
CONTINUING DISCLOSURE REPORT
FOR THE
FISCAL YEAR ENDED AUGUST 31, 2013

GULF COAST WATER AUTHORITY

GCWA DEBT - SOUTH PROJECT DEBT



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 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 2013
___ 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 2011A (South Project)

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
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>\$ 15,605,000</u>	

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

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
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>\$ 2,835,000</u>	

FINANCIAL STATEMENTS

The audited financial statements for the Authority for the fiscal year ended August 31, 2013 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

Bob Webb

Business Administrator

Approved for Submission:

02/28/2014

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/ Kristin Garcia

GULF COAST WATER AUTHORITY 2013 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	
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>\$ 15,605,000</u>	<u>\$ 3,945,725</u>	<u>\$ 17,180,725</u>	<u>\$ 2,470,000</u>	<u>\$ 576,650</u>	<u>\$ 3,411,650</u>	<u>\$ 23,080,875</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	54,837
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	2013	2012
City of Galveston	\$ 4,111,209	\$ 3,525,423
City of Texas City	24,651	19,297
City of La Marque	81,290	69,866
City of Hitchcock	235,863	199,129
City of League City	445,862	385,255
Galveston County MUD No. 12	78,501	66,795
Galveston County FWSD No. 6	61,956	52,667
Galveston County WC&ID No. 8	150,016	126,167
	<u>\$ 5,189,348</u>	<u>\$ 4,444,599</u>
Other Existing Customers		
Galveston County WC&ID No. 1	\$ 755,652	\$ 644,738
NRG Texas LP	355,560	303,643
Bacliff MUD	184,068	33,015
San Leon MUD	223,528	184,873
Galveston County WC&ID No. 12	175,289	150,333
Bayview MUD	38,981	155,196
City of Texas City	1,827,736	1,559,029
City of La Marque	503,268	433,563
	<u>\$ 4,064,082</u>	<u>\$ 3,464,390</u>
 Total Annual Charge	 <u>\$ 9,253,431</u>	 <u>\$ 7,908,989</u>

TABLE 5 - CURRENT INVESTMENTS

As of December 31, 2013 the Authority's investable funds were invested in the following categories:

Description	Book Value	Market Value
Certificates of Deposit	\$ 45,357,383	\$ 45,357,383
Money Market Accounts	1,833,056	1,833,056
Total	<u>\$ 47,190,439</u>	<u>\$ 47,190,439</u>

APPENDIX A

**GULF COAST WATER AUTHORITY
MAINLAND PROJECT**

CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES

	Fiscal Years Ending August 31,				
	2013	2012	2011	2010	2009
Beginning Balances					
General Operating Fund	\$ 9,496,323	\$ 9,735,872	\$ 9,663,854	\$ 8,853,258	\$ 8,628,361
Debt Service Fund	-	-	-	-	73,444
	<u>\$ 9,496,323</u>	<u>\$ 9,735,872</u>	<u>\$ 9,663,854</u>	<u>\$ 8,853,258</u>	<u>\$ 8,701,805</u>
Receipts					
Metered Water Revenue	\$ 8,520,190	\$ 8,409,981	\$ 7,670,221	\$ 8,394,796	\$ 8,476,209
Interest Income	31,528	25,571	32,008	42,136	168,109
	<u>\$ 8,551,718</u>	<u>\$ 8,435,552</u>	<u>\$ 7,702,229</u>	<u>\$ 8,436,932</u>	<u>\$ 8,644,318</u>
Disbursements	\$ 9,889,390	\$ 8,675,101	\$ 7,630,211	\$ 7,626,336	\$ 8,492,865
Ending Balances					
General Operating Fund	\$ 8,158,651	\$ 9,496,323	\$ 9,735,872	\$ 9,663,854	\$ 8,853,258
	<u>\$ 8,158,651</u>	<u>\$ 9,496,323</u>	<u>\$ 9,735,872</u>	<u>\$ 9,663,854</u>	<u>\$ 8,853,258</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
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
2012	0.59	0.0000	0.1829
2013	0.69	0.0000	0.1969

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.

