

ORDER CALLING BOND ELECTION

WHEREAS, Galveston County Municipal Utility District No. 66 (the "District") was heretofore duly created by order of the Texas Commission on Environmental Quality (the "TCEQ") and operates pursuant to Chapters 49 and 54 of the Texas Water Code;

WHEREAS, at elections duly authorized and held on November 7, 2006, and May 4, 2019, the District was authorized to issue the bonds of the District in the maximum amount of \$43,295,000 for the purpose or purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving or extending a waterworks system, sanitary sewer system, and drainage and storm sewer system, including, but not limited to, all additions to such systems and all works, improvements, facilities, plants, equipment, appliances, interests in property, and contract rights needed therefore and administrative facilities needed in connection therewith; to provide for the payment of principal of and interest on such bonds by the levy and collection of a sufficient tax upon all taxable property within the District;

WHEREAS, at election duly authorized and held on November 7, 2006, the District was authorized to issue the bonds of the District in the maximum amount of \$16,295,000 for the purpose of refunding its water, sanitary sewer, and drainage bonds, and to provide for the payment of principal of and interest on such refunding bonds by the levy and collection of a sufficient tax upon all taxable property within the District;

WHEREAS, at election duly authorized and held on November 6, 2018, the District was authorized to issue the bonds of the District in the maximum amount of \$3,000,000 for the purpose of purchasing and constructing parks and recreational facilities;

WHEREAS, the elections described hereinabove were called and held under and in strict conformity with the Constitution and laws of the State of Texas, and of the United States of America, and the Board of Directors of the District (the "Board") has heretofore officially declared the results of said elections and declared that the District was legally created and authorized to issue the bonds described hereinabove;

WHEREAS, the District has sold and delivered its \$2,000,000 Unlimited Tax Bonds, Series 2014 (the "Series 2014 Bonds"); \$2,185,000 Unlimited Tax Bonds, Series 2016 (the "Series 2016 Bonds"); \$2,490,000 Unlimited Tax Bonds, Series 2018 (the "Series 2018 Bonds"); \$2,500,000 Unlimited Tax Bonds, Series 2020 (the "Series 2020 Bonds"); \$4,600,000 Unlimited Tax Bonds, Series 2023 (the "Series 2023 Bonds"); \$3,925,000, Unlimited Tax Bonds, Series 2025 (the "Series 2025 Bonds"); and \$3,000,000 Unlimited Tax Park Bonds, Series 2025A (the "Series 2025A Bonds"), of which \$18,065,000 in principal and \$7,902,406.61 in interest is currently outstanding;

WHEREAS, the District has \$25,595,000 unlimited tax bonds and \$16,295,000 unlimited tax refunding bonds remaining that are authorized but unissued out of the prior bond elections, none of which may be used for the purpose of parks and recreational facilities;

WHEREAS, the District is authorized to collect a debt service tax upon all taxable property within the District, and the current rate of said debt service tax is \$0.70 per \$100 of assessed valuation;

WHEREAS, such authorized bonds may be issued to mature over a specified number of years not to exceed the maximum number of years authorized by law from the date of issuance;

WHEREAS, there has been filed in the office of the District, open to inspection by the public, an engineer's report covering the works, improvements, facilities, equipment and appliances to be purchased, acquired and constructed by the District, as well as the estimated cost of all of the foregoing, together with the maps, plats, profiles and data showing and explaining the report;

WHEREAS, the engineer's report contains an estimate of the cost of purchase, acquisition and construction of the proposed works, improvements, facilities, equipment, appliances and an estimate of the District's cost of purchasing and acquiring the extension to the waterworks system, sanitary sewer system, and drainage and storm sewer system and an estimate of the expenses incident thereto, as generally follows:

