

OFFICIAL NOTICE OF SALE

\$7,435,000

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT – POINT VENTURE
(A Political Subdivision of the State of Texas Located in Travis County, Texas)
UNLIMITED TAX BONDS, SERIES 2026

Selling (Bids Due): Thursday, October 22, 2026 at 9:30 A.M., CDT
Award Expected: 5:00 P.M., CDT

THE DISTRICT EXPECTS TO DESIGNATE THE BONDS AS “QUALIFIED TAX-EXEMPT OBLIGATIONS” FOR FINANCIAL INSTITUTIONS.

The Bonds are obligations solely of Travis County Water Control and Improvement District – Point Venture (the “District” or “Issuer”) and are not obligations of the Village of Point Venture, Lago Vista Independent School District, Travis County, Texas; the State of Texas or any entity other than the District.

THE SALE

BONDS OFFERED FOR SALE AT COMPETITIVE BIDDING . . . The Board of Directors (the “Board”) of the District is inviting competitive bids for the purchase of \$7,435,000 Unlimited Tax Bonds, Series 2026 (the “Bonds”). Sealed bids may be submitted by any of two alternative procedures: (1) written bids; or (2) electronic bids. Prospective bidders may select one of the two alternative bidding procedures in their sole discretion. Neither the District nor its Financial Advisor, Specialized Public Finance Inc., assumes any responsibility or liability for a prospective bidding procedure.

The District and Specialized Public Finance Inc. assume no responsibility or liability with respect to any irregularities associated with the submission of bids by telephone, facsimile or electronic options.

Specialized Public Finance Inc. will not be responsible for submitting any bids received after the deadline. For the purpose of determining compliance with any and all time deadlines set forth in this Official Notice of Sale, for all alternative bidding procedures, the official time shall be the time maintained only by the Parity Electronic Bid Submission System (“PARITY”).

PROCEDURE NUMBER 1: SEALED, WRITTEN BIDS DELIVERED IN PERSON . . . Bids, plainly marked “Bid for Bonds” should be addressed to “Board of Directors of Travis County Water Control and Improvement District – Point Venture” and should be delivered to the District’s Financial Advisor, Dan Wegmiller, Specialized Public Finance Inc., at 248 Addie Roy Road, Suite B-103, Austin, Texas 78746, by 9:30 A.M., CDT, on October 22, 2026 (“the date of the bid opening”).

PROCEDURE NUMBER 2: ELECTRONIC BIDDING PROCEDURES . . . Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY by 9:30 A.M., CDT, on the date of the bid opening.

Subscription to the i-Deal LLC’s BIDCOMP Competitive Bidding System is required in order to submit an electronic bid through PARITY. Further information about PARITY, including any fee charged, may be obtained from Dalcomp/Parity, 40 West 23rd Street, 5th Floor, New York, New York 10010, (212) 404-8102.

The District will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe to the bidding system. An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the District. Neither Specialized Public Finance Inc. nor the District shall be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY, the use of such facilities being the sole risk of the prospective bidder.

All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and Official Bid Form. If any provision of this Official Notice of Sale conflicts with information provided by PARITY as the approved provider of electronic bidding services, this Official Notice of Sale shall control.

For information purposes only, bidders are requested to state in their electronic bids the net interest cost to the District, as described under “CONDITIONS OF SALE – Basis of Award” below.

SIGNED OFFICIAL BID FORM . . . The bidder whose bid is the winning bid in accordance with this Official Notice of Sale will be notified immediately and must submit via email a signed Official Bid Form in connection with the sale, by 10:00 A.M. CDT on the date of the sale to Monica Melvin, Specialized Public Finance Inc. at monica@spfmuni.com.

PLACE AND TIME OF BID OPENING . . . The Board will publicly review and award the sale of the Bonds at the District’s offices at 18606 Venture Drive, Point Venture, Texas 78645 at 5:00 P.M., CDT on Thursday, October 22, 2026. In the event the Board conducts its meeting telephonically or by videoconference, then the meeting agenda shall specify the information for any member

of the public, including each bidder, to participate by telephone or videoconference. All bids, including those being hand delivered, must be received by 9:30 A.M., CDT on the date of the bid opening. Any bid received after the scheduled time for receipt will not be accepted by the Board and will be returned unopened.

AWARD OF BONDS . . . The District will take action to award the Bonds or reject any or all bids promptly upon the opening of bids. Upon awarding the Bonds to the winning bidder (the “Initial Purchaser”), the Board will adopt an order authorizing the issuance of the Bonds (the “Bond Order”). Sale of the Bonds will be made subject to the terms, conditions and provisions of the Bond Order, to which Bond Order reference is hereby made for all purposes. The District reserves the right to reject any and all bids and to waive any irregularities, except the time of filing of bids.

WITHDRAWAL OF THE BIDS . . . Any bid may be withdrawn by an authorized representative of the bidder at any time prior to the time set for opening of bids. Thereafter, all bids shall remain firm for twelve hours after the time for opening of the bids. The award of or rejection of bids will occur within this time period.

EXTENSION OF SALE DATE . . . The District reserves the right to extend the date and/or time for the opening of bids by giving notice, by Bond Buyer Wire Service, and by posting a notice at the place established for receipt of bids, not later than 3:00 PM, CDT, on Wednesday, October 21, 2026 of the new date and time for opening of bids. Such notice shall be considered an amendment to this Official Notice of Sale.

MUNICIPAL BOND RATING . . . The Bonds and outstanding debt of the District have been rated “A3” by Moody’s Investors Service, Inc. (“Moody’s”) without regard to credit enhancement.

MUNICIPAL BOND INSURANCE . . . In the event the Bonds are qualified for municipal bond insurance, and the Initial Purchaser desires to purchase such insurance, the cost therefor will be paid by the Initial Purchaser. Any fees to be paid to any rating agency as a result of said insurance will be paid by the District. It will be the responsibility of the Initial Purchaser to disclose the existence of insurance, its terms and the effect thereof with respect to the reoffering of the Bonds. Any downgrade by a rating agency of the bond insurance provider shall not relieve the Initial Purchaser of its obligation under the heading “DELIVERY AND ACCOMPANYING DOCUMENTS.”

THE BONDS

DESCRIPTION OF BONDS . . . The Bonds will be dated November 12, 2026, and interest will accrue from the date of Initial Delivery (as defined herein), will be payable on August 15, 2027, and on each February 15 and August 15 thereafter until the earlier of maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York (“DTC”) pursuant to the book-entry-only system described herein. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** The Bonds will be issued in fully registered form only, in principal denominations of \$5,000 or any integral multiple of \$5,000 for any one maturity, and principal and interest will be paid by BOKF, NA (the “Paying Agent/Registrar”) which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See the Preliminary Official Statement (made a part hereof) for a more complete description of the Bonds, including redemption provisions. The Bonds will mature on August 15 in the years and amounts as follows:

MATURITY SCHEDULE

Maturity (August 15)	Principal Amount	Maturity (August 15)	Principal Amount
2027	\$ 305,000	2037	\$ 360,000
2028	230,000	2038	380,000
2029	240,000	2039	400,000
2030	250,000	2040	420,000
2031	265,000	2041	445,000
2032	280,000	2042	465,000
2033	295,000	2043	490,000
2034	310,000	2044	515,000
2035	325,000	2045	545,000
2036	345,000	2046	570,000

OPTIONAL REDEMPTION PROVISIONS . . . Bonds maturing on and after August 15, 2033, are subject to redemption prior to maturity, at the option of the District, as a whole or, from time to time in part, on August 15, 2032, or on any date thereafter, at a price of par plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed shall be selected by the District. If less than all the Bonds of a certain maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent/Registrar by lot or other random method (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

MANDATORY SINKING FUND REDEMPTION . . . If the successful bidder designates principal amounts to be combined into one or more term bonds ("Term Bonds"), each such Term Bond shall be subject to mandatory sinking fund redemption commencing on August 15 of the first year which has been combined to form such Term Bond and continuing on August 15 in each year thereafter until the stated maturity date of that Term Bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth above under the captioned "MATURITY SCHEDULE." Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par by lot or other customary method. The principal amount of Term Bonds to be mandatorily redeemed in each year shall be reduced by the principal amount of Term Bonds that have been redeemed in such year and have not been the basis for any prior optional redemption.

OTHER TERMS AND COVENANTS . . . Other terms of the Bonds and various covenants of the District are contained in the Bond Order, which is described in the Preliminary Official Statement, to which reference is made for all purposes.

SOURCE AND SECURITY OF PAYMENT . . . The Bonds will constitute valid and legally binding obligations of the District, with principal and interest payable solely from the proceeds of a continuing, direct, annual ad valorem tax levied against all taxable property located within the District, without legal limitation as to rate or amount. The Bonds are obligations solely of the District and are not obligations of the Village of Point Venture, Lago Vista ISD; Travis County, Texas; the State of Texas or any entity other than the District.

BOOK-ENTRY-ONLY SYSTEM . . . The District intends to utilize the book-entry-only system of DTC. See "BOOK-ENTRY-ONLY SYSTEM" in the Preliminary Official Statement.

SUCCESSOR PAYING AGENT/REGISTRAR . . . Provision is made in the Bond Order for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new paying agent/registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any paying agent/registrar selected by the District shall be a corporation organized and doing business under the laws of the United States of America or any state thereof subject to supervision or examination by federal or state banking authorities.

CONDITIONS OF SALE

TYPES OF BIDS AND INTEREST RATES . . . The Bonds will be sold in one block on an "all or none" basis at a price of not less than ninety-seven percent (97%) of the par value. Bidders are to name the rate or rates of interest to be borne by the Bonds, provided that each interest rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1%. The net effective interest rate on the Bonds may not exceed a rate which is three percentage points (3.00%) above the highest "20 Bond Index" as reported by the "Bond Buyer" during the thirty (30) day period prior to the date of this Official Notice of Sale. Subject to the conditions below, no limitation will be imposed upon bidders as to the number of interest rates that may be used, but the highest interest rate bid may not exceed the lowest interest rate bid by more than 2.50% in rate. For Bonds having stated maturities on and after August 15, 2033, no reoffering yield producing a dollar price less than 95% for any individual maturities will be accepted. All Bonds maturing within a single year must bear the same rate of interest. No bids for the Bonds involving supplemental interest rates will be considered. Each bidder shall state in its bid the total and net interest cost in dollars and the net effective interest rate determined thereby, which shall be considered informative only and not as a part of the bid. No bid generating a cash premium greater than \$5,000 will be considered.

BASIS OF AWARD . . . For the purpose of awarding the sale of the Bonds, the interest cost of each bid will be computed by determining, at the interest rate or rates specified therein, the total dollar value of all interest on the Bonds from the date of Initial Delivery (defined below) to their respective maturities and adding thereto any discount bid, if any, or subtracting therefrom any premium bid, if any. The District reserves the right to reject any or all bids and to waive any and all irregularities except time of filing. Subject to such rights, the Bonds will be awarded to the bidder whose bid, under the above computation, produces the lowest net effective interest rate to the District. In the event mathematical discrepancies between the interest rate or rates and the interest costs determined therefrom, as both appear on the Official Bid Form, the bid will be solely governed by the interest rates shown on the Official Bid Form.

PROVISION OF TEXAS ETHICS COMMISSION FORM 1295 . . . In accordance with Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the District will not award the Bonds to a bidder unless the winning bidder either:

- (i) submits a Certificate of Interested Parties Form 1295 (the "TEC Form 1295") to the District as prescribed by the Texas Ethics Commission ("TEC"), or
- (ii) certifies in the Official Bid Form that it is exempt from filing the TEC Form 1295 by virtue of being a publicly traded

business entity or a wholly owned subsidiary of a publicly traded business entity.

In the event that the bidder's bid for the Bonds is the best bid received, the District, acting through its financial advisor, will promptly notify the winning bidder. That notification will serve as the District's conditional verbal acceptance of the bid, and, unless the bidder is exempt from filing a TEC Form 1295, such notification will obligate the winning bidder to promptly file a completed TEC Form 1295, as described below. The District reserves the right to reject any bid that does not comply with the requirements prescribed herein.

For purposes of completing the TEC Form 1295, box 2 is name of the governmental entity (*Travis County Water Control and Improvement District – Point Venture*) and box 3 is the identification number assigned to this contract by the District (*TCWCID PV 2026*) and description of the goods or services (*Purchase of the Travis County WCID Point Venture Unlimited Tax Bonds, Series 2026*). **The Interested Party Disclosure Act and the rules adopted by the TEC with respect thereto (the “Disclosure Rules”) require certain business entities contracting with the District to complete the TEC Form 1295 electronically at <https://www.ethics.state.tx.us/main/file.htm>, print, complete the unsworn declaration, sign, and deliver, in physical form, the certified TEC Form 1295 that is generated by the TEC’s “electronic portal” to the District. The completed and signed TEC Form 1295 must be sent by email, to the District’s financial advisor at dan@spfmuni.com, as soon as possible following the notification of conditional verbal acceptance and prior to the final written award.** Upon receipt of the final written award, the winning bidder must submit the TEC Form 1295 with original signatures by email to Bond Counsel as follows: jkyale@orrick.com and gshields@orrick.com.

To the extent that the bidder is not exempt from filing a TEC Form 1295 and therefor makes such filing with the District, the Interested Party Disclosure Act and the TEC Form 1295 provide that such declaration is made “under penalty of perjury.” Consequently, a bidder should take appropriate steps prior to completion of the TEC Form 1295 to familiarize itself with the Interested Party Disclosure Act, the Disclosure Rules and the TEC Form 1295. **Time will be of the essence in submitting the form to the District. The District reserves the right to reject any bid that does not satisfy the requirement of a completed TEC Form 1295.** Neither the District nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither party has an obligation nor undertakes responsibility for advising any bidder with respect to the proper completion of the TEC Form 1295. Consequently, an entity intending to bid on the Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the District that its bid is the conditional winning bid. Instructional videos on logging in and creating a certificate are provided on the TEC’s website at https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm.

IMPACT OF BIDDING SYNDICATE ON AWARD . . . For purposes of contracting for the sale of the Bonds, the entity signing the bid form as Initial Purchaser shall be solely responsible for the payment of the purchase price of the Bonds. The Initial Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the District is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

GOOD FAITH DEPOSIT . . . Each bid must be accompanied by a bank cashier’s check payable to the order of “Travis County Water Control and Improvement District – Point Venture” in the amount of \$148,700 which is 2% of the par value of the Bonds. The check will be considered as a Good Faith Deposit, and the check of the successful bidder (the “Initial Purchaser”) will be retained uncashed by the District until the Bonds are delivered. Upon payment for and delivery of the Bonds, the Good Faith Deposit will be returned to the Initial Purchaser uncashed. If the Initial Purchaser should fail or refuse to make payment for or accept delivery of the Bonds in accordance with its bid, then the check will be cashed and accepted by the District as full and complete liquidated damages; however, if it is determined after the acceptance of the bid by the District that the Purchaser was found not to satisfy the requirements described under “Covered Verifications” (defined below) and as a result the Texas Attorney General will not deliver its approving opinion on the Bonds, then said check shall be cashed and accepted by the District but shall not be the sole or exclusive remedy available to the District. Such check may accompany the Official Bid Form or it may be submitted separately. If submitted separately, it shall be made available to the District prior to the review of the bids and shall be accompanied by instructions from the bank on which it is drawn which authorizes its use as a Good Faith Deposit. The checks of the unsuccessful bidders will be returned immediately after bids are opened and sale of the Bonds has been awarded. See “Further State Law Compliance and Standing Letter Requirement” below. See “DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS – Delivery.”

VERIFICATIONS OF STATUTORY REPRESENTATIONS AND COVENANTS . . . The District will not award the Bonds to a bidder unless the following representations and covenants pursuant to Chapters 2252, 2270, 2271, 2274, and 2276, Texas Government Code, as amended (the “Government Code”), are included in the bid. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the bidder within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of the Official Bid Form or Official Notice of Sale (collectively, the “Agreement”), notwithstanding anything in the Agreement to the contrary.

- (i) **No Boycott of Israel (Government Code, Chapter 2271):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of the Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

- (ii) **Not a Sanctioned Company (Government Code, Chapter 2252):** A bidder must represent that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes a bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.
- (iii) **No Discrimination Against Firearm Entities or Firearm Trade Associations (Government Code, Chapter 2274):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of the Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.
- (iv) **No Boycott of Energy Companies (Government Code, Chapter 2276):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of the Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

FURTHER STATE LAW COMPLIANCE AND STANDING LETTER REQUIREMENT . . . Each prospective bidder must have a standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General’s Office in the form included as Exhibit A to the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 and any supplements thereto (the “All Bond Counsel Letter”). In submitting a bid, a bidder represents to the District that it has filed a standing letter in the form included as Exhibit A to the All Bond Counsel Letter without qualification and including current statutory citations and it has no reason to believe that the District may not be entitled to rely on the standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General’s Office. Bidder agrees that it will not rescind its standing letter at any time before the delivery of the Bonds unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

The District will not accept a bid from a bidder that does not have such standing letter on file as of the deadline for bids for the Bonds. If requested by the District, the Purchaser agrees to provide such further representations, certifications or assurances in connection with the Covered Verifications (defined below), as of the Delivery Date or such other date requested by the District including, but not limited to, a bring down certification as provided by the All Bond Counsel Letter.

THE DISTRICT RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REJECT THE BID OF ANY BIDDER WHO IS, OR WHOSE PARENT COMPANY, SUBSIDIARIES OR AFFILIATES ARE, ON A LIST MAINTAINED BY THE TEXAS COMPTROLLER OF FINANCIAL COMPANIES BOYCOTTING ENERGY COMPANIES OR DISCRIMINATING AGAINST FIREARM ENTITIES.

BY SUBMITTING A BID, EACH BIDDER AGREES, SHOULD IT BE THE WINNING BIDDER, TO COOPERATE WITH THE DISTRICT AND TAKE ANY ACTION NECESSARY TO FURTHER VERIFY AND CONFIRM COMPLIANCE WITH STATE LAW.

To the extent the Initial Purchaser and each syndicate member listed on the Official Bid Form is unable to provide a Standing Letter in a form satisfactory to the Office of the Attorney General of Texas, the District reserves the right to cash and accept the Good Faith Deposit (see “CONDITIONS OF THE SALE – Good Faith Deposit”). **THE LIABILITY OF THE BIDDER FOR BREACH OF ANY OF THE VERIFICATIONS MADE IN CONNECTION WITH CHAPTERS 2252, 2270, 2271, 2274, AND 2276, TEXAS GOVERNMENT CODE, AS AMENDED (COLLECTIVELY, THE “COVERED VERIFICATIONS”) SHALL SURVIVE UNTIL BARRED BY THE STATUTE OF LIMITATIONS, AND SHALL NOT BE LIQUIDATED OR OTHERWISE LIMITED BY ANY PROVISION OF THE AGREEMENT. ADDITIONALLY, THE DISTRICT RESERVES AND RETAINS ALL RIGHTS AND REMEDIES AT LAW AND IN EQUITY FOR PURSUIT AND RECOVERY OF DAMAGES, IF ANY, RELATING TO THE COVERED VERIFICATIONS.**

DELIVERY AND ACCOMPANYING DOCUMENTS

INITIAL DELIVERY OF INITIAL BONDS . . . Initial delivery (“Initial Delivery”) will be accomplished by the issuance of one initial bond payable in installments (collectively, the “Initial Bond”), either in typed or printed form, in the aggregate principal amount of \$7,435,000, registered in the name of the Initial Purchaser, signed by the President or Vice President and Secretary or Assistant Secretary of the Board, or executed by the facsimile signatures of the President or Vice President and Secretary or Assistant Secretary of the Board, and approved by the Attorney General of Texas, and registered and signed by the Comptroller of Public Accounts of Texas or his authorized deputy. Upon delivery of the Initial Bond, the Paying Agent/Registrar shall immediately cancel the Initial Bond and one definitive Bond for each maturity will be registered and delivered only to Cede & Co. in connection with DTC’s book-entry-only system. Initial Delivery will be at a corporate trust office of the Paying Agent/Registrar in Austin, Texas. Payment for the Bonds must be made in immediately available funds for unconditional credit to the District, or as otherwise

directed by the District. The Initial Purchaser will be given five (5) business days' notice of the time fixed for delivery of the Bonds. It is anticipated that Initial Delivery can be made on or about November 12, 2026, and subject to the aforementioned notice it is understood and agreed that the Initial Purchaser will accept delivery of and make payment for the Bonds by 10:00 A.M., CDT, on November 12, 2026, or thereafter on the date the Bonds are tendered for delivery, up to and including November 26, 2026. If for any reason the District is unable to make delivery on or before November 26, 2026, then the District shall immediately contact the Initial Purchaser and offer to allow the Initial Purchaser to extend its offer for an additional thirty (30) days. If the Initial Purchaser does not elect to extend its offer within six (6) business days thereafter, then its Good Faith Deposit will be returned, and both the District and the Initial Purchaser shall be relieved of any further obligation.

CUSIP NUMBERS . . . It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale. The Financial Advisor will obtain CUSIP identification numbers from the CUSIP Service Bureau, New York, New York prior to the date of sale. CUSIP identification numbers will be made available to the Initial Purchaser at the time the Bonds are awarded or as soon thereafter as practicable.

CONDITIONS TO DELIVERY . . . The obligation to take up and pay for the Bonds is subject to the following conditions: issuance of an approving opinion of the Attorney General of Texas, the Initial Purchaser's receipt of bonds, the legal opinion of Bond Counsel, and the No-Litigation Certificate, all of which are described herein, and the non-occurrence of the events described below under the caption "No Material Adverse Change." In addition, if the District fails to comply with any material obligation described in the Preliminary Official Statement, the Initial Purchaser may terminate its contract to purchase the Bonds by delivering written notice to the District within five (5) days thereafter.

