

## 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 2015

\_\_\_ 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, 2015

GULF COAST WATER AUTHORITY

GCWA DEBT - LEAGUE CITY DEBT

This report has been amended with audited financial information.



**FSC** Continuing Disclosure Services  
A Division of Hilltop Securities.

## **FINANCIAL STATEMENTS**

The audited financial statements for the Authority for the fiscal year ended August 31, 2015 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:

02/29/2016

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Date

07/12/2016

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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

FSC Continuing Disclosure Services, A Division of Hilltop Securities Inc.

Signed by:

/s/ Kristin Blomquist

**GULF COAST WATER AUTHORITY  
CITY OF LEAGUE CITY  
2015 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
2016	\$ 35,404	\$ 9,490	\$ 269,788	\$ 314,681
2017	57,621	9,523	268,188	335,331
2018	56,389	9,473	271,438	337,299
2019	56,289	9,538	268,800	334,627
2020	56,335	9,463	270,400	336,197
2021	56,314	9,503	270,400	336,216
2022	56,365	9,528		65,892
	<u>\$ 374,715</u>	<u>\$ 66,518</u>	<u>\$ 1,619,013</u>	<u>\$ 2,060,245</u>

(1) Represents 2.27% 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 2.51% 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>
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>\$ 68,110,000</u>	<u>\$ 26,967,249</u>	<u>\$ 95,077,249</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 2011F Bonds. The balances of these funds as of December 31, 2015 are shown below:

Interest and Sinking Fund	\$92,100
Reserve Fund	\$225,798

Source: The Authority.

**TABLE 3 - CURRENT INVESTMENTS**

As of December 31, 2015, League City’s investable funds were invested in the following categories:

Description	Percent of Total	Book Value	Market Value
Cash	1.99%	\$ 2,911,946	\$ 2,911,946
Texpool	44.10%	64,442,409	64,442,409
TexSTAR	33.07%	48,317,932	48,317,932
Lone Star	2.05%	3,001,447	3,001,447
Certificates of Deposit	3.49%	5,097,524	5,097,524
Portfolio Investments	15.29%	22,344,267	22,284,960
	<u>100.00%</u>	<u>\$ 146,115,525</u>	<u>\$ 146,056,218</u>

As of December 31, 2015 the Gulf Coast Water Authority’s investable funds were invested in the following categories:

Description	of Total	Book Value	Market Value
Certificates of Deposit	75.65%	\$ 32,998,480	\$ 32,998,480
Money Market Accounts	24.35%	10,623,197	10,623,197
Total	<u>100.00%</u>	<u>\$ 43,621,677</u>	<u>\$ 43,621,677</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 Water & Sewer Sales
			Average Day Usage	Peak Day Usage	Peak Month Usage	Total Usage	
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
2015	96,209	31,428	9.580	20.510	464.171	3,809.203	28,624,729

(1) Population estimated by the City.



**ENTERPRISE FUNDS STATEMENT OF NET POSITION**

Fiscal Year Ended September 30,

	2015	2014	2013	2012	2011
Operating Revenues:					
Charges for Services	\$28,624,718	\$ 29,187,630	\$ 29,830,436	\$ 27,582,569	\$ 30,646,567
Miscellaneous	667,001	96,373	23,618	14,172	-
Total Operating Revenues	<u>\$ 29,291,719</u>	<u>\$ 29,284,003</u>	<u>\$ 29,854,054</u>	<u>\$ 27,596,741</u>	<u>\$ 30,646,567</u>
Operating Expenses					
Personnel	\$5,489,217	\$ 5,526,433	\$ 5,589,894	\$ 5,189,783	\$ 5,363,971
Contractual Services	4,385,399	4,985,492	4,406,481	3,901,606	4,077,368
Utilities	1,544,698	1,615,413	1,245,096	1,081,894	1,533,427
Repairs and Maintenance	1,316,770	1,074,237	1,636,262	1,439,563	1,184,800
Other Supplies and Expenses	902,321	793,873	1,231,604	2,125,240	994,419
Depreciation	5,753,210	4,595,649	4,440,820	4,285,308	3,628,427
Total Operating Expenses	<u>\$ 19,391,615</u>	<u>\$ 18,591,097</u>	<u>\$ 18,550,157</u>	<u>\$ 18,023,394</u>	<u>\$ 16,782,412</u>
Operating Income (Loss)	<u>\$ 9,900,104</u>	<u>\$ 10,692,906</u>	<u>\$ 11,303,897</u>	<u>\$ 9,573,347</u>	<u>\$ 13,864,155</u>
Non-Operating Revenues (Expenses)					
Investment Earnings	\$ 81,035	\$ 54,828	\$ 120,856	\$ 357,077	\$ 196,367
Interest Expense	(7,865,407)	(5,849,771)	(6,248,692)	(5,914,725)	(4,565,944)
Intergovernmental				-	-
Gain (Loss) on Disposal of Capital Assets	(1,562)	11,392	2,067	636	1,632
Total Non-Operating Revenue (Expenses)	<u>\$ (7,785,934)</u>	<u>\$ (5,783,551)</u>	<u>\$ (6,125,769)</u>	<u>\$ (5,557,012)</u>	<u>\$ (4,367,945)</u>
Income (Loss) Before Transfers	<u>\$ 2,114,170</u>	<u>\$ 4,909,355</u>	<u>\$ 5,178,128</u>	<u>\$ 4,016,335</u>	<u>\$ 9,496,210</u>
Capital Contributions from Developers	\$ 13,516,348	\$ 13,540,923	\$ 9,183,573	\$ 4,000,723	\$ 4,410,184
Transfers Out	(2,188,265)	(2,616,555)	(2,250,000)	(2,240,000)	(686,001)
Change in Net Assets	<u>\$ 13,442,253</u>	<u>\$ 15,833,723</u>	<u>\$ 12,111,701</u>	<u>\$ 5,777,058</u>	<u>\$ 13,220,393</u>
Beginning Net Position - October 1	188,033,500	172,199,777	160,088,076	154,108,017 <sup>(1)</sup>	140,887,624
Prior Period Adjustment	(2,475,613) <sup>(2)</sup>	-	-	203,001	-
Ending Net Position - September 30	<u>\$199,000,140</u>	<u>\$188,033,500</u>	<u>\$172,199,777</u>	<u>\$160,088,076</u>	<u>\$154,108,017</u>