SUMMARY OF WATER, SEWER & DRAINAGE FACILITIES PROJECT COST ESTIMATES

<u>Project Description</u>	<u>District's Share Estimated Cost</u>
Construction Costs:	
1. Proposed 82 Acre Subdivision	
A. Water	\$ 277,921
B. Wastewater	406,403
C. Drainage	810,413
D. Miscellaneous	86,082
E. Detention	333,900
F. Water/Wastewater Impact Fee	147,237
G. Contingencies	412,391
H. Engineering, Survey, Inspection, Testing, etc.	494,869
Sub-total	<u>\$ 2,969,217</u>
2. Proposed 42 Acre Subdivision	
A. Water	\$ 622,190
B. Wastewater	770,149
C. Drainage	1,167,451
D. Miscellaneous	59,138
E. Detention	450,000
F. Water/Wastewater Impact Fee	961,200
G. Contingencies	806,026
H. Engineering, Survey, Inspection, Testing, etc.	967,231
Sub-total	<u>\$ 5,803,384</u>
3. Future 50 Acre Annexation	
A. Water	\$ 740,702
B. Wastewater	916,844
C. Drainage	850,000
D. Miscellaneous	70,402
E. Detention	535,714
F. Water/Wastewater Impact Fee	1,144,286
G. Contingencies	959,554

H. Engineering, Survey, Inspection, Testing, etc.	1,151,465
Sub-total	<u>\$ 6,368,968</u>
Inflation (15 years at 2.25%)	\$ 5,678,088
Total Construction Costs:	<u>\$ 20,819,658</u>
Non-Construction/Issuance Costs:	
A. Legal Fees	\$ 622,500
B. Fiscal Agent Fees	498,000
C. Developer Interest (2 years at 5%)	296,922
D. Capitalized Interest (6 months at 5%)	622,500
E. Bond Discount (3%)	747,000
F. Bond Issuance Expenses	256,271
G. Bond Application Report	200,000
H. Attorney General's Fee (0.1%)	24,900
I. TCEQ Bond Issuance Fee (0.25%)	62,250
J. Land Reimbursement; Detention Facilities	750,000
Sub-total	<u>\$ 4,080,353</u>
Total Bond Authorization Requirement:	<u>\$ 24,900,000</u>

SUMMARY OF PARK/RECREATIONAL FACILITIES PROJECT COST ESTIMATES

<u>Project Description</u>	<u>District's Share Estimated Cost</u>
Construction Costs:	
1. Pearlbrook	
A. Amenity Pond No. 3	\$ 239,850
B. Section 10 Park	250,000
Sub-total	<u>\$ 489,850</u>
2. Vida Costera	
A. Sections 1 and 2 Sidewalks, Park, etc.	\$ 200,000
Sub-total	<u>\$ 200,000</u>
3. Sunrise Cove	
A. Amenity Pond	\$ 560,664
B. Sections 1 and 2 Sidewalks, Park, etc.	350,000
Sub-total	<u>\$ 910,664</u>
4. Willow Wood Annexation (Estimated 82 acres)	
A. Amenity Pond	\$ 1,150,000
B. Park, Trails, etc.	250,000
Sub-total	<u>\$ 1,400,000</u>
5. Future Park/Trail Facilities throughout District	\$ 1,450,000

6. Sub-total	\$ 4,450,514
7. Contingencies	\$ 890,103
8. Engineering, Survey, Inspection, Testing, etc.	\$ 1,780,205
Total Construction Costs	<u>\$ 7,120,822</u>
Non-Construction/Issuance Costs:	
A. Legal Fees	\$ 291,000
B. Fiscal Agent Fees	194,000
C. Developer Interest (2 years at 5%)	712,082
D. Capitalized Interest (6 months at 5%)	242,500
E. Bond Discount (3%)	291,000
F. Bond Issuance Expenses	239,646
G. Bond Application Report	200,000
H. Attorney General's Fee (0.1%)	9,700
I. TCEQ Bond Issuance Fee (0.25%)	24,250
J. Land for Amenities	375,000
Sub-total	<u>\$ 2,579,178</u>
Total Bond Authorization Requirement:	<u>\$ 9,700,000</u>

