

## 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):**

\$ 2,250,000 Water System Contract Revenue Refunding Bonds, Series 2011F (League City)

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

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

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

Financial Information & Operating Data

\_\_\_ Other (describe) \_\_\_\_\_

Fiscal Period Covered: FYE 2014

\_\_\_ Monthly \_\_\_ Quarterly  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: bwebb@gcwater.org

## DESCRIPTION OF ISSUES COVERED BY THIS REPORT

### Water System Contract Revenue Refunding Bonds, Series 2011F (League City)

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
08/15/16	\$ 220,000	40223N LR5
08/15/17	225,000	40223N LS3
08/15/18	235,000	40223N LT1
08/15/19	240,000	40223N LU8
08/15/20	250,000	40223N LV6
08/15/21	260,000	40223N LW4
	<u>\$ 1,430,000</u>	

AMENDED  
CONTINUING DISCLOSURE REPORT  
FOR THE  
FISCAL YEAR ENDED AUGUST 31, 2014

GULF COAST WATER AUTHORITY

GCWA DEBT - LEAGUE CITY DEBT

This report has been amended with audited financial information.



## **FINANCIAL STATEMENTS**

The audited financial statements for the Authority for the fiscal year ended August 31, 2014 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:

02/25/2015

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Date

10/19/2015

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Amended

## **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/ Kristin Blomquist

**GULF COAST WATER AUTHORITY  
CITY OF LEAGUE CITY  
2014 CONTRACT REVENUE DEBT REPORT**

**AMENDED**

**DEBT INFORMATION**

**TABLE 1 – CITY OF LEAGUE CITY CONTRACT DEBT SERVICE REQUIREMENTS**

Fiscal Year Ending August 31	Series 2011A Bonds <sup>(1)</sup>	Series 2011B Bonds <sup>(2)</sup>	Series 2011F Bonds	Total Debt Service Requirements
2015	28,471	7,671	\$ 266,088	\$ 302,229
2016	28,448	7,600	269,788	305,835
2017	46,300	7,626	268,188	322,114
2018	45,310	7,586	271,438	324,334
2019	45,230	7,638	268,800	321,668
2020	45,267	7,578	270,400	323,244
2021	45,250	7,610	270,400	323,260
2022	45,291	7,630		52,921
	<u>\$ 329,567</u>	<u>\$ 60,938</u>	<u>\$ 1,885,100</u>	<u>\$ 2,275,605</u>

(1) Represents 1.82% of the Series 2011A debt service. The Series 2011A Bonds were issued in connection with the South Project, which is a special project of the Authority. The City of Galveston and Galveston County WC&IC No. 1 pay the remaining portion of the Series 2011A debt service. The City and the other political subdivisions participating in the South Project are legally jointly and severally obligated on the debt service for the Series 2011A. See footnote 2.

(2) Represents 2.01% of the Series 2011B debt service. The remaining portion of the Series 2011B debt service is paid by various political subdivisions involved in the South Project. The City and the other political subdivisions participating in the South Project are legally, jointly and severally obligated on the debt service for the Series 2011B Bonds. See footnote 1.

**TABLE 2 – ADDITIONAL CITY OF LEAGUE CITY WATER SYSTEM DEBT**

Fiscal Year Ended 9/30	Principal	Interest	Total <sup>(1)</sup>
2015	\$ 4,980,000	\$ 3,069,764	\$ 8,049,764
2016	4,665,000	2,896,353	7,561,353
2017	4,305,000	2,732,533	7,037,533
2018	4,135,000	2,574,981	6,709,981
2019	3,950,000	2,420,450	6,370,450
2020	3,780,000	2,269,750	6,049,750
2021	4,170,000	2,110,383	6,280,383
2022	4,000,000	1,943,201	5,943,201
2023	4,040,000	1,775,371	5,815,371
2024	3,850,000	1,606,028	5,456,028
2025	3,665,000	1,438,303	5,103,303
2026	4,455,000	1,249,053	5,704,053
2027	4,305,000	1,040,764	5,345,764
2028	4,155,000	834,706	4,989,706
2029	2,660,000	665,250	3,325,250
2030	2,735,000	530,375	3,265,375
2031	2,815,000	391,625	3,206,625
2032	2,080,000	269,250	2,349,250
2033	2,140,000	163,750	2,303,750
2034	2,205,000	55,125	2,260,125
	<u>\$ 73,090,000</u>	<u>\$ 30,037,013</u>	<u>\$ 103,127,013</u>

(1) Represents the City’s Waterworks and Sewer System Revenue Bonds, Series 2008, 2009 and 2011, and the City’s Waterworks and Sewer System Revenue Refunding Bonds, Series 2005.