LEGAL OPINIONS . . . The District will furnish without cost to the Initial Purchaser a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the unqualified approving legal opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Bonds are valid and binding obligations of the District, payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District, and, based upon an examination of such transcript of proceedings, the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Austin, Texas, to the effect that the Bonds are valid and binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by governmental immunity, bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principal of equity and to the effect that the interest on the Bonds is excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS" in the Preliminary Official Statement.

COMPETITIVE BIDDING AND CERTIFICATE OF UNDERWRITER . . . In the event that the District does not receive sufficient qualified bids to satisfy the competitive sale requirements of Treasury Regulation § 1.148-1(f)(3)(i), allowing the District to treat the reasonably expected initial offering price to the public as of the sale date as the issue price of the Bonds, the District will treat (i) the first price at which 10 percent of a maturity of the Bonds is sold to the public as the issue price of that maturity (the "10 percent rule") or (b) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold the price rule"). If the 10 percent rule has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to Specialized Public Finance, Inc. the prices at which it sells Bonds of that maturity to the public. This reporting obligation shall continue, whether or not the Bonds have been delivered, until the 10 percent rule has been satisfied. The attached Certificate Regarding Issue Price has language for (I) when the competitive sale requirements of Treasury Regulation § 1.148-1(f)(3)(i) are met and (II) when such requirements are not met.

TEXAS BOND REVIEW BOARD INFORMATION . . . In order to provide the District with information required to be submitted to the Texas Bond Review Board pursuant to Section 1202.008, Texas Government Code, as amended, the Initial Purchaser will be required to provide the District with a breakdown of its "underwriting spread" among the following categories: Takedown, Management Fee (if any), Legal Counsel Fee (if any) and Spread Expenses (if any).

NO-LITIGATION CERTIFICATE . . . With the delivery of the Bonds, one or more officers of the Board will, on behalf of the District, execute and deliver to the Initial Purchaser a certificate dated as of the date of delivery, to the effect that no litigation of any nature of which the District has notice is pending against or, to the best knowledge of the District's certifying officers, threatened against the District, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the authorization, execution or delivery of the Bonds; affecting the provision made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for authorization, execution or delivery of the Bonds; or affecting the validity of the Bonds, the corporate existence or boundaries of the District or the title of the then present officers and directors of the Board.

NO MATERIAL ADVERSE CHANGE . . . The obligations of the District to deliver the Bonds and of the Initial Purchaser to accept delivery of and pay for the Bonds are subject to the condition that to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the conditions of the District from those set forth in or contemplated by the Official Statement, as it may have been supplemented or amended through the date of sale.

QUALIFIED TAX-EXEMPT OBLIGATIONS . . . The District expects to designate the Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b) of the Code and will represent that the total amount of tax-exempt obligations (including the Bonds) issued by it during the calendar year 2026 is not expected to exceed \$10,000,000. See “TAX MATTERS – Qualified Tax-Exempt Obligations for Financial Institutions.”

GENERAL CONSIDERATIONS

INVESTMENT CONSIDERATIONS . . . The Bonds involve certain investment considerations. Prospective bidders are urged to examine carefully the entire Preliminary Official Statement, made a part hereof, with respect to the investment security of the Bonds. Particular attention should be given to the information set forth therein under the caption “INVESTMENT CONSIDERATIONS.”

BLUE SKY LAWS . . . By submission of its bid, the Initial Purchaser represents that the sale of the Bonds in states other than Texas will be made only pursuant to exemptions from registration or, where necessary, the Initial Purchaser will register the Bonds in accordance with the securities law of the states in which the Bonds are offered or sold. The District agrees to cooperate with the Initial Purchaser, at the Initial Purchaser's written request and sole expense, in registering the Bonds or obtaining an exemption from registration in any state where such action is necessary, provided, however, that the District shall not be obligated to qualify as a foreign corporation or to execute a general or special consent to service of process in any such jurisdiction.

RESERVATION OF RIGHTS . . . The District reserves the right to reject any and all bids and to waive any and all irregularities except time of filing of the bids.

NOT AN OFFER TO SELL . . . This Official Notice of Sale does not alone constitute an offer to sell the Bonds but is merely notice of sale of the Bonds. The invitation for bids on the Bonds is being made by means of this Official Notice of Sale, the Preliminary Official Statement and the Official Bid Form.

FINAL OFFICIAL STATEMENT . . . The District has prepared and authorized distribution of the accompanying Preliminary Official Statement for dissemination to potential purchasers of the Bonds, but does not presently intend to prepare any other document or version for such purpose except as described below. The District will be responsible for completing the Official Statement by inserting the interest rates and the purchase price bid by the Initial Purchaser and the initial public offering yields as provided by the Initial Purchaser to the District, and for preparing and inserting the final debt service schedule. The District does not intend to amend or supplement the Official Statement otherwise, except to take into account certain subsequent events, if any, as described below in “– Changes to Official Statement”. Accordingly, the District deems the accompanying Preliminary Official Statement to be final as of its date, within the meaning of SEC Rule 15c2-12(b)(1), except for the omission of the foregoing items and such other information that may be omitted pursuant to such Rule. By delivering the final Official Statement or any amendment or supplement thereto in the requested quantity to the purchaser on or after the sale date, the District represents the same to be complete as of such date, within the meaning of SEC Rule 15c2-12(f)(3). Notwithstanding the foregoing, the only representations concerning the absence of material misstatements or omissions from the Official Statement which are or will be made by the District are those described in the Preliminary Official Statement under “OFFICIAL STATEMENT – Certification as to Official Statement.”

CHANGES TO OFFICIAL STATEMENT . . . If, subsequent to the date of the Official Statement to and including the date the Initial Purchaser is no longer required to provide an Official Statement to potential customers who request the same pursuant to 15c2-12 of the federal Securities Exchange Act of 1934 (the “Rule”) (the earlier of (i) 90 days from the “end of the underwriting period” (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days after the “end of the underwriting period”), the District learns or is notified by the Initial Purchaser of any adverse event which causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the Initial Purchaser a supplement to the Official Statement which corrects such representation to the reasonable satisfaction of the Initial Purchaser, unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds as described above. See “DELIVERY AND ACCOMPANYING DOCUMENTS – Conditions to Delivery.” The obligation of the District to update or change the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser (the “end of the underwriting period” within the meaning of the Rule), unless the Initial Purchaser provides written notice to the District that less than all of the Bonds have been sold to ultimate customers on or before such date, in which case the obligation to update or change the Official Statement will extend for an additional period of time of 25 days after all the Bonds have been sold to ultimate customers (but not more than 90 days after the date the District delivers the Bonds to the Initial Purchaser). In the event the Initial Purchaser provides written notice to the District that less than all of the Bonds have been sold to ultimate customers, the Initial Purchaser agrees to notify the District in writing following the occurrence of the “end of the underwriting period” as defined in the Rule.

DELIVERY OF OFFICIAL STATEMENTS . . . The District will furnish Official Statements to the Initial Purchaser (and to each participating member of the underwriting syndicate, if any, of the Bonds, within the meaning of the Rule, designated by the Initial Purchaser), within seven (7) business days after the sale date. The District will also furnish to the Initial Purchaser a like number of any supplement or amendment prepared by the District for dissemination to potential purchasers of the Bonds as described above as well as such additional copies of the Official Statement or any supplement or amendment as the Initial Purchaser may reasonably request as described above in “– Changes to Official Statement” above.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE . . . The offer and sale of the Bonds has not been registered or qualified under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder; and the Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein, nor have the Bonds been registered or qualified under the securities acts of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions. By submission of its bid, the Initial Purchaser represents that the sale of the Bonds in states other than the State of Texas will be made pursuant to exemptions from registration or qualification, or where necessary, the Initial Purchaser will register the Bonds in accordance with the securities laws of the state in which the Bonds are offered or sold. The District agrees to cooperate with the Initial Purchaser, at the Initial Purchaser's written request and expense, in registering or qualifying the Bonds or obtaining an exemption from registration or qualification (other than filing a consent to service of process or registering as a foreign corporation in such state), in any state where such action is necessary.

CONTINUING DISCLOSURE . . . The District will agree in the Bond Order to provide certain periodic information and notices of certain specified events in accordance with the Rule, as described in the Preliminary Official Statement under "CONTINUING DISCLOSURE OF INFORMATION." The Initial Purchaser's obligation to accept and pay for the Bonds is conditioned upon delivery to the Initial Purchaser(s) or its (their) agent of a certified copy of the Bond Order containing the agreement described under such heading.

ADDITIONAL COPIES OF DOCUMENTS . . . Additional copies of this Official Notice of Sale, the Preliminary Official Statement and the Official Bid Form may be obtained from the Financial Advisor, Dan Wegmiller, Specialized Public Finance Inc., 248 Addie Roy Road, Suite B-103, Austin, Texas 78746.

Steve Tabaska
President, Board of Directors
Travis County Water Control and Improvement District –
Point Venture

October 8, 2026

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OFFICIAL BID FORM

President and Board of Directors
Travis County Water Control and Improvement District – Point Venture
c/o Specialized Public Finance Inc.
248 Addie Roy Road, Suite B-103
Austin, Texas 78746

Board of Directors:

We have read in detail your Official Notice of Sale and accompanying Preliminary Official Statement dated October 8, 2026, relating the Travis County Water Control and Improvement District – Point Venture (the “District”) and its \$7,435,000 Unlimited Tax Bonds, Series 2026 (the “Bonds”), as made a part hereof. We realize that the Bonds involve certain risk factors, and we have made inspections and investigations as we deem necessary relating to the District and to the investment quality of the Bonds.

For your legally issued Bonds, in the aggregate principal amount of \$7,435,000, we will pay you a price of \$ _____, representing approximately _____% of the par value. Such Bonds mature August 15, in each of the years and in the amounts and interest rates shown below:

Maturity (August 15)	Principal Amount	Interest Rate	Maturity (August 15)	Principal Amount	Interest Rate
2027	\$ 305,000	%	2037	\$ 360,000	%
2028	230,000	%	2038	380,000	%
2029	240,000	%	2039	400,000	%
2030	250,000	%	2040	420,000	%
2031	265,000	%	2041	445,000	%
2032	280,000	%	2042	465,000	%
2033	295,000	%	2043	490,000	%
2034	310,000	%	2044	515,000	%
2035	325,000	%	2045	545,000	%
2036	345,000	%	2046	570,000	%

Of the principal maturities set forth in the table above, we have created term bonds as indicated in the following table (which may include multiple term bonds, one term bond or no term bond if none is indicated). For those years which have been combined into a term bond, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term bond maturity date shall mature in such year. The term bonds created are as follows:

Term Bonds Maturing August 15	Year of First Mandatory Redemption	Principal Amount	Interest Rate
		\$	%
		\$	%
		\$	%
		\$	%
		\$	%
		\$	%

Our calculation (which is not a part of this bid) of the interest cost from the above is:

TOTAL INTEREST COST FROM 11/12/2026	\$ _____
PLUS DOLLAR AMOUNT OF DISCOUNT	\$ _____
NET INTEREST COST	\$ _____
NET EFFECTIVE INTEREST RATE	_____%

We are having the Bonds insured by _____ at a premium of \$ _____, **said premium to be paid by the Initial Purchaser.** Any fees to be paid to the rating agency as a result of said insurance **will be paid by the District.**

A wire transfer or a cashiers or certified check to the District in the amount of \$148,700 will be made available in accordance with the Notice of Sale made a part hereof. Should we fail or refuse to make payment for the Bonds in accordance with the terms and conditions set forth in the Notice of Sale, the proceeds of this deposit shall be retained by the District as complete liquidated damages against us.

The undersigned agrees to complete, execute, and deliver to the District, by the date of delivery of the Bonds, a certificate relating to the "issue price" of the Bonds in the form accompanying the Official Notice of Sale, with such changes thereto as may be acceptable to the District.

We understand the sale of the Bonds has not been registered under the United States Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder; the Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities acts of any other jurisdiction. We hereby represent the sale of the Bonds in jurisdictions other than Texas will be made only pursuant to exemptions from registration or qualification and that where necessary, we will register or qualify the Bonds in accordance with the securities laws and regulations of the jurisdiction in which the Bonds are offered or sold.

We further understand that the District assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement or other information concerning the District and the Bonds to anyone other than to us.

We agree to provide in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award.

The undersigned bidder verifies on behalf of itself and each syndicate member listed on this Official Bid Form that, to the extent this Official Bid Form represents a contract for goods or services within the meaning of Section 2271.002 of the Texas Government Code, as amended, solely for purposes of Chapter 2271 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, at the time of execution and delivery of its bid and through the delivery date of the Bonds, neither the bidder nor a syndicate member listed on this Official Bid Form is a Company (as defined below) that boycotts or will boycott Israel. The term "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended. The term "Company" as used in this paragraph means a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit.

The undersigned bidder certifies that, to the extent this Official Bid Form represents a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, at the time of execution and delivery of its bid, neither the bidder nor a syndicate member listed on this Official Bid Form is a Company (as defined below) (i) that engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapter 2270 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) listed by the Texas Comptroller of Public Accounts under Section 2270.0201 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" as used in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code. The term "Company" as used in this paragraph means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association whose securities are publicly traded, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit.

The undersigned bidder verifies on behalf of itself and each syndicate member listed on this Official Bid Form that, to the extent this Official Bid Form represents a contract for goods or services within the meaning of Section 552.371 of the Texas Government Code, as amended, the bidder and each syndicate member listed on this Official Bid Form will (i) preserve all contracting information related to the bid as provided by the records retention requirements applicable to the District through the delivery date of the Bonds, (ii) promptly provide to the District any contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member on request of the District, and (iii) upon delivery of the Bonds to the bidder, either (a) provide at no cost to the District all contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member or (b) preserve the contracting information related to the bid as provided by the records retention requirements applicable to the District. The term "contracting information" as used in this paragraph has the meaning assigned to such term in Section 552.003 of the Texas Government Code.

The undersigned certifies that it [is]/[is not] exempt from filing the Texas Ethics Commission (the "TEC") Certificate of Interested Parties Form 1295 (the "Form 1295") by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

Respectfully submitted,

Name of Initial Purchaser

Authorized Representative

Phone Number

Signature

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by Travis County Water Control and Improvement District – Point Venture this the 22nd day of October, 2026.

ATTEST:

Secretary, Board of Directors
Travis County Water Control and Improvement District –
Point Venture

President, Board of Directors
Travis County Water Control and Improvement District –
Point Venture

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CERTIFICATE REGARDING ISSUE PRICE

The undersigned, being a duly authorized representative of the underwriter or the manager of the syndicate of underwriters ("Underwriter") which has purchased the Unlimited Tax Bonds, Series 2026 (the "Bonds"), being issued by Travis County Water Control and Improvement District – Point Venture (the "Issuer"), hereby certifies and represents, based on its records and information, as follows:

(1) On the Sale Date, the Underwriter's reasonably expected initial offering price of each Maturity of the Bonds (the "Expected Offering Price") to as the Public is set forth in the pricing wire or equivalent communication for the Bonds, as attached to this Issue Price Certificate as Schedule A. The Expected Offering Prices are the prices for the Bonds used by the Underwriter in formulating its bid to purchase the Bonds.

(2) The Underwriter had an equal opportunity to bid to purchase the Bonds and it was not given the opportunity to review other bids that was not equally given to all other bidders (i.e., no last look).

(3) The bid submitted by the Underwriter constituted a firm bid to purchase the Bonds.

(4) The Underwriter has made a bona fide offering of all the Bonds of each Maturity to the Public at its Expected Offering Price set forth in Schedule A.

If less than 3 qualified bids are received from underwriters please attach Schedule B.

(5) On the Sale Date, the first price at which at least 10% of each Maturity of the Bonds, except for Bonds listed on Schedule B (the "Hold-the-Offering-Price Maturities"), was sold to the Public is the respective price listed in Schedule A.

(6) As set forth in the Notice of Sale for the Bonds, the Underwriter has agreed in writing that, (i) for each of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Expected Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Bonds of the Hold-the-Offering-Price Maturities to any person at a price that is higher than the respective Expected Offering Price for that Maturity of the Bonds during the Holding Period.

(7) ***Defined Terms.***

(i) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule B hereto as the "Hold-the-Offering-Price Maturities."

(ii) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Expected Offering Price for such Hold-the-Offering-Price Maturity.

(iii) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(iv) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(v) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is October 22, 2026.

(vi) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(8) Please choose the appropriate statement:

() Purchaser will not purchase bond insurance for the Bonds.

() Purchaser will purchase bond insurance from _____ (the "Insurer") for a fee/premium of \$ _____ (the "Fee"). To the best of the undersigned's knowledge, information and belief, based upon the facts available at this time and current market conditions, the Fee is a reasonable amount payable solely for the transfer of credit risk for the payment of debt service on the Bonds and does not include any amount payable for a cost other than such guarantee, e.g., a credit rating or legal fees. Purchaser represents that the present value of the Fee for each obligation constituting the Bonds to which such Fee is properly allocated and which are insured thereby is less than the present value of the interest reasonably expected to be saved as a result of the insurance on each obligation constituting the Bonds. In determining present value for this purpose, the yield of the Bonds (determined with regard to the payment of the guarantee fee) has been used as the discount rate. The Fee has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Bonds. No portion of the Fee is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such Fee that has not been earned.

The undersigned understands that the foregoing information will be relied upon by Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Underwriter is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

By: _____

Name: _____

Dated: _____

SCHEDULE A

PRICING WIRE

SCHEDULE B

HOLD-THE-OFFERING-PRICE MATURITIES

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PRELIMINARY OFFICIAL STATEMENT

Dated October 8, 2026

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See “TAX MATTERS” herein.

**THE DISTRICT EXPECTS TO DESIGNATE THE BONDS AS “QUALIFIED TAX-EXEMPT OBLIGATIONS”
FOR FINANCIAL INSTITUTIONS. SEE “TAX MATTERS.”**

Rating:
Moody’s: “A3”
Insurance: Applied For

NEW ISSUE – Book-Entry Only

\$7,435,000

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT – POINT VENTURE
(A Political Subdivision of the State of Texas Located in Travis County, Texas)
UNLIMITED TAX BONDS, SERIES 2026

Dated: November 12, 2026

Due: August 15, as shown on the inside cover page

Interest to accrue from the date of Initial Delivery (as defined below)

The bonds described above (the “Bonds”) are obligations solely of Travis County Water Control and Improvement District – Point Venture (the “District”) and are not obligations of the State of Texas (“State”), the Village of Point Venture, Travis County (the “County”), Lago Vista Independent School District or any entity other than the District.

The Bonds, when issued, will constitute valid and legally binding obligations of the District and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS DESCRIBED HEREIN. See “INVESTMENT CONSIDERATIONS.”

PAYMENT TERMS . . .Principal of the Bonds is payable at maturity or earlier redemption at the principal payment office of the paying agent/registrar, initially BOKF, NA, Dallas, Texas (the “Paying Agent” or the “Paying Agent/Registrar”), upon surrender of the Bonds for payment. Interest on the Bonds will accrue from the date of Initial Delivery and will be payable each August 15 and February 15, commencing August 15, 2027, until maturity or prior redemption. Interest on the Bonds will be payable on the basis of a 360-day year consisting of twelve 30-day months. The Bonds will be issued only in fully registered form in principal denominations of \$5,000 each or integral multiples thereof. The Bonds are subject to redemption prior to their maturity as provided on page 2.

The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent/Registrar directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds. See “BOOK-ENTRY-ONLY SYSTEM.”

PURPOSE . . . The proceeds of the Bonds will be used to finance the costs associated with the following: (i) the construction of water; (ii) sewer; (iii) reclaimed water; (iv) drainage improvements; (v) engineering associated with the foregoing; and (vi) the issuance of the Bonds. See “USE AND DISTRIBUTION OF BOND PROCEEDS.”

CUSIP PREFIX: 894393
MATURITY SCHEDULE
SEE INSIDE COVER PAGE

LEGALITY . . . The Bonds are offered by the Initial Purchaser subject to prior sale, when, as and if issued by the District and accepted by the Initial Purchaser, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Orrick, Herrington & Sutcliffe LLP, Austin, Texas, Bond Counsel. Orrick, Herrington & Sutcliffe LLP, Austin, Texas, has also been engaged to serve as disclosure counsel for the offering. See “LEGAL MATTERS.”

DELIVERY . . . Delivery of the Bonds is expected through the facilities of DTC on November 12, 2026 (“Initial Delivery”).

BIDS DUE ON THURSDAY, OCTOBER 22, 2026, BY 9:30 A.M., CDT

MATURITY SCHEDULE

8/15 Maturity	Principal Amount	Interest Rate	Initial Yield ^(a)	CUSIP Numbers ^(b)
2027	\$ 305,000			
2028	230,000			
2029	240,000			
2030	250,000			
2031	265,000			
2032	280,000			
2033	295,000			
2034	310,000			
2035	325,000			
2036	345,000			
2037	360,000			
2038	380,000			
2039	400,000			
2040	420,000			
2041	445,000			
2042	465,000			
2043	490,000			
2044	515,000			
2045	545,000			
2046	570,000			

(Interest to accrue from the date of Initial Delivery)

- (a) Initial yield represents the initial offering yield to the public, which has been established by the Initial Purchaser for offers to the public and which subsequently may be changed.
- (b) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the Initial Purchaser, the District, or the Financial Advisor is responsible for the selection or correctness of the CUSIP numbers set forth herein.