WHEREAS, the Board of Directors finds that the above estimates of \$24,900,000 and \$9,700,000 are reasonable and proper and hereby approves the same and all items thereof but reserves the right to authorize amendments to the engineering report and to reallocate costs and make such other changes as necessary based on actual requirements as development occurs;

WHEREAS, the Board has determined that it is necessary to authorize additional bonds so that the District can purchase, acquire and construct further works, improvements, facilities, equipment and appliances for the District's waterworks system, sanitary sewer system, and drainage and storm sewer system, and to make repairs, replacements, and additions to said systems;

WHEREAS, the Board has determined that it is necessary to authorize additional bonds so that the District can acquire and construct further park and recreational facilities and amenities, including all works, improvements, facilities, plants, equipment, appliances for said park and recreational facilities.

WHEREAS, the Board desires to submit to the electors at an election to be held within the District on May 2, 2026, a proposition to authorize the issuance of unlimited tax bonds of the District in the maximum principal amounts of \$24,900,000 and \$9,700,000, for all of the above-described purposes, and to provide for the payment of principal and interest on such bonds by the levy and collection of a sufficient tax upon all taxable property within the District;

WHEREAS, in accordance with Section 41.001 of the Election Code, the Board has determined to hold the election on a uniform election date, being May 2, 2026;

WHEREAS, the District and Galveston County (the "County") have determined that it is in the best interests of the voters of both jurisdictions for the District and the County to participate in a joint election as authorized by Chapter 271 of the Texas Election Code;

WHEREAS, the District and the County have agreed to enter into the Contract for Election Services Between Galveston County and Galveston County Municipal Utility District No. 66 relating to a joint election to be held May 2, 2026 (the "Contract"); and

WHEREAS, the Board wishes to proceed with the ordering of said election.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 66 THAT:

Section 1: The matters and facts set out in the preamble of this Order are hereby found and declared to be true and complete and are made a part hereof.

Section 2: The engineer's report and estimates of costs described above are hereby approved.

Section 3: Pursuant to the requirements of the Texas Election Code as modified by Chapter 49 of the Texas Water Code, as amended, a joint election shall be held for the District between the hours of 7:00 a.m. and 7:00 p.m., on the 2nd day of May, 2026. The election shall be held at polling locations to be determined by and noticed to the public by the County. Polling locations shall be published by the County at <https://galvestonvotes.org/>. The election shall be conducted utilizing county-wide polling places pursuant to Section 43.007(a)(5) of the Texas Election Code, as amended; said county-wide polling locations to be selected and noticed to the general public by the County. At said election there shall be submitted to the duly qualified resident electors of the District the following proposition:

PROPOSITION A

THIS IS A TAX INCREASE

Shall the Board of Directors of Galveston County Municipal Utility District No. 66 of Galveston County, Texas, be authorized to issue bonds in one or more issues or series in the maximum amount of \$24,900,000, maturing serially or otherwise in such installments as are fixed by said Board over a period or periods not exceeding forty (40) years from their date or dates, bearing interest at any rate or rates and to sell said bonds at any price or prices, provided that the net effective interest rate on any issue or series of said bonds shall not exceed the maximum legal limit in effect at the time of issuance of each such issue or series, all as may be determined by the Board of Directors of said District, for the purpose or purposes of repairing, improving, or extending a waterworks system, sanitary sewer system, and drainage and storm sewer system, and/or purchasing, constructing, acquiring, owning, and operating such system, including but not limited to, all additions to such system and all works, improvements, facilities, equipment, appliances, interest in property, and contract rights needed therefor and administrative facilities needed in connection therewith, and to provide for the payment of principal of and interest on and costs of issuance of such bonds by the levy and collection of a sufficient tax upon all taxable property within said District, all as authorized by the constitution and laws of the State of Texas; said bonds, if approved, to be in addition to the District's voted but unissued bonds authorized at the District's bond elections held November 7, 2006, and May 4, 2019?