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,					
	UNAUDITED					
<i>Revenues</i>	2013	2012	2011	2010	2009	2008
Operating Revenues	\$ 34,206,722	\$ 29,252,815	\$ 28,246,200	\$ 26,548,422	\$ 25,280,200	\$ 27,169,891
Interest and Investment Revenue	133,506	54,810	142,012	155,626	828,370	1,672,781
Insurance Proceeds	-	60,837	77,469	114,688	1,451,472	-
Total Revenues	\$ 34,340,228	\$ 29,368,462	\$ 28,465,681	\$ 26,818,736	\$ 27,560,042	\$ 28,842,672
<i>Expenses</i>						
Personnel Services	\$ 5,423,013	\$ 4,910,190	\$ 4,797,145	\$ 4,597,456	\$ 3,749,845	\$ 4,103,498
Contractual Services	2,456,853	2,612,634	2,520,128	2,612,421	2,264,083	2,203,080
Supplies and Materials	2,546,384	2,380,551	2,179,410	1,991,412	1,733,336	2,518,531
Surface Water Contract	4,029,515	4,485,455	5,956,653	5,206,455	5,429,512	5,480,170
Other Expenses	965,975	892,086	1,071,380	791,269	747,437	696,512
Administrative Charge	1,011,832	991,991	972,540	953,471	934,765	903,158
Non-Operating Interest Expense	2,261,753	2,473,168	2,663,194	3,274,001	2,400,486	2,354,011
Payment in Lieu of Taxes	400,000	400,000	400,000	400,000	400,000	400,000
Total Expenses	\$ 19,095,325	\$ 19,146,075	\$ 20,560,450	\$ 19,826,485	\$ 17,659,464	\$ 18,658,960
<i>Net Revenues</i>	\$ 15,244,903	\$ 10,222,387	\$ 7,905,231	\$ 6,992,251	\$ 9,900,578	\$ 10,183,712
Average Annual Debt Service (2014-2030)	\$ 2,831,668					
Customer Count ⁽¹⁾	20,595	21,323	21,910	25,083	20,559	25,409
Water Rate (Inside City) ⁽²⁾⁽³⁾						
First 200 cubic feet	\$12.39 Minimum					
Next 3,800 cubic feet	3.24/100 CF					
Next 46,000 cubic feet	3.45/100 CF					
Next 950,000 cubic feet	3.50/100 CF					
All Over 1,000,000 cubic feet	4.21/100 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.

CITY OF HITCHCOCK

Summary of the Water System (Depreciation removed)

	Fiscal Year Ended September 30,				
	UNAUDITED				
	2013	2012	2011	2010	2009
<i>Revenues</i>					
Charges for Services	\$ 2,323,479	\$ 2,564,069	\$ 2,451,665	\$ 2,064,815	\$ 2,124,422
Interest Income	1,724	-	3,230	7,281	21,216
Total	\$ 2,325,203	\$ 2,564,069	\$ 2,454,895	\$ 2,072,096	\$ 2,145,638
<i>Expenditures</i>					
Personnel Services	\$ 493,220	\$ 485,512	\$ 473,998	\$ 481,227	\$ 475,440
Contractual Services	843,757	806,510	721,219	877,717	770,429
Supplies	324,894	205,388	164,204	209,879	245,576
Maintenance and Repairs	836,482	474,580	317,768	300,506	193,644
Total	\$ 2,498,353	\$ 1,971,990	\$ 1,677,189	\$ 1,869,329	\$ 1,685,089
Revenues Over Expenditures	\$ (173,150)	\$ 592,079	\$ 777,706	\$ 202,767	\$ 460,549

Customer Count as of September 30, 2013 2,354

Water Rates:

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

Source: The City of Hitchcock Audited Financial Statements.