REDEMPTION PROVISIONS . . . The District reserves the right to redeem, prior to maturity, in integral multiples of \$5,000 of principal amount, those Bonds maturing on and after August 15, 2033 in whole or from time to time in part, on August 15, 2032, or on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, the Bonds may be subject to mandatory sinking fund redemption in the event the Initial Purchaser elects to aggregate two or more consecutive maturities as term Bonds. See “THE BONDS – Redemption.”

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For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, this document constitutes a Preliminary Official Statement of the District with respect to the Bonds that has been “deemed final” by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

The Official Statement, when further supplemented by adding information specifying the interest rates and certain other information relating to the Bonds, shall constitute a “FINAL OFFICIAL STATEMENT” of the District with respect to the Bonds, as that term is defined in the Rule.

This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the District to give any information, or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction.

The information set forth herein has been obtained from the District 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 the promise or guarantee of the Financial Advisor. This Official Statement contains, 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 neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND, CONSEQUENTLY, HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE BONDS HAVE BEEN REGISTERED, OR EXEMPTED, SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

NEITHER THE DISTRICT NOR THE FINANCIAL ADVISOR MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY-ONLY SYSTEM.

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SALE AND DISTRIBUTION OF THE BONDS

AWARD OF THE BONDS . . . After requesting competitive bids for the Bonds, the District accepted the bid resulting in the lowest net effective interest rate, which bid was tendered by _____ (the “Initial Purchaser”) bearing the interest rates shown on the inside cover page hereof, at a price of approximately _____ % of the par value thereof which resulted in a net effective interest rate of _____ % as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended (the “IBA” method).

PRICES AND MARKETABILITY . . . The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Initial Purchaser on or before the date of delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity has been sold to the public. For this purpose, the term “public” shall not include any person who is a bond house, broker or similar person acting in the capacity of underwriter or wholesaler. Otherwise, the District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Initial Purchaser.

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time-to-time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. In connection with the offering of the Bonds, the Initial Purchaser may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The District has no control over trading of the Bonds in the secondary market. Moreover, there is no guarantee that a secondary market will be made in the Bonds. In such a secondary market, the difference between the bid and asked price of utility district bonds may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional municipal entities, as bonds of such entities are more generally bought, sold or traded in the secondary market. Additionally, there are no assurances that if a secondary market for the Bonds were to develop, that it will not be disrupted by negative events including, but not limited to, the current pandemic associated with the COVID-19 virus. Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for emergency or other purposes.

SECURITIES LAWS . . . No registration statement relating to the offer and sale of the Bonds has been filed with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein and the Bonds have not been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdiction.

MUNICIPAL BOND RATINGS AND INSURANCE

The Bonds and outstanding debt of the District have been rated “A3” by Moody’s Ratings (“Moody’s”) without regard to credit enhancement. Applications for municipal bond insurance have been made to various insurance companies. In the event the Bonds are qualified for municipal bond insurance, and the Initial Purchaser desires to purchase such insurance, the cost therefor will be paid by the Initial Purchaser.

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OFFICIAL STATEMENT SUMMARY

The following material is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE DISTRICT

THE ISSUER	Travis County Water Control and Improvement District – Point Venture (the “District”), a political subdivision of the State of Texas, was created by order of the Texas Commission on Environmental Quality (the “TCEQ” or the “Commission”), effective October 14, 1970 and confirmed pursuant to an election held within the District on September 21, 1970. The District was created for the purpose of providing, operating, and maintaining facilities to control storm water, distribute potable water, collect and treat wastewater and operates pursuant to Chapters 49 and 51 of the Texas Water Code, as amended, and Article XVI, Section 59 of the Texas Constitution, as amended. See “THE DISTRICT – General.”
LOCATION	The District is located in Travis County at the southwestern end of Lohmans Ford Road, approximately 6 miles south of the intersection of FM 1431 and Lohmans Ford Road. The District is located entirely within Travis County and Lago Vista Independent School District and is adjacent to the north shore of Lake Travis. The District is currently comprised of approximately 1,002 acres being developed in Travis County as a single-family residential community. See “THE DISTRICT – Location” and “LOCATION MAP.”
DEVELOPMENT WITHIN THE DISTRICT	Of the approximately 1,002 acres within the District, all acres have been developed. As of September 30, 2026, 984 single-family lots have been developed with utility facilities and 206 lots have yet to be developed. See “THE DISTRICT – Current Status of Development.”

THE BONDS

DESCRIPTION	The Bonds in the aggregate principal amount of \$7,435,000 mature serially in varying amounts on August 15 of each year from 2027 through 2046, inclusive, in the principal amounts set forth on the inside cover page hereof. Interest accrues from the date of Initial Delivery and is payable August 15, 2027 and each February 15 and August 15 thereafter until maturity or earlier redemption. The Bonds are offered in fully registered form in integral multiples of \$5,000 for any one maturity. See “THE BONDS – General Description.”
REDEMPTION	The District reserves the right to redeem, prior to maturity, in integral multiples of \$5,000, those Bonds maturing on and after August 15, 2033 in whole or from time to time in part, on August 15, 2032, or on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, the Bonds may be subject to mandatory sinking fund redemption in the event the Initial Purchaser elects to aggregate two or more consecutive maturities as term Bonds. See “THE BONDS – Redemption.”
SOURCE OF PAYMENT	Principal of and interest on the Bonds are payable from the proceeds of a continuing direct annual ad valorem tax levied upon all taxable property within the District, which under Texas law is not legally limited as to rate or amount. See “TAXING PROCEDURES.” The Bonds are obligations solely of the District and are not obligations of the Village of Point Venture, Lago Vista Independent School District, Travis County, Texas; the State of Texas; or any entity other than the District. See “THE BONDS – Source of and Security for Payment.”
PAYMENT RECORD	The District has previously issued seven (7) series of bonds, five (5) of which have been fully repaid or defeased. The District has never defaulted in the repayment of such bonds.

AUTHORITY FOR ISSUANCE	The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas including Chapters 49 and 51 of the Texas Water Code, as amended, a bond election held within the District on May 3, 2025, the approving order of the TCEQ and an order (the “Bond Order”) adopted by the Board of Directors of the District on the date of the sale of the Bonds. See “THE BONDS – Authority for Issuance.”
USE OF PROCEEDS	The proceeds of the Bonds will be used to finance the costs associated with the following: (i) the construction of water; (ii) sewer; (iii) reclaimed water; (iv) drainage improvements; (v) engineering associated with the foregoing; and (vi) the issuance of the Bonds. See “USE AND DISTRIBUTION OF BOND PROCEEDS.”
BONDS AUTHORIZED BUT UNISSUED	At an election held within the District on May 3, 2025, the voters within the District approved the issuance of \$13,600,000 in bonds for water, wastewater and drainage facilities. After the sale of the Bonds, the District will have \$6,165,000 remaining in authorized but unissued bonds. See “FINANCIAL STATEMENT – Outstanding Bonds” and “THE BONDS – Future Debt.”
MUNICIPAL BOND RATING	The Bonds and outstanding debt of the District have been rated “A3” by Moody’s Ratings (“Moody’s”) without regard to credit enhancement.
MUNICIPAL BOND INSURANCE	In the event the Bonds are qualified for municipal bond insurance, and the Initial Purchaser desires to purchase such insurance, the cost therefor will be paid by the Initial Purchaser. Any fees to be paid to a rating agency as a result of said insurance will be paid by the District. It will be the responsibility of the Initial Purchaser to disclose the existence of insurance, its terms and the effect thereof with respect to the reoffering of the Bonds.
QUALIFIED TAX-EXEMPT OBLIGATIONS.....	The District expects to designate the Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended, and have represented that the total amount of tax-exempt obligations (including the Bonds) issued by it during calendar year 2026 is not reasonably expected to exceed \$10,000,000. See “TAX MATTERS – Qualified Tax-Exempt Obligations for Financial Institutions.”
BOND COUNSEL	Orrick, Herrington & Sutcliffe LLP, Austin, Texas
GENERAL COUNSEL.....	Willatt & Flickinger, PLLC, Austin, Texas
DISCLOSURE COUNSEL	Orrick, Herrington & Sutcliffe LLP, Austin, Texas
FINANCIAL ADVISOR	Specialized Public Finance Inc., Austin, Texas
ENGINEER.....	Trihydro Corporation, Austin, Texas

INVESTMENT CONSIDERATIONS

The purchase and ownership of the Bonds involve certain investment considerations and all prospective purchasers are urged to examine carefully the Official Statement, including particularly the section captioned “INVESTMENT CONSIDERATIONS,” with respect to investment in the Bonds.

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SELECTED FINANCIAL INFORMATION
(Unaudited as of August 27, 2026)

2023 Certified Taxable Assessed Valuation	\$	467,221,571	(a)
2024 Certified Taxable Assessed Valuation	\$	455,288,224	(a)
2025 Certified Taxable Assessed Valuation	\$	429,097,207	(a)
2026 Certified Taxable Assessed Valuation	\$	403,844,032	(a)

Gross Direct Debt Outstanding	\$	23,890,000	(b)
Estimated Overlapping Debt		<u>7,987,545</u>	(c)
Gross Direct Debt Outstanding and Estimated Overlapping Debt	\$	31,877,545	

Ratios of Gross Direct Debt Outstanding to:

2026 Certified Taxable Assessed Valuation	5.92%
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Ratios of Gross Direct Debt Outstanding and Estimated Overlapping Debt to:

2026 Certified Taxable Assessed Valuation	7.89%
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2026 Tax Rate:

Debt Service	\$	0.2795	
Maintenance & Operation		<u>0.3811</u>	
Total	\$	0.6606	(d)

General Operating Fund Balance as of August 27, 2026 (unaudited)	\$	6,299,797
Debt Service Fund Balance as of August 27, 2026 (unaudited)	\$	1,043,100
Capital Projects Fund Balance as of August 27, 2026 (unaudited)	\$	2,299,819

Projected Average Annual Debt Service Requirement (2027-2046)	\$	1,568,557	(b)
Projected Maximum Annual Debt Service Requirement (2040)	\$	2,100,525	(b)

Tax Rates Required to Pay Projected Average Annual Debt Service (2027-2046) at a 95% Collection Rate

Based upon 2026 Certified Taxable Assessed Valuation	\$	0.4089
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Tax Rates Required to Pay Projected Maximum Annual Debt Service (2040) at a 95% Collection Rate

Based upon 2026 Certified Taxable Assessed Valuation	\$	0.5476
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Number of Active Connections as of September 30, 2026:

Total Developed Single Family Lots	984
Projected Single Family Lot Development	206
Estimated Population as of September 30, 2026	1,377

(a) Assessed valuation of the District as certified by the Travis Central Appraisal District ("TCAD"). See "TAXING PROCEDURES."

(b) Includes the Bonds. See "Table 3 – Projected Debt Service Schedule."

(c) See "FINANCIAL STATEMENT – Estimated Overlapping Debt Statement."

(d) See "Table 8 – Tax Collections."

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OFFICIAL STATEMENT

Relating to

\$7,435,000

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT – POINT VENTURE

(A Political Subdivision of the State of Texas Located in Travis County, Texas)

UNLIMITED TAX BONDS, SERIES 2026

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by the Travis County Water Control and Improvement District – Point Venture (the “District”), a political subdivision of the State of Texas (the “State”), of its \$7,435,000 Unlimited Tax Bonds, Series 2026 (the “Bonds”).

The Bonds are issued pursuant to an order (the “Bond Order”) adopted by the Board of Directors of the District on the date of the sale of the Bonds, pursuant to Article XVI, Section 59 of the Constitution and general laws of the State, including Chapters 49 and 51 of the Texas Water Code, as amended, a bond election held within the District on May 3, 2025, and the approving order of the Texas Commission on Environmental Quality (the “TCEQ” or the “Commission”).

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meaning assigned to such terms in the Bond Order.

Included in this Official Statement are descriptions of the Bonds and certain information about the District and its finances. ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT. Copies of such documents may be obtained from the District c/o Willatt & Flickinger, PLLC, 12912 Hill Country Boulevard, Suite F-232, Austin, Texas, 78738 or from the District’s Financial Advisor, Specialized Public Finance Inc., 248 Addie Roy Road, Suite B-103, Austin, Texas, 78746, upon payment of reasonable copying, mailing and handling charges.

THE BONDS

GENERAL DESCRIPTION . . . The Bonds are dated November 12, 2026 and will mature on August 15 of the years and in the principal amounts, and will bear interest at the rates per annum, set forth on the inside cover page hereof. Interest on the Bonds will accrue from the date of Initial Delivery, will be paid on August 15, 2027 and each February 15 and August 15 thereafter until maturity or earlier redemption and will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds will be issued in fully registered form only, without coupons, in principal denominations of \$5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York, acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the paying agent to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The initial paying agent for the Bonds is BOKF, NA, Dallas, Texas (the “Paying Agent” or “Paying Agent/Registrar”).

REDEMPTION . . . The District reserves the right, at its option, to redeem the Bonds maturing on and after August 15, 2033, prior to their scheduled maturities, in whole or in part, in integral multiples of \$5,000 of principal amount on August 15, 2032, or any date thereafter, at a price of par value plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed will be selected by the District. If less than all the Bonds of a certain maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent/Registrar by lot or other random method (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

Notice of Redemption . . . Not less than 30 days prior to a redemption date for the Bonds, the Paying Agent/Registrar shall give notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Bonds to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. Any notice so mailed shall be conclusively presumed to have been duly given irrespective of whether or not the registered owner receives such notice.

The Bonds of a denomination larger than \$5,000 may be redeemed in part (\$5,000 or any multiple thereof). Any Bond to be partially redeemed must be surrendered in exchange for one or more new Bonds of the same maturity for the unredeemed portion of the principal of the Bonds so surrendered. In the event of redemption of less than all of the Bonds, the particular Bonds to be redeemed shall be selected by the District, if less than all of the Bonds of a particular maturity are to be redeemed, the Paying Agent is required to select the Bonds of such maturity to be redeemed by lot.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Bond Order have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed will

have been received by the Paying Agent prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the District will not redeem such Bonds, and the Paying Agent will give notice in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

DTC REDEMPTION PROVISION . . . The Paying Agent/Registrar and the District, so long as a book-entry-only system ("Book-Entry-Only-System") is used for the Bonds, will send any notice of redemption, notice of proposed amendment to the Bond Order or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC Participant, as herein defined, or of any Direct Participant or Indirect Participant, as herein defined, to notify the beneficial owner, shall not affect the validity of the redemption of Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the District will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Bonds held for the account of DTC Participants in accordance with its rules or other agreements with DTC Participants and then Direct Participants and Indirect Participants may implement a redemption of such Bonds and such redemption will not be conducted by the District or the Paying Agent/Registrar. Neither the District nor the Paying Agent/Registrar will have any responsibility to the DTC Participants.

Indirect Participants or the persons for whom DTC Participants act as nominees with respect to the payments on the Bonds or the providing of notice to Direct Participants, Indirect Participants, or beneficial owners of the selection of portions of the Bonds for redemption.

TERMINATION OF BOOK-ENTRY-ONLY SYSTEM . . . The District is initially utilizing the Book-Entry-Only System of DTC. See "BOOK-ENTRY-ONLY SYSTEM." In the event that the Book-Entry-Only System is discontinued by DTC or the District, the following provisions will be applicable to the Bonds.

Payment . . . Principal of the Bonds will be payable at maturity to the registered owners as shown by the registration books maintained by the Paying Agent upon presentation and surrender of the Bonds to the Paying Agent at the designated office for payment of the Paying Agent in Austin, Texas (the "Designated Payment/Transfer Office"). Interest on the Bonds will be payable by check or draft, dated as of the applicable interest payment date, sent by the Paying Agent by United States mail, first-class, postage prepaid, to the registered owners at their respective addresses shown on such records, or by such other method acceptable to the Paying Agent requested by registered owner at the risk and expense of the registered owner. If the date for the payment of the principal or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

Registration . . . If the Book-Entry-Only System is discontinued, the Bonds may be transferred and re-registered on the registration books of the Paying Agent only upon presentation and surrender thereof to the Paying Agent at the Designated Payment/Transfer Office. A Bond also may be exchanged for a Bond or Bonds of like maturity and interest and having a like aggregate principal amount or maturity amount, as the case may, upon presentation and surrender at the Designated Payment/Transfer Office. All Bonds surrendered for transfer or exchange must be endorsed for assignment by the execution by the registered owner or his duly authorized agent of an assignment form on the Bonds or other instruction of transfer acceptable to the Paying Agent. Transfer and exchange of Bonds will be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such transfer or exchange. A new Bond or Bonds, in lieu of the Bond being transferred or exchanged, will be delivered by the Paying Agent to the registered owner, at the Designated Payment/Transfer Office of the Paying Agent or by United States mail, first-class, postage prepaid. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner not more than three (3) business days after the receipt of the Bonds to be canceled in the exchange or transfer in the denominations of \$5,000 or any integral multiple thereof.

Limitation on Transfer of Bonds . . . Neither the District nor the Paying Agent shall be required to make any transfer, conversion or exchange to an assignee of the registered owner of the Bonds (i) during the period commencing on the close of business on the fifteenth (15th) calendar day of the month (whether or not a business day) preceding each interest payment date (the "Record Date") and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond.

Replacement Bonds . . . If a Bond is mutilated, the Paying Agent will provide a replacement Bond in exchange for the mutilated bond. If a Bond is destroyed, lost or stolen, the Paying Agent will provide a replacement Bond upon (i) the filing by the registered owner with the Paying Agent of evidence satisfactory to the Paying Agent of the destruction, loss or theft of the Bond and the authenticity of the registered owner's ownership and (ii) the furnishing to the Paying Agent of indemnification in an amount satisfactory to hold the District and the Paying Agent harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond must be borne by the registered owner. The provisions of the Bond Order relating to the replacement Bonds are exclusive and to the extent lawful, preclude all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

AUTHORITY FOR ISSUANCE . . . At an election held within the District on May 3, 2025, voters within the District authorized a total of \$13,600,000 in Unlimited Tax Bonds for water, wastewater and drainage purposes, including, particularly, the purposes for which the Bonds are being issued. After the sale of the Bonds, \$6,165,000 will remain authorized but unissued. The Bonds are issued pursuant to the terms and provisions of the Bond Order; Chapters 49 and 51 of the Texas Water Code, as amended; Article XVI, Section 59 of the Texas Constitution; and the above described election. The issuance of the Bonds has been approved by an order of the TCEQ dated March 12, 2026.

SOURCE OF AND SECURITY FOR PAYMENT . . . The Bonds will be payable from and secured by a pledge of the proceeds of a continuing, direct, annual ad valorem tax without legal limitation as to rate or amount levied against all taxable property located within the District. The Board covenants in the Bond Order that, while any of the Bonds are outstanding and the District is in existence, it will levy an annual ad valorem tax and will undertake to collect such a tax against all taxable property within the District at a rate from year to year sufficient, full allowance being made for anticipated delinquencies, together with revenues and receipts from other sources which are legally available for such purposes, to pay interest on the Bonds as it becomes due, to provide a sinking fund for the payment of principal of the Bonds when due or the redemption price at any earlier required redemption date, to pay when due any other contractual obligations of the District payable in whole or in part from taxes, and to pay the expenses of assessing and collecting such tax. The net proceeds from taxes levied to pay debt service on the Bonds are required to be placed in a special account of the District designated its “Debt Service Fund” for the Bonds.

The Bonds are obligations solely of the District and are not obligations of the Village of Point Venture, Lago Vista ISD; Travis County, Texas; the State of Texas; or any political subdivision or entity other than the District.

PAYMENT RECORD . . . The District has previously issued seven (7) series of bonds, five (5) of which have been fully repaid or defeased. The District has never defaulted in the repayment of such bonds.

FLOW OF FUNDS . . . The Bond Order creates or confirms the establishment and maintenance by the District of a Debt Service Fund and a Capital Projects Fund.

Each fund shall be kept separate and apart from all other funds of the District. The Debt Service Fund shall constitute a trust fund which shall be held in trust for the benefit of the registered owner of the Bonds.

Any cash balance in any fund must be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of water control and improvement districts having an aggregate market value, exclusive of accrued interest, at all times equal to the cash balance in the fund to which such securities are pledged.

Debt Service Fund . . . The Bond Order establishes the Debt Service Fund to be used to pay principal and interest on and Paying Agent fees in respect to the Bonds. The Bond Order requires that the District deposit to the credit of the Debt Service Fund (i) from the delivery of the Bonds to the Initial Purchaser, the amount received from proceeds of the Bonds representing accrued interest, if any, (ii) District ad valorem taxes (and penalties and interest thereon) levied to pay debt service requirements on (or fees and expenses of the Paying Agent with respect of) the Bonds, and (iii) such other funds as the Board shall, at its option, deem advisable. The Bond Order requires that the Debt Service Fund be applied solely to provide for the payment of the principal or redemption price of and interest on the Bonds when due, and to pay fees to Paying Agent when due.

Capital Projects Fund . . . The Capital Projects Fund is the capital improvements fund of the District. The Bond Order requires the District to deposit to the credit of the Capital Projects Fund the balance of the proceeds of the Bonds remaining after the deposits to the Debt Service Fund provided in the Bond Order. The Capital Projects Fund may be applied solely to (i) pay the costs necessary or appropriate to accomplish the purposes for which the Bonds are issued, (ii) pay the costs of issuing the Bonds and (iii) to the extent the proceeds of the Bonds and investment income attributable thereto are in excess of the amounts required to acquire and construct water, wastewater and drainage facilities as approved by TCEQ, then in the discretion of the District to transfer such unexpended proceeds or income to the Debt Service Fund or as otherwise authorized by the law.

