

HCMUD 200 Election Summary

The Board of Directors (Board) of Harris County Municipal Utility District No. 200 (HCMUD 200 or District) has called for a bond authorization election to be held on Tuesday, November 7, 2023. To ensure that District residents have accurate information regarding the proposed bond authorization and upcoming projects, we have prepared this condensed Bond Election Summary.

Q: What will be on the ballot?

A: The language below will be on the ballot for residents when they go to vote for the November 7, 2023 election, asking voters to select one (1) option of either FOR or AGAINST the following bond proposition:

PROPOSITION A – THE ISSUANCE OF UP TO \$52,000,000 IN TOTAL PRINCIPAL AMOUNT OF BONDS FOR WATER, SANITARY SEWER AND DRAINAGE FACILITIES AND THE IMPOSITION OF TAXES, WITHOUT LIMIT AS TO RATE OR AMOUNT, SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS

Q: What is a bond authorization?

A: A bond authorization authorizes the District to sell bonds to fund large District projects. Just as you would obtain a loan to finance a large purchase or home repair, the District will issue municipal bonds to finance large maintenance projects.

Q: What will bond authorization be used for?

A: The Bond Election Report submitted by the District engineer identifies the projects the Board anticipates will be necessary over the next 15 years to maintain, replace, and rehabilitate the aging water, sanitary sewer, and drainage infrastructure owned and operated by the District. Key projects include:

- ◆ Rehabilitation of two (2) of the District's water plants;

- ◆ Rehabilitation of the water distribution system;
- ◆ Expansion and significant improvements and replacements to the Wastewater Treatment Plant; and
- ◆ Rehabilitation of the District's sanitary sewer collection and transportation system.

Q: How are my taxes determined?

A: The District levies a total tax rate each year that has two components:

1. The debt service tax rate, the proceeds of which are used to pay principal and interest on the District's outstanding bonds, and
2. The operations and maintenance tax rate, the proceeds of which are used to pay operating and maintenance expenses of the District.

Can't the District just pay for projects without issuing bonds?

The primary alternative to authorizing the bonds is to fund all necessary projects on a "pay as you go" basis, likely requiring increases in maintenance tax rates and/or water and sanitary sewer rates. The District must have funds in hand before it can proceed with a required project. Funding projects with maintenance taxes and/or water and sewer rates could create significant delays and increase costs for the completion of projects.

The full FAQ, voting times and locations, and public awareness information can be found on the District website via the QR code below, or at www.hcmud200.org.