GALVESTON COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 8

Summary of the General Fund (Depreciation removed)

	Fiscal Year Ended December 31,				
	UNAUDITED				
	2013	2012	2011	2010	2009
<i>Revenues</i>					
Service Revenue	\$ 1,400,314	\$ 1,288,643	\$ 1,402,273	\$ 1,234,401	\$ 1,245,752
All Other	216,740	1,282,278	887,259	485,929	374,071
Total	\$ 1,617,054	\$ 2,570,921	\$ 2,289,532	\$ 1,720,330	\$ 1,619,823
<i>Expenditures</i>					
Purchased Services	\$ 230,842	\$ 228,246	\$ 254,133	\$ 230,881	\$ 211,728
Personnel Services	614,937	597,685	602,978	591,775	528,674
Professional Fees and Contracted Services	353,751	78,714	51,593	62,295	242,887
Repairs and Maintenance	259,968	293,651	304,354	361,395	228,657
Capital Outlay	103,533	1,437,838	612,551	259,049	99,033
Recurring Operating Expenses	115,205	158,699	175,887	194,760	231,291
Debt Service and Related Expenditures	-	16,429	16,429	154,274	155,011
Total	\$ 1,678,237	\$ 2,811,262	\$ 2,017,925	\$ 1,854,429	\$ 1,697,281
Revenues Over Expenditures	\$ (61,183)	\$ (240,341)	\$ 271,607	\$ (134,099)	\$ (77,458)

Rates:

Water

First 3,000 gallons	\$13.00 - minimum
Over 3,000 gallons	Each Additional 1,000 gallons \$4.20

Sewer (residential)

First 3,000 gallons	\$13.00 - minimum
Over 3,000 gallons	Each Additional 1,000 gallons \$2.20

2013 Certified Taxable Assessed Valuation (100% of Market Value).....	\$ 188,735,400
Gross Direct Long-term Debt Outstanding.....	5,165,000
Ratio of Gross Long-term Debt to 2013 Certified Taxable Assessed Valuation.....	2.74%
Debt Service Funds Available as of December 31, 2013.....	\$ 396,100
Operation & Maintenance Funds Available as of December 31, 2013.....	\$ 735,262
Average Annual Debt Service Requirements (2013-2039).....	\$ 354,673
Maximum Annual Debt Service Requirements (2039).....	\$ 414,619
2013 Debt Service Tax Rate per \$100 of Assessed Valuation	\$ 0.2269
2013 Maintenance Tax Rate per \$100 of Assessed Valuation	0.0668
Total 2013 Tax Rate per \$100 of Assessed Valuation.....	\$ 0.2937
Tax Rate Required to Pay Average Annual Debt Service based upon the	
2013 Certified Taxable Assessed Valuation at a 95% Collection Rate.....	\$ 0.19781
Tax Rate Required to Pay Maximum Annual Debt Service based upon the	
2013 Certified Taxable Assessed Valuation at a 95% Collection Rate.....	\$ 0.23124
Estimated Population ⁽¹⁾	4,995
Customer Count.....	1,998

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

(1) 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,				
	UNAUDITED				
	2013	2012	2011	2010	2009
<i>Revenues</i>					
Service Revenue	\$ 739,188	\$ 715,167	\$ 680,740	\$ 648,562	\$ 622,611
All Other	349,878	326,963	315,486	269,953	353,137
Total	<u>\$ 1,089,066</u>	<u>\$ 1,042,130</u>	<u>\$ 996,226</u>	<u>\$ 918,515</u>	<u>\$ 975,748</u>
<i>Expenditures</i>					
Purchased Water	\$ 120,887	\$ 107,976	\$ 118,973	\$ 112,898	\$ 116,086
Payroll	276,033	258,613	264,914	244,658	234,322
Professional and Contracted Services	34,870	37,731	45,972	41,998	48,374
Supplies	52,175	48,050	57,272	55,975	55,357
Repairs and Maintenance	101,067	89,981	83,032	23,734	14,400
Utilities	52,713	56,673	47,466	68,769	71,647
Administration Expenses	95,083	105,992	103,907	115,448	103,092
Capital Outlay	287,270	138,248	321,205	74,789	36,120
Debt Service	166,667	166,667	537,975	134,513	193,288
Total	<u>\$ 1,186,765</u>	<u>\$ 1,009,931</u>	<u>\$ 1,580,716</u>	<u>\$ 872,782</u>	<u>\$ 872,686</u>
Revenues Over Expenditures	<u>\$ (97,699)</u>	<u>\$ 32,199</u>	<u>\$ (584,490)</u>	<u>\$ 45,733</u>	<u>\$ 103,062</u> ⁽¹⁾