DEFEASANCE OF OUTSTANDING BONDS . . . The Bond Order provides that the Bonds may be defeased, redeemed, refunded or discharged in any manner now or hereafter permitted by law. Under current Texas law, such discharge may be accomplished either: (i) by depositing with the Paying Agent/Registrar or other lawfully authorized entity a sum of money equal to the principal of and all interest to accrue on the Bonds to maturity or prior redemption; (ii) by depositing with the Paying Agent/Registrar or other lawfully authorized entity amounts sufficient, together with the investments earnings thereon, to provide for the payment of such Bonds; provided that such deposits may be invested and reinvested only in (a) direct non-callable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding obligations, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding obligations to refund the Bonds, as applicable, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; or (iii) any combination of (i) and (ii) above. The foregoing obligations may be in book-entry form, and shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment of the Bonds. There is no assurance that the

current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Bond Order does not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as defeasance securities or those for any other defeasance security will be maintained at any particular rating category.

PAYING AGENT/REGISTRAR . . . Principal of and semiannual interest on the Bonds will be paid by BOKF, NA having an office for payment in Dallas, Texas, the Paying Agent. The Paying Agent must be either a bank, trust company, financial institution or other entity duly qualified and equally authorized to serve and perform the duties as paying agent and registrar for the Bonds.

Provision is made in the Bond Order for the District to replace the Paying Agent by giving notice to the Paying Agent of the termination of the appointment, stating the effective date of the termination and appointing a successor Paying Agent. If the Paying Agent is replaced by the District, the new Paying Agent shall be required to accept the previous Paying Agent's records and act in the same capacity as the previous Paying Agent. Any successor paying agent/registrar selected by the District shall be subject to the same qualification requirements as the Paying Agent. The successor paying agent/registrar, if any, shall be determined by the Board of Directors and written notice thereof, specifying the name and address of such successor paying agent/registrar will be sent by the District or the successor paying agent/registrar to each registered owner by first-class mail, postage prepaid.

RECORD DATE . . . The Record Date for payment of the interest on Bonds on any regularly scheduled interest payment date is defined as the last calendar day of the month (whether or not a business day) preceding such interest payment date.

ISSUANCE OF ADDITIONAL DEBT . . . At an election held in the District on May 3, 2025, the voters within the District approved the issuance of \$13,600,000 in bonds for water, wastewater and drainage purposes, including, particularly, the purposes for which the Bonds are being issued. See "FINANCIAL STATEMENT – Authorized But Unissued Bonds." Neither Texas law nor the Bond Order imposes a limitation on the amount of additional bonds which may be issued by the District. Any additional bonds issued by the District may dilute the security of the Bonds. See "INVESTMENT CONSIDERATIONS." The District does not employ any formula with respect to assessed valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. Most additional issuances of Bonds by the District are subject to approval of the TCEQ pursuant to its rules regarding issuance and feasibility of bonds. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District.

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS . . . Pursuant to Section 49.186 of the Texas Water Code, bonds, notes or other obligations issued by a water control and improvement district "shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, and trustees, and for all interest and sinking funds and other public funds of the State, and all agencies, subdivisions, and instrumentalities of the State, including all counties, cities, towns, villages, school districts and all other kinds and types of districts, public agencies and bodies politic." Additionally, Section 49.186 of the Texas Water Code provides that bonds, notes or other obligations issued by a water control and improvement district are eligible and lawful security for all deposits of public funds of the State and all agencies, subdivisions and instrumentalities of the State. For political subdivisions in Texas which have adopted investment policies and guidelines in accordance with the Public Funds Investment Act (Texas Government Code, Chapter 2256), the Bonds may have to be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds.

The District makes no representation that the Bonds will be acceptable to banks, savings and loan associations, or public entities for investment purposes or to secure deposits of public funds. The District has made no investigation of other laws, regulations or investment criteria which might apply to or otherwise limit the availability of the Bonds for investment or collateral purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Bonds and as to the acceptability of the Bonds for investment or collateral purposes.

SPECIFIC TAX COVENANTS . . . In the Bond Order the District has covenanted with respect to, among other matters, the use of the proceeds of the Bonds and the manner in which the proceeds of the Bonds are to be invested. The District may omit to comply with any such covenant if it has received a written opinion of a nationally recognized bond counsel to the effect that regulations or rulings hereafter promulgated modify or expand provisions of the Internal Revenue Code of 1986, as amended (the "Code"), so that such covenant is ineffective or inapplicable or non-compliance with such covenant will not adversely affect the exemption from federal income taxation of interest on the Bonds under Section 103 of the Code.

ADDITIONAL COVENANTS . . . The District has additionally covenanted in the Bond Order that it will keep accurate records and accounts and employ an independent certified public accountant to audit and report on its financial affairs at the close of each fiscal year, such audits to be in accordance with applicable law, rules and regulations and open to inspection in the office of the District.

REMEDIES IN EVENT OF DEFAULT . . . The Bond Order does not establish specific events of default with respect to the Bonds. If the District defaults in the payment of the principal of or interest on the Bonds when due, or the District defaults in the observance or performance of any of the covenants, conditions, or obligations of the District, the Bond Order provides that any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the District to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no

other available remedy at law to compel performance of the Bonds or the Bond Order and the District's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, subject to the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Bond Order does not provide for the appointment of a trustee to represent the interest of the Bondholders upon any failure of the District to perform in accordance with the terms of the Bond Order, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 49 Tex. Sup. CT. J. 819 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the District's sovereign immunity from a suit for money damages, Bondholders may not be able to bring such a suit against the District for breach of the Bonds or Bond Order covenants. Even if a judgment against the District could be obtained, it could not be enforced by direct levy and execution against the District's property. Further, the registered owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. Furthermore, the District is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. Under current law, the TCEQ must authorize the District to proceed with a federal bankruptcy case. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

CONSOLIDATION . . . A district (such as the District) has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its water system with the water system(s) of the district(s) with which it is consolidating. The revenues of the consolidated system may be pledged equally to all first lien bonds of the consolidating districts. No representation is made that the District will consolidate its water system with any other district or whether such consolidation would adversely affect the security for the Bonds.

ALTERATION OF BOUNDARIES . . . In certain circumstances, under Texas law the District may alter its boundaries to: i) upon satisfying certain conditions, annex additional territory; and ii) exclude land subject to taxation within the District that does not need to utilize the service of District facilities if certain conditions are satisfied including the District simultaneously annexes land of at least equal value that may be practicably served by District facilities. Such land substitution is subject to the approval of the TCEQ. No representation is made concerning the likelihood that the District would effect any change in its boundaries or whether such change would adversely affect the security for the Bonds.

APPROVAL OF THE BONDS . . . The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas does not pass upon or guarantee the quality of the Bonds as an investment, nor does he pass upon the adequacy or accuracy of the information contained in this Official Statement.

AMENDMENTS TO THE BOND ORDER . . . The District may, without the consent of or notice to any Owners, amend, change, or modify this Order as may be required (a) by the provisions hereof; (b) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein; or (c) in connection with any other change that does not in any respect materially and adversely affect the interest of the Owners of the Bonds. The District may, with the written consent of the Owners of at least the majority in aggregate principal amount of Bonds then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Order; provided that without the consent of all of the Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Bonds or reduce the principal amount thereof or the rate of interest thereon; (ii) give any preference to any Bond over any other Bond; (iii) extend any waiver of default to subsequent defaults; or (iv) reduce the aggregate principal amount of Bonds required for consent to any such amendment, change, modification, or rescission. When the District desires to make any amendment or addition to or rescission of this Order requiring consent of the Owners, the District shall cause notice of the amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the District may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by the DTC while the Bonds are registered in its nominee's name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurance that (i) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (ii) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (iii) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District

as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. All payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Bond Order will be given only to DTC.

USE AND DISTRIBUTION OF BOND PROCEEDS

The proceeds of the Bonds will be used to finance the costs associated with the following: (i) the construction of water; (ii) sewer; (iii) reclaimed water; (iv) drainage improvements; (v) engineering associated with the foregoing; and (vi) the issuance of the Bonds.

The estimated use and distribution of Bond proceeds is set forth below. Of the proceeds to be received from the sale of the Bonds, \$6,847,500 is estimated to be required for construction costs, and \$587,500 is estimated to be required for non-construction costs.

I. <u>CONSTRUCTION COSTS</u>	<u>District's Share</u>
A. Developer Contribution Items – None	
B. District Items	
1. Water, Sewer, Reclaimed Water, and Drainage Improvements	\$ 5,584,300
2. Contingency	837,700
3. Engineering	<u>425,500</u>
Total District Costs	\$ 6,847,500
Total Construction Costs (92.10% of BIR)	\$ 6,847,500
 II. <u>NON-CONSTRUCTION COSTS</u>	
A. Legal Fees (2.00%)	\$ 148,700
B. Fiscal Agent Fees (2.00%)	148,700
C. Bond Discount (3.00%)	223,050
D. Bond Issuance Expenses	37,200
E. Bond Engineering Report	3,815
F. Attorney General Fee (0.10%)	7,435
G. TCEQ Fee (0.25%)	18,600
H. Contingency	<u>0</u>
Total Non-Construction Costs	\$ 587,500
 TOTAL BOND ISSUE REQUIREMENT	 \$ 7,435,000

INVESTMENT CONSIDERATIONS

GENERAL . . . The Bonds, which are obligations of the District and are not obligations of the State of Texas; the Village of Point Venture; Travis County, Texas; the Lago Vista Independent School District, or any other political subdivision, will be secured by a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied on all taxable property located within the District. See “THE BONDS – Source of and Security for Payment.” The ultimate security for payment of principal of and interest on the Bonds depends on the ability of the District to collect from the property owners within the District all taxes levied against the property, or in the event of foreclosure, on the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The collection by the District of delinquent taxes owed to it and the enforcement by registered owners of the District’s obligation to collect sufficient taxes may be a costly and lengthy process. Furthermore, the District cannot and does not make any representations that continued development of property within the District will accumulate or maintain taxable values sufficient to justify continued payment by property owners or that there will be a market for the property. See “Registered Owners’ Remedies” below.

FACTORS AFFECTING TAXABLE VALUES AND TAX PAYMENTS . . . Economic Factors and Interest Rates: A substantial percentage of the taxable value of the District results from the current market value of single-family residences and developed lots. The market value of such homes and lots is related to general economic conditions affecting the demand for residences. Demand for lots of this type and the construction of residential dwellings thereon can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability and the prosperity and demographic characteristics and prospects of the urban center toward which the marketing of lots is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact such values; and thus increase the rate of taxation in the District.

Interest rates and the availability of mortgage and development funding have a direct impact on the construction activity, particularly short-term interest rates at which developers are able to obtain financing for development costs. Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the District. Because of the numerous and changing factors affecting the availability of funds, the District is unable to assess the future availability of such funds for continued construction within the District. In addition, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the area’s metropolitan and regional economies.

Competition: The demand for and construction of single-family homes in the District could be affected by competition from other residential developments in western Travis County. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in other neighborhoods that are for sale. Such homes could represent additional competition for new homes proposed to be sold within the District. The competitive position of the Developers in the sale of developed lots and of prospective builders in the construction of single-family residential houses within the District is affected by most of the factors discussed in this section. Such a competitive position is directly related to the growth and maintenance of taxable values in the District and tax revenues to be received by the District. The District can give no assurance that additional building and marketing programs in the District by the developers will be implemented or, if implemented, will be successful.

Developer under No Obligation to the District: There is no commitment from, or obligation of, any developer to proceed at any particular rate or according to any specified plan with the construction of homes in the District, and there is no restriction on any landowner’s right to sell its land, including any developer. Failure to construct taxable improvements on developed lots and tracts and failure of landowners to develop their land would restrict the rate of growth of taxable value in the District. The District is also dependent upon the principal taxpayers for the timely payment of ad valorem taxes, and the District cannot predict what the future financial condition of either will be or what effect, if any, such financial conditions may have on their ability to pay taxes. See “TAX DATA – Principal Taxpayers.”

Impact on District Tax Rates: Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of the District property owners to pay their taxes. The 2026 Certified Assessed Valuation is \$403,844,032 (see “FINANCIAL STATEMENT”). After issuance of the Bonds, the Projected Maximum Annual Debt Service Requirement will be \$2,100,525 (2040) and the Projected Average Annual Debt Service Requirement will be \$1,568,557 (2027 through 2046, inclusive). A tax rate of \$0.5476/\$100 assessed valuation, at a 95% collection rate, would be necessary to pay the Projected Maximum Annual Debt Service Requirement of \$2,100,525, and a tax rate of \$0.4089/\$100 assessed valuation at a 95% collection rate would be necessary to pay the Projected Average Annual Debt Service Requirement of \$1,568,557 based upon the 2026 Certified Taxable Assessed Valuation.

FUTURE AND PROPOSED LEGISLATION . . . Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

TAX COLLECTIONS AND FORECLOSURE REMEDIES . . . The District’s ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other local taxing authorities on the property against which taxes are levied, and such lien may be enforced by judicial foreclosure. The District’s ability to collect ad valorem taxes through such foreclosure may be impaired by cumbersome, time-consuming and expensive collection procedures or market conditions affecting the

marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property. Moreover, the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property (See “FINANCIAL STATEMENT – Estimated Overlapping Debt Statement”), by the current aggregate tax rate being levied against the property, and by other factors (a taxpayer may redeem property within six (6) months for commercial property and two (2) years for residential and all other types of property after the purchaser’s deed issued at the foreclosure sale is filed in the county records). Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy court could approve a confirmation plan which allows the debtor to make installment payments on delinquent taxes for up to six years and a bankruptcy court may reduce the amount of any taxes assessed against the debtor, including those that have already been paid.

REGISTERED OWNERS’ REMEDIES . . . In the event of default in the payment of principal of or interest on the Bonds, the registered owners have the right to seek a writ of mandamus, requiring the District to levy adequate taxes each year to make such payments. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interest of the registered owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Although the registered owners could obtain a judgment against the District, such a judgment could not be enforced by direct levy and execution against the District’s property. Further, the registered owners cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the registered owners may further be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District.

BANKRUPTCY LIMITATION TO REGISTERED OWNERS’ RIGHTS . . . The enforceability of the rights and remedies of registered owners may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Subject to the requirements of Texas law discussed below, a political subdivision such as the District may voluntarily file a petition for relief from creditors under Chapter 9 of the Federal Bankruptcy Code, 11 USC sections 901-946. The filing of such petition would automatically stay the enforcement of registered owners’ remedies, including mandamus and the foreclosure of tax liens upon property within the District discussed above. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismissed the petition, enters an order granting relief from the stay or otherwise allows creditors to proceed against the petitioning political subdivision. A political subdivision, such as the District, may qualify as a debtor eligible to proceed in a Chapter 9 case only if it (1) is specifically authorized to file for federal bankruptcy protection by applicable state law, (2) is insolvent or unable to meet its debts as they mature, (3) desires to effect a plan to adjust such debts, and (4) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiations are impracticable. Under Texas law a water control and improvement district, such as the District, must obtain the approval of the Commission as a condition to seeking relief under the Federal Bankruptcy Code. The Commission is required to investigate the financial condition of a financially troubled district and authorize such district to proceed under federal bankruptcy law only if such district has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

Notwithstanding noncompliance by a district with Texas law requirements, a district could file a voluntary bankruptcy petition under Chapter 9, thereby involving the protection of the automatic stay until the bankruptcy court, after a hearing, dismisses the petition. A federal bankruptcy court is a court of equity and federal bankruptcy judges have considerable discretion in the conduct of bankruptcy proceedings and in making the decision of whether to grant the petitioning district relief from its creditors. While such a decision might be applicable, the concomitant delay and loss of remedies to the registered owners could potentially and adversely impair the value of the registered owner’s claim.

If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the Federal Bankruptcy Code, it could file a plan for an adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect a registered owner by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of the registered owner’s claim against a district.

THE EFFECT OF THE FINANCIAL INSTITUTIONS ACT OF 1989 ON TAX COLLECTIONS OF THE DISTRICT . . . The “Financial Institutions Reform, Recovery and Enforcement Act of 1989” (“FIRREA”), enacted on August 9, 1989, contains certain provisions which affect the time for protesting property valuations, the fixing of tax liens, and the collection of penalties and interest on delinquent taxes on real property owned by the Federal Deposit Insurance Corporation (“FDIC”) when the FDIC is acting as the conservator or receiver of an insolvent financial institution.

Under FIRREA real property held by the FDIC is still subject to ad valorem taxation, but such act states (i) that no real property of the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary liens shall attach to such property, (ii) the FDIC shall not be liable for any penalties or fines, including those arising from the failure to pay any real or personal property tax when due and (iii) notwithstanding failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed.

There has been little judicial determination of the validity of the provisions of FIRREA or how they are to be construed and reconciled with respect to conflicting state laws. However, certain recent federal court decisions have held that the FDIC is not liable for statutory penalties and interest authorized by State property tax law, and that although a lien for taxes may exist against real property, such lien may not be foreclosed without the consent of the FDIC, and no liens for penalties, fines, interest, attorneys fees, costs of abstract and research fees exist against the real property for the failure of the FDIC or a prior property owner to pay ad valorem taxes when due. It is also not known whether the FDIC will attempt to claim the FIRREA exemptions as to the time for contesting valuations and tax assessments made prior to and after the enactment of FIRREA. Accordingly, to the extent that the FIRREA provisions are valid and applicable to any property in the District, and to the extent that the FDIC attempts to enforce the same, these provisions may affect the timeliness of collection of taxes on property, if any, owned by the FDIC in the District, and may prevent the collection of penalties and interest on such taxes.

MARKETABILITY . . . The District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price for the Bonds may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers as such bonds are more generally bought, sold or traded in the secondary market.

CONTINUING COMPLIANCE WITH CERTAIN COVENANTS . . . Failure of the District to comply with certain covenants contained in the Bond Order on a continuing basis prior to the maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See “TAX MATTERS.”

FUTURE DEBT . . . The District does not anticipate issuing additional debt after the issuance of the Bonds in the next twelve (12) months.

The District does not employ any formula with respect to assessed valuations, tax collections or otherwise to limit the amount of bonds which it may issue. The issuance of additional bonds is subject to approval by the Commission pursuant to its rules regarding issuance and feasibility of bonds. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District. See “THE BONDS – Issuance of Additional Debt.” See “FINANCIAL STATEMENT – Unlimited Tax Bonds Authorized But Unissued.”

GOVERNMENTAL APPROVAL . . . As required by law, engineering plans, specifications and an estimate of construction costs for the facilities and services to be purchased or constructed by the District with the proceed of the Bonds must be approved by the TCEQ. See “USE AND DISTRIBUTION OF BOND PROCEEDS.” At this time, plans and specifications have not yet been approved by the TCEQ. The TCEQ approved the issuance of the Bonds by an order signed March 12, 2026. In addition the Attorney General of Texas must approve the legality of the Bonds prior to their delivery.

Neither the TCEQ nor the Attorney General of Texas passes upon or guarantees the security of the Bonds as an investment, nor have the foregoing authorities passed upon the adequacy or accuracy of the information contained in this Official Statement.

ENVIRONMENTAL REGULATION . . . *Potential Impact of Natural Disaster.* The District could be impacted by a natural disaster such as wide-spread fires, droughts, earthquakes, or weather events such as hurricanes, tornados, tropical storms, or other severe weather events that could produce high winds, heavy rains, hail, and flooding. In the event that a natural disaster should damage or destroy improvements and personal property in the District or reduce demand for housing in the District, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the taxable assessed value of the District and/or an increase in the District’s tax rates. See “TAXING PROCEDURES – Temporary Exemption for Qualified Property Damaged by Disaster.”

There can be no assurance that a casualty will be covered by insurance (certain casualties, including flood, are usually excepted unless specific insurance is purchased), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild, repair, or replace any taxable properties in the District that were damaged. Even if insurance proceeds are available and damaged properties are rebuilt, there could be a lengthy period in which assessed values in the District would be adversely affected. There can be no assurance the District will not sustain damage from such natural disasters.

Environmental Regulations. Wastewater treatment, water supply, storm sewer facilities and construction activities within the District are subject to complex environmental laws and regulations at the federal, state and local levels that may require or prohibit certain activities that affect the environment, such as:

- Requiring permits for construction and operation of water wells, wastewater treatment and other facilities;
- Restricting the manner in which wastes are treated and released into the air, water and soils;
- Restricting or regulating the use of wetlands or other properties; or
- Requiring remedial action to prevent or mitigate pollution.

Sanctions against a municipal utility district or other type of special purpose district for failure to comply with environmental laws and regulations may include a variety of civil and criminal enforcement measures, including assessment of monetary penalties, imposition of remedial requirements and issuance of injunctions to ensure future compliance. Environmental laws and compliance with environmental laws and regulations can increase the cost of planning, designing, constructing and operating water production

and wastewater treatment facilities. Environmental laws can also inhibit growth and development within the District. Further, changes in regulations occur frequently, and any changes that result in more stringent and costly requirements could materially impact the District.

Water Supply & Discharge Issues. Water supply and discharge regulations that municipal utility districts, including the District, may be required to comply with involve: (1) groundwater well permitting and surface water appropriation; (2) public water supply systems; (3) wastewater discharges from treatment facilities; (4) storm water discharges; and (5) wetlands dredge and fill activities. Each of these is addressed below:

Certain governmental entities regulate groundwater usage in the Austin Area. A municipal utility district or other type of special purpose district that (i) is located within the boundaries of such an entity that regulates groundwater usage, and (ii) relies on local groundwater as a source of water supply, may be subject to requirements and restrictions on the drilling of water wells and/or the production of groundwater that could affect both the engineering and economic feasibility of district water supply projects.