(1) Restated

(2) Implementation of change in accounting principle - GASB 68

**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			
<b>Restricted Assets</b>			
Cash - Including Cash Equivalents	\$ 16,248,322	\$ 17,753,710	\$ 19,824,045
<b>Property, Plant and Equipment - At Cost</b>			
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>			
<b>Current Liabilities</b>			
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
<b>Current Liabilities - From Restricted Assets</b>			
Customer Deposits	-	412,315	337,592
Compensated Absences	254,904	-	-
Accounts Payable	-	140,661	1,002,072
	\$ 254,904	\$ 552,976	\$ 1,339,664
<b>Noncurrent Liabilities - Less Current Portion</b>			
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
<b>Fund Equity</b>			
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,				
	2015 <sup>(1)</sup>	2014	2013	2012	2011
<b>Revenues:</b>					
Charges for Services	\$ 28,624,729	\$ 29,187,630	\$ 29,830,436	\$ 27,582,569	\$ 30,646,567
Interest Earned	81,035	54,828	120,856	357,077	196,367
Gain on Disposal of Capital Assets	(1,562)	11,392	2,067	636	1,632
<b>Total Revenues</b>	<b>\$ 28,704,202</b>	<b>\$ 29,253,850</b>	<b>\$ 29,953,359</b>	<b>\$ 27,940,282</b>	<b>\$ 30,844,566</b>
<b>Operating Expenses:</b>					
Personnel	\$ 5,489,219	\$ 5,526,433	\$ 5,589,894	\$ 5,189,783	\$ 5,363,971
Contractual Services	4,385,399	4,985,492	4,406,481	3,901,606	4,077,368
Utilities	1,544,698	1,615,413	1,245,096	1,081,894	1,533,427
Repairs and Maintenance	1,316,770	1,074,237	1,636,262	1,439,563	1,184,800
Other Supplies and Expenses	902,321	793,873	1,231,604	2,125,240	994,419
Gulf Coast Water Authority Debt Service <sup>(2)</sup>	302,864	306,970	307,467	799,234	503,584
	<b>\$ 13,941,271</b>	<b>\$ 14,302,418</b>	<b>\$ 14,416,804</b>	<b>\$ 14,537,320</b>	<b>\$ 13,657,569</b>
<b>Net Revenue From Operations</b>	<b>\$ 14,762,931</b>	<b>\$ 14,951,432</b>	<b>\$ 15,536,555</b>	<b>\$ 13,402,962</b>	<b>\$ 17,186,997</b>
System Connections	31,428	30,327	29,326	28,383	27,669

(1) Unaudited

(2) 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,				
	2015 <sup>(1)</sup>	2014	2013	2012	2011
Gross Revenues <sup>(2)</sup>	\$ 29,371,203	\$ 29,350,223	\$ 29,976,977	\$ 27,954,454	\$ 30,844,566
Operating Expenses <sup>(3)</sup>	(13,638,407)	(13,999,458)	(14,109,337)	(13,738,086)	(16,782,412)
Net Revenues Available for Debt Service	<u>\$ 15,732,796</u>	<u>\$ 15,350,765</u>	<u>\$ 15,867,640</u>	<u>\$ 14,216,368</u>	<u>\$ 14,062,154</u>
Debt Service Requirements: <sup>(4)</sup>					
Principal	\$ 4,065,000	\$ 4,980,000	\$ 5,120,000	\$ 3,190,000	\$ 1,960,000
Interest	2,079,658	3,069,764	3,250,654	3,400,844	3,998,470
Total	<u>\$ 6,144,658</u>	<u>\$ 8,049,764</u>	<u>\$ 8,370,654</u>	<u>\$ 6,590,844</u>	<u>\$ 5,958,470</u>
Coverage of Debt Service Requirements	2.56X	1.91X	1.90X	2.16X	2.36X

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

(1) Unaudited, provided by the City of League City

(2) 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.

(3) Total operating expenses, as defined in the revenue bond ordinances, does not include amortization, bond interest, and fiscal charges.

(4) 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 2015 Water Usage In Gallons	Estimated % of Total Water Usage
Clear Creek Independent School District	School	67.099	1.76%
City of League City	Municipality	32.569	0.86%
Westover Park	Commercial-Landscaping	26.903	0.71%
Fairways @ SSH HOA	Apartments	20.937	0.55%
Haven South Shore	Apartments	19.436	0.51%
Tuscan Lakes CAI	Commercial-Landscaping	18.970	0.50%
Jordan Cove Apts	Apartments	17.497	0.46%
Mar Bella Community, Inc	Commercial-Landscaping	17.146	0.45%
Broadstone Walker Commons	Apartments	15.360	0.40%
Landmark @ Emerson Park	Apartments	14.600	0.38%
		<u>250.517</u>	<u>6.58%</u>