



Rating Action: Moody's Ratings assigns Baa1 to Leander TODD MUD No. 1 of Williamson County, TX's Series 2026 GOs

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New York, February 13, 2026 -- Moody's Ratings (Moody's) has assigned a Baa1 rating to Leander TODD Municipal Utility District No. 1 of Williamson County, TX's Unlimited Tax Road Bonds, Series 2026 with a par amount of approximately \$3 million. We maintain the district's Baa1 issuer and general obligation unlimited tax (GOULT) ratings. Post issuance, the district will have about \$37 million in outstanding debt.

RATINGS RATIONALE

The Baa1 issuer rating reflects the district's healthy fund balance relative to revenues at 109% which is in line with similarly rated peers and is expected to improve with a budgeted surplus in fiscal 2026 (September 30th year end). The rating also considers the district's above average resident income, which is estimated at 183% of the US using the City of Leander as a proxy.

The rating is constrained by elevated long-term liabilities to full value and low available fund balance to long-term liabilities ratios. The long-term liabilities to full value ratio will increase to about 5% post-issuance and remain elevated given plans for additional debt issuance to reimburse approximately \$25 million of utility costs funded by the developer but not reported on the district's financial statements. Were these liabilities reported on the balance sheet, the ratio would increase to about 8.5% of full value. The available fund balance to liabilities ratio will narrow to about 7% post-issuance from 8.1% in fiscal 2025. The district benefits from a lack of pension and OPEB obligations, which is common among Texas municipal utility districts.

The Baa1 rating assigned to the district's GOULT bonds is at the same level as its issuer rating given a pledge of an unlimited property tax that is dedicated for debt service and levied upon all taxable property within the district.

RATING OUTLOOK

We do not assign outlooks to entities with this amount of rated debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Significant reduction of long-term liabilities to full value ratio approaching 3%
- Sustained increase in available fund balance to long-term liabilities ratio approaching 25%

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Significant increase in the long-term liabilities to full value ratio that meaningfully exceeds 8%
- Erosion of available fund balance and/or liquidity materially below 100% of revenue

PROFILE

Leander TODD MUD No. 1 is a residential district located within the City of Leander in Williamson County, approximately 30 miles northwest of Austin. Spanning 538 acres, the MUD finances road and utility infrastructure to serve the development, however all ongoing operations are conducted by the City of Leander.

METHODOLOGY

The principal methodology used in this rating was US Special Purpose Districts published in December 2025 and available at <https://ratings.moodys.com/rmc-documents/455982>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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