Pursuant to the federal Safe Drinking Water Act (“SDWA”) and the EPA’s National Primary Drinking Water Regulations (“NPDWRs”), which are implemented by the TCEQ’s Water Supply Division, a municipal utility district’s provision of water for human consumption is subject to extensive regulation as a public water system. Municipal utility districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency’s rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future. Further, the EPA has established a NPDWR for six (6) Per- and Polyfluoroalkyl Substances (“PFAS”), which requires public water systems to perform certain monitoring and remediation measures. Public water systems may be subject to additional PFAS regulation in the future, which could increase the cost of constructing, operating, and maintaining water production and distribution facilities.

Texas Pollutant Discharge Elimination System (“TPDES”) permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. The TCEQ reissued the TPDES Construction General Permit (TXR150000) (“CGP”), with an effective date of March 5, 2023, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain non-stormwater discharges into surface water in the state. The CGP has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act (“CWA”) and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district’s ability to obtain and maintain compliance with TPDES permits.

Operations of utility districts, including the District, are also potentially subject to requirements and restrictions under the CWA regarding the use and alteration of wetland areas that are within the “waters of the United States.” The District must obtain a permit from the United States Army Corps of Engineers (“USACE”) if operations of the District require that wetlands be filled, dredged, or otherwise altered.

In 2023, the Supreme Court of the United States issued its decision in *Sackett v. EPA*, which clarified the definition of “waters of the United States” and significantly restricted the reach of federal jurisdiction under the CWA. Under the Sackett decision, “waters of the United States” includes only geographical features that are described in ordinary parlance as “streams, oceans, rivers, and lakes” and to adjacent wetlands that are indistinguishable from such bodies of water due to a continuous surface connection. Subsequently, the EPA and USACE issued a final rule amending the definition of “waters of the United States” under the CWA to conform with the Supreme Court’s decision.

While the Sackett decision and subsequent regulatory action removed a great deal of uncertainty regarding the ultimate scope of “waters of the United States” and the extent of EPA and USACE jurisdiction, operations of municipal utility districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements, in the future.

National Weather Service Atlas 14 Rainfall Study. In 2018, the National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States (“Atlas 14”). Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in interim floodplain regulations applying to a larger number of properties and consequently leaving less developable property within the District. Such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain.

Air Quality Issues. Air quality control measures required by the United States Environmental Protection Agency (the “EPA”) and the TCEQ may impact new industrial, commercial and residential development in the Austin area. Under the Clean Air Act (“CAA”) Amendments of 1990, the five-county “Austin Area” – Travis, Hays, Williamson, Bastrop, and Caldwell counties – has been designated an attainment/unclassifiable area under two separate federal ozone standards: the eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (“the 2008 Ozone Standard”), and the EPA’s most-recent promulgation of an even lower, 70 ppb eight-hour ozone standard in 2015 (“the 2015 Ozone Standard”).

Although the Austin Area is currently in attainment, the Austin Area has been and continues to be near the non-attainment thresholds for ozone. Accordingly, it is possible that the Austin Area could be re-classified as a nonattainment area should ozone levels increase. A designation of nonattainment for ozone or any other pollutant could negatively impact business due to the additional permitting/regulatory constraints that accompany this designation and because of the community stigma associated with a nonattainment designation. In the past, the Austin Area has entered into agreements with the TCEQ to undertake voluntary actions to help avoid a nonattainment designation. Since 2004, the Austin Area has been party to a curtailment agreement with the TCEQ, and the Austin Area is currently part of an EPA Ozone Advance Program.

In order to comply with the EPA's ozone standards, the TCEQ has established a state implementation plan ("SIP") setting emission control requirements, some of which regulate the inspection and use of automobiles. These types of measures could impact how people travel, what distances people are willing to travel, where people choose to live and work, and what jobs are available in the Austin Area. It is possible that additional controls will be necessary to allow the Austin Area to maintain attainment with the ozone standards. Such additional controls could have a negative impact on the Austin Area's economic growth and development.

FUTURE AND PROPOSED TAX LEGISLATION . . . Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

STATE LEGISLATIVE CHANGES . . . The Texas Legislature convenes in regular session for 140 days on the second Tuesday in January of odd-numbered years. Thereafter the Governor may call one or more special sessions. During this time, the Texas Legislature may enact laws that materially change current law relating to districts including with respect to the levy of property taxes. The District makes no representation regarding any action the Texas Legislature may take but intends to monitor proposed legislation for any developments applicable to the District.

DROUGHT CONDITIONS . . . Central Texas, like other areas of the State, frequently experiences extreme drought conditions. The District adopted a water conservation plan and currently has implemented water restrictions for residents of the District. The Lower Colorado River Authority provides water to the District in amounts sufficient to service the residents of the District, however, as drought conditions continue water usage, rates and water revenues could be impacted.

FORWARD-LOOKING STATEMENTS . . . The statements contained in this Official Statement, and in any other information provided by the District, that are not purely historical, are forward-looking statements, including statements regarding the District's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements.

The forward looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

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THE DISTRICT

GENERAL . . . Pursuant to Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 51 of the Texas Water Code, as amended, the District is subject to the continuing supervision of the TCEQ. The District was created for the purposes of providing, operating, and maintaining facilities to control storm water, distribute potable water, and to collect and treat wastewater. The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water. The District may also establish, operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, if approved by the voters of the District and the TCEQ, and is located entirely within the corporate limits of the Village of Point Venture. Fire services are provided to residents and property owners of the District by Travis County ESD #1.

MANAGEMENT . . . *Board of Directors.* The District is governed by a Board, consisting of five directors, which has control over and management supervision of all affairs of the District. Directors' terms are four years with elections held within the District on the first Tuesday after the first Monday in November in each even numbered year. All of the directors listed below reside or own property in the District.

Name	Title	Term Expires
Steve Tabaska	President	2026
Mark Villemarette	Vice President	2026
James Kleiss	Secretary	2028
Curtis Webber	Assistant Secretary	2026
Erik Spencer	Assistant Secretary	2028

Consultants:

Tax Assessor/Collector . . . Land and improvements in the District are being appraised by the Travis Central Appraisal District ("TCAD"). The Tax Assessor/Collector is appointed by the Board of Directors of the District. The Travis County Tax Assessor/Collector, Celia Israel, currently serves the District in this capacity under contract.

Operator . . . Inframark, LLC operates the water and wastewater systems for the District.

Bookkeeper . . . Bott & Douthitt, P.L.L.C. is charged with the responsibility of providing bookkeeping services for the District.

Engineer . . . The District's consulting engineer is Trihydro Corporation (the "Engineer").

Financial Advisor . . . Specialized Public Finance Inc. serves as the District's financial advisor (the "Financial Advisor"). The fee for services rendered in connection with the issuance of the Bonds is based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fee is contingent upon the sale and delivery of the Bonds.

General Counsel . . . Willatt & Flickinger, PLLC serves as General Counsel for the District.

Bond Counsel . . . Orrick, Herrington & Sutcliffe LLP serve as Bond Counsel in connection with the issuance of the District's Bonds. The fees of Bond Counsel are contingent upon the sale of and delivery of the Bonds.

Disclosure Counsel . . . The District employs Orrick, Herrington & Sutcliffe LLP, Austin, Texas as Disclosure Counsel. Fees paid to Orrick, Herrington & Sutcliffe LLP for Disclosure Counsel are contingent upon the sale and delivery of the Bonds.

LOCATION . . . The District is located in Travis County at the southwestern end of Lohmans Ford Road, approximately 6 miles south of the intersection of FM 1431 and Lohmans Ford Road. The District is located entirely within Travis County, Lago Vista Independent School District and is adjacent to the north shore of Lake Travis. The District is currently comprised of approximately 1,002 acres which is developed in Travis County as a single-family residential community. See "LOCATION MAP."

UNDEVELOPED ACREAGE . . . There are approximately 1,190 single-family lots in the District. Of those lots, 984 are currently developed with a home and with an approximately 206 to be developed with a home in the future. The District makes no representation as to when or if development of this acreage will occur. See "– Current Status of Development."

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CURRENT STATUS OF DEVELOPMENT . . . There are approximately 1,002 acres within the District, all of which have been developed.

The chart below reflects the status of development as of September 30, 2026:

A. Utility Facilities:	
Existing Connections	984
Projected Connections	206
Total Residential Developed Sections	1,190
B. Total Developed Acreage	
	1,002
C. Undevelopable Acreage	
	0
Total	1,002

THE SYSTEM

REGULATION . . . The water, wastewater and storm drainage facilities (the “System”), the purchase, acquisition and construction of which will be permanently financed by the District with the proceeds of the Bonds, have been designed in accordance with accepted engineering practices and the recommendation of certain governmental agencies having regulatory or supervisory jurisdiction over construction and operation of such facilities, including, among others, the TCEQ, Travis County and the Village of Point Venture. According to Trihydro Corporation (the “Engineer”), the plans will be submitted to the regulator/agencies for approval.

Operation of the District’s waterworks and wastewater facilities is subject to regulation by, among others, the U.S. Environmental Protection Agency and the TCEQ.

WATER SUPPLY AND DISTRIBUTION . . . The District obtains raw water from Lake Travis pursuant to a contract effective May 23rd, 2013 with the Lower Colorado River Authority (LCRA), which allows the District to withdraw and purchase a maximum of 285 acre-feet per year.

Hydraulic modeling was performed in February 2024 to evaluate the District’s water system in comparison to TCEQ minimum requirements for public water systems. The model indicated there are several deficiencies in the system. These include insufficient storage capacity at the existing Augusta Standpipe, insufficient pumping capacity for the Augusta Pump Station, and several areas in the system that do not meet TCEQ minimum pressures. Projected growth in the District’s service area is expected to increase the number of LUEs in the water system to 1,190 in the next 7-10 years at full build-out.

Proposed improvements have been recommended to address the immediate concerns and deficiencies in the water system. These include replacing the Augusta Standpipe and rehabilitating the Augusta Pump Station. Additional projects were identified to address aging infrastructure, fire flow availability, and operational issues which include rehabilitating the Augusta EST; installing a 6-inch waterline from Nicklaus Drive to Champions Circle; installing a PRV assembly; installing a 2-inch waterline to transfer 3 lots to the Upper Pressure Plane; replacing 2-inch waterlines with 8-inch waterlines at Lakeland Circle and Lakehead Circle; and installing 6-inch waterlines along Valley Hill Drive and Valley Hill Lane to reallocate 35 LUEs to the Lower Pressure Plane. If the recommended improvements are implemented, WCID Point Venture’s water system will adhere to the TCEQ minimum requirements and address operational and aging infrastructure issues at build-out.

WASTEWATER COLLECTION AND TREATMENT . . . Wastewater treatment capacity for the District is provided by an existing 0.10 MGD WWTP. Texas Land Application Permit No. WQ0011385001 authorizes the District to dispose of treated domestic wastewater effluent at a daily average flow of 0.15 MGD. Discharge of pollutants into waters in the state is not authorized in the permit. A 0.15 MGD WWTP is currently being constructed, funded through the 2020 Bond Issuance. The new WWTP will be capable of handling higher organic concentrations, as well as new wastewater flows. After construction, the new WWTP will replace the existing plant and achieve the existing permit requirements. The existing plant will remain in place and offline, minus sludge holding basin and operating equipment, until a time when future capacity prompts planning for additional expansion.

The District’s wastewater treatment capacity appears adequate to serve the existing 955 ESFCs upon which the feasibility of this bond issue is based.

STORM WATER DRAINAGE . . . The District is located on a peninsula on the west side of Lake Travis. A natural ridge is located near the north-central portion of the District which drains outward to the lake. Elevations range from approximately 865 feet above mean sea level (“msl”) near the north side of the District to the current water surface elevation of Lake Travis (approximately 670 feet msl). Storm water runoff drains into roadside swales throughout the District. The swales outfall at various points into Lake Travis.

If the District has surplus funds from the 2026 Bond issue, the District plans to allocate the remainder for proposed drainage system improvements to include runoff collection and grading improvements within the POA's Golf Course.

100-YEAR FLOOD PLAIN AND STORM DRAINAGE INFORMATION . . . According to the Engineer, 638 acres within the District are currently located in the floodplain. However, all such land is included in lots that have been developed or are ready for development.

Additionally, there are two (2) sanitary sewer lift stations of the District that are situated within FEMA Flood Zone AE. Flood Zone AE is within the 100-year base flood plain. The on-going construction project funded through the 2020 Bond Issuance is having both lift stations replaced to increase wastewater collection system efficiency and performance, raise the lift station floor slab elevations above the base-flood elevation, and implement flood-proof structures. Sewer manholes and gravity lines in the vicinity of the lift stations are being replaced to include inflow-infiltration prevention.

WATER, WASTEWATER AND DRAINAGE OPERATIONS:

TABLE 1 – RATE AND FEE SCHEDULE

The Board of Directors establishes rates and fees for water and sewer service, subject to change from time to time. The following schedule sets forth the monthly rates and fees for the District's water and sewer service which are currently in effect.

Monthly Base Charge – Water:

<u>Meter Size</u>	<u>Base Rate</u>
¾"	\$40.25 includes 1 st 2,000 gallons
1"	\$60.00 includes 1 st 2,000 gallons
2"	\$60.00 includes 1 st 2,000 gallons

Residential Volume Rate

<u>Gallons</u>	
0-2,000 Gallons	\$ 40.25 (included in base rate)
2,001-5,000 Gallons	\$ 4.40 (per 1,000 gallons)
5,001-10,000 Gallons	\$ 5.80 (per 1,000 gallons)
10,001-15,000 Gallons	\$ 7.75 (per 1,000 gallons)
15,001-25,000 Gallons	\$ 10.00 (per 1,000 gallons)
25,001-50,000 Gallons	\$ 13.20 (per 1,000 gallons)
50,001 or more Gallons	\$ 18.75 (per 1,000 gallons)
50,001 and over Gallons	\$ 4.50 (per 1,000 gallons)

Monthly Charge(s) – Wastewater:

\$ 54.00 Base Fee (per 2,000 gallons)
\$ 2.00 per 1,000 Thereafter

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TABLE 2 – OPERATING REVENUES AND EXPENSES STATEMENT

The following statement sets forth in condensed form the consolidated historical operations of the District. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Such summary has been prepared from information obtained from the District's financial statements and records. Reference is made to such statements for further and more complete information. Also see "APPENDIX A – Excerpts from the Annual Financial Report."

	Fiscal Year End September 30,				
	2025	2024	2023	2022	2021
<u>Revenues:</u>					
Service Revenues/Penalties	\$ 1,313,563	\$ 1,135,843	\$ 1,118,449	\$ 939,508	\$ 834,738
Property Taxes	1,815,834	1,947,172	1,526,613	1,189,142	1,168,954
System Connection/Inspection Fees	40,800	-	-	-	-
Interest	192,788	167,729	98,211	12,042	346
Other	92,975	92,257	92,765	87,658	107,898
Total Revenues	\$ 3,455,960	\$ 3,343,001	\$ 2,836,038	\$ 2,228,350	\$ 2,111,936
<u>Expenditures:</u>					
Water	\$ 42,747	\$ 39,811	\$ 40,821	\$ 38,928	\$ 37,623
Repairs and Maintenance	983,832	881,031	1,145,817	739,232	831,173
Operations/Management Fees	622,407	590,908	550,233	534,528	531,481
Utilities	66,812	68,224	64,382	67,423	63,263
Legal Fees	42,054	41,085	41,427	50,441	79,357
Engineering Fees	42,922	54,331	60,261	78,774	54,828
Accounting Fees	57,055	47,544	46,500	46,000	45,750
Audit Fees	16,000	15,500	15,000	14,500	14,500
Insurance	24,355	20,481	15,197	13,342	11,844
Tax Appraisal/Collection	10,822	11,505	7,850	6,246	5,967
Public Notice	9,151	1,670	504	504	4,434
Administrative	-	17,599	22,345	17,132	17,524
Debt Service/Other	38,513	-	19,727	19,889	19,889
Capital Outlay	140,924	85,852	147,294	294,725	-
Total Expenditures	\$ 2,097,594	\$ 1,875,541	\$ 2,177,358	\$ 1,921,664	\$ 1,717,633
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,358,366	\$ 1,467,460	\$ 658,680	\$ 306,686	\$ 394,303
Beginning Fund Balance	\$ 3,679,913	\$ 2,212,453	\$ 1,553,773	\$ 1,247,087	\$ 852,784
Other Sources/Uses	-	-	-	-	-
Ending Fund Balance	\$ 5,038,279	\$ 3,679,913	\$ 2,212,453	\$ 1,553,773	\$ 1,247,087

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TABLE 3 – PROJECTED DEBT SERVICE SCHEDULE

Fiscal Year Ended	Outstanding Debt			The Bonds			Total Debt Service
9/30	Principal	Interest	Total	Principal	Interest ^(a)	Total	
2027	\$ 900,000	\$ 356,981	\$ 1,256,981	\$ 305,000	\$ 296,006	\$ 601,006	\$ 1,857,987
2028	940,000	335,231	1,275,231	230,000	374,325	604,325	1,879,556
2029	980,000	317,931	1,297,931	240,000	362,250	602,250	1,900,181
2030	1,020,000	298,506	1,318,506	250,000	349,650	599,650	1,918,156
2031	1,065,000	277,575	1,342,575	265,000	336,525	601,525	1,944,100
2032	1,105,000	254,925	1,359,925	280,000	322,613	602,613	1,962,538
2033	1,155,000	230,644	1,385,644	295,000	307,913	602,913	1,988,556
2034	1,200,000	204,675	1,404,675	310,000	292,425	602,425	2,007,100
2035	1,250,000	175,050	1,425,050	325,000	276,150	601,150	2,026,200
2036	1,300,000	143,550	1,443,550	345,000	259,088	604,088	2,047,638
2037	1,300,000	110,800	1,410,800	360,000	240,975	600,975	2,011,775
2038	1,355,000	84,800	1,439,800	380,000	222,075	602,075	2,041,875
2039	1,415,000	57,700	1,472,700	400,000	202,125	602,125	2,074,825
2040	1,470,000	29,400	1,499,400	420,000	181,125	601,125	2,100,525
2041	-	-	-	445,000	159,075	604,075	604,075
2042	-	-	-	465,000	135,713	600,713	600,713
2043	-	-	-	490,000	111,300	601,300	601,300
2044	-	-	-	515,000	85,575	600,575	600,575
2045	-	-	-	545,000	58,538	603,538	603,538
2046	-	-	-	570,000	29,925	599,925	599,925
	<u>\$ 16,455,000</u>	<u>\$2,877,769</u>	<u>\$ 19,332,769</u>	<u>\$ 7,435,000</u>	<u>\$ 4,603,368</u>	<u>\$ 12,038,368</u>	<u>\$ 31,371,137</u>

(a) Interest calculated at an assumed rate for purposes of illustration. Preliminary, subject to change.

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FINANCIAL STATEMENT
(Unaudited)

TABLE 4 – ASSESSED VALUE

2023 Certified Assessed Valuation	\$ 467,221,571 (a)
2024 Certified Assessed Valuation	\$ 455,288,224 (a)
2025 Certified Assessed Valuation	\$ 429,097,207 (a)
2026 Certified Taxable Assessed Valuation	\$ 403,844,032 (a)
Gross Direct Debt Outstanding	\$ 23,890,000 (b)
Estimated Overlapping Debt	7,987,545 (c)
Gross Direct Debt and Estimated Overlapping Debt	\$ 31,877,545
Ratio of Gross Debt Outstanding to 2026 Certified Assessed Valuation	5.92%

Estimated Population as of September 30, 2026: 1,377

- (a) Assessed valuation of the District as certified by the Travis Central Appraisal District (“TCAD”). See “TAXING PROCEDURES.”
(b) Includes the Bonds. See “Table 3 – Projected Debt Service Schedule.”
(c) See “Estimated Overlapping Debt Statement.”

TABLE 5 – UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED

Purpose	Date Authorized	Amount Authorized	Amount Heretofore Issued	Amount Being Issued	Unissued Balance
Water, Sewer, Drainage	5/3/2025	\$ 13,600,000	\$ -	\$ 7,435,000	\$ 6,165,000
Total		\$ 13,600,000	\$ -	\$ 7,435,000	\$ 6,165,000

TABLE 6 – CASH AND INVESTMENT BALANCES^(a)

General Fund.....	\$ 6,299,797
Debt Service Fund.....	\$ 1,043,100
Capital Projects Fund	\$ 2,299,819

(a) Unaudited as of August 27, 2026.

INVESTMENT AUTHORITY AND INVESTMENT PRACTICES OF THE DISTRICT . . . Under State law, the District is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (the “FDIC”) or by explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund or their respective successors; (8) certificates of deposit and share certificates meeting the requirements of the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code, as amended) (the “PFIA”) (i) that are issued by or through an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for District deposits; or (ii) that are invested by the District through a depository institution that has its main office or a branch office in the State and otherwise meets the requirements of the PFIA; (9) fully collateralized repurchase agreements that (i) have a defined termination date, (ii) are secured by a combination of cash and/or obligations described in clause (1) above, (iii) requires the securities being purchased by the District or cash held by the District to be pledged to the District either directly or through a joint account (an account maintained by a custodian bank and established on behalf of two or more parties to engage in aggregate repurchase agreement transactions) approved by the District held in the District’s name either directly or through a joint account approved by the District and deposited at the time the investment is made with the District or with a third party selected and approved by the District, (iv) are placed through a primary government securities dealer (as defined by the Federal Reserve) or a financial institution doing business in the State, and (v) collateralized in accordance with the District’s investment policy; (10) certain bankers’ acceptances with the remaining term of 270 days or less, if

the short-term obligations of the accepting bank or its parent are rated at least “A-1” or “P-1” or the equivalent by at least one nationally recognized credit rating agency; (11) commercial paper with a stated maturity of 270 days or less that is rated at least “A-1” or “P-1” or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (12) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that complies with Securities and Exchange Commission Rule 2a-7; (13) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and either has a duration of one year or more and is invested exclusively in obligations described in the this paragraph, or has a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities; (14) local government investment pools organized in accordance with the Interlocal Cooperation Act (Chapter 791, Texas Government Code) as amended, whose assets consist exclusively of the obligations that are described above. A public funds investment pool must be continuously ranked no lower than “AAA,” “AAA-m” or at an equivalent rating by at least one nationally recognized rating service. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described below.