**FUND BALANCES**

The Bond Resolution requires the Authority to maintain certain funds related to the Series 1999B and Series 2011F Bonds. The balances of these funds as of December 31, 2014 are shown below:

Interest and Sinking Fund	\$85,090
Reserve Fund	\$224,997

Source: The Authority.

**TABLE 3 - CURRENT INVESTMENTS**

As of December 31, 2014, League City’s investable funds were invested in the following categories:

Description	Percent of Total	Book Value	Market Value
Cash	2.35%	\$ 3,052,150	\$ 3,052,150
Texpool	64.07%	83,072,138	83,072,138
TexSTAR	28.69%	37,198,402	37,198,402
Certificates of Deposit	4.88%	6,328,445	6,328,445
Portfolio Investments	2.16%	2,802,803	2,802,576
	<u>100.00%</u>	<u>\$ 129,651,135</u>	<u>\$ 129,651,135</u>

As of December 31, 2014 the Gulf Coast Water Authority’s investable funds were invested in the following categories:

Description	of Total	Book Value	Market Value
Certificates of Deposit	92.89%	\$ 38,136,658	\$ 38,136,658
Money Market Accounts	7.11%	2,918,085	2,918,085
Total	<u>100.00%</u>	<u>\$ 41,054,743</u>	<u>\$ 41,054,743</u>

**APPENDIX A**

**GENERAL INFORMATION REGARDING THE CITY**

**HISTORICAL WATER CONSUMPTION**

Fiscal Year Ended 9/30	Estimated City Population <sup>(1)</sup>	Number of Customers	Water Usage (MGD)			Total Usage	Total Water & Sewer Sales
			Average Day Usage	Peak Day Usage	Peak Month Usage		
2010	83,560	27,092	8.858	15.853	379.300	3,238.000	\$ 25,731,620
2011	85,300	27,669	10.908	19.038	468.527	3,976.626	30,646,567
2012	87,400	28,383	10.000	15.551	419.484	3,777.256	27,596,741
2013	90,300	29,326	10.500	17.277	412.608	3,385.382	29,854,054
2014	95,500	30,327	10.623	18.025	417.251	3,877.456	29,201,981

(1) Population estimated by the City.



ENTERPRISE FUNDS STATEMENT OF NET POSITION

Fiscal Year Ended September 30,

	2014	2013	2012	2011	2010
Operating Revenues:					
Charges for Services	\$ 29,187,630	\$ 29,830,436	\$ 27,582,569	\$ 30,646,567	\$ 25,731,620
Miscellaneous	96,373	23,618	14,172	-	-
Total Operating Revenues	<u>\$ 29,284,003</u>	<u>\$ 29,854,054</u>	<u>\$ 27,596,741</u>	<u>\$ 30,646,567</u>	<u>\$ 25,731,620</u>
Operating Expenses					
Personnel	\$ 5,526,433	\$ 5,589,894	\$ 5,189,783	\$ 5,363,971	\$ 5,216,754
Contractual Services	4,985,492	4,406,481	3,901,606	4,077,368	3,595,665
Utilities	1,615,413	1,245,096	1,081,894	1,533,427	1,352,897
Repairs and Maintenance	1,074,237	1,636,262	1,439,563	1,184,800	1,150,787
Other Supplies and Expenses	793,873	1,231,604	2,125,240	994,419	1,025,589
Depreciation	4,595,649	4,440,820	4,285,308	3,628,427	3,401,471
Total Operating Expenses	<u>\$ 18,591,097</u>	<u>\$ 18,550,157</u>	<u>\$ 18,023,394</u>	<u>\$ 16,782,412</u>	<u>\$ 15,743,163</u>
Operating Income (Loss)	<u>\$ 10,692,906</u>	<u>\$ 11,303,897</u>	<u>\$ 9,573,347</u>	<u>\$ 13,864,155</u>	<u>\$ 9,988,457</u>
Non-Operating Revenues (Expenses)					
Investment Earnings	\$ 54,828	\$ 120,856	\$ 357,077	\$ 196,367	\$ 214,491
Interest Expense	(5,849,771)	(6,248,692)	(5,914,725)	(4,565,944)	(4,545,009)
Intergovernmental			-	-	131,943
Gain (Loss) on Disposal of Capital Assets	11,392	2,067	636	1,632	17,807
Total Non-Operating Revenue (Expenses)	<u>\$ (5,783,551)</u>	<u>\$ (6,125,769)</u>	<u>\$ (5,557,012)</u>	<u>\$ (4,367,945)</u>	<u>\$ (4,180,768)</u>
Income (Loss) Before Transfers	<u>\$ 4,909,355</u>	<u>\$ 5,178,128</u>	<u>\$ 4,016,335</u>	<u>\$ 9,496,210</u>	<u>\$ 5,807,689</u>
Capital Contributions from Developers	\$ 13,540,923	\$ 9,183,573	\$ 4,000,723	\$ 4,410,184	\$ 4,718,099
Transfers Out	(2,616,555)	(2,250,000)	(2,240,000)	(686,001)	(1,000,000)
Change in Net Assets	<u>\$ 15,833,723</u>	<u>\$ 12,111,701</u>	<u>\$ 5,777,058</u>	<u>\$ 13,220,393</u>	<u>\$ 9,525,788</u>
Beginning Net Position - October 1	172,199,777	160,088,076	154,108,017 <sup>(1)</sup>	140,887,624	131,361,836
Prior Period Adjustment	-	-	203,001	-	-
Ending Net Position - September 30	<u>\$ 188,033,500</u>	<u>\$ 172,199,777</u>	<u>\$ 160,088,076</u>	<u>\$ 154,108,017</u>	<u>\$ 140,887,624</u>

