax bonds remaining from an election held in 1984. At an election held on November 5, 2019, the voters of the District authorized $12,000,000 unlimited tax bonds and $12,000,000 in refunding bonds. The District also has $4,105,000 authorized but unissued unlimited tax refunding bonds. After the issuance of the Bonds, the District has $8,635,000 authorized but unissued unlimited tax bonds which may be issued for purposes of constructing facilities to serve the District.

The District has the right to issue additional new money bonds as may hereafter be approved by both the Board and the voters of the District, and to issue refunding bonds as approved by the Board. Any such additional new money bonds and refunding bonds would be issued on parity with the Bonds. Any future new money bonds to be issued by the District must also be approved by the TCEQ. According to the Engineer, the District's current bond authorization should be adequate to finance the District's share of development costs to allow for the full development of land within the District. The District has also reserved the right to issue certain other additional bonds, special project bonds, and other obligations described in the Bond Order. All of the remaining bonds described above which have heretofore been authorized by the voters of the District, may be issued by the District from time to time as needed. If additional bonds are issued in the future and property values have not increased proportionately, such issuance might increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

Failure of the District to comply with certain covenants contained in the Bond Order on a continuing basis prior to the maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See "TAX MATTERS."

Financing Parks and Recreational Facilities

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. However, before the District could issue park bonds payable from taxes, the following actions would be required: (a) adoption of a park plan; (b) approval by the voters of the District of Bonds for parks and recreational facilities; (c) approval of a City ordinance authorizing park bonds; (d) approval of the park project and bonds by the TCEQ; and (e) approval of the bonds by the Attorney General of Texas. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent of the value of the taxable property in the District, 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 but not more than three percent of the value of the taxable property in the District. The Board is not considering adopting a park plan, seeking voter authorization of park and recreational facilities bonds, and issuing parks and recreational facilities bonds at this time.

Environmental Regulation

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 Phase I Municipal Separate Storm Sewer 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 and implement 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

Failure of the District to comply with certain covenants contained in the Bond Order on a continuing basis prior to the maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of the original issuance. See "TAX MATTERS."

Changes in Tax Legislation

Certain tax legislation, whether currently proposed or proposed in the future, may directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, may 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 proposed, pending, or future legislation.

Conversion to Surface Water

The District is within the boundaries of the Harris-Galveston Subsidence District (the "Subsidence District") which regulates groundwater withdrawal. The District's authority to pump groundwater is subject to an annual permit issued by the Subsidence District. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in areas within the Subsidence District's jurisdiction. In furtherance of the Subsidence District's mandate to reduce groundwater pumpage and convert to surface water, the Central Harris County Regional Water Authority (the "Authority") was created with the responsibility of, among other things, reducing groundwater usage in and providing surface water to permittees, including the District, within its boundaries. 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 surface water. The District is included within the Authority's GRP.

The Authority has entered into a contract with the City of Houston for the purchase of treated surface water. Additionally, the Authority has entered into an agreement with the North Harris County Regional Water Authority ("NHCRWA") for the joint financing, design, construction, operation and maintenance of water transmission facilities.

Under the Subsidence District regulations and the GRP, the Authority was required to limit groundwater withdrawals to no more than 70% of the total water demand within the Authority's GRP by January 2010. Additionally, the Subsidence District requires that the Authority limit groundwater withdrawals to no more than 40% of the total water demand within the Authority's GRP beginning in 2025 and further limits groundwater withdrawals to no more than 20% of the total water demand within the Authority's GRP beginning in 2035. If the Authority fails to comply with such requirements or its GRP, the Authority is subject to a $7.00 per 1,000 gallons disincentive fee penalty ("Disincentive Fees") imposed by the Subsidence District for any groundwater withdrawn in excess of the maximum amount allowed by the Subsidence District. In the event of the Authority's failure to comply with such requirements, the Authority may also seek to collect such Disincentive Fees from the District.

The Authority has the power to issue debt supported by the revenues pledged for the payment of its obligations and may establish fees, rates, and charges as necessary to accomplish its purposes. The Authority has issued bonds to finance the costs of infrastructure required to meet the 2010 groundwater reduction requirements. The Authority currently charges its members, including the District, a groundwater pumpage fee of $3.51 per 1,000 gallons of groundwater pumped and a surface water fee of $3.85 per 1,000 gallons of surface water purchased from the Authority.

The District cannot predict the level of fees and charges which may be imposed upon the District by the Authority in the future, but the District anticipates the need to pass such fees through to its customers through increased water rates. Additionally, the issuance of additional bonds in the future by the Authority or District in an undetermined amount may be necessary to develop additional surface water conversion infrastructure.

Bond Insurance Risk Factors

The District has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Bonds. If such policy is issued, investors should be aware of the following risk factors:

If a bond insurance policy is obtained securing principal of and interest on the Bonds, in the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the "Policy") for such payments. However, in the event of any acceleration of the due date of such principal by reason or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with optional prepayment of the Bonds by the issuer that is recovered by the issuer from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy; however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the District unless the Bond Insurer chooses to pay such amounts at an earlier date.

Default of payment of principal of and interest on the Bonds does not accelerate the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies, and the Bond Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claims-paying ability. The Bond Insurer's financial strength and claims-paying ability are predicated upon a number of factors that could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Bonds insured by the Bond 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 "BOND INSURANCE" herein.

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

Neither the District nor Underwriter has made independent investigations into the claims-paying ability of the Bond Insurer. No assurance or representation regarding the financial strength or projected financial strength of the Bond 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 Bond Insurer, particularly over the life of the investment. See "Bond Insurance" herein for further information provided by the Bond Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Bond Insurer.

Severe Weather

The District is located approximately 90 miles from the Texas Gulf Coast. Land located in this area is susceptible to high winds, heavy rain and flooding caused by hurricanes, tropical storms, and other tropical disturbances. 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.

The greater Houston area has experienced four storms exceeding a 0.2% probability (i.e., "500-year flood" events) since 2015. If the District were to sustain damage to its facilities as a result of such a storm (or any other severe weather event) requiring substantial repair or replacement, or if substantial damage to taxable property within the District were to occur as a result of a severe weather event, the investment security of the Bonds could be adversely affected.

Hurricane Harvey

The Houston area, including the area in and around the District in Harris County, sustained widespread wind and rain damage and flooding as a result of Hurricane Harvey's landfall along the Texas Gulf Coast on August 25, 2017, and historic levels of rainfall during the succeeding four days. According to the observations of the District's Operator, the water, sewer, and drainage facilities serving the land within the District did not sustain any significant damage and there was no interruption of water and sewer service to the District's residents or other property owners within the District.

Hurricane Beryl

Hurricane Beryl made landfall along the Texas Gulf Coast on July 8, 2024, and brought high levels of wind and rainfall to the Houston metropolitan area, including the District. According to the District's Engineer, there were no interruptions of water and sewer service as a result of Hurricane Beryl. According to District's Engineer, the District's system did not sustain any material damage from Hurricane Beryl. The District did not receive any reports that any homes or improvements within the District experienced structural flooding or other significant damage as a result of Hurricane Beryl.

Winter Storm Uri

From February 12-19, 2021, the State of Texas experienced a severe winter storm ("Winter Storm Uri") which included prolonged freezing temperatures, heavy snow and freezing rains statewide. Winter Storm Uri led to power outages and potable and non-potable water shortages in many areas of the State, including the District. The federal government issued a Major Disaster Declaration for the State of Texas and has included federal funding for emergency protective measures. The District did not sustain material damage to its infrastructure during Winter Storm Uri, but the District cannot predict the impact of future winter weather events.

Specific Flood Type Risks

Ponding (or Pluvial) Flooding – 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) Flooding – 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 drainage systems downstream.

Temporary Tax Exemption for Property Damaged by Disaster

The Property Tax Code (hereinafter defined) provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% 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 15% for property less than 30% damaged to 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.

Tax Payment Installments Following Disaster

Certain qualified taxpayers, including owners of residential homesteads, located within a natural disaster area and whose property has been damaged as a direct result of the disaster, 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. See "TAXING PROCEDURES."

Additionally, the 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.

Harris County and City of Houston Floodplain Regulations

As a direct result of Hurricane Harvey, Harris County and the City of Houston adopted new rules and amended existing regulations relating to minimizing the potential impact of new development on drainage and mitigating flooding risks. The new and amended Harry County regulations took effect on January 1, 2018, and the new and amended City of Houston regulations took effect on September 1, 2018.

The Harris County floodplain regulations govern construction projects in unincorporated Harris County (where the District is currently located) and include regulations governing the elevation of structures in the 100-year and 500-year floodplains. Additionally, the Harris County regulations govern the minimum finished floor elevations as well as specific foundation construction requirements and windstorm construction requirements for properties located both above and below the 100-year flood elevation.

The City of Houston floodplain regulations govern construction projects in the corporate limits of the City of Houston (where land in the District is not currently located) and include regulations governing the elevation of structures in the 100-year and 500-year floodplains and the elevation of residential additions greater than one-third the footprint of the existing structure and non-residential additions. Additionally, the City of Houston regulations require an improved structure whose new market value exceeds 50% of the market value of the structure prior to the start of improvements meet the new and amended City of Houston regulations.

The new and amended Harris County and City of Houston regulations may have a negative impact on new development in and around the District as well as on the rehabilitation of existing homes impacted by flooding or other natural disasters.

Atlas 14

The new and amended Harris County and City regulations may have a negative impact on new development in those subdivisions in the District that are within Harris County or in the City's corporate limits and extraterritorial jurisdiction. The National Weather Service recently 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 on the Atlas 14 study based on a higher statistical rainfall amount, resulting in the application of more stringent floodplain regulations applying to a larger area and potentially leaving less developable property within the District. The application of 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.

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.

USE OF BOND PROCEEDS

Proceeds from the sale of the Bonds will be used to finance: (1) certain improvements to the District's water and wastewater system and associated engineering costs; (2) 12 months of capitalized interest; and (3) costs related to the issuance of the Bonds.

The Engineer has advised the District that the proceeds listed below should be sufficient for the acquisition of such facilities. The District's present estimate of the use of proceeds of the Bonds as approved by the TCEQ is as follows:

CONSTRUCTION COSTS:	Total Amount (a)
District Items	
Geographic Information System	$76,480
Chloramine Conversion and Yard Piping	$515,000
Remote Water Well Motor Control Center Replacement	$510,000
Remote Water Well Rehabilitation	$390,000
Replacement of Waterline	$150,000
Drum Screen Replacement and Headworks Modification	$356,820
Wastewater Treatment Plant Air Header Modifications	$124,417
Wastewater Treatment Plant Outfall Improvements	$30,518
Engineering	$573,711
Total District Items	**$2,726,946**
Developer Items	
Improvements to serve VMDC	$1,479,733
Engineering	$223,396
Land Acquisition	$989,881
Total Developer Items	**$2,693,010**
TOTAL CONSTRUCTION COSTS	**$5,419,956**
NON-CONSTRUCTION COSTS:	
Legal Fees	$106,500
Financial Advisory Fees	$122,100
Capitalized Interest	$346,500
Developer Interest	$353,371
Bond Discount	$132,000
Bond Issuance Expenses	$49,473
Bond Application Report	$47,000
Attorney General's Fee	$6,600
Contingency	$0 (b)
TOTAL NON-CONSTRUCTION COSTS	**$1,180,044**
TOTAL BOND ISSUE REQUIREMENT	**$6,600,000**

(a) TCEQ rules require, with certain exceptions, that developers contribute to the District's construction program a minimum of 30% of the construction costs of certain system facilities. The District is not required such a contribution because none of the facilities being financed with bond proceeds are "developer contribution items" pursuant to TCEQ rules.

(b) The District will designate any surplus Bond proceeds resulting from the sale of the Bonds at a lower interest rate than the estimated rate as a contingency line item in the Final Official Statement. Such funds will be used by the District only after approval by the TCEQ.

THE DISTRICT

General

The District is a municipal utility district created by an order of the Texas Water Rights Commission, the predecessor state agency to the TCEQ; entered on April 20,1977, which was confirmed at an election within the District on August 13, 1977, by a vote of three (3) for and zero (0) against. The District operates as a municipal utility district under Chapters 49 and 54 of the Texas Water Code, as amended. The District is empowered to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation and treatment of wastewater; and the control and diversion of stormwater. The District is also empowered to establish parks and recreational facilities for the residents of the District and to contract for or employ its own peace officers. In addition, the District may provide solid waste disposal and collection service and also is empowered to establish, operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, if approved by the TCEQ and the District's voters. The District currently contracts for security services and is currently providing solid waste disposal and collection services to District residents.

The TCEQ exercises continuing supervisory jurisdiction over the District. The District is required to observe certain requirements of the City which limit the purposes for which the District may sell bonds, limit the net effective interest rate on such bonds and other terms of such bonds; require the approval by the City of certain District construction plans; and permit connections only to lots and reserves described in subdivision plats that have been approved by the Planning Commission of the City and filed in the real property records. Construction and operation of the District's drainage system is subject to the regulatory jurisdiction of additional State of Texas agencies. See "THE SYSTEM – Regulation."

Description

The District contains 610.388 acres of land. The District is located in northern Harris County approximately 14 miles north, northwest of the Houston Central Business District. The District is divided in a north-south direction by Veterans Memorial Parkway. The District has direct access via the Sam Houston Tollway to Interstate Highway 45, which is located approximately two (2) miles to the east of the District. The District lies approximately three (3) miles north and two (2) miles west of the present Houston city limits and is within the extra-territorial jurisdiction of the City of Houston.

Residential Development in the District

Land within the District has been developed principally as the residential subdivisions of Lincoln Green East, Section One; McKamy Meadows, Section One; Briar Creek, Lincoln Green Estates, Section One; and Lincoln Green Place, Sections One and Two. As of October 1, 2024, there were approximately 1,658 completed homes in the District, no homes under construction and no vacant developed lots; as of October 1, 2024, approximately 1,624 of the homes in the District were occupied. The residential portion of the District is substantially built out and has been built out for several years; there is no active single-family residential land development currently underway in the District.

Commercial Development in the District

Commercial development in the District includes an automobile parts manufacturer, a Food Town Grocery Store, a private day care center, 4 restaurants, a carwash, 6 strip shopping centers, 2 service stations with car wash, 2 small grocery stores, a motel, a bank building, 2 office warehouse developments located along the Beltway, 2 not-for-profit schools that are also located along the Beltway, and a manufacturing facility.

Status of Development

A summary of the approximate land use in the District appears in the following table as of October 1, 2024:

Type of Land Use	Approximate Acres
Fully Developed Residential Acreage	353 (a)
Fully Developed Commercial Acreage	188
Acres Currently Being Developed	0
Additional Developable Acreage	13 (b)
Easements, Rights of Way and Reserves	56
Total Approximate Acres	**610**

(a) Includes approximately 1,658 developed lots, all of the lots have homes constructed on them (as of October 1, 2024, 1,624 of such completed homes were occupied).

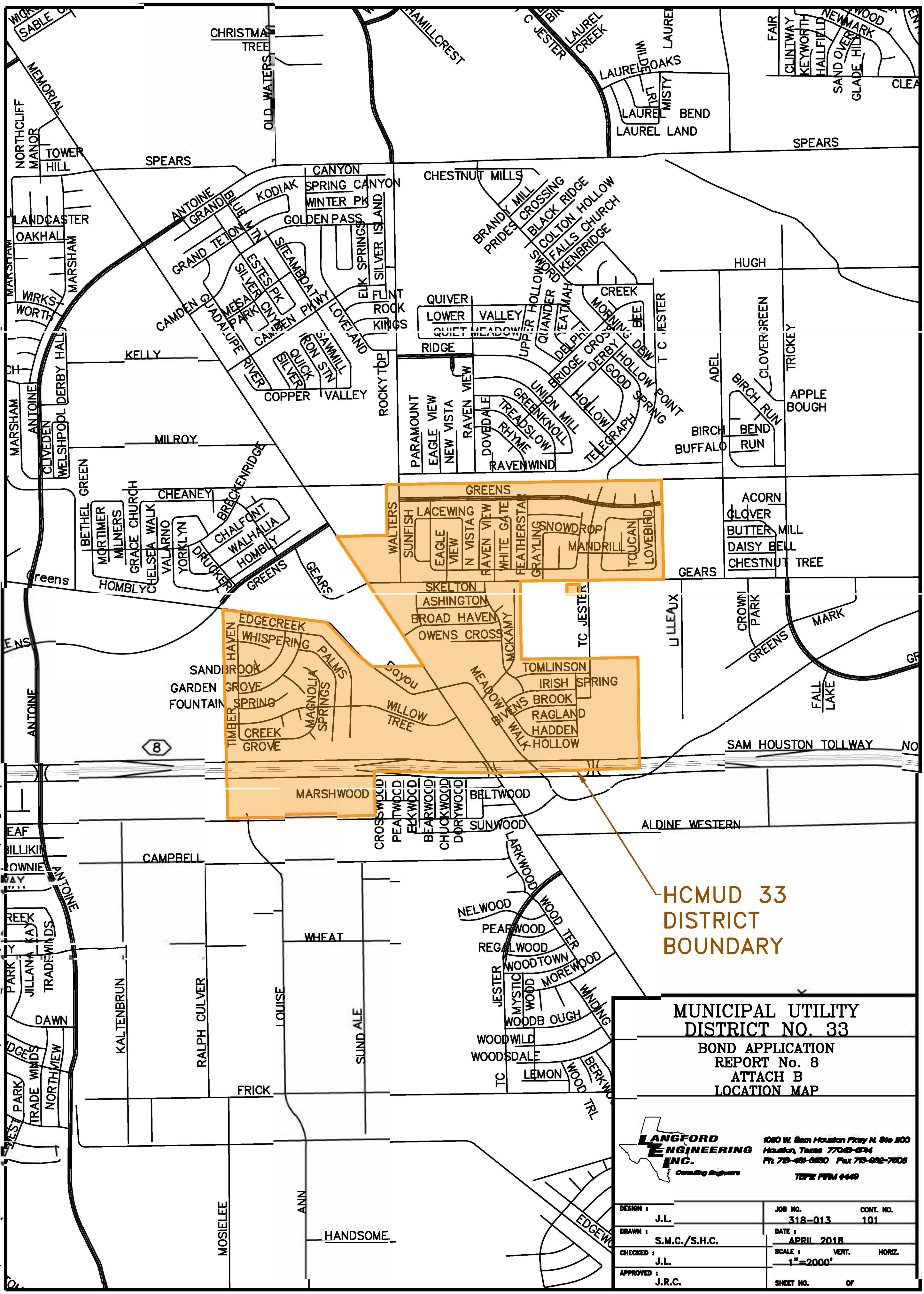
(b) Includes approximate acreage that may be developed in the future (most likely for commercial and non-profit school purposes).

Strategic Partnership Agreement – Limited Purpose Annexation by City of Houston

The District entered into a Strategic Partnership Agreement ("SPA") with the City of Houston (the "City") effective as of April 1, 2007, whereby the tracts of land containing commercial development were annexed into the City for the limited purpose of applying certain of the City's Planning, Zoning, Health and Safety Ordinances to the commercial businesses. The City imposes a Sales and Use Tax within the annexed tracts on the receipts from the sales and use at retail of taxable items at the rate of one 1% or such other rate as may be imposed by the City from time to time. Under the SPA, one-half or 50% of the sales tax revenue generated by the commercial business will be paid to the District, and the District can use the sales tax for purposes for which the District is lawfully authorized to use its ad valorem tax revenues or other revenues or to (1) accelerate the development of the water, wastewater and drainage system in the District, (2) accelerate reimbursement to developers for eligible infrastructure development, (3) lower the overall property tax rate to encourage additional development, and (4) perform other District functions that might otherwise be diminished, curtailed, abbreviated or delayed by financial limitations.

Neither the District nor any owners of taxable property in 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 in the District. Under the SPA the City agrees that it will not annex all or part of the District for a period of thirty years from the date of the SPA. The Bonds are not obligations of the City and the SPA does not obligate the City, either directly or indirectly to pay the principal of or interest on the Bonds.

LOCATION MAP



AERIAL PHOTOGRAPH

BOUNDARY MAP

HARRIS COUNTY MUD 33

November 22, 2024

ODYSSEY ENGINEERING GROUP
2500 Tanglewilde Street, Suite 300
Houston, Texas 77063
t 281.306.0240 | www.odysseyeg.com
TBPE No. F-17637

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THE SYSTEM

Regulation

The purchase, acquisition and construction of the water, wastewater, and storm drainage facilities are to be financed by the District with the proceeds of the Bonds have been or will be designed in accordance with accepted engineering practices and the rules and regulations of certain governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the TCEQ, the City of Houston and Harris County.

Operation of the District's waterworks and wastewater facilities is subject to regulation by, among others, the United States Environmental Protection Agency, Harris County, City of Houston, the TCEQ and the Texas Department of Health. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revision.

Description of the System

The water, wastewater, and storm drainage facilities of the District and the accompanying rights of use therein, are described below based upon information obtained from the District's records.

Water Supply Facilities

The District owns and operates water supply facilities sufficient for full development of the area within the District; the existing water supply facilities were financed with proceeds from prior bond issues. The District's existing water supply facilities and the improvements to the water supply facilities that are being financed with bond proceeds are capable of serving 3,375 equivalent single-family connections. The District currently serves 2,904 equivalent single-family connections.

In addition, the District has emergency water supply contracts and physical interconnects with Harris County Utility District Nos. 14 & 15, Harris County Municipal Utility District No. 11 and Harris County Municipal Utility District No. 5.

Conversion to Surface Water

The District is within the boundaries of the Harris-Galveston Subsidence District (the "Subsidence District") which regulates groundwater withdrawal. The District's authority to pump groundwater is subject to an annual permit issued by the Subsidence District. The Subsidence District has adopted regulations requiring reduction of groundwater withdrawals through conversion to alternate source water (e.g., surface water) in areas within the Subsidence District's jurisdiction. In furtherance of the Subsidence District's mandate to reduce groundwater pumpage and convert to surface water, the Central Harris County Regional Water Authority (the "Authority") was created with the responsibility of, among other things, reducing groundwater usage in and providing surface water to permittees, including the District, within its boundaries. 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 ground water to surface water. The District is included within the Authority's GRP.

The Authority has entered into a contract with the City of Houston for the purchase of treated surface water. Additionally, the Authority has entered into an agreement with the North Harris County Regional Water Authority ("NHCRWA") for the joint financing, design, construction, operation and maintenance of water transmission facilities.

Under the Subsidence District regulations and the GRP, the Authority was required to limit groundwater withdrawals to no more than 70% of the total water demand within the Authority's GRP by January 2010. Additionally, the Subsidence District requires that the Authority limit groundwater withdrawals to no more than 40% of the total water demand within the Authority's GRP beginning in 2025 and further limits groundwater withdrawals to no more than 20% of the total water demand within the Authority's GRP beginning in 2035. If the Authority fails to comply with such requirements or its GRP, the may be required to pay penalty disincentive fees ("Disincentive Fees") imposed by the Subsidence District for any groundwater withdrawn in excess of the maximum amount allowed by the Subsidence District. In the event of the Authority's failure to comply with such requirements, the Authority may also seek to collect such Disincentive Fees from the District.

The Authority has the power to issue debt supported by the revenues pledged for the payment of its obligations and may establish fees, rates, and charges as necessary to accomplish its purposes. The Authority has issued bonds to finance the costs of infrastructure required to meet the 2010 groundwater reduction requirements. Effective January 1, 2025, the Authority will charge its members, including the District, a groundwater pumpage fee of $3.51 per 1,000 gallons of groundwater pumped and a surface water fee of $3.85 per 1,000 gallons of surface water purchased from the Authority.

The District cannot predict the level of fees and charges which may be imposed upon the District by the Authority in the future, but the District anticipates the need to pass such fees through to its customers through increased water rates. Additionally, the issuance of additional bonds in the future by the Authority or District in an undetermined amount may be necessary to develop additional surface water conversion infrastructure.

Wastewater Treatment Facilities

Wastewater treatment for the entire District is provided by the Lincoln Green Regional Wastewater Treatment Plant, which is located in the District and is operated and maintained by the District in accordance with a "Waste Disposal Contract" between Harris County Utility District Nos. 14 and 15 and the District.

The District owns 993,000 gallons per day of capacity in the Lincoln Green Regional Wastewater Treatment Plant, which is sufficient to serve 3,310 single family equivalent connections, which is more than adequate to serve the District at full build out. The District is currently serving approximately 2,904 equivalent single-family connections and is currently projecting to serve 3,004 equivalent single-family connections at the build out of the District.

Drainage and Flood Hazard

Greens Bayou, a major tributary of Buffalo Bayou, crosses the District from northwest to southeast, and drains an area of 14 square miles upstream from the District. The current Flood Insurance Rate Map for Harris County, Community Panel No. 48201CO455L, dated June 18, 2007 and 48201CO465M, dated June 9, 2014, indicates that approximately 170 acres of developed and developable land are located within the 100-year floodplain out of a total of 554 acres of developed and developable land within the District. The District did experience flooding in certain homes in the Briar Creek subdivision of the District during Tropical Storm Allison (which was considered at the time to be a 500-year flood event) in June of 2001. None of the commercial properties in the District experienced any flooding during Tropical Storm Allison. The District has not experienced any flooding in homes since the 2001 event and no homes or commercial properties in the District experienced any flooding during Hurricane Harvey or more recently during Hurricane Beryl.

General Fund Operating History:

The Bonds are payable from the levy of an ad valorem tax, without legal limitation as to rate or amount, upon taxable property in the District. The information included in the table below relating to the District's water and sewer system operations is provided for information purposes only. The District makes no representation as to net revenues, if any, that may be available for debt service of the Bonds in the future.

	Fiscal Year End September 30 (a), (b)				
	2023	2022	2021	2020	2019
REVENUES					
Property taxes	$1,071,635	$1,005,511	$995,950	$1,043,401	$808,859
City of Houston rebates	$121,551	$114,234	$108,792	$111,267	$106,564
Water service	$590,300	$567,191	$566,190	$592,266	$591,156
Sewer service	$314,616	$311,290	$303,144	$313,570	$310,905
Surface water conversion	$549,339	$507,606	$496,464	$542,171	$531,222
Garbage collection	$343,834	$318,079	$330,645	$348,147	$303,624
Penalty and interest	$335,400	$151,496	$139,616	$60,414	$90,176
Tap connection and inspection fees	$111,690	$2,185	$600	$179,906	$2,000
Investment income	$223,384	$27,109	$1,331	$17,462	$41,103
Other income	$165,685	$361,433	$93,005	$95,427	$53,565
TOTAL REVENUES	**$3,827,434**	**$3,366,134**	**$3,035,737**	**$3,304,031**	**$2,839,174**
EXPENDITURES					
Service operations:					
Purchased services	$612,425	$477,957	$437,653	$426,645	$456,676
Surface water fee	$598,389	$521,160	$515,589	$535,304	$607,954
Professional fees	$216,051	$205,691	$250,032	$230,731	$229,504
Contracted services	$390,878	$277,322	$304,544	$331,138	$330,355
Solid waste	$356,261	$329,254	$340,855	$347,223	$312,281
Utilities	$115,255	$78,085	$76,481	$69,596	$72,831
Recreational facilities	$137,675	$126,094	$126,073	$128,204	$144,188
Repairs and maintenance	$398,733	$293,289	$349,724	$412,421	$255,559
Other expenditures	$173,358	$208,875	$214,261	$164,250	$182,198
Tap connections	$14,104	-	-	$50,185	-
Capital Outlay	$413,943	$101,140	-	-	$11,400
Debt service, debt issuance costs	$4,000	-	-	-	$8,044
TOTAL EXPENDITURES	**$3,431,072**	**$2,618,867**	**$2,615,212**	**$2,695,697**	**$2,610,990**
EXCESS REVENUES (EXPENDITURES)	**$396,362**	**$747,267**	**$420,525**	**$608,334**	**$228,184**

(a) Data is taken from District's audited financial statements. See "APPENDIX A."