A political subdivision such as the District may enter into securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (11) through (13) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the District, held in the District’s name and deposited at the time the investment is made with the District or a third party designated by the District; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

The District may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than “AAA” or “AAA-m” or an equivalent by at least one nationally recognized rating service. The District may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the District retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the District must do so by order, ordinance, or resolution.

The District is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Under State law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for District funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund, groups methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All District funds must be invested consistent with a formally adopted “Investment Strategy Statement” that specifically addresses each fund’s investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, the District’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived.” At least quarterly the District’s investment officers must submit an investment report to the Board of Directors detailing: (1) the investment position of the District, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, and any additions and changes to market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) State law. No person may invest District funds without express written authority from the Board.

Under State law, the District is additionally required to: (1) annually review its adopted policies and strategies, (2) require any investment officers with personal business relationships or family relationships with firms seeking to sell securities to the District to disclose the relationship and file a statement with the Texas Ethics Commission and the District, (3) require the registered principal of firms seeking to sell securities to the District to: (a) receive and review the District’s investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities, and (c) deliver a

written statement attesting to these requirements; (4) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the District's investment policy, (5) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement, (6) restrict the investment in non-money market mutual funds in the aggregate to no more than 15% of the District's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service and (7) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements.

TABLE 7 – CURRENT INVESTMENTS

As of August 27, 2026 the District is currently invested in a bank Money Market Fund and TexPool. State law requires the District to mark its investments to market price each calendar quarter and upon the conclusion of each fiscal year, for the purpose of compliance with applicable accounting policies concerning the contents of the District's audited financial statements.

Investments	Market Value	Total
TexPool	\$ 9,540,508	98.94%
Money Market	102,208	1.06%
	<u>\$ 9,642,716</u>	<u>100.00%</u>

ESTIMATED OVERLAPPING DEBT STATEMENT . . . Other governmental entities whose boundaries overlap the District have outstanding bonds payable from ad valorem taxes. The following statement of direct and estimated overlapping ad valorem tax debt was developed from several sources, including information contained in "Texas Municipal Reports," published by the Municipal Advisory Council of Texas. Except for the amount relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person is entitled to rely upon information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional bonds since the dates stated in this table, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. Certain political subdivisions overlapping the District are authorized by Texas law to levy and collect ad valorem taxes for operation, maintenance and/or general revenue purposes in addition to taxes of debt service and the tax burden for operation, maintenance and/or general purposes is not included in these figures.

Taxing Jurisdiction	Total Tax Supported Debt	Estimated % Applicable	District's Overlapping Tax Supported Debt as of 9-30-2026
Travis County	\$ 1,202,190,000	0.10%	\$ 1,202,190
Lago Vista ISD	59,250,000	10.78%	6,387,150
Travis County ESD #1	-	7.29%	-
Travis County Healthcare District	398,205,000	0.10%	398,205
Travis County WCID - Point Venture	23,890,000 ^(a)	100.00%	<u>23,890,000</u>
Total Direct and Overlapping Tax Supported Debt			\$ 31,877,545
Ratio of Direct and Overlapping Tax Supported Debt to 2026 Certified TAV			7.89%

(a) Includes the Bonds.

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TAX DATA

TABLE 8 – TAX COLLECTIONS

The following statement of tax collections sets forth in condensed form the historical fiscal year tax collection experience of the District. Such summary has been prepared by the Financial Advisor for inclusion herein based upon information from District audits and records of the District's Tax Assessor/Collector. Reference is made to such audits and records for further and more complete information.

Fiscal Year Ended 9/30	Tax Rate	General Operating Fund	Debt I&S Fund	Tax Levy	% Total Collections
2023	\$ 0.7000	\$ 0.3628	\$ 0.3372	\$ 2,979,797	99.30%
2024	0.6722	0.4062	0.2660	3,217,914	99.70%
2025	0.6722	0.3972	0.2750	3,071,450	99.20%
2026	0.6606	0.3626	0.2980	2,846,604	98.46%
2027	0.6606	0.3811	0.2795	2,667,794	N/A ^(a)

(a) In process of collection.

TAX RATE LIMITATION . . . The District's tax rate for debt service on the Bonds is legally unlimited as to rate and amount.

MAINTENANCE TAX . . . The District has the statutory authority to levy and collect an annual ad valorem tax for maintaining, repairing and operating the District's facilities and for paying administrative expenses of the District, if such maintenance tax is authorized by the District's voters. An election for such a tax was held on September 21, 1970 at which time a maintenance tax not to exceed \$1.00 per \$100 assessed valuation was approved by the District's voters. The District levied a 2026 tax year maintenance tax of \$0.3811 in September 2026 and a debt service rate of \$0.2795.

TABLE 9 – PRINCIPAL TAXPAYERS . . . The following list of principal taxpayers was provided by the Travis Central Appraisal District based on the 2026 tax rolls of the District, which reflect ownership as of January 1 of each year shown.

Taxpayer	Taxable Assessed Value	% of 2026 Taxable Assessed Valuation
Jennlaur Ltd.	\$ 2,362,911	0.59%
Homeowner	1,966,000	0.49%
Homeowner	1,813,223	0.45%
Homeowner	1,792,000	0.44%
WFI-H20 LLC	1,708,597	0.42%
Homeowner	1,684,252	0.42%
Ameritex Builders Inc.	1,655,583	0.41%
Chasing Summer Lake Travis LLC	1,612,669	0.40%
Homeowner	1,571,180	0.39%
Homeowner	1,568,666	0.39%
	<u>\$ 17,735,081</u>	<u>4.39%</u>

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TAXING PROCEDURES

AUTHORITY TO LEVY TAXES . . . The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Bonds, and any additional bonds payable from taxes which the District may hereafter issue (see “INVESTMENT CONSIDERATIONS – Future Debt”) and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Order to levy such a tax from year-to-year as described more fully herein under “THE BONDS – Source of and Security for Payment.” Under Texas law, the Board may also levy and collect an annual ad valorem tax for the operation and maintenance of the District and its facilities. See “TAX DATA – Maintenance Tax.”

PROPERTY TAX CODE AND COUNTY-WIDE APPRAISAL DISTRICT . . . The Texas Property Tax Code (the “Property Tax Code”) specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized here.

The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the appraisal district. The Travis Central Appraisal District has the responsibility for appraising property for all taxing units within Travis County, including the District. Such appraisal values are subject to review and change by the Travis Central Appraisal Review Board (the “Appraisal Review Board”).

PROPERTY SUBJECT TO TAXATION BY THE DISTRICT . . . *General:* Except for certain exemptions provided by State law, all real property, tangible personal property held or used for the production of income, mobile homes, and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District; however, no effort is expected to be made by the Appraisal District to include on a tax roll tangible or intangible personal property not devoted to commercial or industrial use. Principal categories of exempt property include: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; income producing tangible personal property or mineral interest with a taxable value of less than \$500; certain property used for the control of air, water or land pollution; solar and wind powered energy devices; certain non-profit cemeteries, farm products owned by the producer; and certain property owned by qualified charitable, religious, veterans, youth, or fraternal organizations. Goods, wares, ores and merchandise (other than oil, gas, or petroleum products) that are acquired in or imported into the state and forwarded out of state within 175 days thereafter are also exempt. Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between \$5,000 and \$12,000 depending on the disability rating of the veteran if such rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to the exemption for the full amount of the residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran is entitled to an exemption for the full value of the veteran’s residence homestead to which the disabled veterans’ exemption applied including the surviving spouse of a disabled veteran who would have qualified for such exemption if it had been in effect on the date the disabled veteran died. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homesteads in an amount equal to the partially disabled veteran’s disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse’s residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse’s residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. See “TAX DATA.”

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) (not less than \$5,000) of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year but must be adopted before July 1. See “TAX DATA.”

Freeport Goods and Goods-in-Transit Exemption: A “Freeport Exemption” applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A “Goods-in-Transit” Exemption is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2011 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption is limited to tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse

operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

TAX ABATEMENT . . . Travis County and the District may enter into tax abatement agreements with owners of real property within such zone. The tax abatement agreements may exempt from ad valorem taxation by the applicable taxing jurisdiction for a period of up to ten years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with a comprehensive plan. To date, the District has not executed any abatement agreements.

VALUATION OF PROPERTY FOR TAXATION . . . Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code. Nevertheless, certain land may be appraised at less than market value under the Property Tax Code.

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three years for agricultural use, open space land, and timberland.

The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all real property in the Appraisal District at least once every three years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis. The District, however, at its expense has the right to obtain from the Appraisal District a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate within the District until such time as the Appraisal District chooses formally to include such values on its appraisal roll.

The Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% physically damaged by a disaster and located within an area declared to be a disaster area by the governor of the State of Texas. This temporary exemption is automatic if the disaster is declared prior to a taxing unit, such as the District, adopting its tax rate for the tax year. A taxing unit, such as the District, may authorize the exemption at its discretion if the disaster is declared after the taxing unit has adopted its tax rate for the tax year. The amount of the exemption is based on the percentage of damage and is prorated based on the date of the disaster. Upon receipt of an application submitted within the eligible timeframe by a person who qualifies for a temporary exemption under the Property Tax Code, the Appraisal District is required to complete a damage assessment and assign a damage assessment rating to determine the amount of the exemption. The temporary exemption amounts established in the Property Tax Code range from 15% for property less than 30% damaged to 100% for property that is a total loss. Any such temporary exemption granted for disaster-damaged property expires on January 1 of the first year in which the property is reappraised.

DISTRICT AND TAXPAYER REMEDIES . . . Under certain circumstances taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a timely petition for review in State district court. In such event, the value of the property in question will be determined by the court or by a jury if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda which could result in the repeal of certain tax increases. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

LEVY AND COLLECTION OF TAXES . . . The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board of Directors, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the

preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and generally become delinquent if not paid before February 15 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount (not to exceed twenty percent (20%)) established by the District and a delinquent tax attorney. For those taxes billed at a later date and that become delinquent on or after June 1, they will also incur an additional penalty for collection costs of an amount (not to exceed twenty percent (20%)) established by the District and a delinquent tax attorney. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, may be rejected. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continue to accrue during the period of deferral.

ROLLBACK OF OPERATION AND MAINTENANCE TAX RATE . . . Chapter 49 of the Texas Water Code, as amended, classifies districts differently based on their current operation and maintenance tax rate or on the percentage of projected build-out that a district has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per \$100 of taxable value are classified herein as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all land, improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate is described for each classification below.

Special Taxing Units: Special Taxing Units that adopt a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, subject to certain homestead exemptions, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Special Taxing Unit is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

Developed Districts: Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, subject to certain homestead exemptions, plus any unused increment rates, as calculated and described in Section 26.013 of the Tax Code, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

Developing Districts: Districts that do not meet the classification of a Special Taxing Unit or a Developed District can be classified as Developing Districts. The qualified voters of these districts, upon the Developing District's adoption of a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, subject to certain homestead exemptions, are authorized to petition for an election to reduce the operation and maintenance tax rate. If an election is called and passes, the total tax rate for Developing Districts is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

The District: The District's Board of Directors has determined that the District is a Developing District for the 2026 tax year. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

DISTRICT'S RIGHTS IN THE EVENT OF TAX DELINQUENCIES . . . Taxes levied by the District are a personal obligation of the owner of the property on January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each local taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units. See "FINANCIAL STATEMENT – Estimated Overlapping Debt Statement." A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the

property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem residential homestead property within two years after the purchaser's deed issued at the foreclosure sale is filed in the county records other property may be redeemed by a taxpayer within 180 days of such filing) or by bankruptcy proceedings which restrict the collection of taxpayer debts. See "INVESTMENT CONSIDERATIONS – Tax Collections and Foreclosure Remedies."

TAX PAYMENT INSTALLMENTS AFTER DISASTER . . . Certain qualified taxpayers, including owners of residential homesteads, located within a designated disaster area or emergency area, and whose property has been damaged as a direct result of the disaster or emergency, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction such as the District if the taxpayer pays at least one-fourth of the tax bill imposed on the property by the delinquency date. The remaining taxes may be paid without penalty or interest in three equal installments within six months of the delinquency date.

Additionally, the Texas Tax Code authorizes a taxing jurisdiction such as the District, solely at the jurisdiction's discretion, to adopt a similar installment payment option for taxes imposed on property that is located within a designated disaster area or emergency area, and is owned or leased by certain qualified business entities, regardless of whether the property has been damaged as a direct result of the disaster or emergency.

EFFECT OF FIRREA ON TAX COLLECTIONS . . . The "Financial Institutions Reform, Recovery and Enforcement Act of 1989" ("FIRREA") contains provisions which affect the time for protesting property valuations, the fixing of tax liens and the collection of penalties and interest on delinquent taxes on real property owned by the FDIC when the FDIC is acting as the conservator or receiver of an insolvent financial institution.

Under FIRREA, real property held by the FDIC is still subject to ad valorem taxation, but such act states (i) that no real property of the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary lien shall attach to such property, (ii) the FDIC shall not be liable for any penalties or fines, including those arising from the failure to pay any real property taxes when due and (iii) notwithstanding the failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed.

To the extent that the FIRREA provisions are valid and applicable to any property in the District, and to the extent that the FDIC attempts to enforce the same, these provisions may affect the timeliness of collection of taxes on property owned by the FDIC in the District, and may prevent the collection of penalties and interest on such taxes.

LEGAL MATTERS

LEGAL OPINIONS . . . Issuance of the Bonds is subject to the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District. Issuance of the Bonds is also subject to the legal opinion of Orrick, Herrington & Sutcliffe LLP, Austin, Texas ("Bond Counsel"), based upon examination of a transcript of the proceedings incident to authorization and issuance of the Bonds, to the effect that the Bonds are valid and binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by governmental immunity, bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity. Bond Counsel's legal opinion will also address the matters described below under "TAX MATTERS." Such opinions will express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds. In connection with the issuance of the Bonds, Bond Counsel has been engaged by, and only represents, the District.

The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds are based upon a percentage of Bonds actually issued, sold and delivered, and therefore, such fees are contingent upon the sale and delivery of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

NO-LITIGATION CERTIFICATE . . . The District will furnish to the Initial Purchaser a certificate, dated as of the date of delivery of the Bonds, executed by one or more officers of the Board, to the effect that no litigation of any nature has been filed or is then pending or threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the issuance, execution or delivery of the Bonds; affecting the provisions made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the issuance, execution, or delivery of the Bonds; or affecting the validity of the Bonds.

NO MATERIAL ADVERSE CHANGE . . . The obligations of the Initial Purchaser to take and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the condition (financial or otherwise) of the District from that set forth or contemplated in the Official Statement.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”). Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX B hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislature

proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

QUALIFIED TAX-EXEMPT OBLIGATIONS FOR FINANCIAL INSTITUTIONS . . . Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a "financial institution," on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible in determining the taxpayer's taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer that is a disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer that is a "financial institution" allocable to tax-exempt obligations, other than "private activity bonds," that are designated by a "qualified small issuer" as "qualified tax-exempt obligations." A "qualified small issuer" is any governmental issuer (together with any "on-behalf of" and "subordinate issuers") who issues no more than \$10,000,000 of tax-exempt obligations during the calendar year. Section 265(b)(5) of the Code defines the term "financial institution" as any "bank" described in Section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person's trade or business that is subject to federal or state supervision as a financial institution. Notwithstanding the exception to the disallowance of the deduction of interest on indebtedness related to "qualified tax-exempt obligations" provided by Section 265(b) of the Code, Section 291 of the Code provides that the allowable deduction to a "bank," as defined in Section 585(a)(2) of the Code, for interest on indebtedness incurred or continued to purchase "qualified tax-exempt obligations" shall be reduced by twenty-percent (20%) as a "financial institution preference item."

The District expects to designate the Bonds as "qualified tax-exempt obligations" within the meaning of section 265(b) of the Code. In furtherance of that designation, the District will covenant to take such action that would assure, or to refrain from such action that would adversely affect, the treatment of the Bonds as "qualified tax-exempt obligations." Potential purchasers should be aware that if the issue price to the public exceeds \$10,000,000, there is a reasonable basis to conclude that the payment of a de minimis amount of premium in excess of \$10,000,000 is disregarded; however, the Internal Revenue Service could take a contrary view. If the Internal Revenue Service takes the position that the amount of such premium is not disregarded, then such obligations might fail to satisfy the aforementioned dollar limitation and the Bonds would not be "qualified tax-exempt obligations."

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Order, the District has made the following agreement for the benefit of the registered and beneficial owners. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board ("MSRB").

ANNUAL REPORTS . . . The District will provide certain updated financial information and operating data to the MSRB annually in an electronic format that is prescribed by the MSRB and available via the Electronic Municipal Market Access System ("EMMA") at www.emma.msrb.org. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement under Tables 1 through 9 and in APPENDIX A. The District will update and provide this information within six months after the end of each fiscal year. If audited financial statements are not available when the information is provided, the District will provide audited financial statements when and if they become available and unaudited financial statements within twelve (12) months after fiscal year end, unless audited financial statements are sooner provided. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX A or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation. The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12, as amended (the "Rule"). The District's current fiscal year end is September 30. Accordingly, it must provide updated information by the last day of March in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

EVENT NOTICES . . . The District will also provide timely notice (not in excess of ten (10) business days after the occurrence of the event) of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) Bankruptcy, insolvency, receivership or similar event of the District; (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties. In addition, the District will provide timely notice of any failure by the District to provide annual financial information in accordance with their agreement described above under "Annual Reports."

For these purposes, any event described in clause (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

For the purposes of the above described event notices (15) and (16), the term "financial obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

AVAILABILITY OF INFORMATION. . . All information and documentation filings required to be made by the District will be made with the MSRB in electronic format in accordance with MSRB guidelines. Access to such filings is provided, without charge to the general public, by the MSRB at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS. . . The District has agreed to update information and to provide notices of certain events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders and beneficial owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement. The District may amend its disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, but only if (1) the

provisions, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. The District may also amend or repeal the provisions of its continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the District amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH UNDERTAKING . . . During the last five years the District has complied in all material respects with its prior continuing disclosure agreements entered into pursuant to the Rule.

FINANCIAL ADVISOR

The Official Statement was compiled and edited under the supervision of Specialized Public Finance Inc. (the “Financial Advisor”), which firm is currently employed as Financial Advisor to the District. The fees paid to the Financial Advisor for services rendered in connection with the issuance and sale of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered, and therefore such fees are contingent on the sale and delivery of the Bonds. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to the issuer and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

OFFICIAL STATEMENT

PREPARATION . . . The District has no employees but engages various professionals and consultants to assist the District in the day-to-day activities of the District. See “THE DISTRICT.” The Board of Directors in its official capacity has relied upon the below mentioned experts and sources in preparation of this Official Statement. The information in this Official Statement was compiled and edited by the Financial Advisor. In addition to compiling and editing such information, the Financial Advisor has obtained the information set forth herein under the captions indicated from sources including: Trihydro Corporation; Bott Douthitt, P.L.L.C.; and Willatt & Flickinger, PLLC.

UPDATING THE OFFICIAL STATEMENT DURING UNDERWRITING PERIOD . . . If, subsequent to the date of the Official Statement to and including the date the Initial Purchaser is no longer required to provide and Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the “end of the underwriting period” (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days after the “end of the underwriting period”), the District learns or is notified by the Initial Purchaser of any adverse event which causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the Initial Purchaser a supplement to the Official Statement which corrects such representation to the reasonable satisfaction of the Initial Purchaser, unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds as described in the Notice of Sale under the heading “DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS – Delivery.” The obligation of the District to update or change the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser (the “end of the underwriting period” within the meaning of the Rule), unless the Initial Purchaser provides written notice the District that less than all of the Bonds have been sold to ultimate customers on or before such date, in which case the obligation to update or change the Official Statement will extend for an additional period of time of 25 days after all of the Bonds have been sold to ultimate customers. In the event the Initial Purchaser provides written notice to the District that less than all of the Bonds have been sold to ultimate customers, the Initial Purchaser agrees to notify the District in writing following the occurrence of the “end of the underwriting period” as defined in the Rule.

CERTIFICATION AS TO OFFICIAL STATEMENT . . . The District, acting by and through its Board of Directors in its official capacity in reliance upon the experts listed above, hereby certifies, as of the date hereof, that to the best of its knowledge and belief, the information, statements and descriptions pertaining to the District and its affairs herein contain no untrue statements of a material fact and do not omit to state any material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The information, description and statements concerning entities other than the District, including particularly other governmental entities, have been obtained from sources believed to be reliable, but the District has made no independent investigation or verification of such matters and makes no representation as to the accuracy or completeness thereof. Except as set forth in “CONTINUING DISCLOSURE OF INFORMATION” herein, the District has no obligation to disclose any changes in the affairs of the District and other matters described in this Official Statement subsequent to the “end of the underwriting period” which shall end when the District delivers the Bonds to the Initial Purchaser at closing, unless extended by the Initial Purchaser. All information with respect to the resale of the Bonds subsequent to the “end of the underwriting period” is the responsibility of the Initial Purchaser.