(1) Restated

**WATERWORKS SYSTEM BALANCE SHEET <sup>(1)(2)</sup>**

	Fiscal Year Ended September 30,		
	2003	2002	2001
<b>ASSETS</b>			
Cash - Including Cash Equivalents	\$ 6,809,473	\$ 13,153,888	\$ 9,261,852
Investments	1,501,923	-	-
Accounts Receivable	1,918,588	2,398,008	1,137,258
Other Receivables	705,087	15,361	27,677
Deferred Charges	2,010,409	-	-
Prepaid Expenses	-	-	102
Total Current Assets	\$ 12,945,480	\$ 15,567,257	\$ 10,426,889
Due from Other Funds			
<u>Restricted Assets</u>			
Cash - Including Cash Equivalents	\$ 16,248,322	\$ 17,753,710	\$ 19,824,045
<u>Property, Plant and Equipment - At Cost</u>			
Land	628,957 <sup>(1)</sup>	391,760	391,760
Infrastructure	49,180,970 <sup>(1)</sup>		
Building & Improvements	64,399 <sup>(1)</sup>	160,903	160,903
Furniture & Equipment	2,267,240 <sup>(1)</sup>	4,391,778	2,023,074
Water and Wastewater System		68,322,373	54,446,983
Construction in Progress	4,986,656 <sup>(1)</sup>	6,372,500	8,634,939
	\$ 57,128,222	\$ 79,639,314	\$ 65,657,659
Less Allowance for Depreciation	-	(14,996,259)	(13,622,786)
	\$ 57,128,222	\$ 64,643,055	\$ 52,034,873
Contracts - Water Rights	13,942,485	5,770,245	5,918,200
Bond Issue Costs	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 100,264,509</b>	<b>\$ 103,734,267</b>	<b>\$ 88,204,007</b>
<b>LIABILITIES AND FUND EQUITY</b>			
<u>Current Liabilities</u>			
Accounts Payable	\$ 986,603	\$ 2,137,107	\$ 623,441
Bonds		3,235,186	3,087,347
Equipment Notes		-	-
Accrued Expenses	456,336	1,004,971	958,496
Salaries Payable	101,752		
Accrued Interest Payable	732,533		
Due to Other Funds		-	-
	\$ 2,277,224	\$ 6,377,264	\$ 4,669,284
<u>Current Liabilities - From Restricted Assets</u>			
Customer Deposits	-	412,315	337,592
Compensated Absences	254,904	-	-
Accounts Payable	-	140,661	1,002,072
	\$ 254,904	\$ 552,976	\$ 1,339,664
<u>Noncurrent Liabilities - Less Current Portion</u>			
General Obligation & Revenue Bonds	54,650,967	52,497,789	43,098,162
Equipment Notes	-	-	-
	\$ 54,650,967	\$ 52,497,789	\$ 43,098,162
Total Liabilities	\$ 57,183,094	\$ 59,428,028	\$ 49,107,109
<u>Fund Equity</u>			
Contributed Capital	\$ 25,746,285	\$ 20,446,674	\$ 21,488,231
Retained Earnings			
Reserved for Construction	\$ 6,189,147	\$ 23,859,565	\$ 17,608,667
Reserved for Debt Service	1,554,169		
Unreserved	9,591,813	-	-
Total Retained Earnings	\$ 17,335,129	\$ 23,859,565	\$ 17,608,667
Total Fund Equity	43,081,414	44,306,239	39,096,898
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$ 100,264,508</b>	<b>\$ 103,734,267</b>	<b>\$ 88,204,007</b>

(1) Assets shown net of depreciation.

(2) This table is no longer updated due to the implementation of GASB 34.