PROPOSITION B

THIS IS A TAX INCREASE

Shall the Board of Directors of Galveston County Municipal Utility District No. 66, of Galveston County, Texas, be authorized to issue the bonds of said District in one or more issues or series in the maximum aggregate original principal amount of \$9,700,000 maturing serially or otherwise in such installments as are fixed by said board over a period or periods not exceeding forty (40) years from their date or dates, bearing interest at any rate or rates, and to sell said bonds at any price or prices, provided that the net effective interest rate on any issue or issues of said bonds shall not exceed the maximum legal limit in effect at the time of issuance of each issue of said bonds, all as may be determined by the Board of Directors of said District, for the purpose or purposes of purchasing, constructing, acquiring, owning, operating, maintaining, repairing, improving or extending park and recreational facilities and amenities and all administrative facilities needed in connection therewith, including, but not limited to, all additions and expenses related thereto, all works, improvements, facilities, plants, equipment, appliances, interests in property and regional, regulatory or joint use participation rights or contract rights needed therefor, and for the purpose of refunding such bonds, and to provide for the payment of the principal of and interest on and costs of issuance of such bonds by the levy and collection annually of a sufficient tax upon all taxable property within said District, all as authorized by the constitution and laws of the State of Texas?

Section 4: Voting shall be by the use of the Hart Intercivic Verity DUO and ePollbook electronic voting system, which has been duly approved by the Secretary of State pursuant to Texas Election Code Sections 122.031-122.039, 122.061, and 122.091, as amended, and duly approved by the United States Justice Department for use in Galveston County, or such other duly approved electronic voting system selected by Galveston County. Ballots shall be in English and Spanish, and shall have thereon the following:

OFFICIAL BALLOT

PROPOSITION A

FOR

THIS IS A TAX INCREASE

The authority of the District to issue \$24,900,000 of future bonds for the purpose of making repairs, replacements, and additions to the District's existing waterworks system, sanitary sewer system, and drainage and storm sewer system; or for purchasing, acquiring and constructing further works, improvements, facilities, equipment and appliances for said systems, and for the levy of ad valorem taxes sufficient to provide for the payment of principal and interest of the bonds, and for the issuance of bonds.

AGAINST

PROPOSITION B

[] FOR

THIS IS A TAX INCREASE

The authority of the District to issue \$9,700,000 of future bonds for the purpose of purchasing, constructing, acquiring, owning, operating, maintaining, repairing, improving or extending park and recreational facilities and amenities, including all works, improvements, facilities, equipment, appliances for said park and recreational facilities, and for the purpose of refunding such bonds, and for the levy of ad valorem taxes sufficient to provide for the payment of principal and interest of the bonds, and for the issuance of bonds.

[] AGAINST

Each voter shall vote on the proposition by selecting “FOR” or “AGAINST” on the ballot provided. Oral assistance in Spanish shall be made available to all persons requiring such assistance. Any person requiring oral assistance should contact the presiding judge or any election official.

Section 5: The boundaries of the District have been established and reported to the Galveston County Voter Registrar and the Galveston County Elections Administrator. The County shall determine the precincts within the District’s jurisdiction for purposes of the election, and the District agrees to utilize the polling places accepted by the County. The District agrees to the appointment and use of all County appointed election officers to serve at the election.

Section 6: Early voting in the election by personal appearance shall be conducted Monday, April 20, 2026, from 8:00 a.m. to 5:00 p.m.; Wednesday, April 22, through Friday, April 24, 2026, from 8:00 a.m. to 5:00 p.m.; Saturday, April 25, 2026, from 7:00 a.m. to 7:00 p.m.; Sunday, April 26, 2026, from 1:00 p.m. to 7:00 p.m.; and Monday, April 27, through Tuesday, April 28, 2026, from 7:00 a.m. to 7:00 p.m.; at polling locations selected and noticed to the general public by the County. The main early voting polling location shall be located at Galveston County Records & Elections Center, 10000 Emmett F. Lowry Expressway, Suite 1152, Texas City, Texas 77591. The clerk for early voting shall be Dwight D. Sullivan, the Galveston County Clerk. Early ballots for voting by mail may be obtained from and mailed to Dwight D. Sullivan, P.O. Box 17253, Galveston, Texas 77552-7253, the official mailing address for the early voting clerk. The email address to which applications for early voting by mail and ballots to be voted by mail may be sent is absenteeballotapplications@co.galveston.tx.us. The early voting clerk may be reached at (409) 770-5108, and the website of the Early Voting Clerk is <https://galvestonvotes.org/>. The conditions of early voting under this section are subject to change by lawful orders of State and/or County officials.