Rates:

<i>Water</i>	<i>Sewer</i>	\$20.00 minimum
Under 3,000 gallons	\$16.00 minimum	Under 3,000 gallons \$1.00 from 3,001 to 6,000
Over 3,000 gallons	\$3.50 from 3,001 to 6,000	Over 3,000 gallons \$1.50 from 6,001 to 9,000
	\$4.00 from 6,001 to 9,000	\$1.75 from 9,001 to 12,000
	\$4.50 from 9,001 to 12,000	\$2.00 from 12,001 to 15,000
	\$5.00 from 12,001 to 15,000	\$2.25 from 15,001 to 18,000
	\$6.00 from 15,001 to 18,000	\$3.00 over 18,000
	\$7.00 over 18,000	

2013 Certified Taxable Assessed Valuation (100% of Market Value).....	\$ 177,222,835
Gross Direct Long-term Debt Outstanding.....	\$ 545,000
Ratio of Gross Long-term Debt to 2013 Certified Taxable Assessed Valuation.....	0.31%
Debt Service Funds Available as of September 30, 2013.....	\$ 144,196
Operation & Maintenance Funds Available as of September 30, 2013.....	\$ 543,994
Average Annual Debt Service Requirements (2014-2015).....	\$ 204,435
Maximum Annual Debt Service Requirements (2015).....	\$ 215,148
2013 Debt Service Tax Rate per \$100 of Assessed Valuation	\$ 0.103092
2013 Maintenance Tax Rate per \$100 of Assessed Valuation	0.180534
Total 2013 Tax Rate per \$100 of Assessed Valuation.....	<u>\$ 0.283626</u>

Tax Rate Required to Pay Average Annual Debt Service based upon the 2013 Certified Taxable Assessed Valuation at a 95% Collection Rate.....	\$ 0.12143
Tax Rate Required to Pay Maximum Annual Debt Service based upon the 2013 Certified Taxable Assessed Valuation at a 95% Collection Rate.....	\$ 0.12779
Estimated Population ⁽²⁾	3,550
Customer Count.....	1,420

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

(1) Assuming 2.5 residents per Customer Count.

CITY OF LA MARQUE

Summary of the Utility Fund (Depreciation removed)

	Fiscal Year Ended September 30,				
	UNAUDITED				
	2013	2012	2011	2010	2009
<i>Revenues</i>					
Charges for Services	\$ 3,911,543	\$ 4,159,635	\$ 4,159,381	\$ 4,081,001	\$ 4,382,458
Interest Income	2,612	3,578	3,456	3,098	41,044
Miscellaneous Revenues	230,748	10,224	357,442	36,137	16,696
Total	<u>\$ 4,144,903</u>	<u>\$ 4,173,437</u>	<u>\$ 4,520,279</u>	<u>\$ 4,120,236</u>	<u>\$ 4,440,198</u>
<i>Expenditures</i>					
Personal Services	\$ 883,817	\$ 1,066,691	\$ 1,144,125	\$ 1,088,670	\$ 992,734
Supplies	199,384	273,455	258,003	182,649	157,910
Repairs and Maintenance	301,681	175,100	537,705	541,995	454,133
Miscellaneous Services	264,120	239,223	142,591	145,536	136,431
Utilities	327,075	357,990	366,836	341,476	359,955
Purchased Water	593,966	508,115	876,550	834,902	821,804
Compensated Absences Expense	-	-	35,576	28,964	26,909
Total	<u>\$ 2,570,042</u>	<u>\$ 2,620,574</u>	<u>\$ 3,361,386</u>	<u>\$ 3,164,192</u>	<u>\$ 2,949,876</u>
Revenues Over Expenditures	<u>\$ 1,574,861</u>	<u>\$ 1,552,863</u>	<u>\$ 1,158,893</u>	<u>\$ 956,044</u>	<u>\$ 1,490,322</u>
Average Annual Debt Service	No Water System Obligations				
Customer Count	6,552				
<i>Rates:</i>					
<i>Water</i>					
First 1,000 gallons	\$7.75				
Over 1,000 gallons	\$3.30				
<i>Sewer</i>					
First 1,000 gallons	\$17.15				
Over 1,000 gallons to maximum 15,000 gallons	\$2.90				

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

GALVESTON COUNTY FRESH WATER SUPPLY DISTRICT NO. 6

Summary of the General Fund (Depreciation removed)

	Fiscal Year Ended September 30,				
	2013	2012	2011	2010	2009
<i>Revenues</i>					
Water and Sewer Service	\$ 578,010	\$ 566,797	\$ 619,818	\$ 516,405	\$ 571,195
Property Taxes	248,104	237,224	224,228	208,172	194,684
Penalties and Interest	6,661	4,937	4,394	4,556	4,205
Tap Connection Fees	16,180	12,750	5,080	8,132	7,705
Interest on Investments and Other	205,451	79,754	7,119	845,196	164,814
Total	<u>\$ 1,054,406</u>	<u>\$ 901,462</u>	<u>\$ 860,639</u>	<u>\$ 1,582,461</u>	<u>\$ 942,603</u>
<i>Expenditures</i>					
Current	\$ 938,260	\$ 888,737	\$ 822,553	\$ 762,757	\$ 1,125,515
Capital Outlays	155,889	37,731	179,427	364,045	28,189
Total	<u>\$ 1,094,149</u>	<u>\$ 926,468</u>	<u>\$ 1,001,980</u>	<u>\$ 1,126,802</u>	<u>\$ 1,153,704</u>
Revenues Over Expenditures	<u>\$ (39,743)</u>	<u>\$ (25,006)</u>	<u>\$ (141,341)</u>	<u>\$ 455,659</u>	<u>\$ (211,101)</u>

Rates:

Water

First 3,000 gallons	\$14.00
3,001 to 8,000	\$3.90/1,000
8,001 to 12,000	\$4.90/1,000
12,001 to 16,000	\$5.90/1,000
16,000 & up	\$6.90/1,000

Sewer

First 3,000 gallons	\$17.00
3,001 to 8,000	\$1.50/1,000
8,001 to 12,000	\$2.00/1,000
12,001 to 16,000	\$2.50/1,000
16,000 & up	\$3.00/1,000

2013 Certified Taxable Assessed Valuation (100% of Market Value).....	\$ 323,290,129
Gross Direct Long-term Debt Outstanding.....	\$ 5,115,000
Ratio of Gross Long-term Debt to 2013 Certified Taxable Assessed Valuation.....	1.58%

Debt Service Funds Available as of September 30, 2013.....	\$ 397,456
Operation & Maintenance Funds Available as of September 30, 2013	\$ 503,059

Average Annual Debt Service Requirements (2014-2030).....	\$ 398,996
Maximum Annual Debt Service Requirements (2014).....	\$ 469,250

2013 Debt Service Tax Rate per \$100 of Assessed Valuation	\$ 0.151680
2013 Maintenance Tax Rate per \$100 of Assessed Valuation	0.080000
Total 2013 Tax Rate per \$100 of Assessed Valuation.....	<u>\$ 0.231680</u>

Tax Rate Required to Pay Average Annual Debt Service based upon the 2013 Certified Taxable Assessed Valuation at a 95% Collection Rate.....	\$ 0.12991
Tax Rate Required to Pay Maximum Annual Debt Service based upon the 2013 Certified Taxable Assessed Valuation at a 95% Collection Rate.....	\$ 0.15279

Estimated Population ⁽¹⁾	2,475
Customer Count.....	990

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

(1) Assuming 2.5 residents per Customer Count.