**COMPARATIVE STATEMENT OF REVENUES AND EXPENSES; CUSTOMER COUNT**

	Fiscal Year Ended September 30,				
	2014	2013	2012	2011	2010
<b>Revenues:</b>					
Charges for Services	\$ 29,187,630	\$ 29,830,436	\$ 27,582,569	\$ 30,646,567	\$ 25,731,620
Interest Earned	54,828	120,856	357,077	196,367	214,491
Gain on Disposal of Capital Assets	11,392	2,067	636	1,632	17,807
Other Revenues	-	-	-	-	131,943
<b>Total Revenues</b>	<b>\$ 29,253,850</b>	<b>\$ 29,953,359</b>	<b>\$ 27,940,282</b>	<b>\$ 30,844,566</b>	<b>\$ 26,095,861</b>
<b>Operating Expenses:</b>					
Personnel	\$ 5,526,433	\$ 5,589,894	\$ 5,189,783	\$ 5,363,971	\$ 5,216,754
Contractual Services	4,985,492	4,406,481	3,901,606	4,077,368	3,595,665
Utilities	1,615,413	1,245,096	1,081,894	1,533,427	1,352,897
Repairs and Maintenance	1,074,237	1,636,262	1,439,563	1,184,800	1,150,787
Other Supplies and Expenses	793,873	1,231,604	2,125,240	994,419	1,025,589
Gulf Coast Water Authority Debt Service <sup>(1)</sup>	306,970	307,467	799,234	503,584	758,677
	<b>\$ 14,302,418</b>	<b>\$ 14,416,804</b>	<b>\$ 14,537,320</b>	<b>\$ 13,657,569</b>	<b>\$ 13,100,369</b>
<b>Net Revenue From Operations</b>	<b>\$ 14,951,432</b>	<b>\$ 15,536,555</b>	<b>\$ 13,402,962</b>	<b>\$ 17,186,997</b>	<b>\$ 12,995,492</b>
System Connections	30,327	29,326	28,383	27,669	27,092

(1) Contract Revenue Bonds issued by the Gulf Coast Water Authority that are treated as an operating expense of the 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.

**DEBT SERVICE COVERAGE**

	Fiscal Year Ended September 30,				
	2014	2013	2012	2011	2010
Gross Revenues <sup>(1)</sup>	\$ 29,253,850	\$ 29,976,977	\$ 27,954,454	\$ 30,844,566	\$ 25,963,918
Operating Expenses <sup>(2)</sup>	(13,995,448)	(14,109,337)	(13,738,086)	(16,782,412)	(15,780,459)
Net Revenues Available for Debt Service	<u>\$ 15,258,402</u>	<u>\$ 15,867,640</u>	<u>\$ 14,216,368</u>	<u>\$ 14,062,154</u>	<u>\$ 10,183,459</u>
Debt Service Requirements: <sup>(3)</sup>					
Principal	\$ 4,980,000	\$ 5,120,000	\$ 3,190,000	\$ 1,960,000	\$ 1,380,000
Interest	3,069,764	3,250,654	3,400,844	3,998,470	3,549,816
Total	<u>\$ 8,049,764</u>	<u>\$ 8,370,654</u>	<u>\$ 6,590,844</u>	<u>\$ 5,958,470</u>	<u>\$ 4,929,816</u>
Coverage of Debt Service Requirements	1.90X	1.90X	2.16X	2.36X	2.07X

Source: The City's Comprehensive Annual Financial Reports or the City

- (1) Gross revenues, as defined in the revenue bond ordinances, includes operating and non-operating revenue and excludes capital contributions, grant revenues, and capital recovery fees.
- (2) Total operating expenses, as defined in the revenue bond ordinances, does not include amortization, bond interest, and fiscal charges.
- (3) Debt service requirements represent the expected debt service payments for the succeeding fiscal year.

**TEN LARGEST WATER CUSTOMERS (BASED ON GALLONS CONSUMED)**

Customer	Type of Industry	Estimated Fiscal Year 2014 Water Usage In Gallons	Estimated % of Total Water Usage
City of League City	Municipality	339,083	8.74%
Tuscan Lakes CAI	Commercial-Landscaping	205,473	5.30%
Fairways @ SSH HOA	Commercial-Landscaping	111,811	2.88%
South Shore Harbour Hotel	Hotel	97,313	2.51%
Bay Colony West HOA	Commercial-Landscaping	89,914	2.32%
Clear Creek Independent School District	School	86,717	2.24%
The Moorings	Apartments	73,250	1.89%
Calder Square	Apartments	72,678	1.87%
Village of Tuscan Lakes	Commercial-Landscaping	70,720	1.82%
Constellation Pointe	Apartments	58,046	1.50%
		<u>1,205,005</u>	<u>31.08%</u>