

## RULE 15c2-12 FILING COVER SHEET

This cover sheet is sent with all submissions to the Municipal Securities Rulemaking Board (the Nationally Recognized Municipal Securities Information Repository) and any applicable State Information Depository pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

**Issuer Name: Gulf Coast Water Authority**

**Issue(s):**

\$ 17,730,000 Water System Contract Revenue Refunding Bonds, Series 2011A (South Project)

\$ 3,510,000 Water System Contract Revenue Refunding Bonds, Series 2011B (South Project)

**Filing Format** X electronic \_\_\_ paper; If available on the Internet, give URL: \_\_\_\_\_

**CUSIP Numbers to which the information filed relates** (optional):

X Nine-digit number(s) (see following page(s)):

\_\_\_ Six-digit number if information filed relates to all securities of the issuer

\* \* \*

### Financial & Operating Data Disclosure Information

\_\_\_ Annual Financial Report or CAFR

X Financial Information & Operating Data

\_\_\_ Other (describe)

X Fiscal Period Covered: FYE 2011

\_\_\_ Monthly \_\_\_ Quarterly X Annual \_\_\_ Other:

\* \* \*

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: /s/ Bob Webb

Name: Bob Webb Title: Business Administrator

Employer: Gulf Coast Water Authority

Voice Telephone Number: (409) 935-2438

Email Address: bob\_webb@swbell.net

## DESCRIPTION OF ISSUES COVERED BY THIS REPORT

### Water System Contract Revenue Refunding Bonds, Series 2011A (South Project)

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
08/15/12	\$ 855,000	40223N KF2
08/15/13	870,000	40223N KG0
08/15/14	895,000	40223N KH8
08/15/15	925,000	40223N KJ4
08/15/16	970,000	40223N KK1
08/15/17	1,980,000	40223N KL9
08/15/18	1,985,000	40223N KM7
08/15/19	2,060,000	40223N KN5
08/15/20	990,000	40223N LE4
08/15/20	1,175,000	40223N KP0
08/15/21	2,255,000	40223N KQ8
08/15/22	2,370,000	40223N KR6
	<u>\$ 17,330,000</u>	

### Water System Contract Revenue Refunding Bonds, Series 2011B (South Project)

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
08/15/12	\$ 265,000	40223N KT2
08/15/13	270,000	40223N KU9
08/15/14	275,000	40223N KV7
08/15/15	285,000	40223N KW5
08/15/16	290,000	40223N KX3
08/15/17	300,000	40223N KY1
08/15/18	310,000	40223N KZ8
08/15/19	325,000	40223N LA2
08/15/20	335,000	40223N LB0
08/15/21	350,000	40223N LC8
08/15/22	365,000	40223N LD6
	<u>\$ 3,370,000</u>	

CONTINUING DISCLOSURE REPORT  
FOR THE  
FISCAL YEAR ENDED AUGUST 31, 2011

GULF COAST WATER AUTHORITY

GCWA DEBT - SOUTH PROJECT DEBT



## **FINANCIAL STATEMENTS**

The audited financial statements for the Authority for the fiscal year ended August 31, 2011 are being separately filed directly with the Nationally Recognized Municipal Securities Information Repository and any applicable State Information Depository, and are hereby incorporated by reference into this Annual Continuing Disclosure Report.

## **SIGNATURE OF ISSUER**

The information set forth herein has been obtained from the Authority and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the Authority or other matters described.

## **GULF COAST WATER AUTHORITY**

/s/ Bob Webb

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Bob Webb

Business Administrator

Approved for Submission:

02/29/2012

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Date

## **CERTIFICATE OF SUBMISSION OF ANNUAL REPORT**

Subject to the continuing disclosure requirements of SEC Rule 15c2-12, this Annual Continuing Disclosure Report for the Gulf Coast Water Authority with respect to the issues listed on the report cover was submitted directly to the National Recognized Municipal Securities Information Repository ("NRMSIR") listed below as well as to any applicable State Information Depository ("SID").

### **NRMSIR**

Municipal Securities Rulemaking Board ("MSRB")  
via the Electronic Municipal Market Access ("EMMA") system

First Southwest Company

Signed by:

/s/ Ashley Allen

# GULF COAST WATER AUTHORITY

## 2011 CONTRACT REVENUE DEBT REPORT

**TABLE 1 - SOUTH PROJECT CUSTOMERS**

South Project Customers	Current Contract		Reserved	
	Quantity (GPD)	%	Capacity (GPD)	%
City of Galveston	16,954,000	80.33%	20,990,000	77.74%
City of League City	2,000,000	9.48%	2,000,000	7.41%
City of Hitchcock	800,000	3.79%	1,500,000	5.56%
Galveston County WC&ID No. 8	482,000	2.28%	1,000,000	3.70%
City of La Marque	344,000	1.63%	400,000	1.48%
Galveston County MUD No. 12	295,000	1.40%	450,000	1.67%
Galveston County FWSD No. 6	230,000	1.09%	360,000	1.33%
City of Texas City	-	0.00%	300,000	1.11%
	<u>21,105,000</u>	<u>100.00%</u>	<u>27,000,000</u>	<u>100.00%</u>

**TABLE 2 - SOUTH PROJECT DEBT SERVICE REQUIREMENTS**

Fiscal Year Ending August 31	Series 2011A			Series 2011B			Total Debt Service Requirements
	Principal	Interest	Total	Principal	Interest	Total	
2012	\$ 855,000	\$ 709,375	\$ 1,564,375	\$ 265,000	\$ 115,600	\$ 380,600	\$ 1,944,975
2013	870,000	692,275	1,562,275	270,000	110,300	380,300	1,942,575
2014	895,000	666,175	1,561,175	275,000	104,900	379,900	1,941,075
2015	925,000	639,325	1,564,325	285,000	96,650	381,650	1,945,975
2016	970,000	593,075	1,563,075	290,000	88,100	378,100	1,941,175
2017	1,980,000	563,975	2,543,975	300,000	79,400	379,400	2,923,375
2018	1,985,000	504,575	2,489,575	310,000	67,400	377,400	2,866,975
2019	2,060,000	425,175	2,485,175	325,000	55,000	380,000	2,865,175
2020	2,165,000	322,175	2,487,175	335,000	42,000	377,000	2,864,175
2021	2,255,000	231,250	2,486,250	350,000	28,600	378,600	2,864,850
2022	2,370,000	118,500	2,488,500	365,000	14,600	379,600	2,868,100
	<u>\$ 17,330,000</u>	<u>\$ 5,465,875</u>	<u>\$ 22,795,875</u>	<u>\$ 3,370,000</u>	<u>\$ 802,550</u>	<u>\$ 4,172,550</u>	<u>\$ 26,968,425</u>

Debt service is allocated to the South Project Customers based on the following percentages:

South Project Customers	2011A Bonds	2011B Bonds
City of Galveston	98.15%	-
City of League City	1.85%	2.05%
City of Hitchcock	-	36.64%
Galveston County WC&ID No. 8	-	24.43%
City of La Marque	-	9.77%
Galveston County MUD No. 12	-	10.99%
Galveston County FWSD No. 6	-	8.79%
City of Texas City	-	7.33%
	<u>100.00%</u>	<u>100.00%</u>

**TABLE 3 - SOUTH PROJECT MAXIMUM DEBT SERVICE REQUIREMENTS**

South Project Customers	Year	Maximum Debt Service Total
City of Galveston	2017	\$2,496,886
City of La Marque	2015	37,290
City of League City	2017	54,864
City of Texas City	2015	27,967
City of Hitchcock	2015	139,836
Galveston County MUD No. 12	2015	41,951
Galveston County FWSD No. 6	2015	33,561
Galveston County WC&ID No. 8	2015	93,224

**TABLE 4 – RAW WATER CHARGES AND MAINLAND OPERATING CHARGES**

South Project Customers	2011	2010
City of Galveston	\$ 3,528,282	\$ 3,625,847
City of Texas City	18,853	19,253
City of La Marque	69,962	65,994
City of Hitchcock	198,510	203,793
City of League City	386,298	397,172
Galveston County MUD No. 12	66,720	68,530
Galveston County FWSD No. 6	52,594	54,018
Galveston County WC&ID No. 8	125,651	128,962
	\$ 4,446,870	\$ 4,563,569
<b>Other Existing Customers</b>		
Galveston County WC&ID No. 1	\$ 644,450	\$ 662,057
Houston Lighting and Power	303,576	311,888
Bacliff MUD	154,661	158,764
San Leon MUD	183,322	187,944
Galveston County WC&ID No. 12	150,460	154,622
Bayview MUD	32,939	33,823
City of Texas City	1,558,224	1,600,767
City of La Marque	434,415	374,516
	\$ 3,462,047	\$ 3,484,381
Total Annual Charge	\$ 7,908,917	\$ 8,047,950

**TABLE 5 - CURRENT INVESTMENTS**

As of November 30, 2011 the Authority's investable funds were invested in the following categories:

Description	Book Value	Market Value
Certificates of Deposit	\$ 49,502,082	\$ 49,502,082
Invesco Investments	2,023,863	2,023,863
Total	\$ 51,525,945	\$ 51,525,945

**APPENDIX A**

**GULF COAST WATER AUTHORITY  
MAINLAND PROJECT**

**CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES**

	Fiscal Years Ending August 31,				
	2011	2010	2009	2008	2007
<b>Beginning Balances</b>					
General Operating Fund	\$ 9,663,854	\$ 8,853,258	\$ 8,628,361	\$ 7,829,261	\$ 7,637,577
Debt Service Fund	-	-	73,444	301,101	344,645
	<u>\$ 9,663,854</u>	<u>\$ 8,853,258</u>	<u>\$ 8,701,805</u>	<u>\$ 8,130,362</u>	<u>\$ 7,982,222</u>
<b>Receipts</b>					
Metered Water Revenue	\$ 7,670,221	\$ 8,394,796	\$ 8,476,209	\$ 9,088,861	\$ 8,699,298
Interest Income	32,008	42,136	168,109	381,088	438,963
	<u>\$ 7,702,229</u>	<u>\$ 8,436,932</u>	<u>\$ 8,644,318</u>	<u>\$ 9,469,949</u>	<u>\$ 9,138,261</u>
<b>Disbursements</b>	\$ 7,630,211	\$ 7,626,336	\$ 8,492,865	\$ 8,898,506	\$ 8,990,121
<b>Ending Balances</b>					
General Operating Fund	\$ 9,735,872	\$ 9,663,854	\$ 8,853,258	\$ 8,628,361	\$ 7,829,261
Debt Service Fund	-	-	-	73,444	301,101
	<u>\$ 9,735,872</u>	<u>\$ 9,663,854</u>	<u>\$ 8,853,258</u>	<u>\$ 8,701,805</u>	<u>\$ 8,130,362</u>

History of the Mainland Operating Charges (includes Raw Water Charges) and Mainland Debt Service and South Project Service Debt Charges (per 1,000 gallons daily).

Fiscal Year	Mainland Operating Charges	Mainland Debt Service	South Project Debt Service
2006	\$0.55	\$0.0791	\$0.1673
2007	0.55	0.0784	0.1578
2008	0.55	0.0629	0.1473
2009	0.61	0.0000	0.2209
2010	0.61	0.0000	0.2150
2011	0.59	0.0000	0.2246



## APPENDIX B

### DESCRIPTION OF THE ORIGINAL MAINLAND AND SOUTH PROJECT CUSTOMERS AND CERTAIN FINANCIAL INFORMATION REGARDING THE SOUTH PROJECT CUSTOMERS

#### THE ORIGINAL MAINLAND PROJECT CUSTOMERS

Mainland Project Customers who are currently purchasing potable water from the Authority's Water Plant fall into two categories: seven municipal customers and one private corporation. The municipal customers include Bacliff, Bayview, Dickinson, La Marque, Texas City, Hitchcock, Kemah and San Leon. These original customers who purchase water for distribution through their municipal water system, range in customer count from 510 (Bayview) to 13,044 (Texas City). The private corporation, HL&P, purchases water from the Water Plant to provide treated surface water to its P.H. Robinson Plant in Galveston County. A brief description of each Customer currently receiving water from the Mainland Project is as follows:

*City of Texas City:* The City of Texas City is a port and industrial center located on the mainland opposite the City of Galveston. The 1990 population was 40,822. Two of the major industries in the City are Amoco Texas Refinery and Union Carbide Corporation, both employing over 1,000 persons each. Two other petroleum product manufacturers employ over 500 people each. Oil refineries, oil properties and chemical plants account for over seventy percent of Texas City's assessed valuation.

*Bacliff Municipal Utility District:* Bacliff Municipal Utility District, created in 1951, provides water and sewer facilities for a 1,195-acre residential area located north of Texas City, where many of the District's residents are employed. Included in the District is the unincorporated community of Bacliff, located on State Highway 646.

*Bayview Municipal Utility District:* Bayview Municipal Utility District is a municipal water district created in 1963 to provide water and sewer services to a 610-acre residential area located adjacent to Galveston Bay in northern Galveston County about 15 miles north of Texas City. District residents are employed throughout this highly industrialized area.

*Galveston County Water Control and Improvement District No. 1 (Dickinson):* The District was created in 1939 to provide water and sewer service to an unincorporated residential and commercial community located in Galveston County on Interstate Highway 45 some 30 miles southeast of Houston. In 1978, a part of the area within the District incorporated as the "Village of Dickinson" which provides general governmental services to the incorporated area. It became a home rule city in 1987. District officials estimate that about one third of the local work force is employed in the industrial complex in the Texas City area. A significant number of District residents are employed in the City of Houston and a smaller number finds employment at the National Aeronautical Space Administration's Johnson Space Center ("NASA") which is located some ten miles from Dickinson. Dickinson is a residential/retail/service center.

*Houston Lighting and Power Company:* HL&P, a Texas corporation, is a subsidiary of Houston Industries Incorporated, which owns all of the outstanding common stock of HL&P. Houston Industries is a publicly held corporation listed on the New York Stock Exchange. HL&P provides electric service to a service area of approximately 5,000 square miles in the Houston Gulf Coast area which has an estimated population in excess of three million persons.

*Galveston County Water Control and Improvement District No. 12 (Kemah):* The District was created in 1952, to provide water and sewer service to an unincorporated residential and commercial community located in the northeastern portion of Galveston County south of Clear Creek on Highway 146 some 20 miles north of Texas City. In 1962, a portion of the District incorporated to form Clear Lake Shores. In 1967, another portion of the District incorporated to form the City of Kemah, a residential, commercial and recreational community. The local work force is employed in the industrial complex in Texas City and Baytown, the NASA area and the City of Houston. The Kemah waterfront along Galveston Bay is a tourist/restaurant/sailing/boating location.

*San Leon Municipal Utility District:* The District was created in 1976 to provide water and sewer service to the unincorporated community of San Leon located in the east central portion of Galveston County bounded by Dickinson Bayou and Galveston Bay, east of Highway 146 about 10 miles north of Texas City. It is mainly a residential area with some commercial and recreational facilities. The local work force is employed in the industrial complex of Texas City and Baytown, NASA and the City of Houston.

*City of La Marque:* The City of La Marque is a residential community located on State Highway 3 just west of Texas City. The principal manufacturer produces electronic control systems employing over 100 persons. Many residents of the City are employed in the nearby Texas City industrial area, which incorporates primarily petroleum refineries and chemical plants. Lone Star State Factory Stores opened in July 1990 and is expanding. A Greyhound race track opened in November 1992.

*City of League City:* The City of League City is located in the north central part of Galveston County and part of Harris County five miles south of the city limits of Houston, Texas. The City was incorporated on December 9, 1961 and adopted its Home Rule Charter on March 27, 1962. The City provides basic municipal services to its citizens including fire and police protection, ambulance service, water, sanitary sewer and garbage services, library, parks and recreational facilities. The City is located approximately 14 to 20 miles from the industrial and petrochemical complexes located in Harris County along the Houston Ship Channel and approximately 10 miles from the petrochemical refineries located in Texas City in Galveston County. The National Aeronautics and Space Administration's ("NASA") Johnson Space Center is located just north of the City in Harris County. In addition, residents find employment in the numerous retail and service establishments located in the City and surrounding area. The City's estimated population was 83,560 in the year 2010.

Source: Texas Municipal Advisory Council.

## **THE SOUTH PROJECT CUSTOMERS**

The following political subdivisions have executed South Project Customer contracts:

*City of Galveston:* The City of Galveston is the county seat located on Interstate Highway 45, occupying 32 mile long Galveston Island situated two miles off the Gulf Coast and Pelican Island. The City is an industrial, recreational and shipping center. The City is one of Texas' most historic and is a popular tourist and convention center. Major tourist attractions include "the Elissa," a restored 1877 iron barque, the Strand District, Sea Wolf Park, a rail trolley line, year round sport fishing and miles of beautiful beaches. The University of Texas Medical Branch, Texas A&M University at Galveston, and College of the Mainland are located within the City, and had a combined 2005 enrollment of approximately 9,100. The City of Galveston's estimated population was 56,148 in the year 2009.

*City of Hitchcock:* The City of Hitchcock is located on State Highway 6, south of I-45, 20 miles north of Galveston. Many of the City's residents are employed in the nearby Texas City industrial area which includes petroleum refineries and chemical plants. The City of Hitchcock's estimated population was 7,153 in the year 2009.

*Galveston County WC&ID No. 8:* Galveston County Water Control & Improvement District No. 8 was created in 1945 and provides water and sewer facilities for the City of Santa Fe, a retail center and residential area located approximately 12 miles west of the City of Texas City and approximately 19 miles northwest of the City of Galveston. The District lies wholly within the city limits of the City of Santa Fe, Texas, and is bisected from southeast to northwest by State Highway 6. Local manufacturers produce oilfield tools, boat trailers, concrete products and galvanized metal.

*Galveston County Municipal Utility District No. 12:* Galveston County Municipal Utility District No. 12 was created on September 1, 1981 to provide water and sewer facilities for a 290-acre area located near the intersection of IH 45 and SH 6 approximately three miles north of Galveston and approximately 47 miles from the central business district of Houston. The District serves the Village of Bayou Vista, a primary and secondary home residential development which is over twenty years old. The District is fully developed. The District recently annexed the nearby subdivision of Omega Bay that was serviced by the Omega Bay Water Supply Corporation, a semi-public water district.

*City of La Marque:* The City of La Marque is a residential community located on State Highway 3 just west of Texas City. Many residents of the City are employed in the nearby Texas City industrial area, which incorporates primarily petroleum refineries and chemical plants. Lone Star State Factory Stores, a factory outlet mall, opened in July 1990. A Greyhound race track opened in November 1992. The City of La Marque's estimated population was 14,194 in the year 2009.

*Galveston County Fresh Water Supply District No. 6:* Galveston County Fresh Water Supply District No. 6 was created in 1979 and is located in Galveston County on the west side of Interstate Highway 45 approximately 45 miles south of the central business district of Houston and eight miles north of the central business district of Galveston near the northern foot of the dual span causeway that links the mainland and Galveston Island. The District contains approximately 420 acres of land and 1,441 acres of surrounding water. The developed portion of the District lies within the corporate limits of the Village of Tiki Island, a general law city, and the remaining portions of the District lie within the extraterritorial jurisdictions of the City of Hitchcock, the City of Galveston and the City of Texas City. Approximately 60% of the homeowners are permanent residents. As of July 29, 2010, the District contained approximately 872 occupied homes, 25 occupied town homes, 30 occupied condominiums, 5 builder connections, 7 vacant connections and 379 platted but undeveloped lots. In addition, there is a church, a 12,000 square foot office building, a convenience store and a service station.

*City of Texas City:* The City of Texas City is a Gulf of Mexico port and industrial center located on the mainland opposite the City of Galveston. Two petroleum product manufacturers employ over 500 people each. Oil refineries, oil properties and chemical plants account for over seventy percent of Texas City's assessed valuation. Texas City has the third largest port in Texas in total tonnage, ranking behind Houston and Corpus Christi, and 11th largest in the nation. The City of Texas City's estimated population was 43,965 in the year 2009.

*City of League City:* The City of League City is located in the north central part of Galveston County and part of Harris County five miles south of the city limits of Houston, Texas. The City was incorporated on December 9, 1961 and adopted its Home Rule Charter on March 27, 1962. The City provides basic municipal services to its citizens including fire and police protection, ambulance service, water, sanitary sewer and garbage services, library, parks and recreational facilities. The City is located approximately 14 to 20 miles from the industrial and petrochemical complexes located in Harris County along the Houston Ship Channel and approximately 10 miles from the petrochemical refineries located in Texas City in Galveston County. The National Aeronautics and Space Administration's ("NASA") Johnson Space Center is located just north of the City in Harris County. In addition, residents find employment in the numerous retail and service establishments located in the City and surrounding area. The City's estimated population of League City was 71,722 in the year 2009.

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Source: Texas Municipal Advisory Council.

#### **PAYMENTS TO THE AUTHORITY BY SOUTH PROJECT CUSTOMERS**

Payments due to the Authority from each South Project Customer constitute operating expenses of each such South Project Customer's system and each such South Project Customer is obligated to establish and charge such rates for service from its own water supply system (or water supply system as a portion of its combined system) as will enable it to pay all operating expenses of its system and all charges due to the Authority under its South Project Customer Contract.

## CITY OF GALVESTON, TEXAS

### Summary of the Combined Water and Sewer Systems (Depreciation removed)

	Fiscal Year Ended September 30,				
<i>Revenues</i>	2011 <sup>(4)</sup>	2010	2009	2008	2007
Operating Revenues	\$ 28,246,200	\$ 26,531,531	\$ 25,280,200	\$ 26,908,509	\$ 27,107,656
Insurance Proceeds	77,469	121,438	1,451,472	-	-
Interest Earned	142,012	155,626	828,369	1,672,781	2,300,730
Total Revenues	\$ 28,465,681	\$ 26,808,595	\$ 27,560,041	\$ 28,581,290	\$ 29,408,386
<i>Expenses</i>					
Personnel Services	\$ 4,797,145	\$ 4,597,456	\$ 3,749,845	\$ 4,103,498	\$ 4,631,029
Contractual Services	2,520,128	2,739,856	2,268,306	2,203,080	2,231,963
Supplies and Materials	2,179,410	1,991,412	1,733,336	2,518,531	2,613,021
Surface Water Contract	5,956,653	5,206,455	5,429,512	5,480,170	5,578,726
Other Expenses	1,071,380	791,269	747,437	696,512	1,128,288
Administrative Charge	972,540	953,471	934,765	903,158	872,613
Non-Operating Interest Expense	2,663,194	3,274,001	2,400,486	2,354,011	2,393,724
Payment in Lieu of Taxes	400,000	400,000	400,000	400,000	400,000
Total Expenses	\$ 20,560,450	\$ 19,953,920	\$ 17,663,687	\$ 18,658,960	\$ 19,849,364
<i>Net Revenues</i>	\$ 7,905,231	\$ 6,854,675	\$ 9,896,354	\$ 9,922,330	\$ 9,559,022
Average Annual Debt Service (2012-2030)	\$ 2,945,912				
Customer Count <sup>(1)</sup>	21,910	25,083	20,559	25,409	25,801
Water Rate (Inside City) <sup>(2)(3)</sup>					
First 200 cubic feet	\$11.74 Minimum				
Next 3,800 cubic feet	3.07/100 CF				
Next 46,000 cubic feet	3.27/100 CF				
Next 950,000 cubic feet	3.32/100 CF				
All Over 1,000,000 cubic feet	3.99/100 CF				

- (1) Changes in customer count are due to Hurricane Ike which struck the Houston-Galveston region on September 13, 2008 and the subsequent recovery
- (2) Source: City of Galveston.
- (3) Effective October 1, 2011.
- (4) Unaudited. Provided by the City.

## CITY OF HITCHCOCK

### Summary of the Water System (Depreciation removed) <sup>(1)</sup>

	Fiscal Year Ended September 30,				
	2010	2009	2008	2007	2006
<i>Revenues</i>					
Charges for Services	\$ 2,064,815	\$ 2,124,422	\$ 1,774,042	\$ 1,771,680	\$ 1,714,720
Interest Income	7,281	21,216	25,853	29,295	5,189
Total	\$ 2,072,096	\$ 2,145,638	\$ 1,799,895	\$ 1,800,975	\$ 1,719,909
<i>Expenditures</i>					
Personal Services	\$ 481,227	\$ 475,440	\$ 391,086	\$ 398,862	\$ 406,399
Contractual Services	877,717	770,429	718,767	781,822	939,426
Supplies	209,879	245,576	169,438	153,827	179,720
Materials	-	-	-	-	-
Maintenance and Repairs	300,506	193,644	252,114	429,337	153,405
Utilities	-	-	-	-	-
Other Expenses	-	-	-	-	-
Total	\$ 1,869,329	\$ 1,685,089	\$ 1,531,405	\$ 1,763,848	\$ 1,678,950
Revenues Over Expenditures	\$ 202,767	\$ 460,549	\$ 268,490	\$ 37,127	\$ 40,959

Customer Count as of September 30, 2010 2,984

**Water Rates:**

First 3,000 gallons	\$15.50 minimum
Over 3,000 gallons	\$4.00 each additional 1,000 gallons

Source: The City of Hitchcock Audited Financial Statements.

(1) The City of Hitchcock is unable to provide preliminary Fiscal Year End 2011 information.

## GALVESTON COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 8

### Summary of the General Fund (Depreciation removed)

	Fiscal Year Ended December 31,				
	2011 <sup>(1)</sup>	2010	2009	2008	2007
<i>Revenues</i>					
Service Revenue	\$ 1,389,391	\$ 1,234,401	\$ 1,245,752	\$ 1,178,714	\$ 1,126,297
All Other	323,591	485,929	374,071	296,525	323,911
Total	<u>\$ 1,712,982</u>	<u>\$ 1,720,330</u>	<u>\$ 1,619,823</u>	<u>\$ 1,475,239</u>	<u>\$ 1,450,208</u>
<i>Expenditures</i>					
Purchased Water	\$ 254,134	\$ 230,881	\$ 211,728	\$ 262,432	\$ 240,623
Payroll	599,391	591,775	528,674	498,904	464,127
Professional and Contracted Services	59,510	62,295	242,887	88,409	77,207
Supplies	301,792	361,395	228,657	379,369	245,209
Capital Outlays	67,472	259,049	99,033	216,545	141,372
Recurring Operating Expenses	171,713	194,760	231,291	161,369	169,195
Debt Service and Related Expenditures	325,286	154,274	155,011	150,525	14,781
Total	<u>\$ 1,779,298</u>	<u>\$ 1,854,429</u>	<u>\$ 1,697,281</u>	<u>\$ 1,757,553</u>	<u>\$ 1,352,514</u>
Revenues Over Expenditures	<u>\$ (66,316)</u>	<u>\$ (134,099)</u>	<u>\$ (77,458)</u>	<u>\$ (282,314)</u>	<u>\$ 97,694</u>
<i>Rates: Water</i>					
First 3,000 gallons	\$11.75 - minimum				
Over 3,000 gallons	Each Additional 1,000 gallons \$3.80				
<i>Sewer (residential)</i>					
First 3,000 gallons	\$11.75 - minimum				
Over 3,000 gallons	Each Additional 1,000 gallons \$1.75				
2011 Certified Taxable Assessed Valuation (100% of Market Value).....	\$ 166,566,626				
Gross Direct Long-term Debt Outstanding.....	\$ 5,305,000				
Ratio of Gross Long-term Debt to 2011 Certified Taxable Assessed Valuation.....	3.18%				
Debt Service Funds Available as of December 31, 2011.....	\$ 380,633				
Operation & Maintenance Funds Available as of December 31, 2011.....	\$ 832,920				
Average Annual Debt Service Requirements (2012-2039).....	\$ 352,524				
Maximum Annual Debt Service Requirements (2039).....	\$ 414,619				
2011 Debt Service Tax Rate per \$100 of Assessed Valuation .....	\$ 0.227900				
2011 Maintenance Tax Rate per \$100 of Assessed Valuation .....	0.067700				
Total 2011 Tax Rate per \$100 of Assessed Valuation.....	<u>\$ 0.295600</u>				
Tax Rate Required to Pay Average Annual Debt Service based upon the 2011 Certified Taxable Assessed Valuation at a 95% Collection Rate.....	\$ 0.22278				
Tax Rate Required to Pay Maximum Annual Debt Service based upon the 2011 Certified Taxable Assessed Valuation at a 95% Collection Rate.....	\$ 0.26202				
Estimated Population <sup>(2)</sup> .....	4,928				
Customer Count.....	1,971				

Source: The District's Audited Financial Statements, Texas Municipal Report, and the District.

(1) Unaudited. Provided by the District.

(2) Assuming 2.5 residents per Customer Count.

## GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 12

### Summary of the General Fund (Depreciation removed)

	Fiscal Year Ended September 30,				
	2011	2010	2009	2008	2007
<i>Revenues</i>					
Service Revenue	\$ 680,740	\$ 648,562	\$ 622,611	\$ 573,119	\$ 561,380
All Other	315,486	269,953	353,137	324,194	329,651
Total	<u>\$ 996,226</u>	<u>\$ 918,515</u>	<u>\$ 975,748</u>	<u>\$ 897,313</u>	<u>\$ 891,031</u>
<i>Expenditures</i>					
Purchased Water	\$ 118,973	\$ 112,898	\$ 116,086	\$ 131,095	\$ 128,554
Payroll	264,914	244,658	234,322	238,291	208,754
Professional and Contracted Services	45,972	41,998	48,374	45,396	28,685
Supplies	57,272	55,975	55,357	61,607	57,175
Repairs and Maintenance	83,032	23,734	14,400	103,998	64,977
Utilities	47,466	68,769	71,647	62,983	68,947
Administration Expenses	103,907	115,448	103,092	109,135	94,099
Capital Outlay	321,205	74,789	36,120	886,297	528,645
Debt Service	537,975	134,513	193,288	21,853	10,737
Total	<u>\$ 1,580,716</u>	<u>\$ 872,782</u>	<u>\$ 872,686</u>	<u>\$ 1,660,655</u>	<u>\$ 1,190,573</u>
Revenues Over Expenditures	<u>\$ (584,490)</u>	<u>\$ 45,733</u>	<u>\$ 103,062</u>	<u>\$ (763,342) <sup>(1)</sup></u>	<u>\$ (299,542)</u>

Rates: Water	
Under 3,000 gallons	\$13.94 minimum
Over 3,000 gallons	2.71 each additional 1,000 gallons
Sewer	\$20 flat rate

2011 Certified Taxable Assessed Valuation (100% of Market Value).....	\$ 178,970,030
Gross Direct Long-term Debt Outstanding.....	\$ 700,000
Ratio of Gross Long-term Debt to 2011 Certified Taxable Assessed Valuation.....	0.39%

Debt Service Funds Available as of September 30, 2011.....	\$ 143,612
Operation & Maintenance Funds Available as of September 30, 2011.....	\$ 609,494

Average Annual Debt Service Requirements (2012-2015).....	\$ 197,440
Maximum Annual Debt Service Requirements (2015).....	\$ 215,148

2011 Debt Service Tax Rate per \$100 of Assessed Valuation .....	\$ 0.100488
2011 Maintenance Tax Rate per \$100 of Assessed Valuation .....	0.160000
Total 2011 Tax Rate per \$100 of Assessed Valuation.....	<u>\$ 0.260488</u>

Tax Rate Required to Pay Average Annual Debt Service based upon the 2011 Certified Taxable Assessed Valuation at a 95% Collection Rate.....	\$ 0.11613
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Tax Rate Required to Pay Maximum Annual Debt Service based upon the 2011 Certified Taxable Assessed Valuation at a 95% Collection Rate.....	\$ 0.12654
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Estimated Population <sup>(2)</sup> .....	3,510
Customer Count.....	1,404

Source: The District's Audited Financial Statements, Texas Municipal Report, and the District.

(1) The District obtained a loan in the amount of \$528,533, in part, to offset negative revenues over expenditures.

(2) Assuming 2.5 residents per Customer Count.

## CITY OF LA MARQUE

### Summary of the Utility Fund (Depreciation removed)

	Fiscal Year Ended September 30,				
	2011 <sup>(1)</sup>	2010	2009	2008	2007
<i>Revenues</i>					
Charges for Services	\$ 3,832,713	\$ 4,081,001	\$ 4,382,458	\$ 3,995,241	\$ 3,532,125
Interest Income	3,447	3,098	41,044	104,699	118,514
Miscellaneous Revenues	489,655	36,137	16,696	447,028	37,591
Total	\$ 4,325,815	\$ 4,120,236	\$ 4,440,198	\$ 4,546,968	\$ 3,688,230
<i>Expenditures</i>					
Personal Services	\$ 1,144,125	\$ 1,088,670	\$ 992,734	\$ 1,028,146	\$ 880,370
Supplies	255,513	182,649	157,910	264,449	196,255
Repairs and Maintenance	367,267	541,995	454,133	773,975	895,536
Miscellaneous Services	339,078	145,536	136,431	138,354	91,507
Utilities	364,372	341,476	359,955	396,795	359,532
Purchased Water	876,550	834,902	821,804	685,313	659,219
Compensated Absences Expense	35,576	28,964	26,909	8,637	5,457
Total	\$ 3,382,481	\$ 3,164,192	\$ 2,949,876	\$ 3,295,669	\$ 3,087,876
Revenues Over Expenditures	\$ 943,334	\$ 956,044	\$ 1,490,322	\$ 1,251,299	\$ 600,354
Average Annual Debt Service	No Water System Obligations				
Customer Count	6,053				
<i>Rates:</i>					
Water					
First 1,000 gallons	\$7.75				
Over 1,000 gallons	\$3.25				
Sewer					
First 1,000 gallons	\$17.15				
Over 1,000 gallons to maximum 15,000 gallons	\$2.85				

Source: The City's Audited Financial Statements and unaudited information provided by the City.

(1) Unaudited. Provided by the City.



## GALVESTON COUNTY FRESH WATER SUPPLY DISTRICT NO. 6

### Summary of the General Fund (Depreciation removed)

	Fiscal Year Ended September 30,				
	2011 <sup>(1)</sup>	2010	2009	2008	2007
<i>Revenues</i>					
Water and Sewer Service	\$ 525,500	\$ 516,405	\$ 571,195	\$ 531,777	\$ 464,287
Property Taxes	210,000	208,172	194,684	175,885	178,848
Penalties and Interest	4,500	4,556	4,205	5,311	4,959
Tap Connection Fees	6,750	8,132	7,705	7,075	14,772
Interest on Investments and Other	439,030	845,196	164,814	23,822	42,819
Total	<u>\$ 1,185,780</u>	<u>\$ 1,582,461</u>	<u>\$ 942,603</u>	<u>\$ 743,870</u>	<u>\$ 705,685</u>
<i>Expenditures</i>					
Current	\$ 1,407,020	\$ 762,757	\$ 1,125,515	\$ 917,721	\$ 666,070
Capital Outlays	215,000	364,045	28,189	-	-
Total	<u>\$ 1,622,020</u>	<u>\$ 1,126,802</u>	<u>\$ 1,153,704</u>	<u>\$ 917,721</u>	<u>\$ 666,070</u>
Revenues Over Expenditures	<u>\$ (436,240)</u>	<u>\$ 455,659</u>	<u>\$ (211,101)</u>	<u>\$ (173,851)</u>	<u>\$ 39,615</u>
<i>Rates: Water</i>					
First 3,000 gallons	\$13.00				
3,001 to 8,000	\$3.90/1,000				
8,001 to 12,000	\$5.10/1,000				
12,001 to 16,000	\$5.70/1,000				
16,000 & up	\$6.00/1,000				
<i>Sewer</i>					
First 3,000 gallons	\$15.00				
3,001 to 8,000	\$0.96/1,000				
8,001 to 12,000	\$1.34/1,000				
12,001 to 16,000	\$1.64/1,000				
16,000 & up	\$1.94/1,000				
2011 Certified Taxable Assessed Valuation (100% of Market Value).....	\$ 330,016,951				
Gross Direct Long-term Debt Outstanding.....	\$ 5,350,000				
Ratio of Gross Long-term Debt to 2011 Certified Taxable Assessed Valuation.....	1.62%				
Debt Service Funds Available as of September 30, 2011.....	\$ 437,475				
Operation & Maintenance Funds Available as of September 30, 2011 .....	\$ 567,808				
Average Annual Debt Service Requirements (2012-2030).....	\$ 401,968				
Maximum Annual Debt Service Requirements (2013).....	\$ 469,250				
2011 Debt Service Tax Rate per \$100 of Assessed Valuation .....	\$ 0.150000				
2011 Maintenance Tax Rate per \$100 of Assessed Valuation .....	0.078742				
Total 2011 Tax Rate per \$100 of Assessed Valuation.....	<u>\$ 0.228742</u>				
Tax Rate Required to Pay Average Annual Debt Service based upon the					
2011 Certified Taxable Assessed Valuation at a 95% Collection Rate.....	\$ 0.12821				
Tax Rate Required to Pay Maximum Annual Debt Service based upon the					
2011 Certified Taxable Assessed Valuation at a 95% Collection Rate.....	\$ 0.14967				
Estimated Population <sup>(1)</sup> .....	2,413				
Customer Count.....	965				

Source: The District's Audited Financial Statements, Texas Municipal Reports and the District.

(1) Unaudited. Provided by the District.

(2) Assuming 2.5 residents per Customer Count.

## CITY OF TEXAS CITY

### Summary of the Water Fund (Depreciation removed)

	Fiscal Year Ended September 30,				
<i>Revenues:</i>	2011 <sup>(1)</sup>	2010	2009	2008	2007
Charges for Services	\$ 7,125,242	\$ 5,196,466	\$ 5,505,002	\$ 5,176,414	\$ 5,194,759
Interest Earned	5,441	27,953	72,301	151,191	227,349
Other Revenue	149,364	1,972,821	150,938	145,671	160,706
Total Revenues	\$ 7,280,047	\$ 7,197,240	\$ 5,728,241	\$ 5,473,276	\$ 5,582,814
 <i>Operating Expenses:</i>					
Cost of Sales and Services	\$ -	\$ -	\$ -	\$ -	\$ -
Administration	282,709	-	-	-	-
Personal Services	947,958	1,188,964	1,075,651	1,105,332	787,242
Materials and Supplies	-	-	-	-	-
Contractual Services	1,255,753	1,150,673	353,365	315,280	210,446
Other Charges	3,844,133	3,222,356	3,737,934	3,771,261	3,038,636
Reimbursements	-	-	-	-	-
	\$ 6,330,553	\$ 5,561,993	\$ 5,166,950	\$ 5,191,873	\$ 4,036,324
Net Revenue From Operations	\$ 949,494	\$ 1,635,247	\$ 561,291	\$ 281,403	\$ 1,546,490
Average Annual Debt Service	No Water System Obligations				
Customer Count	13,900				
 <i>Rates:</i>					
Water					
First 2,000 gallons	\$6.75				
Over 2,000 gallons	\$3.83				

Source: City of Texas City Comprehensive Annual Financial Reports and unaudited information provided by the City.

(1) Unaudited. Provided by the City.

## CITY OF LEAGUE CITY

### Summary of the Water Fund (Depreciation removed)

Revenues:	Fiscal Year Ended September 30,				
	2011 <sup>(1)</sup>	2010	2009	2008	2007
Charges for Services	\$ 30,646,567	\$ 25,731,620	\$ 27,278,933	\$ 23,209,601	\$ 18,964,428
Interest Earned	196,367	214,491	516,379	1,742,300	1,867,641
Gain on Sale of Assets	1,632	17,807	-	2,681	44,139
Other Revenues	-	131,943	153,833	105,075	-
<b>Total Revenues</b>	<b>\$ 30,844,566</b>	<b>\$ 26,095,861</b>	<b>\$ 27,949,145</b>	<b>\$ 25,059,657</b>	<b>\$ 20,876,208</b>
Operating Expenses:					
Personnel	\$ 5,363,971	\$ 5,216,754	\$ 4,812,418	\$ 4,566,537	\$ 3,988,427
Contractual Services	4,077,368	3,595,665	3,299,194	2,857,393	2,794,998
Utilities	1,533,427	1,352,897	1,501,081	1,144,154	1,073,005
Repairs and Maintenance	1,184,800	1,150,787	966,975	769,567	782,168
Supplies	994,419	1,025,589	833,440	712,985	735,673
Gulf Coast Water Authority Debt Service <sup>(1)</sup>	503,584	758,677	828,454	829,876	865,499
	<b>\$ 13,657,569</b>	<b>\$ 13,100,369</b>	<b>\$ 12,241,562</b>	<b>\$ 10,880,512</b>	<b>\$ 10,239,770</b>
 Net Revenue From Operations	 <b>\$ 17,186,997</b>	 <b>\$ 12,995,492</b>	 <b>\$ 15,707,583</b>	 <b>\$ 14,179,145</b>	 <b>\$ 10,636,438</b>
 System Connections	 27,669	 27,092	 26,368	 25,762	 24,628

(1) Represents Contract Revenue Bonds issued by the Authority that are treated as an operating expense of the City's System.

#### Monthly Water Rates (Effective November 1, 2008)

First 3,000 Gallons <sup>(1)</sup>	\$7.13
Each additional 1,000 Gallons	5.90

(1) Multiple unit, single-metered dwellings with more than 4 units are billed at the minimum rate per month per unit based on 90% of the total number of units.

#### Monthly Sewer Rates (Effective November 1, 2008)

First 3,000 Gallons <sup>(1)</sup>	\$13.88
Each additional 1,000 Gallons	4.62

Maximum residential sewer charge is based on 11,000 gallons.

(1) Multiple unit, single-metered dwellings with more than 4 units are billed at the minimum rate per month per unit based on 90% of the total number of units.