CITY OF TEXAS CITY

Summary of the Water Fund (Depreciation removed)

	Fiscal Year Ended September 30,				
	UNAUDITED				
<u>Revenues:</u>	2013	2012	2011	2010	2009
Charges for Services	\$ 6,410,804	\$ 6,622,950	\$ 7,125,242	\$ 5,196,466	\$ 5,505,002
Miscellaneous Operating Revenues	329,400	2,921,525	149,364	1,972,821	150,938
Interest and Investment Revenue	7,039	85,641	5,441	27,953	72,301
Total Revenues	\$ 6,747,243	\$ 9,630,116	\$ 7,280,047	\$ 7,197,240	\$ 5,728,241
<u>Operating Expenses:</u>					
Personal Services	\$ 1,222,147	\$ 1,216,832	\$ 1,230,667	\$ 1,188,964	\$ 1,075,651
Contractual Services	1,286,685	2,615,236	353,365	1,150,673	353,365
Other Operating Expenses	4,754,739	2,783,253	4,746,521	3,222,356	3,737,934
Total Expenses	\$ 7,263,571	\$ 6,615,321	\$ 6,330,553	\$ 5,561,993	\$ 5,166,950
Net Revenue From Operations	\$ (516,328)	\$ 3,014,795	\$ 949,494	\$ 1,635,247	\$ 561,291
Average Annual Debt Service	No Water System Obligations				
Customer Count	14,147				
<u>Rates:</u>					
<u>Water</u>					
First 2,000 gallons	\$6.75				
Over 2,000 gallons	\$3.83				

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

CITY OF LEAGUE CITY

Summary of the Water Fund (Depreciation removed)

	Fiscal Year Ended September 30,				
	UNAUDITED				
Revenues:	2013	2012	2011	2010	2009
Charges for Services	\$ 29,830,436	\$ 27,582,569	\$ 30,646,567	\$ 25,731,620	\$ 27,278,933
Interest Earned	120,856	357,077	196,367	214,491	516,379
Gain on Sale of Assets	2,067	636	1,632	17,807	-
Other Revenues	-	14,172	-	131,943	153,833
Total Revenues	\$ 29,953,359	\$ 27,954,454	\$ 30,844,566	\$ 26,095,861	\$ 27,949,145
Operating Expenses:					
Personnel	\$ 5,589,894	\$ 5,189,783	\$ 5,363,971	\$ 5,216,754	\$ 4,812,418
Contractual Services	4,406,481	3,901,606	4,077,368	3,595,665	3,299,194
Utilities	1,245,096	1,081,894	1,533,427	1,352,897	1,501,081
Repairs and Maintenance	1,636,262	1,439,563	1,184,800	1,150,787	966,975
Supplies	1,231,604	2,125,240	994,419	1,025,589	833,440
Gulf Coast Water Authority Debt Service ⁽¹⁾	307,467	799,234	503,584	758,677	828,454
	\$ 14,416,804	\$ 14,537,320	\$ 13,657,569	\$ 13,100,369	\$ 12,241,562
Net Revenue From Operations	\$ 15,536,555	\$ 13,417,134	\$ 17,186,997	\$ 12,995,492	\$ 15,707,583
System Connections	29,326	28,383	27,669	27,092	26,368

(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 February 1, 2014)

First 3,000 Gallons ⁽¹⁾	\$7.13
Up to 4,000	13.03
Up to 5,000	18.93
Up to 6,000	24.83
Up to 7,000	30.73
Up to 8,000	36.63
Up to 9,000	42.53
Up to 10,000	48.43
Up to 11,000	54.33
Up to 12,000	60.23
Up to 13,000	66.13
Up to 14,000	72.03
Up to 15,000	77.93
Up to 16,000	83.83
Up to 17,000	89.73
Up to 18,000	95.63
Up to 19,000	101.53
Up to 20,000	107.43
Up to 21,000	113.33
Up to 22,000	119.23
Up to 23,000	125.13
Up to 24,000	131.03
Up to 25,000	136.93
Up to 26,000	142.83
Up to 27,000	148.73
Up to 28,000	154.63
Up to 29,000	160.53
Up to 30,000	166.43

Monthly Sewer Rates (Effective February 1, 2014)

First 3,000 Gallons ⁽¹⁾	\$13.88
Up to 4,000	18.50
Up to 5,000	23.12
Up to 6,000	27.74
Up to 7,000	32.36
Up to 8,000	36.98
Up to 9,000	41.60
Up to 10,000	46.22
Up to 11,000	50.84

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.

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