Section 7: The Secretary of the Board or the District's agent shall cause notice of this election to be given in accordance with the provisions of the Texas Election Code as modified by Chapters 49 and 54 of the Texas Water Code, as amended.

Section 8: The election shall be held and conducted and returns made to this Board in accordance with the Texas Election Code, as amended, and as modified by Chapter 49, Texas Water Code.

Section 9: The District agrees that the County shall select all election judges and clerks, and that the presiding judge of any precinct is in charge of and responsible for the conduct of the election at that precinct. The District agrees that the County shall employ or use such personnel as it deems necessary to conduct the election, and that the County shall pay such personnel for services rendered, pursuant to the Texas Election Code, Sections 87.001-87.025, 87.101 and 87.103, as amended.

Section 10: The District agrees to pay its pro-rata share of costs of the joint election pursuant to the terms of the Contract.

Section 11: A copy of this Order shall be delivered to the County Clerk/Elections Administrator and the Voter Registrar not later than sixty (60) days before election day.

Section 12: The President/Vice President and Secretary/Assistant Secretary are authorized and directed to take any action necessary to carry out the provisions of this Order.

Section 13: All qualified resident electors of the District shall be entitled to vote in the election.

Section 14: The Board of Directors of the District has appointed Wallace & Philbin, L.L.P., as the District's agent for the election. The offices of the District's agent are located at 6363 Woodway, Suite 800, Houston, Texas 77057, and are open from 8:30 a.m. to 5:00 p.m. each weekday.

Section 15: The following information is provided in accordance with the provisions of Section 3.009(b), Texas Election Code:

- (a) The proposition language which shall appear on the ballot is set forth in Section 3 hereof.
- (b) The purposes for which the bonds are to be authorized is set forth in Section 3 hereof.
- (c) The principal amount of the debt obligations to be authorized is set forth in Sections 3 and 4 hereof.
- (d) If the bonds are approved by the voters, the District will be authorized to levy annual ad valorem taxes on all taxable property within the District sufficient to pay the principal of and interest on the bonds.
- (e) The estimated debt service tax rate if the bonds are authorized is \$0.79 per \$100 of assessed valuation.
- (f) The maximum maturity date of the bonds, if authorized, is set forth in Section 3 hereof.
- (g) The aggregate amount of the outstanding principal of the District's previously issued bonds is \$18,065,000.
- (h) The aggregate amount of the outstanding interest on the District's previously issued bonds is \$7,902,406.61.

(i) The current ad valorem debt service tax rate of the District is \$0.70 per \$100 of assessed valuation.

Section 16: The Board hereby appoints Landon Gerlich of Wallace & Philbin, L.L.P., as the Secretary's agent to perform the duties provided by Section 31.123 of the Election Code.

Section 17: The Board represents it intends to abide by the limitations set forth in Texas Government Code, Section 1253.002.

Section 18: The Board further authorizes its Directors and agents to take all actions necessary to satisfy any notice requirements under Texas law regarding this election.

PASSED AND APPROVED this 13th day of February, 2026.

GALVESTON COUNTY MUNICIPAL
UTILITY DISTRICT NO. 66

/s/ Jeffrey Cravey
President, Board of Directors

ATTEST:

/s/ Donna Rickenbacker
Assistant Secretary, Board of Directors