ANNUAL AUDITS . . . Under Texas Law, the District must keep its fiscal records in accordance with generally accepted accounting principles. It must also have its financial accounts and records audited by a certified or permitted public accountant within 120 days after the close of each fiscal year of the District, and must file each audit report with the TCEQ within 135 days after the close of the fiscal year so long as the District has bond outstanding. Copies of each audit report must also be filed in the office of the District. The District's fiscal records and audit reports are available for public inspection during regular business hours, and the District is required by law to provide a copy of the District's audit reports to any Registered Owner or other member of the public within a reasonable time on request, upon payment of prescribed charges.

This Official Statement was approved by the Board of Directors of Travis County Water Control and Improvement District – Point Venture, as of the date shown on the first page hereof.

MISCELLANEOUS

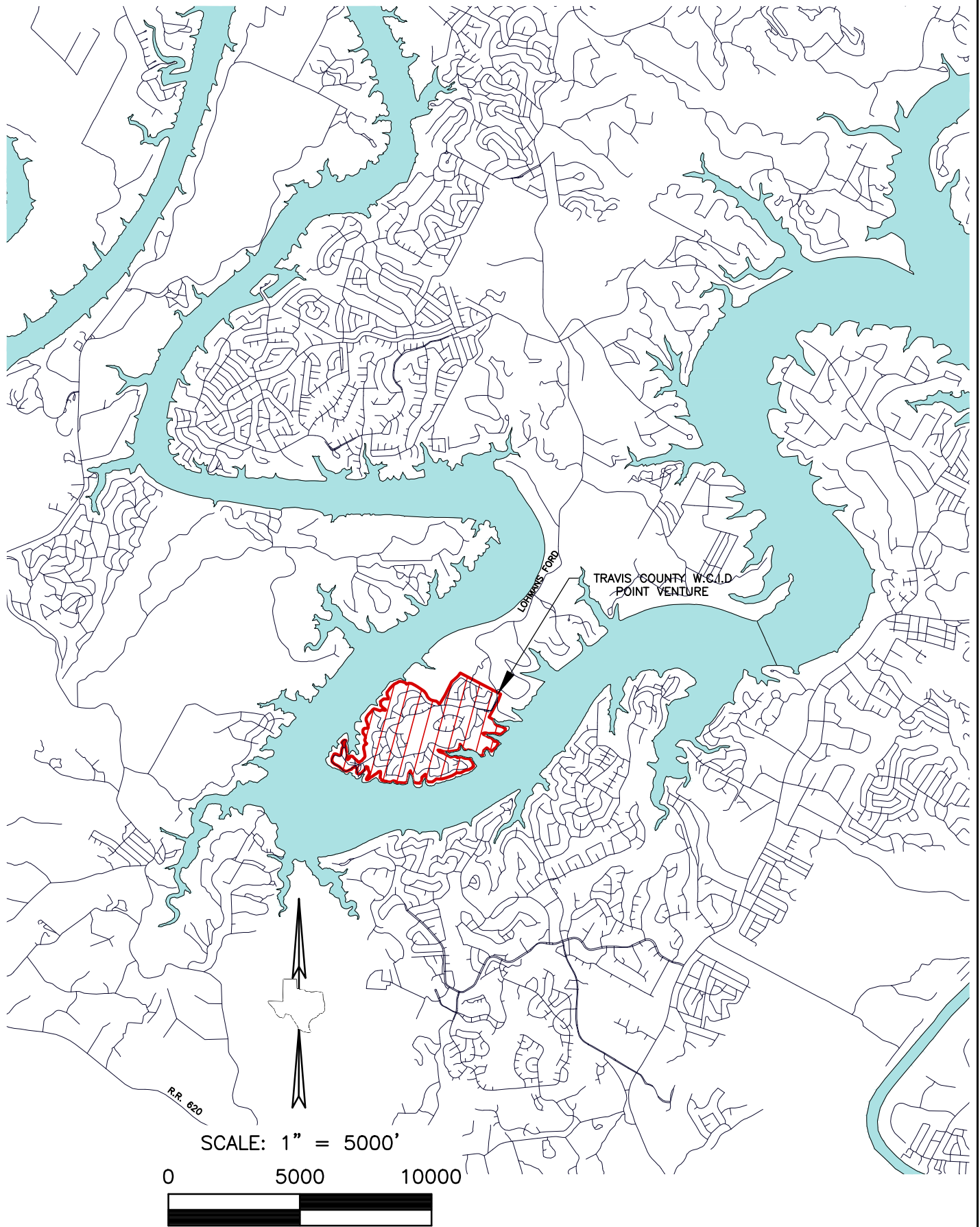
RATINGS . . . The Bonds and outstanding debt of the District have been rated “A3” by Moody’s Investors Service, Inc. (“Moody’s”) without regard to credit enhancement. An explanation of the significance of such rating may be obtained from the company furnishing the rating. The rating reflects only the respective view of such organization and the District makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating company, if in the judgment of the company, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

All estimates, statements and assumptions in this Official Statement and the APPENDICES hereto have been made on the basis of the best information available and are believed to be reliable and accurate. Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any such statements will be realized.

Secretary, Board of Directors
Travis County Water Control and Improvement District –
Point Venture

President, Board of Directors
Travis County Water Control and Improvement District –
Point Venture

LOCATION MAP



3801 SOUTH 1ST STREET
AUSTIN, TEXAS 78704-7047
PHONE-(512) 442-3008
FAX-(512) 442-6522

1011 W. COUNTY LINE ROAD, SUITE C
NEW BRAUNFELS, TEXAS 78130
PHONE-(830)-626-3588
FAX-(830)-626-3601

TRAVIS COUNTY W.C.I.D.
POINT VENTURE

VICINITY MAP

APPENDIX A

EXCERPTS FROM THE ANNUAL FINANCIAL REPORT

The information contained in this APPENDIX has been excerpted from the financial statements of Travis County Water Control and Improvement District – Point Venture for the fiscal year ended September 30, 2025, as prepared by the District's auditor Maxwell Locke & Ritter LLP.

Independent Auditors' Report

To the Board of Directors of
Travis County Water Control and Improvement District - Point Venture:

Opinions

We have audited the financial statements of the governmental activities and each major fund of Travis County Water Control and Improvement District - Point Venture (the "District"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Maxwell Locke & Ritter LLP

Austin, Texas
January 29, 2026

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2025**

In accordance with Governmental Accounting Standards Board Statement No. 34 ("GASB 34"), the management of Travis County Water Control and Improvement District - Point Venture (the "District") offers the following discussion and analysis to provide an overview of the District's financial activities for the year ended September 30, 2025. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the District's financial statements that follow.

FINANCIAL HIGHLIGHTS

- *General Fund:* At the end of the current fiscal year, the unassigned fund balance was \$5,038,279, an increase of \$1,358,366 from the previous fiscal year. General Fund revenues increased from \$3,343,001 in the previous fiscal year to \$3,455,960 in the current fiscal year primarily due to an increase in service revenue resulting from an adjustment in the service rates.
- *Debt Service Fund:* Fund balance restricted for debt service increased from \$891,258 in the previous fiscal year to \$971,557 in the current fiscal year. Debt Service Fund revenues decreased from \$1,365,179 in the previous fiscal year to \$1,338,318 in the current fiscal year due to a decrease in the District's assessed valuation.
- *Capital Projects Fund:* Fund balance decreased from \$8,267,354 in the previous fiscal year to \$4,772,747 in the current fiscal year. The District expended \$3,725,199 for bond related projects during the year.
- *Governmental Activities:* On a government-wide basis for governmental activities, the District had revenues, net of expenses of \$2,200,803, in the current fiscal year. Net position increased from \$8,691,361 to \$10,892,164.

OVERVIEW OF THE DISTRICT

The District was created, organized and established on October 14, 1970, by the Texas Water Commission pursuant to the provisions of Chapter 51 of the Texas Water Code. The reporting entity of the District encompasses those activities and functions over which the District's elected officials exercise significant oversight or control. The District is governed by a five member Board of Directors which has been elected by District residents or appointed by the Board of Directors. The District is not included in any other governmental "reporting entity" as defined by GASB Statement No. 14, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in GASB Statements No. 14 and No. 39 which are included in the District's reporting entity.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2025**

USING THIS ANNUAL REPORT

This annual report consists of five parts:

1. *Management's Discussion and Analysis* (this section)
2. *Basic Financial Statements*
3. *Notes to the Basic Financial Statements*
4. *Required Supplementary Information*
5. *Texas Supplemental Information* (required by the Texas Commission on Environmental Quality (the TSI section))

For purposes of GASB 34, the District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the "Governmental Funds Total" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The *Statement of Net Position and Governmental Funds Balance Sheet* includes a column (titled "Governmental Funds Total") that represents a balance sheet prepared using the modified accrual basis of accounting. This method measures cash and all other financial assets that can be readily converted to cash. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District's net position will indicate financial health.

The *Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances* includes a column (titled "Governmental Funds Total") that derives the change in fund balances resulting from current year revenues, expenditures, and other financing sources or uses. These amounts are prepared using the modified accrual basis of accounting. The adjustments column converts those activities to full accrual, a basis that more closely represents the income statement of a private-sector business.

The *Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the information presented in the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances*.

The *Required Supplementary Information* presents a comparison statement between the District's adopted budget and its actual results.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

Summary Statement of Net Position

	Governmental Activities		Change Increase (Decrease)
	2025	2024	
Current and other assets	\$ 12,334,209	\$ 13,690,510	\$ (1,356,301)
Capital and non-current assets	17,395,351	13,967,056	3,428,295
Total Assets	29,729,560	27,657,566	2,071,994
Current liabilities	2,260,924	1,519,381	741,543
Long-term liabilities	16,576,472	17,446,824	(870,352)
Total Liabilities	18,837,396	18,966,205	(128,809)
Net investment in capital assets	4,868,943	4,109,541	759,402
Restricted	949,915	867,291	82,624
Unrestricted	5,073,306	3,714,529	1,358,777
Total Net Position	\$ 10,892,164	\$ 8,691,361	\$ 2,200,803

The District's net position increased by \$2,200,803 to \$10,892,164 from the previous year balance of \$8,691,361. Some of the District's assets are accounted for by capital assets or restricted for debt service. The District's unrestricted net position, which can be used to finance day to day operations, totaled \$5,073,306 in the current fiscal year.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2025**

Revenues and Expenses:

Summary Statement of Activities

	<u>Governmental Activities</u>		<u>Change Increase (Decrease)</u>
	<u>2025</u>	<u>2024</u>	
Service revenues, including penalties	\$ 1,354,363	\$ 1,135,843	\$ 218,520
Property taxes, including penalties and interest	3,074,357	3,224,902	(150,545)
Interest and other	608,674	921,678	(313,004)
Total Revenues	<u>5,037,394</u>	<u>5,282,423</u>	<u>(245,029)</u>
Operation/management fee	622,407	590,908	31,499
Repairs/maintenance	983,832	881,031	102,801
Water	42,747	39,811	2,936
Professional fees	158,031	158,460	(429)
Other	170,645	127,013	43,632
Debt service	416,815	447,874	(31,059)
Depreciation/amortization	442,114	448,967	(6,853)
Total Expenses	<u>2,836,591</u>	<u>2,694,064</u>	<u>142,527</u>
Change in Net Position	2,200,803	2,588,359	(387,556)
Beginning Net Position	<u>8,691,361</u>	<u>6,103,002</u>	<u>2,588,359</u>
Ending Net Position	<u>\$ 10,892,164</u>	<u>\$ 8,691,361</u>	<u>\$ 2,200,803</u>

Revenues were \$5,037,394 for the fiscal year ended September 30, 2025 while expenses were \$2,836,591. Net position increased by \$2,200,803.

Property taxes totaled \$3,074,357 for the fiscal year ended September 30, 2025. Included in these taxes are real and personal property taxes which are assessed October 1 and payable before the following January 31.

The District's assessed value in fiscal year 2025 was approximately \$456 million compared to approximately \$478 million in fiscal year 2024. The tax rate is set after reviewing the operating and debt service requirements and appraised values determined by Travis County. The ad valorem tax rate for fiscal years 2025 and 2024 was \$0.6722 per \$100 assessed valuation. The District's primary revenue sources are service account fees and property taxes.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2025**

ANALYSIS OF GOVERNMENTAL FUNDS

Governmental Funds by Year

	2025	2024
Cash and cash equivalent investments	\$ 11,957,468	\$ 13,281,324
Receivables and other assets	289,168	400,498
Total Assets	<u>\$ 12,246,636</u>	<u>\$ 13,681,822</u>
Accounts payable	\$ 790,549	\$ 246,399
Other payables	611,621	534,039
Total Liabilities	<u>1,402,170</u>	<u>780,438</u>
Deferred Inflows of Resources	<u>61,883</u>	<u>62,859</u>
Nonspendable	9,901	-
Restricted	5,734,403	9,158,612
Unassigned	<u>5,038,279</u>	<u>3,679,913</u>
Total Fund Balance	<u>10,782,583</u>	<u>12,838,525</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,246,636</u>	<u>\$ 13,681,822</u>

As of September 30, 2025, the District's governmental funds reflect a combined fund balance of \$10,782,583. This fund balance includes a \$1,358,366 increase in the General Fund balance.

The Debt Service Fund reflects an increase of \$80,299 in fiscal year 2025. The Debt Service Fund remitted bond principal of \$830,000 and interest of \$417,681 in fiscal year 2025. More detailed information about the District's debt is presented in the *Notes to the Basic Financial Statements*.

The Capital Projects Fund reflects a decrease of \$3,494,607 in fiscal year 2025.

BUDGETARY HIGHLIGHTS

The General Fund pays for daily operating expenses. On September 26, 2024, the Board of Directors approved a budget for the fiscal year ending September 30, 2025. The budget included revenues of \$3,166,664 as compared to expenses of \$2,500,772 for fiscal year 2025. When comparing actual to budget, the District had a positive variance of \$692,474 primarily due to favorable service revenues, favorable interest earnings and favorable capital expenditures. More detailed information about the District's budgetary comparison is presented in the *Required Supplementary Information*.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2025**

CAPITAL ASSETS

At September 30, 2025, the District's governmental activities had invested \$17,395,351 in land and easements and various other assets. The detail is reflected in the following schedule:

Summary of Capital Assets, net

	<u>9/30/2025</u>	<u>9/30/2024</u>
Land and easements	\$ 167,042	\$ 167,042
Construction in progress	10,081,412	6,356,213
Office equipment	49,075	49,075
Machinery/equipment	292,667	292,667
Building/improvements	452,604	452,604
Distribution system	3,289,442	3,289,442
Water/Wastewater facilities	10,618,216	10,477,292
Less: Accumulated depreciation	<u>(7,555,107)</u>	<u>(7,117,279)</u>
Total Net Capital Assets	<u>\$ 17,395,351</u>	<u>\$ 13,967,056</u>

More detailed information about the District's capital assets is presented in the *Notes to the Basic Financial Statements*.

LONG-TERM DEBT

The District has the following balances outstanding on unlimited tax bonds:

	<u>Bonds Payable</u>
Series 2016	\$ 4,910,000
Series 2020	<u>12,410,000</u>
Total	<u>\$ 17,320,000</u>

The District owes approximately \$17.3 million to bond holders. During the year, the principal balance decreased by \$830,000. More detailed information about the District's long-term debt is presented in the *Notes to the Basic Financial Statements*.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED SEPTEMBER 30, 2025**

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The total net taxable value for the 2025 tax year is approximately \$431 million. The fiscal year 2026 tax rate is \$0.6606 on each \$100 of taxable value. Approximately 55% of the property tax will fund general operating expenses, and approximately 45% of the property tax will be set aside for debt service on the District's bonded debt.

The adopted budget for fiscal year 2026 projects an operating fund balance increase of \$883,496.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of Willatt & Flickinger, PLLC, 12912 Hill Country Blvd., Suite F-232, Austin, Texas, 78738.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2025**

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - Wide Statement of Net Position
<u>ASSETS</u>						
Cash and cash equivalent investments:						
Cash	\$ 270,400	\$ -	\$ -	\$ 270,400	\$ -	\$ 270,400
Cash equivalent investments	4,972,714	974,945	5,739,409	11,687,068	-	11,687,068
Receivables:						
Service accounts, net of provision for uncollectible accounts of \$2,418	161,405	-	-	161,405	-	161,405
Property taxes	35,027	26,856	-	61,883	-	61,883
Other	1,235	-	-	1,235	-	1,235
Interfund receivables	54,744	-	-	54,744	(54,744)	-
Prepaid expenses	-	-	9,901	9,901	142,317	152,218
Capital assets, net of accumulated depreciation:						
Land and easements	-	-	-	-	167,042	167,042
Construction in progress	-	-	-	-	10,081,412	10,081,412
Building/improvements	-	-	-	-	253,796	253,796
Distribution system	-	-	-	-	1,152,365	1,152,365
Water/wastewater facilities	-	-	-	-	5,740,736	5,740,736
TOTAL ASSETS	\$ 5,495,525	\$ 1,001,801	\$ 5,749,310	\$ 12,246,636	17,482,924	29,729,560
<u>LIABILITIES</u>						
Accounts payable	\$ 291,494	\$ -	\$ 499,055	\$ 790,549	-	790,549
Retainage payable	-	-	426,152	426,152	-	426,152
Refundable deposits	130,725	-	-	130,725	-	130,725
Accrued interest payable	-	-	-	-	48,498	48,498
Interfund payables	-	3,388	51,356	54,744	(54,744)	-
Bonds payable:						
Due within one year	-	-	-	-	865,000	865,000
Due after one year	-	-	-	-	16,576,472	16,576,472
TOTAL LIABILITIES	422,219	3,388	976,563	1,402,170	17,435,226	18,837,396
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Property taxes	35,027	26,856	-	61,883	(61,883)	-
TOTAL DEFERRED INFLOWS OF RESOURCES	35,027	26,856	-	61,883	(61,883)	-
<u>FUND BALANCES / NET POSITION</u>						
Fund balances:						
Nonspendable	-	-	9,901	9,901	(9,901)	-
Restricted for debt service	-	971,557	-	971,557	(971,557)	-
Restricted for authorized construction	-	-	4,762,846	4,762,846	(4,762,846)	-
Unassigned	5,038,279	-	-	5,038,279	(5,038,279)	-
TOTAL FUND BALANCES	5,038,279	971,557	4,772,747	10,782,583	(10,782,583)	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,495,525	\$ 1,001,801	\$ 5,749,310	\$ 12,246,636		
<u>NET POSITION:</u>						
Net investment in capital assets					4,868,943	4,868,943
Restricted for debt service					949,915	949,915
Unrestricted					5,073,306	5,073,306
TOTAL NET POSITION					\$ 10,892,164	\$ 10,892,164

The accompanying notes are an integral part of this statement.

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - Wide Statement of Activities
REVENUES:						
Service revenues, including penalties	\$ 1,313,563	\$ -	\$ -	\$ 1,313,563	\$ -	\$ 1,313,563
Property taxes, including penalties and interest	1,815,834	1,259,499	-	3,075,333	(976)	3,074,357
System connection/inspection fees	40,800	-	-	40,800	-	40,800
Interest	192,788	78,819	244,092	515,699	-	515,699
Other	92,975	-	-	92,975	-	92,975
TOTAL REVENUES	3,455,960	1,338,318	244,092	5,038,370	(976)	5,037,394
EXPENDITURES / EXPENSES:						
Current:						
Water	42,747	-	-	42,747	-	42,747
Repairs/maintenance	983,832	-	-	983,832	-	983,832
Operations/management fee	622,407	-	-	622,407	-	622,407
Utilities	66,812	-	-	66,812	-	66,812
Legal fees	42,054	-	-	42,054	-	42,054
Engineering fees	42,922	-	-	42,922	-	42,922
Accounting fees	57,055	-	-	57,055	-	57,055
Audit fees	16,000	-	-	16,000	-	16,000
Insurance	24,355	-	-	24,355	-	24,355
Tax appraisal/collection	10,822	7,492	-	18,314	-	18,314
Public notice	9,151	-	-	9,151	-	9,151
Other	38,513	-	13,500	52,013	-	52,013
Debt service:						
Principal	-	830,000	-	830,000	(830,000)	-
Interest	-	417,681	-	417,681	(3,712)	413,969
Fiscal agent fees	-	2,846	-	2,846	-	2,846
Capital outlay	140,924	-	3,725,199	3,866,123	(3,866,123)	-
Depreciation/amortization	-	-	-	-	442,114	442,114
TOTAL EXPENDITURES / EXPENSES	2,097,594	1,258,019	3,738,699	7,094,312	(4,257,721)	2,836,591
Excess (deficiency) of revenues over (under) expenditures / expenses	1,358,366	80,299	(3,494,607)	(2,055,942)	4,256,745	2,200,803
Change in net position	-	-	-	-	4,256,745	2,200,803
FUND BALANCES / NET POSITION:						
Beginning of the year	3,679,913	891,258	8,267,354	12,838,525	(4,147,164)	8,691,361
End of the year	\$ 5,038,279	\$ 971,557	\$ 4,772,747	\$ 10,782,583	\$ 109,581	\$ 10,892,164

The accompanying notes are an integral part of this statement.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025**

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Travis County Water Control and Improvement District - Point Venture (the "District") relating to the funds included in the accompanying financial statements conform to generally accepted accounting principles ("GAAP") as applied to governmental entities. GAAP for local governments include those principles prescribed by the *Governmental Accounting Standards Board* ("GASB"), which constitutes the primary source of GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

Reporting Entity - The District was created, organized and established on October 14, 1970, by the Texas Water Commission pursuant to the provisions of Chapter 51 of the Texas Water Code. The reporting entity of the District encompasses those activities and functions over which the District's elected officials exercise significant oversight or control. The District is governed by a five member Board of Directors (the "Board") which has been elected by District residents or appointed by the Board. The District is not included in any other governmental "reporting entity" as defined by GASB Statement No. 14, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units included in the District's reporting entity. In January 2019, the District terminated all full-time employees and began using external consultants to perform the operations of the District.