(b) As of October 17, 2024, the District's General Fund had an unaudited cash and temporary investment balance of approximately $5,333,629. The General Fund budget for the fiscal year ended September 30, 2024, experienced unaudited revenues of approximately $3,764,818 and operating expenditures of $3,152,662. The District's General Fund fiscal year 2025 budget calls for revenues of $3,453,000 and operating expenditures of $3,387,528.

MANAGEMENT OF THE DISTRICT

The District is governed by a board of directors (the "Board") which has control over and management supervision of all affairs of the District. All of the directors reside in the District. A directors' election is held within the District in May in odd-numbered years. Directors are elected to serve four-year staggered terms. The current members and officers of the Board, along with their titles on the Board, are listed below.

Name	Title	Term Expires May
Carrie Patterson	President	2025
Julian C. Boddy	Vice President/Investment Officer	2027
Alice Carrier	Secretary	2027
Jermayl Marion	Assistant Secretary/Treasurer	2025
Laura Davis	Director	2025

The District does not employ a general manager or any other full-time employees. The District has contracted for utility system operating, bookkeeping, tax assessing and collecting services and annual auditing of its financial statements as follows:

Tax Assessor/Collector - The District's Tax Assessor/Collector is Tax Tech, Inc., who is employed under an annual contract and represents approximately 65 other utility districts.

Bookkeeper - The District's Bookkeeper is Claudia Redden & Associates, LLC, which acts as bookkeeper for approximately 21 other utility districts.

Auditor - The financial statements of the District as of September 30, 2023, and for the year then ended, included in this offering document, have been audited by FORVIS, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX A." Additionally, the District contracts with McCall Gibson Swedland Barfoot PLLC to review the District's audited financial statements.

Utility System Operator - The System's operator is WWWMS, Inc., which currently acts as utility system operator for approximately 8 utility districts.

Engineer - The consulting engineer for the District is Odyssey Engineering, LLC (the "Engineer").

Financial Advisor - The GMS Group, L.L.C., serves as Financial Advisor to the District, and is paid an hourly fee for certain work performed for the District and a contingent fee to be computed on each separate issuance of the bonds, if and when such bonds are delivered.

Bond Counsel – Radcliffe Adams Barner PLLC serves as Bond Counsel to the District and as counsel for the District on matters other than the issuance of bonds. Fees paid for the Bond Counsel services will be paid from proceeds of the Bonds; such fees are contingent upon the sale and delivery of such Bonds.

Disclosure Counsel – Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas, has been engaged by the District to serve as Disclosure Counsel on certain matters related to the sale and delivery of the Bonds, but such advice should not be relied upon by the purchasers as a due diligence undertaking on their behalf. Fees of the Disclosure Counsel will be paid from proceeds of the Bonds however such fees are not contingent upon the sale and delivery of such Bonds.

DISTRICT INVESTMENT POLICY

The District has adopted an Investment Policy as required by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended. The District's goal is to preserve principal and maintain liquidity while securing a competitive yield in its portfolio. Funds of the District are invested in short-term U.S. Treasuries, certificates of deposit insured by the Federal Deposit Insurance Corporation ("FDIC") or secured by collateral evidenced by perfected safekeeping receipts held by a third party bank, and public funds investment pools rated in the highest rating category by a nationally recognized rating service. The District does not currently own, nor does it anticipate, the inclusion of long-term securities or derivative products in the District portfolio.

DISTRICT DEBT

11/1/2024 Estimate Taxable Value	$376,245,971	(a)
2024 Certified Taxable Value	$358,562,467	(b)
Direct Debt:		
Outstanding Bonds (as of October 1, 2024)	$10,990,000	
The Bonds	$6,600,000	
Total Direct Debt	$17,590,000	
Estimated Overlapping Debt	$16,975,051	
Direct and Estimated Overlapping Debt	$34,565,051	
Percentage of Direct Debt to:		
11/1/2024 Estimate Taxable Value	4.68%	
2024 Certified Taxable Value	4.91%	
Percentage of Direct and Estimated Overlapping Debt to:		
11/1/2024 Estimate Taxable Value	9.19%	
2024 Certified Taxable Value	9.64%	
2024 Tax Rate Per $100 of Assessed Value		
Debt Service Tax	$0.23	
Maintenance Tax	$0.33	
Total 2024 Tax Rate	$0.56	

(a) The Estimated Taxable Value as of November 1, 2024, was prepared by HCAD and provided to the District for informational purposes only. Such value is not binding on HCAD, and any new value, subsequent to January 1, 2024, will not be included on the District's tax roll until the 2025 certified tax roll is prepared by HCAD during the second half of 2025. The District is authorized by law to levy taxes only against certified values. See “DISTRICT TAX DATA” and “TAXING PROCEDURES.”

(b) Reflects the January 1, 2024 Certified Taxable Value according to data supplied to the District by HCAD. which includes $4,164,721 of uncertified taxable value that is still in the certification process. Such amount of uncertified value represents HCAD's estimate of the taxable value that will ultimately be certified on the District's tax roll after successful protest. The District is authorized by law to levy taxes only against certified values. See " DISTRICT TAX DATA" and "TAXING PROCEDURES."

Estimated Overlapping Debt

Other governmental entities whose boundaries overlap the District have outstanding bonds payable from ad valorem taxes. The following statement of direct and estimated overlapping ad valorem tax debt was developed from information contained in the "Texas Municipal Reports," published by the Municipal Advisory Council of Texas and from information obtained directly from certain jurisdictions. Except for the amounts relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person is entitled to rely upon such information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional bonds, the amount of which has not been reported. Political subdivisions overlapping the District are authorized by Texas law to levy and collect ad valorem taxes for operation, maintenance and/or general revenue purposes in addition to taxes for payment of their debt, and some are presently levying and collecting such taxes.

		Overlapping Debt	
Taxing Jurisdiction	**Outstanding Debt**	**Percent**	**Amount**
Aldine Independent School District	$1,230,015,000	1.17%	$14,430,205
Harris County	$2,171,789	0.05%	$1,171,599
Harris County Flood Control District	$968,445,000	0.05%	$532,137
Port of Houston Authority	$406,509,397	0.05%	$219,526
Harris County Hospital District	$65,285,000	0.06%	$38,114
Harris County Department of Education	$28,960,000	0.05%	$15,374
Lone Star College System	$507,100,000	0.11%	$568,096
Total Estimated Overlapping Debt			**$16,975,051**
The District's Direct Debt (a)			**$17,590,000**
Total Direct and Estimated Overlapping Debt			**$34,565,051**

(a) Includes the Bonds.

DISTRICT TAX DATA

Tax Rate and Collections

The following table sets forth the historical tax information collection experience of the District for the years 2019 through 2024. Such table has also been prepared based upon information from District records. Reference is made to such records for further and complete information.

Tax Year	Taxable Valuation	Tax Rate (a)	Tax Levy	Cumulative Tax Collections (b)	Year Ended September 30
2024	$358,562,467	$0.56	$2,007,950	(c)	2025
2023	$344,967,453	$0.58	$2,000,811	96%	2024
2022	$288,874,440	$0.60	$1,733,247	98%	2023
2021	$257,293,045	$0.66	$1,698,134	98%	2022
2020	$242,400,252	$0.71	$1,721,042	100%	2021
2019	$223,114,559	$0.79	$1,762,605	100%	2020

(a) See - “Tax Rate Distribution” herein.

(b) The 2024 tax collection figure above represents the tax collection as of September 30, 2024.

(c) The 2024 taxes are due on or before January 31, 2025.

Maintenance Tax

The District 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 vote of the District’s electors. Such maintenance tax was authorized by vote of the District’s electors in an amount not to exceed $1.00 per $100 of assessed valuation. Such tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds, the Outstanding Bonds, if any, and any tax bonds which may be issued in the future.

Tax Rate Distribution

The following table sets forth the tax rate distribution of the District for the years 2020 through 2024.

	2024	2023	2022	2021	2020
Debt Service	$0.23	$0.24	$0.25	$0.29	$0.34
Maintenance/Operation	$0.33	$0.34	$0.35	$0.37	$0.37
Total	**$0.56**	**$0.58**	**$0.60**	**$0.66**	**$0.71**

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 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 Tax Code.

Principal Taxpayers

The list of principal taxpayers for 2024 and the other information provided by this table were provided by HCAD to the District's Tax Assessor/Collector based on certified tax rolls net of any exemptions from taxation. This table does not reflect any corrections pursuant to subsequent action of HCAD.

Property Owner	Property Description	Property Value	Percent of Total
VM8 Logistics Center LP	Land & Improvements	$17,400,000	4.91%
North Pointe Plaza INC	Land & Improvements	$6,485,382	1.83%
Centerpoint Energy Hou Ele	Land & Personal Property	$5,009,628	1.41%
2ML Real Estate Interest INC	Land & Improvements	$4,705,297	1.33%
VM Beltway 8 Properties LLC	Land & Improvements	$4,128,338	1.16%
Phan VM Holdings LLC	Land & Improvements	$3,941,925	1.11%
Koin Asset Management LLC	Land & Improvements	$3,700,000	1.04%
Innovating Pharmacy Solutions LLC	Land & Improvements	$2,823,329	0.80%
Nocnir LLC	Land & Improvements	$2,733,394	0.77%
Prologis LP	Land & Improvements	$2,533,141	0.71%
TOTAL		**$53,460,434**	**15.08%**

Analysis of Tax Base

Based on information provided to the District by its Tax Assessor/Collector, the following represents the composition of property comprising the gross tax roll valuations and the deferments for 2020 through 2024.

	Type of Property					
Tax Roll Year	**Land**	**Improvements**	**Personal Property**	**Gross Valuations**	**Exemptions**	**Taxable Valuations**
2024	$95,171,324	$327,444,501	$17,763,871	$440,379,696	$85,981,950	$354,397,746 (a)
2023	$95,945,114	$309,492,000	$20,259,548	$425,696,662	$80,729,209	$344,967,453
2022	$74,837,800	$272,266,130	$16,238,262	$363,342,192	$74,467,752	$288,874,440
2021	$71,004,170	$240,236,656	$13,258,886	$324,499,712	$67,206,667	$257,293,045
2020	$70,761,384	$222,054,772	$14,239,190	$307,055,346	$64,655,094	$242,400,252

(a) Reflects only the portion of the January 1, 2024 Certified Taxable Value that is presently certified on the District's tax roll and, therefore, excludes $4,164,721 of uncertified taxable value that is still in the certification process; such amount of uncertified value represents HCAD's estimate of the taxable value that will ultimately be certified on the District's tax roll after successful protest. The District is authorized by law to levy taxes only against certified values. See "TAXING PROCEDURES."

Estimated Overlapping Taxes

The following table sets forth all 2024 taxes levied by overlapping taxing jurisdictions. No recognition is given to local assessments for civic association dues, fire department contributions, solid waste disposal charges, or any other levy by entities other than political subdivisions.

Taxing Entities	2024 Tax Rates
Aldine Independent School District	$1.034300
Harris County (a)	$0.608689
Lone Star College System	$0.107600
Harris County Emergency Service District No. 20	$0.100000
Harris County Emergency Service District No. 1	$0.084477
Overlapping Taxes	**$1.934766**
The District	$0.560000
Total Direct & Overlapping Taxes	**$2.494766**

(a) Includes Harris County Flood Control District, Harris County Hospital District, Harris County Department of Education, and Port of Houston Authority.

Adequacy of Tax Revenue

The calculations shown below are solely for the purpose of illustration, reflect no net revenues of the System, no transfers of surplus funds from the District's Operating Fund to the Debt Service Fund, and no increase or decrease in assessed valuation over the 11/1/2024 Estimated Taxable Valuation and the 2024 Certified Valuation. The calculations utilize a tax rate adequate to service the District's total debt service requirements after issuance of the Bonds.

Maximum Annual Debt Service Requirements (2029) $1,311,619*

Requires a $0.37 debt service tax rate on the 11/1/2024 Estimated Taxable Value at 95% collection $1,322,505*

Requires a $0.39 debt service tax rate on the 2024 Taxable Value at 95% collection.. $ 1,328,474*

*Preliminary, subject to change.

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in an amount sufficient to pay the principal and interest on the Bonds and any additional bonds payable from taxes that the District may hereafter issue (see "RISK FACTORS - Future Debt") and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Order to levy such a tax from year to year as described more fully in this Official Statement under the caption "THE BONDS - Source of and Security for Payment." Under Texas law, the Board may also levy and collect an annual ad valorem tax for the operation and maintenance of the District and its water and wastewater system (see "DISTRICT TAX DATA - Maintenance Tax") and for the payment of certain contractual obligations if authorized by the voters in the District.

Property Tax Code and County-Wide Appraisal District

Title 1 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 in a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the appraisal district. HCAD 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 or older and of certain disabled persons, and travel trailers, to the extent deemed advisable by the Board. The District may be required to offer such an exemption if a majority of voters approve it at an election. The District would be required to call such an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding 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, but only to the maximum extent of $3,000, or between $5,000 and $12,000 depending on the disability rating of the veteran, of taxable valuation, if such rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to the exemption for the full amount of the residential homestead. During 2024, the District granted a $10,000 exemption for the elderly and disabled in the District. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran is entitled to an exemption for the full value of the veteran’s residence homestead to which the disabled veterans’ exemption applied including the surviving spouse of a disabled veteran who would have qualified for such exemption if it had been in effect on the date the disabled veteran died. 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 homesteads 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 in action 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.

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 assessor and collector of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by July 1. The District has adopted an order granting a general 20% residential homestead exemption each year including 2024 since 1990.

Freeport Goods Exemptions: A “Freeport Exemption” applies to goods, wares, 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 that are destined to be forwarded outside of Texas and that are detained in Texas for assembling, storing, manufacturing, processing, or fabricating for fewer 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 that 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, the City of Houston (after annexation), Harris County, Aldine Independent School District, or 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, including the District, has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions. No tax abatement agreements exist at this time with any property owners in the District.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code.

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. 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 chief 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 for 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 to formally 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 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 15% for property less than 30% damaged to 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 orders of the Appraisal Review Board by filing a timely petition for review in State district court. In such event, the value of the property in question will be determined by the court or by a jury if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda that could result in the repeal of certain tax increases. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals that 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 6% of the amount of the tax for the first calendar month it is delinquent, plus 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 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 for collection costs, 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 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) 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.

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 "Low Tax Rate Districts." 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 are 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.

Low Tax Rate Districts. Low Tax Rate Districts that adopt a total tax rate that would impose more than1.08 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 a rollback 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 Low Tax Rate District is the current year's debt service and contract tax rate plus the operation and maintenance tax rate that would impose 1.08 times the amount of operation and maintenance tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a resident homestead in the district in that year, subject to certain homestead exemptions.

Developed Districts. Developed Districts that adopt a total tax rate that would impose more than 1.035 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 Property Tax Code, are required to hold a rollback 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 the operation and maintenance tax rate that would impose 1.035 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions, 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 Low Tax Rate District and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Low Tax Rate Districts.

Developing Districts. Districts that do not meet the classification of a Low Tax Rate District or a Developed District are 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 a rollback election is called and passes, the total tax rate for Developing Districts is the current year's debt service and contract tax rate plus the operation and maintenance tax rate that would impose 1.08 times the amount of operation and maintenance tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a resident homestead in the district in that year, subject to certain homestead exemptions.

The District. A determination as to a district's status as a Low Tax Rate District, Developed District, or Developing District will be made on an annual basis, at the time a district sets its tax rate. The District is designated a Developed District for the 2024 tax year. 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 rollback 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 parity with tax liens of other such taxing units (see "TAX DATA – Estimated Overlapping Taxes"). 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.

Except with respect to owners of residential homestead property who are: (i) 65 years of age or older or under a disability as described above and who have filed an affidavit as required by law; and (ii) owners of residential homesteads who have entered into an installment agreement with the District for payment of delinquent taxes as described above and who are not in default under said agreement, at any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, or by taxpayer redemption rights (a taxpayer may redeem property that is a residence homestead or was designated for agricultural use within two years after the deed issued at foreclosure is filed of record and may redeem all other property within six months after the deed issued at foreclosure is filed of record) or by bankruptcy proceedings which restrict the collection of taxpayer debt. The District's ability to foreclose its tax lien or collect penalties and interest 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. Generally, the District's tax lien and a federal tax lien are on par with the ultimate priority being determined by applicable federal law. See "RISK FACTORS – Tax Collections."

The Effect of FIRREA on Tax Collections of the District

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") contains certain provisions which affect the time for protesting property valuations, the fixing of tax liens and the collection of penalties and interest on delinquent taxes on real property owned by the Federal Deposit Insurance Corporation ("FDIC") when the FDIC is acting as the conservator or receiver of an insolvent financial institution.

Under FIRREA, real property held by the FDIC is still subject to ad valorem taxation, but such act states (i) that no real property of the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary liens shall attach to such property, (ii) the FDIC shall not be liable for any penalties, interest, or fines, including those arising from the failure to pay any real or personal property tax when due, and (iii) notwithstanding failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed.

To the extent that the FDIC attempts to enforce the same, these provisions may affect the timeliness of collection of taxes on property, if any, owned by the FDIC in the District and may prevent the collection of penalties and interest on such taxes or may affect the valuation of such property.

ANNEXATION, STRATEGIC PARTNERSHIP AGREEMENT, AND CONSOLIDATION

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 cannot annex territory within the District unless it annexes the entire District; however, under legislation effective December 1, 2017, the City 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. Notwithstanding the preceding sentence, the described election and petition process does not apply during the term of a strategic partnership agreement between the City and the District specifying the procedures for full purpose annexation of all or a portion of the District. See "Strategic Partnership Agreement," below, for a description of the terms of the Strategic Partnership Agreement between the City and the District.

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.

Strategic Partnership Agreement

The District entered into a Strategic Partnership Agreement ("SPA") with the City of Houston (the "City") effective as of April 1, 2007, whereby the tracts of land containing commercial development were annexed into the City for the limited purpose of applying certain of the City's Planning, Zoning, Health and Safety Ordinances to the commercial businesses. The City imposes a Sales and Use Tax within the annexed tracts on the receipts from the sales and use at retail of taxable items at the rate of one percent (1%) or such other rate as may be imposed by the City from time to time. Under the SPA, one-half or 50% of the sales tax revenue generated by the commercial business will be paid to the District, and the District can use the sales tax for purposes for which the District is lawfully authorized to use its ad valorem tax revenues or other revenues or to (1) accelerate the development of the water, wastewater and drainage system in the District, (2) accelerate reimbursement to developers for eligible infrastructure development, (3) lower the overall property tax rate to encourage additional development, and (4) perform other District functions that might otherwise be diminished, curtailed, abbreviated or delayed by financial limitations.

Neither the District nor any owners of taxable property in 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 in the District. Under the SPA the City agrees that it will not annex all or part of the District for a period of thirty years from the date of the SPA. The Bonds are not obligations of the City and the SPA does not obligate the City, either directly or indirectly to pay the principal of or interest on the Bonds. See "THE DISTRICT - Strategic Partnership Agreement – Limited Purpose Annexation by City of Houston."

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.

THE BONDS

General

The Bond Order authorizes the issuance and sale of the Bonds and prescribes terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District. Set forth below is a summary of certain provisions of the Bond Order. Capitalized terms in such summary are used as defined in the Bond Order. Such summary is not a complete description of the entire Bond Order and is qualified in its entirety by reference to the Bond Order, copies of which are available from the District's Bond Counsel upon request.

The Bonds are dated and will bear interest from February 1, 2025, at the per annum rates shown on the cover page hereof. The Bonds are fully registered, serial bonds maturing on March 1 in the years 2027 through 2053, inclusive, in the principal amounts set forth on the cover page hereof. Interest on the Bonds is payable September 1, 2025, and each March 1 and September 1 thereafter until the earlier of maturity or redemption. The Record Date on the Bonds is the 15th day of the calendar month next preceding the interest payment date.

The Bonds will be issued only in fully registered form in any integral multiple of $5,000 of principal amount for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of the Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

In the event that the Book-Entry-Only System is discontinued, interest on the Bonds shall be payable by check on or before each interest payment date, mailed by the Paying Agent/Registrar to the registered owners ("Registered Owners") as shown on the bond register (the "Register") kept by the Paying Agent/Registrar at the close of business on the 15th calendar day of the month immediately preceding each interest payment date to the address of such Registered Owner as shown on the Register, or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and a Registered Owner at the risk and expense of such Registered Owner.

Optional Redemption

The Bonds scheduled to mature on or after March 1, 2030, are subject to redemption prior to scheduled maturity at the option of the District, in whole or from time to time in part, on March 1, 2029, and on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest from the most recent interest payment date to the redemption date. If fewer than all of the Bonds are to be redeemed, the particular Bonds to be redeemed will be selected by the District. Notice of each exercise of the right of redemption will be given at least thirty days prior to the date fixed for redemption by mailing written notice by first class mail to each of the Registered Owners (the "Registered Owners") of the Bonds to be redeemed. When Bonds have been called for redemption, they will become due and payable on the redemption date.

Source of and Security for Payment

The Bonds are secured by and payable from the levy of a continuing direct annual ad valorem tax, without legal limitation as to maximum rate or amount, levied against all taxable property in the District. In the Bond Order, the District covenants to levy a sufficient tax to pay principal of and interest on the Bonds, with full allowance being made for delinquencies, costs of collections, Registrar fees, and Appraisal District fees. The Bonds are obligations of the District and are not the obligations of the State of Texas, Harris County, the City of Houston, or any entity other than the District.

Defeasance

The Bond Order 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 now or hereafter permitted by law. Under current 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 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, 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 noncallable 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 or 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 that would permit investments other than those described above to be made with amounts deposited to defease the Bonds.

Funds

The Bond Order confirms the District's Debt Service Fund, which is kept separate from all other funds of the District and used for payment of debt service on the Bonds, the Outstanding Bonds, and any additional bonds payable from taxes which may be issued in the future by the District. Amounts on deposit in the Debt Service Fund may also be used to pay the fees and expenses of the Registrar.

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, consultants, 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 Resolutions 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.

Authorized and Unissued Bonds

The District has $3,235,000 authorized but unissued unlimited tax bonds remaining from an election held in 1984. At an election held on November 5, 2019, the voters of the District authorized $12,000,000 unlimited tax bonds and $12,000,000 in refunding bonds. The District currently has $4,105,000 authorized but unissued unlimited tax refunding bonds. After the issuance of the Bonds, the District has $8,635,000 authorized but unissued unlimited tax bonds which may be issued for purposes of constructing facilities to serve the District.

The District has the right to issue additional new money bonds as may hereafter be approved by both the Board and the voters of the District, and to issue refunding bonds as approved by the Board. Any such additional new money bonds and refunding bonds would be issued on parity with the Bonds. Any future new money bonds to be issued by the District must also be approved by the TCEQ. According to the Engineer, the District’s current bond authorization should be adequate to finance the District’s share of development costs to allow for the full development of land within the District. The District has also reserved the right to issue certain other additional bonds, special project bonds, and other obligations described in the Bond Order. All of the remaining bonds described above which have heretofore been authorized by the voters of the District, may be issued by the District from time to time as needed. If additional bonds are issued in the future and property values have not increased proportionately, such issuance might increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

Paying Agent/Registrar

Pursuant to the Bond Order, the initial paying agent and initial registrar with respect to the Bonds is BOKF, N.A., Dallas, Texas. The District will maintain at least one Registrar, where the Bonds may be surrendered for transfer and/or for exchange or replacement for other Bonds, and for the purpose of maintaining the Bond Register on behalf of the District. The Registrar is required at all times to be a duly qualified banking corporation or association organized and doing business under the laws of the United States of America, or of any state thereof, and subject to supervision or examination by federal or state banking authorities.

The District reserves the right and authority to change any paying agent/registrar and, upon any such change, the District covenants and agrees in the Bond Order to promptly cause written notice thereof, specifying the name and address of such successor paying agent/registrar, to be sent to each Registered Owner of the Bonds by United States mail, first class, postage prepaid.

Registration and Transfer

In the event the Book-Entry-Only System should be discontinued, the Bonds will be transferable only on the Bond Register kept by the Registrar upon surrender and reissuance. The Bonds are exchangeable for an equal principal amount of Bonds of the same maturity and of any authorized denomination upon surrender of the Bonds to be exchanged at the operations office of the Registrar in Houston, Texas. See "BOOK-ENTRY-ONLY SYSTEM” above for a description of the system to be utilized initially in regard to the ownership and transferability of the Bonds. Every Bond presented or surrendered for transfer is required to be duly endorsed, or be accompanied by a written instrument of transfer, in a form satisfactory to the Registrar. Neither the Registrar nor the District is required (1) to transfer or exchange any Bond during the period beginning at the opening of business on a Record Date (defined herein) and ending at the close of business on the next succeeding interest payment date or (2) to transfer or exchange any Bond selected for redemption in whole or in part within thirty calendar days of the redemption date. No service charge will be made for any transfer or exchange, but the District or the Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System is discontinued, the District has agreed to replace mutilated, destroyed, lost, or stolen Bonds upon surrender of the mutilated Bonds, or receipt of satisfactory evidence of such destruction, loss, or theft and receipt by the District and the Registrar of security or indemnity as may be required by either of them to keep them harmless. The District will require payment of taxes, governmental charges, and expenses in connection with any such replacement.

Legal Investment and Eligibility to Secure Public Funds in Texas

Pursuant to the Texas Bond Procedures Act, Chapter 1201, Texas Government Code, as amended, and Section 49.186, Texas Water Code, the Bonds, whether rated or unrated, are (a) legal investments for banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries, and trustees and (b) legal investments for the public funds of cities, towns, villages, school districts, and other political subdivisions or public agencies of the State. Most political subdivisions in the State of Texas are required to adopt investment guidelines under the Public Funds Investment Act, Chapter 2256, Texas Government Code, and such political subdivisions may impose a requirement consistent with such act that the Bonds have a rating of not less than "A" or its equivalent to be legal investments for such entity's funds. The Bonds are eligible under the Public Funds Collateral Act, Chapter 2257, Texas Government Code, to secure deposits of public funds of the State or any political subdivision or public agency of the State and are lawful and sufficient security for those deposits to the extent of their market value. Again, political subdivisions in the State of Texas may impose a requirement that the Bonds have a rating of not less than "A" or its equivalent to be eligible to serve as collateral for their funds.

The District has not reviewed the laws in other states to determine whether the Bonds are legal investments for various institutions in those states or eligible to serve as collateral for public funds in those states. The District has made no investigation of any other laws, rules, regulations or investment criteria that might affect the suitability of the Bonds for any of the above purposes or limit the authority of any of the above persons or entities to purchase or invest in the Bonds.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds (which are referred to as "Securities" solely in this section of the Official Statement) is to be transferred and how the principal of, premium, if any, Maturity Value, and interest on the Securities are to be paid to and credited by DTC while the Securities are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District, the Financial Advisor, and the Underwriter believe the source of such information to be reliable but take no responsibility for the accuracy or completeness thereof.

The District and the Underwriter cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Securities, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Securities), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Securities. The Securities 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 maturity of the Securities, each in the aggregate principal amount or Maturity Value, as the case may be, 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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Securities under the DTC system must be made by or through Direct Participants, who will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities 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 securities representing their ownership interests in Securities except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners.

The 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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 fewer than all of the Securities 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. All payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Securities 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, securities 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, securities will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the District believes to be reliable, but none of the District, the Financial Advisor or the Underwriter takes any responsibility for the accuracy thereof. Termination by the District of the DTC Book-Entry-Only System may require consent of DTC Participants under DTC Operational Arrangements.

TAX MATTERS

Tax Exemption

In the opinion of Bond Counsel based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislature proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

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 designated by the District as "qualified tax-exempt obligations" and 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 will represent 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 2024 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 2025.

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

LEGAL MATTERS

Legal Opinion

The District will furnish the Underwriter a transcript of certain certified proceedings held incident to the authorization and issuance of the Bonds, including a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Bonds are valid and legally binding obligations of the District. The District will also furnish the legal opinion of Radcliffe Adams Barner PLLC ("Bond Counsel") to the effect that, based upon an examination of such transcript, the Bonds are legal, valid and binding obligations of the District and to the effect that the interest on the Bonds is exempt from federal income taxation under existing statutes, regulations, published rulings and court decisions. Such opinions express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds.

The opinion of Bond Counsel is expected to be reproduced on the back panel of the Bonds. The failure to print such legal opinion on any Bond shall not constitute cause for a failure or refusal by the Underwriters to accept delivery of and pay for the Bonds.

Legal Review

Bond Counsel has reviewed the information appearing in the Official Statement under the captions "CONTINUING DISCLOSURE OF INFORMATION – SEC RULE 15c2-12," “THE BONDS,” "THE DISTRICT – General," "TAXING PROCEDURES," “ANNEXATION, STRATEGIC PARTNERSHIP AGREEMENT, AND CONSOLIDATION,” “TAX MATTERS” solely to determine whether such information fairly summarizes the procedures, documents, and legal matters referred to therein, "LEGAL MATTERS," and “REGISTRATION AND QUALIFICATION UNDER SECURITIES LAWS.” However, Bond Counsel has not independently verified any of the factual information contained in this Official Statement nor has it investigated of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement in its capacity as Bond Counsel. 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, other than the matters discussed immediately above.

Radcliffe Adams Barner PLLC acts 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.

No-Litigation Certificate

On the date of delivery of the Bonds, the District will execute and deliver a certificate to the effect that there is not pending, and to the knowledge of the District, 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.

REGISTRATION AND QUALIFICATION UNDER SECURITIES LAWS

The offer and sale of the Bonds have not been registered or qualified under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein, and the Bonds have not been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

OFFICIAL STATEMENT

Sources of Information

The information contained in this Official Statement has been obtained primarily from the District's records, the Engineer, the Tax Assessor/Collector, and other sources that are believed to be reliable, but no representation is made as to the accuracy or completeness of the information derived from such other sources. The summaries of the statutes, orders, resolutions and engineering and other related reports set forth in the 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.

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 generally and to the description of the System and in particular that information included in the sections entitled "THE SYSTEM" and certain engineering matters included in "THE DISTRICT - Description" and "THE DISTRICT - Status of Development," have been provided by Odyssey Engineering Group, LLC., and have been included in reliance upon the authority of such firm as an expert in the field of civil engineering.

Tax Assessor/Collector - The information contained in this Official Statement relating to the estimated assessed valuation of property and, in particular, such information contained in the section captioned "DISTRICT TAX DATA," has been provided by the Harris County Appraisal District and by Tax Tech, Inc, in reliance upon their authority as experts in the field of tax assessing and appraising.

Auditor - The financial statements of the District as of September 30, 2023, and for the year then ended, included in this offering document, have been audited by FORVIS, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX A."

Continuing Availability of Financial Information

Pursuant to Texas law, the District has its financial statements prepared in accordance with generally accepted accounting principles and has its financial statements audited by a certified public accountant in accordance with generally accepted auditing standards within 120 days after the close of its fiscal year. The District's audited financial statements are required to be filed with the TCEQ within 135 days after the close of its fiscal year.

The District's financial records and audited financial statements are available for public inspection during regular business hours at the office of the District and copies will be provided on written request, to the extent permitted by law, upon payment of copying charges. Requests for copies should be addressed to the District in care of Radcliffe Adams Barner PLLC, 2929 Allen Parkway, Suite 3450, Houston, Texas 77019-7120.

Forward-Looking Statements

The statements contained in this Official Statement and in any other information provided by the District that are not purely historical are forward-looking statements, including statements regarding the District's expectations, hopes, intentions, or strategies for the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements. The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates, possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions, and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and therefore, there can be no assurance that any forward-looking statements included in this Official Statement would prove to be accurate.

Certification as to Official Statement

The District, acting by and through its Board of Directors in its official capacity and in reliance upon the consultants listed above, hereby certifies, as of the date hereof, that to the best of its knowledge and belief, the information, statements, and descriptions pertaining to the District and its affairs herein contain no untrue statements of a material fact and do not omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading. The information, descriptions and statements concerning entities other than the District, including particularly other governmental entities, have been obtained from sources believed to be reliable, but the District has made no independent investigation of such matters and makes no representation as to the accuracy or completeness thereof.

Updating of Official Statement

The District will keep the Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and, to the extent that information comes to its attention, in the other matters described in the Official Statement, until the delivery of the Bonds. All information with respect to the resale of the Bonds shall be the responsibility of the Initial Purchasers.

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 statement in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated is intended as such and not a representation of fact and no representation is made that any such statement will be realized.

This Official Statement was approved by the Board of Directors of Harris County Municipal Utility District No. 33 as of the date shown on the cover page.

APPENDIX A

<u>INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS OF THE DISTRICT</u>

<u>FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023</u>

Harris County Municipal Utility District No. 33

Harris County, Texas

Independent Auditor's Report and Financial Statements

September 30, 2023

Harris County Municipal Utility District No. 33
September 30, 2023

Contents

FORVIS

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Independent Auditor's Report

Board of Directors
Harris County Municipal Utility District No. 33
Harris County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 33 (the District), as of and for the year ended September 30, 2023, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of September 30, 2023, and the respective changes in financial position thereof 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 (GAAS). 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 these 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 GAAS 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 GAAS, 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 budgetary comparison schedules, as listed in the table of contents, 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.

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 accompanying schedules required by the Texas Commission on Environmental Quality listed in the table of contents are presented for purposes of additional analysis and are 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

FORVIS, LLP

Houston, Texas
March 29, 2024

Harris County Municipal Utility District No. 33
Management's Discussion and Analysis
September 30, 2023

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and by the District's state oversight agency, the Texas Commission on Environmental Quality (the Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, sanitary sewer and drainage services. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets, liabilities, and deferred inflows and outflows of resources of the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period and expenses are recorded even though they may not have used cash during the current year.

Although the statement of activities looks different from a commercial enterprise's statement of income, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as change in net position, essentially the same thing.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the general fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

Governmental Funds

Governmental-fund financial statements consist of a balance sheet and a statement of revenues, expenditures and changes in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and water, sewer and drainage systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's assets, liabilities, and deferred inflows and outflows of resources is labeled the fund balance and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

Because the focus of the government-wide and fund financial statements is different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in the notes to financial statements that describes the adjustments to fund balances to arrive at net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in the notes to financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position, as reported in the governmental activities column in the statement of activities.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data found in the government-wide and fund financial statements.

Financial Analysis of the District as a Whole

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

Summary of Net Position

	2023	2022
Current and other assets	$ 10,522,647	$ 10,287,579
Capital assets	11,631,064	11,265,216
Total assets	22,153,711	21,552,795
Deferred outflows of resources	144,853	156,702
Total assets and deferred outflows of resources	$ 22,298,564	$ 21,709,497
Long-term liabilities	$ 11,629,374	$ 12,203,389
Other liabilities	2,420,169	2,389,247
Total liabilities	14,049,543	14,592,636
Net position:		
Net investment in capital assets	146,543	(161,010)
Restricted	2,646,397	3,148,527
Unrestricted	5,456,081	4,129,344
Total net position	$ 8,249,021	$ 7,116,861

The total net position of the District increased by $1,132,160, or about 16%. The majority of the increase in net position is related to investment income as well as tax revenues intended to pay principal on the District's bonded indebtedness, which is shown as long-term liabilities in the government-wide financial statements. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Changes in Net Position

	2023	2022
Revenues:		
Property taxes	$ 1,863,338	$ 1,842,081
City of Houston rebates	122,434	114,291
Charges for services	2,112,001	2,071,372
Other revenues	1,081,413	622,801
Total revenues	5,179,186	4,650,545
Expenses:		
Services	3,209,303	2,831,509
Depreciation	508,803	607,300
Debt service	328,920	343,308
Total expenses	4,047,026	3,782,117
Change in net position	1,132,160	868,428
Net position, beginning of year	7,116,861	6,248,433
Net position, end of year	$ 8,249,021	$ 7,116,861

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended September 30, 2023, were $7,957,804, an increase of $168,473 from the prior year.

The general fund's fund balance increased by $1,308,616 due to property taxes, City of Houston (the City) rebates and service revenues as well as investment income and an interfund transfer received from the capital projects fund exceeding service operations expenditures.

The special revenue fund's fund balance decreased by $83,342, which represents the District's share of excess expenditures.

The debt service fund's fund balance decreased by $109,655, primarily due to bond principal and interest requirements exceeding property tax revenues.

The capital projects fund's fund balance decreased by $947,146 due to an interfund transfer to the general fund.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to property taxes and penalty and interest revenues, investment income and capital outlay expenditures being higher than anticipated as well as professional fees and other expenditures being lower than anticipated. In addition, tap connection and inspection fee revenues and an interfund transfer received were not budgeted for. The fund balance as of September 30, 2023, was expected to be $4,080,629 and the actual end-of-year fund balance was $5,376,289.

Capital Assets and Related Debt

Capital Assets

Capital assets held by the District at the end of the current and previous fiscal years are summarized below:

Capital Assets (Net of Accumulated Depreciation)

	2023	2022
Land and improvements	$ 1,187,553	$ 1,187,553
Construction in progress	288,195	141,658
Water facilities	5,005,577	5,079,111
Wastewater facilities	4,311,411	4,006,165
Parks and recreation	838,328	850,729
Total capital assets	$ 11,631,064	$ 11,265,216

During the current year, additions to capital assets were as follows:

Construction in progress related to the District's share of the wastewater treatment plant lift station improvements and air heater modifications	$ 259,047
District's share of the wastewater treatment plant gate and driveway improvements	152,594
District's share of the remote well driveway, fence and gate improvements	174,255
District's share of the sanitary sewer rehabilitation, Phase 3	270,166
District's share of the wastewater treatment plant replacement pumps	7,902
District's share of the wastewater treatment plant improvements	10,687
Total additions to capital assets	$ 874,651

Harris County Municipal Utility District No. 33
Management's Discussion and Analysis (Continued)
September 30, 2023

Debt

The changes in the debt position of the District during the fiscal year ended September 30, 2023, are summarized as follows:

Long-term debt payable, beginning of year	$ 12,203,389
Decreases in long-term debt	(574,015)
Long-term debt payable, end of year	$ 11,629,374

At September 30, 2023, the District had $15,235,000 of unlimited tax bonds and $2,495,000 of combination unlimited tax and revenue bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District.

The District's bonds carry an underlying rating of "Baa1" by Moody's Investors Service (Moody's). The Series 2018 bonds carry a rating of "AA" from Standard & Poor's by virtue of bond insurance issued by Build America Mutual Assurance Company and the Series 2021 refunding bonds carry a rating of "A1" from Moody's and a rating of "AA" from Standard & Poor's by virtue of bond insurance issued by Assured Guaranty Municipal Corp. The Series 2012 bonds are not rated.

Other Relevant Factors

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City, the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City for full purposes without the District's consent, except as set forth below.

Effective April 9, 2007, the District entered into a Strategic Partnership Agreement with the City, which annexed certain portions of the District into the City for "limited purposes," as described therein. Under the terms of the Strategic Partnership Agreement, the City has agreed it will not annex the District as a whole for full purposes for 30 years, at which time the City has the option to annex the District if it chooses to do so.

Contingencies

The developer of the District is constructing water, sewer and drainage facilities within the boundaries of the District. The District has agreed to reimburse the developer for a portion of these costs, plus interest, from the proceeds of future bond sales, to the extent approved by the Commission. The District's engineer has stated that current construction contract amounts are approximately $1,512,000. This amount has not been recorded in the financial statements since the facilities are not complete nor operational.

Harris County Municipal Utility District No. 33

Statement of Net Position and Governmental Funds Balance Sheet

September 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets							
Cash	$ 208,579	$ 69,819	$ 34,553	$ -	$ 312,951	$ -	$ 312,951
Short-term investments	5,069,305	3,260,048	1,065,551	-	9,394,904	-	9,394,904
Receivables:							
Property taxes	68,864	-	53,248	-	122,112	-	122,112
Service accounts	219,445	-	-	-	219,445	-	219,445
Accrued penalty and interest	-	-	-	-	-	37,821	37,821
Due from others	87,808	-	-	-	87,808	-	87,808
Interfund receivables	108,709	-	-	-	108,709	(108,709)	-
Due from City of Houston	21,493	-	-	-	21,493	10,928	32,421
Due from participants	-	196,876	-	-	196,876	-	196,876
Due from other district	97,262	-	-	-	97,262	-	97,262
Prepaid expenditures	21,047	-	-	-	21,047	-	21,047
Capital assets (net of accumulated depreciation):							
Land and improvements	-	-	-	-	-	1,187,553	1,187,553
Construction in progress	-	-	-	-	-	288,195	288,195
Infrastructure	-	-	-	-	-	9,316,988	9,316,988
Parks and recreation	-	-	-	-	-	838,328	838,328
Total assets	5,902,512	3,526,743	1,153,352	0	10,582,607	11,571,104	22,153,711
Deferred Outflows of Resources							
Deferred amount on debt refundings	0	0	0	0	0	144,853	144,853
Total assets and deferred outflows of resources	$ 5,902,512	$ 3,526,743	$ 1,153,352	$ 0	$ 10,582,607	$ 11,715,957	$ 22,298,564

Harris County Municipal Utility District No. 33

Statement of Net Position and Governmental Funds Balance Sheet (Continued)

September 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities							
Accounts payable	$ 189,270	$ 284,224	$ 3,158	$ -	$ 476,652	$ -	$ 476,652
Retainage payable	-	51,200	-	-	51,200	-	51,200
Accrued interest payable	-	-	-	-	-	26,187	26,187
Customer deposits	249,255	-	-	-	249,255	-	249,255
Due to others	18,834	-	-	-	18,834	-	18,834
Due to participants	-	1,598,041	-	-	1,598,041	-	1,598,041
Interfund payables	-	99,359	9,350	-	108,709	(108,709)	-
Long-term liabilities:							
Due within one year	-	-	-	-	-	545,000	545,000
Due after one year	-	-	-	-	-	11,084,374	11,084,374
Total liabilities	457,359	2,032,824	12,508	0	2,502,691	11,546,852	14,049,543
Deferred Inflows of Resources							
Deferred property tax revenues	68,864	0	53,248	0	122,112	(122,112)	0
Fund Balances/Net Position							
Fund balances:							
Nonspendable, prepaid expenditures	21,047	-	-	-	21,047	(21,047)	-
Restricted, unlimited tax bonds	-	-	1,087,596	-	1,087,596	(1,087,596)	-
Committed, wastewater collection and treatment	-	1,493,919	-	-	1,493,919	(1,493,919)	-
Unassigned	5,355,242	-	-	-	5,355,242	(5,355,242)	-
Total fund balances	5,376,289	1,493,919	1,087,596	0	7,957,804	(7,957,804)	0
Total liabilities, deferred inflows of resources and fund balances	$ 5,902,512	$ 3,526,743	$ 1,153,352	$ 0	$ 10,582,607		
Net position:							
Net investment in capital assets						146,543	146,543
Restricted for plant operations						1,493,919	1,493,919
Restricted for debt service						1,152,478	1,152,478
Unrestricted						5,456,081	5,456,081
Total net position						$ 8,249,021	$ 8,249,021

Harris County Municipal Utility District No. 33

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances

Year Ended September 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues							
Property taxes	$ 1,071,635	$ -	$ 764,941	$ -	$ 1,836,576	$ 26,762	$ 1,863,338
City of Houston rebates	121,551	-	-	-	121,551	883	122,434
Water service	590,300	-	-	-	590,300	-	590,300
Sewer service	314,616	-	-	-	314,616	-	314,616
Surface water conversion	549,339	-	-	-	549,339	-	549,339
Sewer service fees	-	1,321,500	-	-	1,321,500	(1,007,588)	313,912
Garbage collection	343,834	-	-	-	343,834	-	343,834
Penalty and interest	335,400	-	29,536	-	364,936	6,859	371,795
Tap connection and inspection fees	111,690	-	-	-	111,690	-	111,690
Investment income	223,384	144,711	54,161	9,987	432,243	-	432,243
Other income	165,685	-	-	-	165,685	-	165,685
Total revenues	3,827,434	1,466,211	848,638	9,987	6,152,270	(973,084)	5,179,186
Expenditures/Expenses							
Service operations:							
Purchased services	612,425	-	-	-	612,425	(612,425)	-
Surface water fee	598,389	-	-	-	598,389	-	598,389
Professional fees	216,051	46,286	10,873	-	273,210	4,134	277,344
Contracted services	390,878	128,970	51,185	-	571,033	-	571,033
Solid waste	356,261	-	-	-	356,261	-	356,261
Utilities	115,255	101,971	-	-	217,226	-	217,226
Recreational facilities	137,675	-	-	-	137,675	-	137,675
Repairs and maintenance	398,733	384,256	-	-	782,989	12,135	795,124
Other expenditures	173,358	60,722	7,980	87	242,147	-	242,147
Tap connections	14,104	-	-	-	14,104	-	14,104
Capital outlay	413,943	918,312	-	44,792	1,377,047	(1,377,047)	-
Depreciation	-	-	-	-	-	508,803	508,803
Debt service:							
Principal retirement	-	-	565,000	-	565,000	(565,000)	-
Interest and fees	-	-	323,255	-	323,255	1,665	324,920
Debt issuance costs	4,000	-	-	-	4,000	-	4,000
Total expenditures/expenses	3,431,072	1,640,517	958,293	44,879	6,074,761	(2,027,735)	4,047,026
Excess (Deficiency) of Revenues Over Expenditures	396,362	(174,306)	(109,655)	(34,892)	77,509	1,054,651	

Harris County Municipal Utility District No. 33

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended September 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Other Financing Sources (Uses)							
Interfund transfers in (out)	$ 912,254	$ -	$ -	$ (912,254)	$ -	$ -	
Allocation of excess expenditures to participants	-	90,964	-	-	90,964	(90,964)	
Total other financing sources (uses)	912,254	90,964	0	(912,254)	90,964	(90,964)	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,308,616	(83,342)	(109,655)	(947,146)	168,473	(168,473)	
Change in Net Position						1,132,160	$ 1,132,160
Fund Balances/Net Position							
Beginning of year	4,067,673	1,577,261	1,197,251	947,146	7,789,331	-	7,116,861
End of year	$ 5,376,289	$ 1,493,919	$ 1,087,596	$ 0	$ 7,957,804	$ 0	$ 8,249,021

Harris County Municipal Utility District No. 33

Notes to Financial Statements

September 30, 2023

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Harris County Municipal Utility District No. 33 (the District) was created by an order of the Texas Water Rights Commission, now known as the Texas Commission on Environmental Quality (the Commission), effective April 20, 1977, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate waterworks, wastewater and drainage facilities and to provide such facilities and services to the customers of the District. The District also provides solid waste disposal services.

The District is governed by a Board of Directors (the Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for which the District is considered to be financially accountable. Accountability is defined as the District's substantive appointment of the voting majority of the component unit's governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

Government-wide and Fund Financial Statements

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, wastewater, drainage and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, charges for services and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District.

The fund financial statements provide information about the District's governmental funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental funds:

General Fund – The general fund is the primary operating fund of the District which accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, charges for services and interest income.

Special Revenue Fund – Accounts for revenues and expenditures involving specific revenue sources that are legally restricted to expenditures for specified purposes. The primary source of revenue is participant fees.

Debt Service Fund – The debt service fund is used to account for financial resources that are restricted, committed or assigned to expenditures for principal and interest related costs, as well as the financial resources being accumulated for future debt service.

Capital Projects Fund – The capital projects fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

Fund Balances – Governmental Funds

The fund balances for the District's governmental funds can be displayed in up to five components:

Nonspendable – Amounts that are not in a spendable form or are required to be maintained intact.

Restricted – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by issuance of a resolution by the District's Board.

Assigned – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – The residual classification for the general fund and includes all amounts not contained in the other classifications.

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as liabilities. Intergovernmental revenues are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted.

Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

Interfund Transactions

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Pension Costs

The District does not participate in a pension plan and, therefore, has no pension costs.

Use of 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 amounts of assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Investments and Investment Income

Investments in certificates of deposit, U.S. Government and agency securities, and certain pooled funds, which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at a value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

Property Taxes

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes, penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended September 30, 2023, include collections during the current period or within 60 days of year-end related to the 2022 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended September 30, 2023, the 2022 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets, with an individual cost of $5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives, as follows:

	Years
Water production and distribution facilities	10-45
Wastewater collection and treatment facilities	10-45
Parks and recreational facilities	20

Deferred Amount on Debt Refundings

In the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt in a debt refunding is deferred and amortized to interest expense using the effective interest rate method over the remaining life of the old debt or the life of the new debt, whichever is shorter. Such amounts are classified as deferred outflows or inflows of resources.

Debt Issuance Costs

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and, therefore, are recognized as an expense/expenditure in the period incurred.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on bonds are recognized as a component of long-term liabilities and amortized over the life of the related debt using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position/Fund Balances

Fund balances and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.

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

Reconciliation of Government-wide and Fund Financial Statements

Amounts reported for net position of governmental activities in the statement of net position and fund balances in the governmental funds balance sheet are different because of the following items.

Harris County Municipal Utility District No. 33

Notes to Financial Statements

September 30, 2023

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	$	11,631,064
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.		122,112
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.		37,821
Deferred amount on debt refundings for governmental activities are not financial resources and are not reported in the funds.		144,853
Amounts due from the City of Houston are not receivable in the current period and are not reported in the funds.		10,928
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.		(26,187)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.		(11,629,374)
Adjustment to fund balances to arrive at net position.	$	291,217

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balances in the governmental funds statement of revenues, expenditures and changes in fund balances because:

Change in fund balances.	$	168,473
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation expense and noncapitalized costs in the current period.		365,848
Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.		565,000

Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported as revenues in the statements of activities.	$	34,504
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(1,665)
Change in net position of governmental activities.	$	1,132,160

Note 2: Deposits, Investments and Investment Income

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; or certain collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.

At September 30, 2023, none of the District's bank balances were exposed to custodial credit risk.

Investments

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, obligations of states, agencies and counties and other political subdivisions with an investment rating not less than "A," insured or collateralized certificates of deposit, and certain bankers' acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts and investment pools.

The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in TexPool, an external investment pool that is not registered with the Securities and Exchange Commission. The State Comptroller of Public Accounts of the State of Texas has oversight of TexPool.

At September 30, 2023, the District had the following investments and maturities:

		Maturities in Years			
Type	**Amortized Cost**	**Less Than 1**	**1-5**	**6-10**	**More Than 10**
TexPool	$ 9,394,904	$ 9,394,904	$ 0	$ 0	$ 0

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2023, the District's investments in TexPool were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet and statement of net position at September 30, 2023, as follows:

Carrying value:	
Deposits	$ 312,951
Investments	9,394,904
Total	$ 9,707,855

Investment Income

Investment income of $432,243 for the year ended September 30, 2023, consisted of interest income.

Harris County Municipal Utility District No. 33
Notes to Financial Statements
September 30, 2023

Note 3: Capital Assets

A summary of changes in capital assets for the year ended September 30, 2023, is presented below:

Governmental Activities	Balances, Beginning of Year	Additions	Reclassi- fications	Balances, End of Year
Capital assets, non-depreciable:				
Land and improvements	$ 1,187,553	$ -	$ -	$ 1,187,553
Construction in progress	141,658	259,047	(112,510)	288,195
Parks and recreation	713,959	-	-	713,959
Total capital assets, non-depreciable	2,043,170	259,047	(112,510)	2,189,707
Capital assets, depreciable:				
Water production and distribution facilities	9,931,048	174,255	17,545	10,122,848
Wastewater collection and treatment facilities	9,165,498	441,349	94,965	9,701,812
Parks and recreation	248,000	-	-	248,000
Total capital assets, depreciable	19,344,546	615,604	112,510	20,072,660
Less accumulated depreciation:				
Water production and distribution facilities	(4,851,937)	(265,334)	-	(5,117,271)
Wastewater collection and treatment facilities	(5,159,333)	(231,068)	-	(5,390,401)
Parks and recreation	(111,230)	(12,401)	-	(123,631)
Total accumulated depreciation	(10,122,500)	(508,803)	0	(10,631,303)
Total governmental activities, net	$ 11,265,216	$ 365,848	$ 0	$ 11,631,064

Note 4: Long-term Liabilities

Changes in long-term liabilities for the year ended September 30, 2023, were as follows:

Governmental Activities	Balances, Beginning of Year	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable:				
General obligation bonds	$ 10,355,000	$ 495,000	$ 9,860,000	$ 435,000
Bonds from direct placements	1,745,000	70,000	1,675,000	110,000
Add premiums on bonds	188,155	12,470	175,685	-
Less discounts on bonds	84,766	3,455	81,311	-
Total governmental activities long-term liabilities	$ 12,203,389	$ 574,015	$ 11,629,374	$ 545,000

General Obligation Bonds

	Series 2012*	Series 2018
Amounts outstanding, September 30, 2023	$1,675,000	$2,210,000
Interest rates	0.08% to 3.55%	3.00% to 4.50%
Maturity dates, serially beginning/ending	March 1, 2024/2036	March 1, 2024/2043
Interest payment dates	March 1/ September 1	March 1/ September 1
Callable dates**	March 1, 2022	March 1, 2023

	Refunding Series 2021
Amount outstanding, September 30, 2023	$7,650,000
Interest rates	2.00% to 3.00%
Maturity dates, serially beginning/ending	March 1, 2024/2043
Interest payment dates	March 1/ September 1
Callable date**	March 1, 2029

*Direct placement bonds (Texas Water Development Board).
**Or any date thereafter; callable at par plus accrued interest to the date of redemption.

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation and direct placement bonds outstanding at September 30, 2023:

	General Obligation Bonds		Direct Placement Bonds		
Year	Principal	Interest	Principal	Interest	Total
2024	$ 435,000	$ 252,518	$ 110,000	$ 53,085	$ 850,603
2025	440,000	238,363	110,000	49,912	838,275
2026	445,000	224,243	115,000	46,541	830,784
2027	475,000	210,069	120,000	42,927	847,996
2028	485,000	195,668	120,000	39,165	839,833
2029-2033	2,320,000	784,869	660,000	133,587	3,898,456
2034-2038	2,370,000	521,582	440,000	23,456	3,355,038
2039-2043	2,890,000	194,734	-	-	3,084,734
Total	$ 9,860,000	$ 2,622,046	$ 1,675,000	$ 388,673	$ 14,545,719

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount, and are further payable from and secured by a lien on and a pledge of the net revenues to be received from the operation of the District's waterworks and sanitary sewer system.

Bonds voted	$ 42,800,000
Bonds sold	25,070,000
Refunding bonds voted	42,800,000
Refunding bond authorization used	21,470,000

Note 5: Significant Bond Order and Commission Requirements

A. The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended September 30, 2023, the District levied an ad valorem debt service tax at the rate of $0.2500 per $100 of assessed valuation, which resulted in a tax levy of $722,128 on the taxable valuation of $288,851,319 for the 2022 tax year. The interest and principal requirements paid from the tax revenues and available resources were $886,256.

B. During the current year, the District transferred $912,254 from the capital projects fund to the general fund. The transfer was in accordance with the rules of the Commission.

Note 6: Regional Wastewater Treatment Plant

On September 9, 1985, the District, Harris County Utility District No. 14 (District No. 14) and Harris County Utility District No. 15 (District No. 15) entered into an amended and restated 40-year agreement to construct and operate the Harris County Municipal Utility District No. 33 Regional Wastewater Treatment Plant (the Plant). This agreement has been amended subsequently. Construction and related costs were shared, based on the pro rata share of capacity acquired by each participant. Each participant's current capacity and percent of ownership is as follows:

Participants	GPD Capacity	Percentage
District No. 14	370,700	18.54 %
District No. 15	690,300	34.51
The District	939,000	46.95
Totals	2,000,000	100.00 %

The District manages and operates the Plant. The participants are billed monthly for a capacity charge based on each participant's pro rata share of capacity and a connection charge for each equivalent connection. Annual billings are compared to actual operating costs for the year and the difference credited or billed to the participants. In addition, each district deposited its share of an operating and maintenance reserve. The reserves for District Nos. 14 and 15 are reflected as a liability in the financial statements. The District was billed $612,425 for its share of the operating costs and capital improvements for the current year. Current year excess expenditures allocated to the District was $83,342.

Note 7: Agreements With Other Districts

Emergency Water Supply Contracts

The District has emergency water supply contracts with various other districts to provide water service to the other districts in case of an emergency through an interconnect constructed by the districts. During the current year, the interconnect was not utilized.

Note 8: Utility Commitment

On November 21, 1991, and as last amended, the District agreed to provide water and sewer service to FMC Corporation until June 1, 2018, with automatic one-year extensions, until terminated by either party. FMC Corporation is located outside the District's boundaries. The agreement specifies that the minimum monthly charge for water and sewer service is $1,000 and provides for payment in lieu of taxes on or before January 30 of $65,000. During the current year, the District did not receive any payments under the terms of the agreement.

On November 17, 2011, the District agreed to provide water and sewer service to Centerpoint Energy Houston Electric, LLC (Centerpoint). The agreement specifies that water and sewer services shall be billed based on actual metered water volume as read by the District. Centerpoint is responsible for paying to the District a payment in lieu of taxes equivalent to the taxes that would be payable by the owner if the property were located within the boundaries of the District based upon the annual assessed value of the property and then current tax rate. During the current year, the District received $165,685 under the terms of the agreement.

On April 15, 2010, the District agreed to provide water and sewer service to a 16.1-acre tract of land. Under the terms of the agreement, the owners of the land are responsible for paying to the District a payment in lieu of taxes equivalent to the taxes that would be payable based on the annual assessed value of the property and the current tax rate. During the current year, the District received $146,643 under the terms of the agreement.

Note 9: Maintenance Taxes

At an election held August 13, 1977, voters authorized a maintenance tax not to exceed $1.00 per $100 of assessed valuation on all property within the District subject to taxation. During the year ended September 30, 2023, the District levied an ad valorem maintenance tax at the rate of $0.3500 per $100 of assessed valuation, which resulted in a tax levy of $1,010,977 on the taxable valuation of $288,851,319 for the 2022 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 10: Surface Water Conversion

On December 13, 2002, the District entered into the Central Harris County Water Users Consortium Agreement (the Agreement) with nine other districts that formed the Central Harris County Water Users Consortium (the Consortium). The Consortium was created to provide a regional entity to acquire surface water and build the necessary infrastructure facilities to convert from groundwater to surface water in order to meet the conversion requirements mandated by the Harris-Galveston Coastal Subsidence District, which regulated groundwater withdrawal in Harris and Galveston Counties.

Effective September 1, 2005, the Texas Legislature approved the creation of the Central Harris County Regional Water Authority (the Authority) to take over the functions of the Consortium. The Authority has the power to issue debt supported by the revenues pledged for the payment of its obligations and may establish fees, rates and charges as necessary to accomplish its purposes. The Authority is currently billing the District a groundwater reduction plan fee of $3.26 per 1,000 gallons of water pumped from its well. This amount is subject to future increases.

Note 11: Strategic Partnership Agreement

Effective April 9, 2007, the District and the City of Houston (the City) entered into a Strategic Partnership Agreement (the SPA), under which the City annexed a tract of land (the tract) within the boundaries of the District for limited purposes. The District continues to exercise all powers and functions of a municipal utility district as provided by law. As consideration for the District providing services as detailed in the SPA, the City agrees to remit one-half of all City sales and use tax revenues generated within the boundaries of the tract. As consideration for the sales tax payments by the City, the District agrees to continue to provide and develop water, sewer and drainage services within the District in lieu of full-purpose annexation. The City agrees it will not annex the District for full purposes or commence any action to annex the District during the term of the SPA, which is 30 years. During the current year, the District recorded $122,434 in revenues related to the SPA.

Note 12: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three fiscal years.

Note 13: Contingencies

The developer of the District is constructing water, sewer and drainage facilities within the boundaries of the District. The District has agreed to reimburse the developer for a portion of these costs, plus interest, from the proceeds of future bond sales, to the extent approved by the Commission. The District's engineer has stated that current construction contract amounts are approximately $1,512,000. This amount has not been recorded in the financial statements since the facilities are not complete nor operational.

Required Supplementary Information

Harris County Municipal Utility District No. 33

Budgetary Comparison Schedule – General Fund

Year Ended September 30, 2023

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	$ 890,000	$ 1,071,635	$ 181,635
City of Houston rebates	120,000	121,551	1,551
Water service	625,000	590,300	(34,700)
Sewer service	325,000	314,616	(10,384)
Surface water conversion	550,000	549,339	(661)
Garbage collection	352,000	343,834	(8,166)
Penalty and interest	105,000	335,400	230,400
Tap connection and inspection fees	-	111,690	111,690
Investment income	1,000	223,384	222,384
Other income	204,000	165,685	(38,315)
Total revenues	3,172,000	3,827,434	655,434
Expenditures			
Service operations:			
Purchased services	610,224	612,425	(2,201)
Surface water fee	620,000	598,389	21,611
Professional fees	274,000	216,051	57,949
Contracted services	364,000	390,878	(26,878)
Solid waste	353,000	356,261	(3,261)
Utilities	80,000	115,255	(35,255)
Recreational facilities	175,320	137,675	37,645
Repairs and maintenance	388,000	398,733	(10,733)
Other expenditures	254,500	173,358	81,142
Tap connections	-	14,104	(14,104)
Capital outlay	30,000	413,943	(383,943)
Debt service, debt issuance costs	10,000	4,000	6,000
Total expenditures	3,159,044	3,431,072	(272,028)
Excess of Revenues Over Expenditures	12,956	396,362	383,406
Other Financing Sources			
Interfund transfers in	-	912,254	912,254
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	12,956	1,308,616	1,295,660
Fund Balance, Beginning of Year	4,067,673	4,067,673	-
Fund Balance, End of Year	$ 4,080,629	$ 5,376,289	$ 1,295,660

Harris County Municipal Utility District No. 33
Budgetary Comparison Schedule – Special Revenue Fund
Year Ended September 30, 2023

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sewer service fees	$ 1,321,500	$ 1,321,500	$ -
Investment income	15,000	144,711	129,711
Total revenues	1,336,500	1,466,211	129,711
Expenditures			
Service operations:			
Professional fees	63,500	46,286	17,214
Contracted services	131,500	128,970	2,530
Utilities	100,000	101,971	(1,971)
Repairs and maintenance	403,000	384,256	18,744
Other expenditures	80,500	60,722	19,778
Capital outlay	558,000	918,312	(360,312)
Total expenditures	1,336,500	1,640,517	(304,017)
Deficiency of Revenues Over Expenditures	-	(174,306)	(174,306)
Other Financing Sources			
Allocation of excess expenditures to participants	-	90,964	90,964
Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	(83,342)	(83,342)
Fund Balance, Beginning of Year	1,577,261	1,577,261	-
Fund Balance, End of Year	$ 1,577,261	$ 1,493,919	$ (83,342)

Harris County Municipal Utility District No. 33
Notes to Required Supplementary Information
September 30, 2023

Budgets and Budgetary Accounting

Annual operating budgets are prepared for the general and special revenue funds by the District's consultants. The budgets reflect resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budgets prior to the start of its fiscal year. The budgets are not a spending limitation (a legally restricted appropriation). The original budgets of the general fund and the special revenue fund were not amended during fiscal 2023.

The District prepares its annual operating budgets on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedules - General Fund and Special Revenue Fund present the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Supplementary Information

Harris County Municipal Utility District No. 33

Other Schedules Included Within This Report

September 30, 2023

(Schedules included are checked or explanatory notes provided for omitted schedules.)

[X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 14-28

[X] Schedule of Services and Rates

[X] Schedule of General Fund Expenditures

[X] Schedule of Temporary Investments

[X] Analysis of Taxes Levied and Receivable

[X] Schedule of Long-term Debt Service Requirements by Years

[X] Changes in Long-term Bonded Debt

[X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund – Five Years

[X] Board Members, Key Personnel and Consultants

Harris County Municipal Utility District No. 33
Schedule of Services and Rates
Year Ended September 30, 2023

1. Services provided by the District:

X Retail Water	___ Wholesale Water	X Drainage
X Retail Wastewater	___ Wholesale Wastewater	___ Irrigation
X Parks/Recreation	___ Fire Protection	X Security
X Solid Waste/Garbage	___ Flood Control	___ Roads

X Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)

___ Other ___

2. Retail service providers

a. Retail rates for a 5/8" meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1,000 Gallons Over Minimum	Usage Levels		
Water:	$ 19.00	3,000	N	$ 1.00	3,001	to	6,000
				$ 1.25	6,001	to	10,000
				$ 1.75	10,001	to	20,000
				$ 2.50	20,001	to	50,000
				$ 3.00	50,001	to	No Limit
Wastewater:	$ 11.50	10,000	N	$ 1.00	10,001	to	20,000
				$ 1.50	20,001	to	No Limit
Garbage:	$ 17.22	N/A	Y				
Pumpage fee:	$ 3.59	1	N	$ 3.59	1,001	to	No Limit

Does the District employ winter averaging for wastewater usage? Yes ___ No X

Total charges per 10,000 gallons usage (including fees): Water $ 62.90 Wastewater $ 28.72

b. Water and wastewater retail connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC*
Unmetered	-	-	x1.0	-
≤ 3/4"	1,658	1,634	x1.0	1,634
1"	7	7	x2.5	18
1 1/2"	14	12	x5.0	60
2"	30	27	x8.0	216
3"	6	5	x15.0	75
4"	2	2	x25.0	50
6"	-	-	x50.0	-
8"	2	2	x80.0	160
10"	-	-	x115.0	-
Total water	1,719	1,689		2,213
Total wastewater	1,718	1,688	x1.0	1,688

3. Total water consumption (in thousands) during the fiscal year:

Gallons pumped into the system:	182,567
Gallons billed to customers:	168,640
Water accountability ratio (gallons billed/gallons pumped):	92.37%

*"ESFC" means equivalent single-family connections

Harris County Municipal Utility District No. 33
Schedule of General Fund Expenditures
Year Ended September 30, 2023

Personnel (including benefits)		$ -
Professional Fees		
Auditing	$ 22,800	
Legal	148,363	
Engineering	44,888	
Financial advisor	-	216,051
Purchased Services for Resale		
Bulk water and wastewater service purchases		612,425
Surface Water Fee		598,389
Contracted Services		
Bookkeeping	26,934	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	222,704	
Other contracted services	141,240	390,878
Utilities		115,255
Repairs and Maintenance		398,733
Administrative Expenditures		
Directors' fees	31,113	
Office supplies	55,471	
Insurance	26,343	
Other administrative expenditures	60,431	173,358
Capital Outlay		
Capitalized assets	401,808	
Expenditures not capitalized	12,135	413,943
Tap Connection Expenditures		14,104
Solid Waste Disposal		356,261
Fire Fighting		-
Parks and Recreation		137,675
Other Expenditures		4,000
Total expenditures		$ 3,431,072

Harris County Municipal Utility District No. 33

Schedule of Temporary Investments

September 30, 2023

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
TexPool	5.35%	Demand	$ 5,069,305	$ -
Special Revenue Fund				
TexPool	5.35%	Demand	3,260,048	-
Debt Service Fund				
TexPool	5.35%	Demand	1,065,551	-
Totals			$ 9,394,904	$ 0

Harris County Municipal Utility District No. 33
Analysis of Taxes Levied and Receivable
Year Ended September 30, 2023

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year	$ 51,626	$ 43,724
Additions and corrections to prior years' taxes	(7,645)	(8,764)
Adjusted receivable, beginning of year	43,981	34,960
2022 Original Tax Levy	910,921	650,657
Additions and corrections	100,056	71,471
Adjusted tax levy	1,010,977	722,128
Total to be accounted for	1,054,958	757,088
Tax collections: Current year	(971,040)	(693,600)
Prior years	(15,054)	(10,240)
Receivable, end of year	$ 68,864	$ 53,248
Receivable, by Years		
2022	$ 39,937	$ 28,528
2021	18,502	14,502
2020	4,192	3,852
2019	2,975	3,051
2018	850	871
2017	860	881
2016	616	628
2015	382	437
2014	38	52
2008	240	82
2006	146	189
2005	126	175
Receivable, end of year	$ 68,864	$ 53,248

Harris County Municipal Utility District No. 33
Analysis of Taxes Levied and Receivable (Continued)
Year Ended September 30, 2023

	2022	2021	2020	2019
Property Valuations				
Land	$ 74,837,800	$ 71,004,170	$ 70,761,384	$ 59,743,949
Improvements	272,559,344	241,088,627	222,758,087	211,471,675
Personal property	15,428,899	12,692,899	13,880,879	13,861,765
Exemptions	(73,974,724)	(66,321,563)	(64,142,350)	(61,573,697)
Total property valuations	$ 288,851,319	$ 258,464,133	$ 243,258,000	$ 223,503,692
Tax Rates per $100 Valuation				
Debt service tax rates	$ 0.2500	$ 0.2900	$ 0.3400	$ 0.4000
Maintenance tax rates*	0.3500	0.3700	0.3700	0.3900
Total tax rates per $100 valuation	$ 0.6000	$ 0.6600	$ 0.7100	$ 0.7900
Tax Levy	$ 1,733,105	$ 1,705,863	$ 1,727,132	$ 1,765,679
Percent of Taxes Collected to Taxes Levied**	96%	98%	99%	99%

*Maximum tax rate approved by voters: $1.00 on August 13, 1977

**Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

Harris County Municipal Utility District No. 33

Schedule of Long-term Debt Service Requirements by Years

September 30, 2023

	Series 2012		
Due During Fiscal Years Ending September 30	Principal Due March 1	Interest Due March 1, September 1	Total
2024	$ 110,000	$ 53,085	$ 163,085
2025	110,000	49,912	159,912
2026	115,000	46,541	161,541
2027	120,000	42,927	162,927
2028	120,000	39,165	159,165
2029	125,000	35,263	160,263
2030	130,000	31,144	161,144
2031	130,000	26,887	156,887
2032	135,000	22,474	157,474
2033	140,000	17,819	157,819
2034	145,000	12,923	157,923
2035	145,000	7,870	152,870
2036	150,000	2,663	152,663
Totals	$ 1,675,000	$ 388,673	$ 2,063,673

Harris County Municipal Utility District No. 33

Schedule of Long-term Debt Service Requirements by Years (Continued)

September 30, 2023

	Series 2018		
Due During Fiscal Years Ending September 30	Principal Due March 1	Interest Due March 1, September 1	Total
2024	$ 75,000	$ 76,031	$ 151,031
2025	75,000	72,750	147,750
2026	75,000	69,656	144,656
2027	75,000	67,031	142,031
2028	75,000	64,781	139,781
2029	100,000	62,156	162,156
2030	100,000	59,156	159,156
2031	100,000	56,094	156,094
2032	100,000	52,906	152,906
2033	100,000	49,594	149,594
2034	100,000	46,219	146,219
2035	125,000	42,344	167,344
2036	125,000	37,969	162,969
2037	125,000	33,594	158,594
2038	125,000	29,219	154,219
2039	125,000	24,766	149,766
2040	150,000	19,781	169,781
2041	150,000	14,344	164,344
2042	150,000	8,812	158,812
2043	160,000	3,000	163,000
Totals	$ 2,210,000	$ 890,203	$ 3,100,203

Harris County Municipal Utility District No. 33

Schedule of Long-term Debt Service Requirements by Years (Continued)

September 30, 2023

Due During Fiscal Years Ending September 30	Refunding Series 2021 Principal Due March 1	Interest Due March 1, September 1	Total
2024	$ 360,000	$ 176,487	$ 536,487
2025	365,000	165,613	530,613
2026	370,000	154,587	524,587
2027	400,000	143,038	543,038
2028	410,000	130,887	540,887
2029	445,000	118,063	563,063
2030	445,000	106,937	551,937
2031	295,000	99,538	394,538
2032	320,000	93,387	413,387
2033	315,000	87,038	402,038
2034	335,000	80,537	415,537
2035	355,000	73,638	428,638
2036	350,000	66,587	416,587
2037	370,000	59,388	429,388
2038	360,000	52,087	412,087
2039	405,000	43,931	448,931
2040	425,000	34,594	459,594
2041	415,000	25,144	440,144
2042	460,000	15,300	475,300
2043	450,000	5,062	455,062
Totals	$ 7,650,000	$ 1,731,843	$ 9,381,843

Harris County Municipal Utility District No. 33

Schedule of Long-term Debt Service Requirements by Years (Continued)

September 30, 2023

Due During Fiscal Years Ending September 30	Annual Requirements For All Series: Total Principal Due	Total Interest Due	Total Principal and Interest Due
2024	$ 545,000	$ 305,603	$ 850,603
2025	550,000	288,275	838,275
2026	560,000	270,784	830,784
2027	595,000	252,996	847,996
2028	605,000	234,833	839,833
2029	670,000	215,482	885,482
2030	675,000	197,237	872,237
2031	525,000	182,519	707,519
2032	555,000	168,767	723,767
2033	555,000	154,451	709,451
2034	580,000	139,679	719,679
2035	625,000	123,852	748,852
2036	625,000	107,219	732,219
2037	495,000	92,982	587,982
2038	485,000	81,306	566,306
2039	530,000	68,697	598,697
2040	575,000	54,375	629,375
2041	565,000	39,488	604,488
2042	610,000	24,112	634,112
2043	610,000	8,062	618,062
Totals	$ 11,535,000	$ 3,010,719	$ 14,545,719

Harris County Municipal Utility District No. 33
Changes in Long-term Bonded Debt
Year Ended September 30, 2023

	Bond	
	Series 2012	Refunding Series 2016
Interest rates	0.08% to 3.55%	2.00%
Dates interest payable	March 1/ September 1	March 1/ September 1
Maturity dates	March 1, 2024/2036	
Bonds outstanding, beginning of current year	$ 1,745,000	$ 270,000
Retirements, principal	70,000	270,000
Bonds outstanding, end of current year	$ 1,675,000	$ 0
Interest paid during current year	$ 55,574	$ 2,700

Paying agent's name and address:

Series 2012 - BOKF, N.A. dba Bank of Texas, Austin, Texas
Series 2016 - Amegy Bank National Association
Series 2018 - Amegy Bank National Association
Series 2021 - Zions Bancorporation, National Association, Houston, Texas

Bond authority:

	Tax Bonds	Other Bonds	Refunding Bonds
Amount authorized by voters	$ 42,800,000	0	$ 42,800,000
Amount issued	$ 25,070,000	0	$ 21,470,000
Remaining to be issued	$ 17,730,000	0	$ 21,330,000

Debt service fund cash and temporary investment balances as of September 30, 2023: $ 1,100,104

Average annual debt service payment (principal and interest) for remaining term of all debt: $ 727,286

Issues

Series 2018	Refunding Series 2021	Totals
3.00% to 4.50%	2.00% to 3.00%	
March 1/ September 1	March 1/ September 1	
March 1, 2024/2043	March 1, 2024/2043	
$ 2,210,000	$ 7,875,000	$ 12,100,000
-	225,000	565,000
$ 2,210,000	$ 7,650,000	$ 11,535,000
$ 77,719	$ 185,263	$ 321,256

Harris County Municipal Utility District No. 33
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended September 30,

	Amounts				
	2023	2022	2021	2020	2019
General Fund					
Revenues					
Property taxes	$ 1,071,635	$ 1,005,511	$ 995,950	$ 1,043,401	$ 808,859
City of Houston rebates	121,551	114,234	108,792	111,267	106,564
Water service	590,300	567,191	566,190	592,266	591,156
Sewer service	314,616	311,290	303,144	313,570	310,905
Surface water conversion	549,339	507,606	496,464	542,171	531,222
Garbage collection	343,834	318,079	330,645	348,147	303,624
Penalty and interest	335,400	151,496	139,616	60,414	90,176
Tap connection and inspection fees	111,690	2,185	600	179,906	2,000
Investment income	223,384	27,109	1,331	17,462	41,103
Other income	165,685	361,433	93,005	95,427	53,565
Total revenues	3,827,434	3,366,134	3,035,737	3,304,031	2,839,174
Expenditures					
Service operations:					
Purchased services	612,425	477,957	437,653	426,645	456,676
Surface water fee	598,389	521,160	515,589	535,304	607,954
Professional fees	216,051	205,691	250,032	230,731	229,504
Contracted services	390,878	277,322	304,544	331,138	330,355
Solid waste	356,261	329,254	340,855	347,223	312,281
Utilities	115,255	78,085	76,481	69,596	72,831
Recreational facilities	137,675	126,094	126,073	128,204	144,188
Repairs and maintenance	398,733	293,289	349,724	412,421	255,559
Other expenditures	173,358	208,875	214,261	164,250	182,198
Tap connections	14,104	-	-	50,185	-
Capital outlay	413,943	101,140	-	-	11,400
Debt service, debt issuance costs	4,000	-	-	-	8,044
Total expenditures	3,431,072	2,618,867	2,615,212	2,695,697	2,610,990
Excess of Revenues Over Expenditures	396,362	747,267	420,525	608,334	228,184
Other Financing Sources					
Interfund transfers in	912,254	325,868	-	-	-
Excess of Revenues and Other Financing Sources Over Expenditures and Over Financing Uses	1,308,616	1,073,135	420,525	608,334	228,184
Fund Balance, Beginning of Year	4,067,673	2,994,538	2,574,013	1,965,679	1,737,495
Fund Balance, End of Year	$ 5,376,289	$ 4,067,673	$ 2,994,538	$ 2,574,013	$ 1,965,679
Total Active Retail Water Connections	1,689	1,692	1,725	1,699	1,701
Total Active Retail Wastewater Connections	1,688	1,691	1,725	1,653	1,654

Percent of Fund Total Revenues				
2023	2022	2021	2020	2019
28.0 %	29.9 %	32.8 %	31.6 %	28.5 %
3.2	3.4	3.6	3.4	3.8
15.4	16.8	21.7	17.9	20.8
8.2	9.2	10.0	9.5	11.0
14.4	15.1	16.3	16.4	18.7
9.0	9.5	10.9	10.5	10.7
8.8	4.5	1.6	1.8	3.2
2.9	0.1	0.0	5.5	0.1
5.8	0.8	0.0	0.5	1.4
4.3	10.7	3.1	2.9	1.8
100.0	100.0	100.0	100.0	100.0
16.0	14.2	14.4	12.9	16.1
15.7	15.5	17.0	16.2	21.4
5.6	6.1	8.2	7.0	8.1
10.2	8.2	10.0	10.0	11.6
9.3	9.8	11.2	10.5	11.0
3.0	2.3	2.5	2.1	2.6
3.6	3.8	4.2	3.9	5.1
10.4	8.7	11.5	12.5	9.0
4.5	6.2	7.1	5.0	6.4
0.4	-	-	1.5	-
10.8	3.0	-	-	0.4
0.1	-	-	-	0.3
89.6	77.8	86.1	81.6	92.0
10.4 %	22.2 %	13.9 %	18.4 %	8.0 %

Harris County Municipal Utility District No. 33

Comparative Schedule of Revenues and Expenditures – Debt Service Fund

Five Years Ended September 30,

	Amounts				
	2023	2022	2021	2020	2019
Debt Service Fund					
Revenues					
Property taxes	$ 764,941	$ 788,831	$ 918,120	$ 1,069,862	$ 884,776
Penalty and interest	29,536	30,473	75,421	33,771	36,529
Investment income	54,161	9,058	909	8,497	24,633
Total revenues	848,638	828,362	994,450	1,112,130	945,938
Expenditures					
Current:					
Professional fees	10,873	21,457	22,258	8,089	9,014
Contracted services	51,185	50,709	39,358	46,357	39,106
Other expenditures	7,980	9,443	11,599	7,877	5,396
Debt service:					
Principal retirement	565,000	515,000	470,000	460,000	450,000
Interest and fees	323,255	337,023	362,444	443,942	446,905
Debt defeasance	-	-	14,000	-	-
Debt issuance costs	-	-	322,094	-	-
Total expenditures	958,293	933,632	1,241,753	966,265	950,421
Excess (Deficiency) of Revenues Over Expenditures	(109,655)	(105,270)	(247,303)	145,865	(4,483)
Other Financing Sources (Uses)					
General obligation bonds issued	-	-	7,915,000	-	-
Premium on debt issued	-	-	193,201	-	-
Payments to escrow agent	-	-	(7,785,362)	-	-
Total other financing sources	0	0	322,839	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(109,655)	(105,270)	75,536	145,865	(4,483)
Fund Balance, Beginning of Year	1,197,251	1,302,521	1,226,985	1,081,120	1,085,603
Fund Balance, End of Year	$ 1,087,596	$ 1,197,251	$ 1,302,521	$ 1,226,985	$ 1,081,120

Percent of Fund Total Revenues				
2023	2022	2021	2020	2019
90.1 %	95.2 %	92.3 %	96.2 %	93.5 %
3.5	3.7	7.6	3.0	3.9
6.4	1.1	0.1	0.8	2.6
100.0	100.0	100.0	100.0	100.0
1.3	2.6	2.2	0.7	1.0
6.0	6.1	4.0	4.2	4.1
0.9	1.1	1.2	0.7	0.6
66.6	62.2	47.3	41.4	47.6
38.1	40.7	36.4	39.9	47.2
-	-	1.4	-	-
-	-	32.4	-	-
112.9	112.7	124.9	86.9	100.5
(12.9) %	(12.7) %	(24.9) %	13.1 %	(0.5) %

Harris County Municipal Utility District No. 33

Board Members, Key Personnel and Consultants

Year Ended September 30, 2023

Complete District mailing address:	Harris County Municipal Utility District No. 33 c/o Radcliffe Adams Barner PLLC 2929 Allen Parkway, Suite 3450 Houston, Texas 77019	
District business telephone number:	713.237.1221	
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):		December 27, 2023
Limit on fees of office that a director may receive during a fiscal year:		$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-end
Carrie Jones-Patterson	Elected 05/21-05/25	$ 7,200	$ 1,659	President
Julian C. Boddy	Elected 05/23-05/27	7,200	0	Vice President
Alice Carrier	Elected 05/23-05/27	7,200	3,132	Secretary
Jermayl M. Marion	Appointed 11/22-05/25	2,313	0	Assistant Secretary
Laura Davis	Elected 05/21-05/25	7,200	0	Director

*Fees are the amounts actually paid to a director during the District's fiscal year.

Harris County Municipal Utility District No. 33

Board Members, Key Personnel and Consultants (Continued)

Year Ended September 30, 2023

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Claudia Redden & Associates, LLC	01/15/09	$ 49,456	Bookkeeper
FORVIS, LLP	05/20/93	26,200	Auditor
The GMS Group, L.L.C.	1996	0	Financial Advisor
Harris Central Appraisal District	Legislative Action	13,412	Appraiser
Langford Engineering, Inc.	05/19/16	101,461	Former Engineer
Odyssey Engineering Group, Inc.	06/21/23	75,860	Engineer
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	02/19/81	10,873	Delinquent Tax Attorney
Radcliffe Adams Barner PLLC	06/01/01	176,530	Attorney
Tax Tech, Inc.	02/18/88	42,477	Tax Assessor/ Collector
WWWMS, Inc.	10/15/20	570,743	Operator
Investment Officer			
Julian C. Boddy	06/24/21	N/A	Director

APPENDIX B

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

(To Be Included in the Final Official Statement, If Applicable)