Basis of Presentation - Government-Wide and Fund Financial Statements - The basic financial statements are prepared in conformity with GASB Statement No. 34, and include a column for government-wide (based upon the District as a whole) and fund financial statement presentations. GASB Statement No. 34 also requires as supplementary information the Management's Discussion and Analysis, which includes an analytical overview of the District's financial activities. In addition, a budgetary comparison statement is presented that compares the final amended General Fund budget with actual results.

- **Government-Wide Financial Statements**

The District's Statement of Net Position includes both non-current assets and non-current liabilities of the District, which were previously recorded in the General Fixed Assets Account Group and the General Long-Term Debt Account Group. In addition, the government-wide Statement of Activities column reflects amortization and depreciation expense on the District's capital assets, including infrastructure, and original issue discounts.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025**

1. SIGNIFICANT ACCOUNTING POLICIES (continued) -

- **Government-Wide Statements (continued) -**

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from financial activities of the fiscal period. The focus of the fund financial statements is on the individual funds of the governmental categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

- **Fund Financial Statements**

Fund based financial statement columns are provided for governmental funds. GASB Statement No. 34 sets forth minimum criteria (percentage of assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures of either fund category) for the determination of major funds. All of the District's funds are reported as major funds.

Governmental Fund Types - The accounts of the District are organized and operated on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. The various funds are grouped by category and type in the financial statements. The District maintains the following fund types:

- **General Fund** - The General Fund accounts for financial resources in use for general types of operations which are not encompassed within other funds. This fund is established to account for resources devoted to financing the general services that the District provides for its residents. Tax revenues and other sources of revenue used to finance the fundamental operations of the District are included in this fund.
- **Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest and related costs.
- **Capital Projects Fund** - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Non-Current Governmental Assets and Liabilities - GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the government-wide financial statement column in the Statement of Net Position.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025**

1. SIGNIFICANT ACCOUNTING POLICIES (continued) -

Basis of Accounting

- **Governmental Funds**

- **Government-Wide Statements** - The government-wide financial statement column is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.
- **Fund Financial Statements** - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the net fund balance. Governmental funds are accounted for on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available).

“Measurable” means that the amount of the transaction can be determined and “available” means the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures, if measurable, are generally recognized on the accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include the unmatured principal and interest on general obligation long-term debt which is recognized when due. This exception is in conformity with GAAP.

Property tax revenues are recognized when they become available. In this case, available means when due, or past due and receivable within the current period and collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Tax collections expected to be received subsequent to the 60-day availability period are reported as deferred inflows of resources. All other revenues of the District are recorded on the accrual basis in all funds.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025**

1. SIGNIFICANT ACCOUNTING POLICIES (continued) -

Basis of Accounting

- **Governmental Funds (continued)**
 - **Fund Financial Statements (continued)** - The District reports deferred inflows of resources on its balance sheet. Deferred inflows arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when revenue recognition criteria are met, the balance for deferred inflows of resources is removed from the balance sheet and revenue is recognized.

Budgets and Budgetary Accounting - A budget was adopted on September 26, 2024 for the General Fund on a basis consistent with GAAP. The District’s Board utilizes the budget as a management tool for planning and cost control purposes.

Cash and Cash Equivalent Investments - Cash and cash equivalent investments include cash on deposit as well as investments with original maturities of three months or less. The investments, consisting of an external local government investment pool and U.S. Treasury State and Local Government Series securities, are recorded at either amortized cost or fair value.

Accounts Receivable - The District provides for uncollectible accounts receivable using the allowance method of accounting for bad debts. Under this method of accounting, a provision for uncollectible accounts is charged to earnings. The allowance account is increased or decreased based on past collection history and management’s evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance account, and recoveries of previously charged off accounts are added to the allowance. The District established an allowance for doubtful accounts of \$2,418 at September 30, 2025.

Ad Valorem Property Taxes - Property taxes, penalties, and interest are reported as revenue in the fiscal year in which they become available to finance expenditures of the District. Allowances for uncollectible property taxes are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both the government-wide and fund financial statements. Prepaid expenses shall be charged to expenditures when consumed.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025**

1. SIGNIFICANT ACCOUNTING POLICIES (continued) -

Capital Assets - Capital assets, which include land and easements, construction in progress, office equipment, machinery and equipment, buildings and improvements, a distribution system, and water and wastewater facilities, are reported in the government-wide column in the Statement of Net Position. Public domain ("infrastructure") capital assets, including distribution systems and water and wastewater facilities, are capitalized. Items purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded as capital assets at estimated acquisition value at the time received.

Capital assets (other than land and easements and construction in progress) are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Distribution system	30
Building/improvements	10-40
Water/wastewater facilities	30
Machinery/equipment	5-10
Office equipment	5-10

Interfund Transactions - Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay that amount and if the debtor fund has the ability to repay the advance on a timely basis. Operating transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and original issue discounts are deferred over the life of the bonds. Bonds payable are reported net of the applicable bond premiums or discounts.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in both the government-wide and the fund financial statements.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025**

1. SIGNIFICANT ACCOUNTING POLICIES (continued) -

Deferred Outflows and Deferred Inflows of Resources - The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.

The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Fund Equity - The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. See Note 10 for additional information on those fund balance classifications.

Accounting Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements - The District complies with GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- Level 3 inputs are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025**

1. SIGNIFICANT ACCOUNTING POLICIES (continued) -

There are three general valuation techniques that may be used to measure fair value:

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities.
- Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost).
- Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Recently Issued Accounting Pronouncement - In May 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for fiscal years beginning after June 15, 2025. The objective of GASB Statement No. 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an entity's accountability. GASB Statement No. 103 impacts the following areas: (1) Management's discussion and analysis - information is limited to topics discussed in five sections which include a) overview of the financial statements, b) financial summary, c) detailed analysis, d) significant capital asset and long-term financial activity, and e) currently known facts, decisions, or conditions. Information included in the detailed analysis should explain why balances and results of operations changed; (2) Unusual or infrequent items - these items are limited to transactions that are either unusual in nature or infrequent in occurrence and are displayed as the last presented flow of resources prior to the net change in resource flows; (3) Proprietary funds - the statement of revenues, expenses, and changes in net position is now required to separately report noncapital subsidies and present a subtotal for operating income (loss) and noncapital subsidies before reporting nonoperating revenues and expenses. It also defines what constitutes a subsidy; (4) Major component unit information - each major component unit is required to be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements; (5) Budgetary comparison information - this is now required to be presented as required supplemental information and also must present variances between original and final budget amounts and variances between final budget and actual amounts. Management is evaluating the effects that the full implementation of GASB Statement No. 103 will have on its financial statements for the year ended September 30, 2026.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025**

2. RECONCILIATION OF THE GOVERNMENTAL FUNDS

Adjustments to convert the Governmental Funds Balance Sheet to the Statement of Net Position are as follows:

Fund balances - total governmental funds		\$ 10,782,583
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Capital assets	\$ 24,950,458	
Less: Accumulated depreciation	<u>(7,555,107)</u>	17,395,351
Revenue is recognized when earned in the government-wide statements, regardless of availability. Governmental funds report deferred inflows of resources for revenues earned but not available.		61,883
Prepaid bond issuance		142,317
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable	(17,320,000)	
Bond discounts	158,185	
Bond premiums	(279,657)	
Accrued bond interest payable	<u>(48,498)</u>	<u>(17,489,970)</u>
Total net position		<u>\$ 10,892,164</u>

Adjustments to convert the Governmental Funds Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities are as follows:

Changes in fund balances - governmental funds		\$ (2,055,942)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report:		
Capital expenditures in year paid	\$ 3,866,123	
Bond principal in year paid	830,000	
Interest expenditures in year paid	3,712	
Tax revenue when collected	<u>(976)</u>	4,698,859
Governmental funds do not report-		
Depreciation/amortization		<u>(442,114)</u>
Change in net position		<u>\$ 2,200,803</u>

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025**

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The District's deposits are required to be secured in the manner provided by law for the security of the funds. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that the District's deposits be fully insured by Federal Deposit Insurance Corporation ("FDIC") insurance or collateralized with obligations of the United States or its agencies and instrumentalities. At September 30, 2025, the carrying amount of the District's deposits was \$270,400 and the bank balance was \$304,813. At September 30, 2025, the District's deposits were fully collateralized by FDIC insurance or by pledged collateral.

The investment policies of the District are governed by Section 2256 of the Texas Government Code (the "Public Funds Investment Act") and an adopted District Investment Policy that includes depository contract provisions and custodial contract provisions. The Public Funds Investment Act authorizes the District to invest in funds under a written investment policy, which is approved annually by the Board. Major provisions of the District's investment policy, which complies with the Public Funds Investment Act, include: depositories must be FDIC insured Texas banking institutions; depositories must fully insure or collateralize all demand and time deposits; and securities collateralizing time deposits are held by independent third party trustees. The primary objectives of the District's investment strategy, in order of priority, are safety of principal, liquidity, and yield.

Interest rate risk - In accordance with its investment policy, the District manages its exposure to declines in fair values through investment diversification and limiting investments as follows:

- Money market mutual funds are required to have weighted average maturities of 90 days or fewer; and
- Other mutual fund investments are required to have weighted average maturities of less than two years.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025**

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued) -

Credit risk - The District's investment policy requires the application of the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, and considering the probable safety of their capital as well as the probable income to be derived. The District's investment policy requires that District funds be invested in:

- Obligations of the United States Government and/or its agencies and instrumentalities; or
- Money market mutual funds with investment objectives of maintaining a stable net asset value of \$1 per share; or
- Mutual funds rated in one of the three highest categories by a nationally recognized rating agency; or
- Securities issued by a State or local government or any instrumentality or agency thereof, in the United States, and rated in one of the three highest categories by a nationally recognized rating agency; or
- Public funds investment pools rated AAA or AAAM by a nationally recognized rating agency.

At September 30, 2025, the District held the following cash equivalents and investments:

Investments	Fair Value at 9/30/2025	Weighted Average Maturity (Days)	Investment Rating	
			Rating	Rating Agency
TexPool	\$ 6,027,007	1	AAAM	Standard & Poor's
Treasury Direct (SLGS)	5,660,061	1	Various	Various
	<u>\$ 11,687,068</u>			

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025**

3. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued) -

The Comptroller of Public Accounts is the sole officer and director of the Texas Treasury Safekeeping Trust Company, which is authorized to operate the Texas Local Government Investment Pool ("TexPool"). Although TexPool is not registered with the SEC as an investment company, they operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. TexPool also has an advisory board to advise on TexPool's investment policy. This board is made up equally of participants and nonparticipants who do not have a business relationship with TexPool. Federated Investors is the investment manager for the pool and manages daily operations of TexPool under a contract with the Comptroller. TexPool's investment policy stipulates that it must invest in accordance with the Public Funds Investment Act. These investments are stated at amortized cost in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and as permitted by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

In accordance with GASB Statement No. 79, the external local government investment pool does not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. This pool does not impose any liquidity fees or redemption gates.

The District also invests in U.S. Treasury State and Local Government Series (SLGS) securities in order to assist with compliance with yield restriction and arbitrage rate rebate provisions of the Internal Revenue Code. These investments are valued using Level 2 inputs that are based on market data obtained from independent sources. The investments are reported by the District at fair value in accordance with GASB Statement No. 72.

Concentration of credit risk - In accordance with the District's investment policy, investments in individual securities are to be limited to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. As of September 30, 2025, the District did not own any investments in individual securities as the U.S. Treasury State and Local Government Series (SLGS) securities are demand deposit types of securities that have a weighted average maturity of one day.

4. PROPERTY TAXES

Property taxes attach as an enforceable lien on January 1. Taxes are levied on or about October 1, are due on November 1, and are past due the following February 1. The Travis Central Appraisal District established appraisal values in accordance with requirements of the Texas Legislature. The District levies taxes based upon the appraised values. The Travis County Tax Assessor Collector bills and collects the District's property taxes. The Board set the tax rates for the 2025 fiscal year (2024 tax year) on September 26, 2024.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025**

4. PROPERTY TAXES (continued) -

The property tax rates, established in accordance with state law, were based on 100% of the net assessed valuation of real property within the District on the 2024 tax roll. The 2024 tax rate, based on total taxable assessed valuation of \$456,453,288 was \$0.6722 on each \$100 valuation and was allocated to the General Fund and Debt Service Fund at \$0.3972 and \$0.2750, respectively.

Property taxes receivable at September 30, 2025, consisted of the following:

	General Fund	Debt Service Fund	Total
Current year levy	\$ 14,526	\$ 10,057	\$ 24,583
Prior years' levies	20,501	16,799	37,300
	<u>\$ 35,027</u>	<u>\$ 26,856</u>	<u>\$ 61,883</u>

The District is prohibited from writing off real property taxes without specific authority from the Texas Legislature.

5. INTERFUND ACCOUNTS

A summary of interfund accounts, which resulted from the time lag between dates that payments are made between funds, is as follows at September 30, 2025:

	Interfund	
	Receivable	Payable
General Fund:		
Debt Service Fund	\$ 3,388	\$ -
Capital Projects Fund	51,356	-
Debt Service Fund-		
General Fund	-	3,388
Capital Projects Fund-		
General Fund	-	51,356
	<u>\$ 54,744</u>	<u>\$ 54,744</u>

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025**

6. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance 9/30/2024	Additions	Deletions	Balance 9/30/2025
Capital assets not being depreciated:				
Land and easements	\$ 167,042	\$ -	\$ -	\$ 167,042
Construction in progress	6,356,213	3,725,199	-	10,081,412
Total capital assets being depreciated	6,523,255	3,725,199	-	10,248,454
Capital assets being depreciated:				
Office equipment	49,075	-	-	49,075
Machinery/equipment	292,667	-	-	292,667
Building/improvements	452,604	-	-	452,604
Distribution system	3,289,442	-	-	3,289,442
Water/wastewater facilities	10,477,292	140,924	-	10,618,216
Total capital assets being depreciated	14,561,080	140,924	-	14,702,004
Less accumulated depreciation for:				
Office equipment	(49,075)	-	-	(49,075)
Machinery/equipment	(292,667)	-	-	(292,667)
Building/improvements	(180,899)	(17,909)	-	(198,808)
Distribution system	(2,081,240)	(55,837)	-	(2,137,077)
Water/wastewater facilities	(4,513,398)	(364,082)	-	(4,877,480)
Total accumulated depreciation	(7,117,279)	(437,828)	-	(7,555,107)
Capital assets being depreciated, net	7,443,801	(296,904)	-	7,146,897
Total capital assets, net of accumulated depreciation	<u>\$ 13,967,056</u>	<u>\$ 3,428,295</u>	<u>\$ -</u>	<u>\$ 17,395,351</u>

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025**

7. LONG-TERM DEBT

The following is a summary of bond transactions of the District as of and for the year ended September 30, 2025:

	<u>Unlimited Tax and Revenue Bonds</u>
Bonds payable at September 30, 2024	\$ 18,150,000
Bonds retired	(830,000)
Bonds premiums/discounts, net	<u>121,472</u>
Bonds payable at September 30, 2025	<u><u>\$ 17,441,472</u></u>

Bonds payable at September 30, 2025, were comprised of the following issues:

Unlimited Tax Bonds:

\$4,910,000 - 2016 Unlimited Tax Bonds payable serially through the year 2036 at interest rates which range from 2.00% to 3.25%.

\$12,410,000 - 2020 Unlimited Tax Bonds payable serially through the year 2040 at interest rates which range from 1.00% to 4.00%.

The annual requirements to amortize all bonded debt at September 30, 2025, including interest, are as follows:

Year Ended September 30,	Annual Requirements for All Series		
	Principal	Interest	Total
2026	\$ 865,000	\$ 387,981	\$ 1,252,981
2027	900,000	356,981	1,256,981
2028	940,000	335,231	1,275,231
2029	980,000	317,932	1,297,932
2030	1,020,000	298,506	1,318,506
2031-2035	5,775,000	1,142,869	6,917,869
2036-2040	<u>6,840,000</u>	<u>426,250</u>	<u>7,266,250</u>
Total	<u><u>\$ 17,320,000</u></u>	<u><u>\$ 3,265,750</u></u>	<u><u>\$ 20,585,750</u></u>

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025**

7. LONG-TERM DEBT (continued) -

\$971,557 is available in the Debt Service Fund to service the bonded debt as of September 30, 2025. The District held a bond election in May 2025 where \$13,600,000 of additional bonds were authorized by the voters. \$13,600,000 in tax bonds remains to be issued by the District at September 30, 2025.

8. COMMITMENTS AND CONTINGENCIES

The developers of the land within the District have incurred costs for construction of facilities, as well as costs pertaining to the creation and operation of the District. Claims for reimbursement of construction costs and operational advances will be evaluated upon receipt of adequate supporting documentation and proof of contractual obligation. Such costs may be reimbursable to the developer by the District from cash and cash equivalent investments held in the Capital Projects Fund, subject to approval by the Texas Commission on Environmental Quality, or from operations.

9. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained coverage from commercial insurance companies and the Texas Municipal League Intergovernmental Risk Pool ("TML Pool") to effectively manage its risk. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

The TML Pool was established by various political subdivisions in Texas to provide self-insurance for its members and to obtain lower costs for insurance. TML Pool members pay annual contributions to obtain the insurance. Annual contribution rates are determined by the TML Pool Board. Rates are estimated to include all claims expected to occur during the policy including claims incurred but not reported. The TML Pool has established claims reserves for each of the types of insurance offered. Although the TML Pool is a self-insured risk pool, members are not contingently liable for claims filed above the amount of the fixed annual contributions. If losses incurred are significantly higher than actuarially estimated, the TML Pool adjusts the contribution rate for subsequent years. Members may receive returns of contributions if actual results are more favorable than estimated.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT -
POINT VENTURE
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2025**

10. FUND BALANCES

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

- Nonspendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.
- Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board. The District had no such amounts.
- Assigned - For the General Fund, amounts that are appropriated by the Board that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed. The District had no such amounts.
- Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

The detail of the fund balances are included in the Governmental Funds Balance Sheet on page FS-1.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board may also assign fund balance for a specific purpose.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2025**

	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
Service revenues, including penalties	\$ 1,313,563	\$ 1,197,200	\$ 116,363
Property taxes, including penalties and interest	1,815,834	1,790,320	25,514
System connection/inspection fees	40,800	6,000	34,800
Interest	192,788	90,500	102,288
Other	92,975	82,644	10,331
TOTAL REVENUES	<u>3,455,960</u>	<u>3,166,664</u>	<u>289,296</u>
EXPENDITURES:			
Current:			
Water	42,747	48,568	5,821
Repairs/maintenance	983,832	870,250	(113,582)
Operations/management fees	622,407	613,200	(9,207)
Utilities	66,812	78,000	11,188
Legal fees	42,054	54,000	11,946
Engineering fees	42,922	72,000	29,078
Accounting fees	57,055	56,500	(555)
Audit fees	16,000	16,000	-
Insurance	24,355	25,000	645
Tax appraisal/collection	10,822	11,000	178
Public notice	9,151	5,000	(4,151)
Other	38,513	71,254	32,741
Capital outlay	140,924	580,000	439,076
TOTAL EXPENDITURES	<u>2,097,594</u>	<u>2,500,772</u>	<u>403,178</u>
Excess of revenues over expenditures	1,358,366	<u>\$ 665,892</u>	<u>\$ 692,474</u>
FUND BALANCE:			
Beginning of the year	<u>3,679,913</u>		
End of the year	<u>\$ 5,038,279</u>		

APPENDIX B

FORM OF BOND COUNSEL'S OPINION



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_____, 2026

We have acted as bond counsel to Travis County Water Control and Improvement District – Point Venture (the “District”) in connection with the issuance of the Travis County Water Control and Improvement District – Point Venture Unlimited Tax Bonds, Series 2026 (the “Bonds”), dated as of November 12, 2026, in the aggregate principal amount of \$ _____. The Bonds are authorized by an order adopted by the Board of Directors of the District (the “Board”) on October 22, 2026 (the “Order”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Order.

In such connection, we have reviewed a transcript of certain certified proceedings pertaining to the issuance of the Bonds, including the Order, the tax certificate of the District dated the date hereof (the “Tax Certificate”), certificates of the District, and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed that each document and each signature thereon provided to us is genuine and that each such document has been duly and legally executed by and constitutes a valid and binding agreement of each party thereto other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Order and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call



attention to the fact that the rights and obligations under the Bonds, the Order and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against governmental entities such as the District in the State of Texas. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The transcript of certified proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the Constitution and laws of the State of Texas presently in effect; the Bonds constitute the valid and binding obligations of the District, and the Bonds have been authorized and delivered in accordance with law.

2. The Bonds are payable, both as to principal and interest, from the receipts of an annual ad valorem tax levied, without legal limit as to rate or amount, upon taxable property located within the District, which taxes have been pledged irrevocably to pay the principal of and interest on the Bonds.

3. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP