

NOTICE OF ELECTION

TO THE RESIDENT, QUALIFIED ELECTORS OF WILBARGER CREEK MUNICIPAL UTILITY DISTRICT NO. 2

TAKE NOTICE that an election will be held in said District as provided in an "ORDER CALLING A ROAD BOND ELECTION AND REFUNDING BOND ELECTION FOR WILBARGER CREEK MUNICIPAL UTILITY DISTRICT NO. 2 AND MAKING PROVISIONS FOR CONDUCTING SUCH ELECTION AND OTHER PROVISIONS INCIDENTAL AND RELATED THERETO" duly passed by the Board of Directors of said District, which is substantially as follows:

WHEREAS, Wilbarger Creek Municipal Utility District No. 2 (the "District"), was duly created by order of the Texas Natural Resource Conservation Commission, predecessor of the Texas Commission on Environmental Quality (the "Commission") dated May 30, 2002 as a conservation and reclamation district created under and essential to accomplish the purposes of Section 59, Article XVI of the Texas Constitution; and

WHEREAS, the District currently operates pursuant to Chapters 49 and 54, Texas Water Code, as amended; and

WHEREAS, the District together with Travis County Municipal Utility District No. 2, Cottonwood Creek Municipal Utility District No. 1 and Wilbarger Creek Municipal Utility District No. 1, (collectively the "Participants") were created to provide water, wastewater and drainage and storm sewer facilities, including water quality facilities, to serve the land within their boundaries; and

WHEREAS, the District has been designated by the Participants to serve as the master district (together with any successor thereto collectively, the "Master District") to construct major water supply and distribution facilities, major wastewater treatment and collection facilities and major drainage and storm sewer facilities, including water quality facilities, to serve the entire service area, including the Participants, as such facilities are generally described in the Master District Contract, hereinafter defined (collectively, the "Master Facilities"); and

WHEREAS, the District and each of the Participants have constructed internal facilities to furnish a waterworks system, sanitary sewer system and a drainage and storm sewer system including water quality facilities, to serve internal development within each Participant;

WHEREAS, at separate elections held on May 3, 2003 (the "Contract Election") the voters of the District and each Participant approved the Master District Contract,¹ and the levy of a tax in support of the Master District Contract; and

¹ For purposes hereof, "Master District Contract" means the Amended and Restated Contract for Financing and Operation of Regional Waste Collection, Treatment and Disposal Facilities; Regional Water Supply and Delivery Facilities, and Regional Drainage, Including Water Quality, Facilities, as dated therein, between the Master District and the Participants, containing provisions with respect to the payment by the Participants of certain pledged contract payments and the issuance of contract revenue bonds secured by and payable from the pledged contract payments.

WHEREAS, pursuant to the terms of the Master District Contract, the Master District is authorized to issue bonds, payable from a contract tax levied by each Participant, the proceeds of which will be used to acquire, construct and improve certain Master Facilities in order to provide water, wastewater and drainage, including water quality facilities, for the Participants; and

WHEREAS, at an election held on the same day as, and in conjunction with, the Contract Election, (the "May 2003 Bond Election"), the voters of the District confirmed creation of the District; authorized a maintenance tax not to exceed \$1.50 per one hundred dollars (\$100) valuation of taxable property for operation and maintenance purposes; approved the issuance of new money bonds in one or more issues or series in the maximum amount of \$39,340,000 and \$3,995,000 for water, wastewater and drainage purposes and for park and recreational purposes, respectively, all of which remains authorized but unissued (collectively, the "Existing New Money Bond Authorization"), and approved the issuance of refunding bonds in one or more issues or series in the maximum amounts of \$59,010,000 and \$5,992,5000 for refunding bonds issued for water, wastewater and drainage purposes and for park and recreational purposes, respectively, all of which remains authorized but unissued (collectively, the "Existing Refunding Bond Authorization"), all as set forth in the May 2003 Bond Election proceedings; and

WHEREAS, the District has reserved the right to issue from time to time all of the \$43,335,000 of Existing New Money Bond Authorization and all of the remaining \$65,002,500 of Existing Refunding Bond Authorization from the May 2003 Bond Election; and

WHEREAS, by order of the Texas Commission on Environmental Quality (the "Commission") dated March 1, 2019 (the "Commission Order"), the District has acquired road powers pursuant to Section 54.234, Texas Water Code, as amended; and

WHEREAS, pursuant to the Commission Order, the request that the District be granted road powers under Section 54.234 of the Texas Water Code was approved by the Commission and the District has certain roads which may be financed by the District as set forth in the [Preliminary Engineering Report for Road Facilities] (the "Road Engineering Report") and the Road Engineering Report has been carefully considered and approved by the Board; however the Road Engineering Report is not part of the proposition to be voted on and is not a contract with the voters; and

WHEREAS, the Road Engineering Report contains an estimate of the road improvements for the District, generally as follows:

ROAD FACILITIES BOND ELECTION

<u>Construction Costs</u>	<u>District Share</u>
1. Public Roadway Improvements	\$ 22,706,790
2. Engineering, Permitting Fees and Environmental Mitigation (15%)	\$ 3,406,019
3. Contingencies (20%)	<u>\$ 5,222,562</u>
Total Construction Costs	\$ 31,335,370
<u>Non-Construction Costs</u>	
A. Legal Fees (3.0%)	\$ 1,332,000
B. Financial Advisor Fees (2.5%)	\$ 1,110,000
C. Interest Costs	

1. Capitalized Interest (2 years @ 4.25%)	\$ 3,774,000
2. Developer Interest	\$ 2,835,000
D. Bond Discount (3.0%)	\$ 1,332,000
E. TCEQ Fee	\$ 111,000
F. Attorney General Fee (0.10% of BIR)	\$ 44,400
G. Administration and Issuance Expenses	\$ 156,230
H. Bond Application Reports	\$ 250,000
I. Traffic Impact Analysis Costs Share	\$ 2,020,000
J. Contingency	\$ <u>100,000</u>
Total Non-Construction Costs	\$13,064,630
TOTAL ROAD BOND ISSUE REQUIREMENTS	\$44,400,000

WHEREAS, the Board finds that the above estimate of \$44,400,000 is reasonable and proper and hereby approves the same and all items thereof but reserves the right to authorize amendments to the Road Engineering Report and to reallocate costs and make such other changes as necessary to meet the changing requirements of the District's road facilities; and

WHEREAS, Section 54.505, Texas Water Code, provides that bonds payable wholly or partially from ad valorem taxes shall not be issued until authorized by a majority vote of the resident electors of the District voting in an election called and held for that purpose; and

WHEREAS, Section 52, Article III of the Texas Constitution provides that bonds issued for the purpose of construction, maintenance and operation of macadamized, graveled or paved roads and turnpikes shall not be issued unless approved by a vote of two-thirds majority of the resident electors of the District voting in an election called and held for such purpose; and

WHEREAS, the Board desires to call an election for the purpose of submitting a proposition on the issuance of bonds of the District for constructing, improving, acquiring or reimbursing for the costs of roads in accordance with Section 52, Article III of the Texas Constitution in the maximum aggregate principal amount of \$44,400,000 and the levy of taxes in payment of such bonds, reserving the right to issue from time to time the \$43,335,000 of Existing New Money Bond Authorization and \$65,002,500 of Existing Refunding Authorization, respectively, authorized at the May 2003 Bond Election; and

WHEREAS, Section 49.106(c), Texas Water Code, and the Texas Election Code provide that bond elections may be held on the same day as any other District election; and

WHEREAS, the Board desires to call an election to authorize refunding bonds and the levy of taxes in payment of such bonds for purposes of refunding new money bonds for roads as authorized by Section 52, Article III of the Texas Constitution (reserving the right to issue from time to time the \$43,335,000 of Existing New Money Bond Authorization and \$65,002,500 of Existing Refunding Authorization, respectively, authorized at the May 2003 Bond Election); and

WHEREAS, the Board wishes to proceed with the ordering of said elections;

BE IT ORDERED BY THE BOARD OF DIRECTORS OF WILBARGER CREEK MUNICIPAL UTILITY DISTRICT NO. 2 THAT:

Section 1. The matters and facts set out in the preamble of this Order are hereby found and declared to be true and complete.

Section 2. The Road Engineering Report hereinabove mentioned is hereby approved; provided, however, the District reserves the right to authorize amendments to the Road Engineering Report to reallocate costs and make such other changes as necessary to meet the changing requirements of the District. The Road Engineering Report is not part of the proposition to be voted on and is not a contract with the voters.

Section 3. A special election shall be held within the District on November 5, 2019, between the hours of 7:00 a.m. and 7:00 p.m. at such polling places determined by Travis County, Texas (the "County"), and such polling places are hereby established and designated as set forth on Exhibit "A" to this Order. Exhibit "A" shall be revised and finalized, if necessary, as directed by the County Elections Administrator. The County Elections Administrator is conducting the election pursuant to an Election Agreement between the District and the County Elections Administrator as authorized under Section 31.092 of the Texas Election Code (the "Election Agreement"). The election shall be held as a joint election pursuant to Chapter 271 of the Texas Election Code and a joint election agreement to be entered into between the District and the other eligible participating entities located in the County which are holding an election on November 5, 2019. The County's election equipment shall be used in the election. At the election there shall be submitted the questions of issuance of road bonds and issuance of refunding bonds for road bonds, together with the levy of taxes in payment of all such bonds. The election judges and clerks shall be appointed in accordance with the Election Agreement and Texas Election Code, as amended.

Section 4. The following propositions shall be submitted to the resident electors of the District:

WILBARGER CREEK MUNICIPAL UTILITY DISTRICT NO. 2
PROPOSITION A

SHALL THE BOARD OF DIRECTORS OF WILBARGER CREEK MUNICIPAL UTILITY DISTRICT NO. 2 BE AUTHORIZED TO ISSUE BONDS IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$44,400,000 IN CONFORMITY WITH THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, PARTICULARLY SECTION 52, ARTICLE III OF THE CONSTITUTION AND LAWS ENACTED PURSUANT THERETO, FOR THE PURPOSE OF DESIGNING, CONSTRUCTING, IMPROVING, ACQUIRING, CONVEYING OR REIMBURSING FOR THE COSTS OF DESIGNING, CONSTRUCTING, IMPROVING, ACQUIRING OR CONVEYING, MAINTAINING, FINANCING AND OPERATING MACADAMIZED, GRAVELED OR PAVED ROADS AND TURNPIKES AND RELATED BRIDGES, TRAILS, DRAINAGE WORKS AND OTHER SIMILAR IMPROVEMENTS AND CARRYING OUT OTHER IMPROVEMENTS THAT ARE NECESSARY, CONVENIENT, RELATED OR IN AID THERETO OR THAT ARE OTHERWISE PERMITTED TO BE DONE UNDER APPLICABLE LAWS AT THE TIME OF ISSUANCE OF SUCH BONDS, BOTH WITHIN AND OUTSIDE THE BOUNDARIES OF SAID DISTRICT, OR IN AID OF THOSE PURPOSES, SUCH BONDS TO BE ISSUED IN ONE OR MORE SERIES OR ISSUES, TO MATURE SERIALY

OR OTHERWISE NOT MORE THAN FORTY (40) YEARS FROM THEIR DATE AND TO BEAR INTEREST AT SUCH RATE OR RATES (NOT TO EXCEED THE MAXIMUM RATE PERMITTED BY LAW AT THE TIME OF ISSUANCE OF THE BONDS) AS IN ITS DISCRETION THE BOARD SHALL DETERMINE AND SHALL THE BOARD BE AUTHORIZED TO LEVY AND PLEDGE AND CAUSE TO BE ASSESSED AND COLLECTED ANNUAL AD VALOREM TAXES ON ALL TAXABLE PROPERTY IN THE DISTRICT SUFFICIENT TO PAY THE ANNUAL INTEREST ON THE BONDS AND TO PROVIDE A SINKING FUND TO PAY THE BONDS AT MATURITY OR REDEMPTION ALL AS NOW OR HEREAFTER AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

WILBARGER CREEK MUNICIPAL UTILITY DISTRICT NO. 2
PROPOSITION B

SHALL THE BOARD OF DIRECTORS OF WILBARGER CREEK MUNICIPAL UTILITY DISTRICT NO. 2 BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AGGREGATE ORIGINAL PRINCIPAL AMOUNT OF \$66,600,000 MATURING SERIALLY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OVER A PERIOD OR PERIODS NOT EXCEEDING FORTY (40) YEARS FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES, AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE ON ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH ISSUE OR SERIES OF SAID BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OF REFUNDING BY ANY MEANS NOW OR HEREAFTER AUTHORIZED BY LAW, ALL OR ANY PORTION OF ANY BONDS OR OTHER OBLIGATIONS OF THE DISTRICT PAYABLE IN WHOLE OR IN PART FROM TAXES, HEREAFTER ISSUED BY THE DISTRICT FOR ROADS PURSUANT TO SECTION 52, ARTICLE III OF THE TEXAS CONSTITUTION, AND TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON SUCH REFUNDING BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, SUCH AUTHORIZATION BEING IN ADDITION TO ANY OTHER REFUNDING AUTHORIZATION NOW OR HEREAFTER ALLOWED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

Section 5. Voting in the election for the propositions shall be by the use of electronic or paper ballots which shall show the propositions in both English and Spanish and which shall conform to the requirements of federal law, including the Help America Vote Act, and the Texas Election Code, as amended. The order of the propositions on the ballot shall be in accordance with the Texas Election Code. The ballots used in the election shall contain the following:

WILBARGER CREEK MUNICIPAL UTILITY DISTRICT NO. 2
PROPOSITION A

- | | | | |
|-----|---------|---|--|
| () | FOR |) | THE ISSUANCE OF \$44,400,000 BONDS FOR |
| | |) | ROADS AND THE LEVY OF TAXES IN |
| () | AGAINST |) | PAYMENT OF THE BONDS. |

WILBARGER CREEK MUNICIPAL UTILITY DISTRICT NO. 2
PROPOSITION B

- | | | | |
|-----|---------|---|--|
| () | FOR |) | THE ISSUANCE OF \$66,600,000 BONDS FOR |
| | |) | REFUNDING ROAD BONDS ISSUED |
| () | AGAINST |) | PURSUANT TO SECTION 52, ARTICLE III OF |
| | | | THE TEXAS CONSTITUTION AND THE LEVY |
| | | | OF TAXES IN PAYMENT OF THE BONDS |

Each voter shall vote on the propositions by placing an "X" in the square beside the statement indicating the way he or she wishes to vote.

Section 6. Solely for purposes of compliance with Section 3.009(b) of the Texas Election Code, set forth in Exhibit "C" attached hereto is the information required in a bond election order in accordance with Section 3.009(b) of the Texas Election Code.

Section 7. Oral assistance in Spanish shall be made available to all persons requiring such assistance. Any person requiring oral assistance in Spanish should contact the presiding judge or the early voting clerk.

Section 8. The early voting ballot board presiding judge and the alternate presiding judge shall be appointed in accordance with the Election Agreement and the Texas Election Code.

Early voting in the election by personal appearance shall be conducted at the times, dates and polling places as determined by the County, and such polling places are hereby established and designated as set forth in Exhibit "B" to this Order and this exhibit is incorporated by reference for all purposes. Exhibit "B" shall be revised and finalized, if necessary, as directed by the County Elections Administrator. Dana DeBeauvoir is the Early Voting Clerk. Application for ballots by mail should be sent to Travis County Early Voting Clerk, P.O. Box 149325, Austin, Texas 78714-9325.

Section 9. In all respects, the election shall be conducted in accordance with the Texas Election Code and the Federal Help America Vote Act. Every polling place used in Travis County for this election will have at least one Direct Recording Electronic voting device available for Election Day voting and early voting. The County Clerk may use a central counting station as provided by Section 127.000 et seq. as amended, Texas Election Code. Central counting station Presiding Judge and the Alternate Presiding Judge shall be appointed in accordance with the Election Agreement.

Section 10. The election shall be held and conducted and returns shall be made to the Board in accordance with state and federal law, including the Help America Vote Act, the Texas

Election Code as modified by Chapters 49 and 54, Texas Water Code and the Election Agreement.

Section 11. All qualified resident electors of the District shall be entitled to vote in the elections.

Section 12. In accordance with Section 4.003(a)(1) of the Texas Election Code, a substantial copy of this Order, appearing in English and Spanish, shall serve as proper notice of said elections, and the President of the Board or other representatives of the District shall cause the notice to be published one time, not earlier than the 30th day or later than the 10th day prior to the date set for the elections, in a newspaper published in the District or, if none is published in the District, in a newspaper of general circulation in the District. In addition, in accordance with Section 4.003(a)(2) of the Texas Election Code, a substantial copy of this Order, appearing in English and Spanish, shall be posted in accordance with the Texas Election Code not later than the 21st day before the elections. The District is holding bond elections for roads and refunding purposes; therefore, in accordance with Section 4.003(f) of the Texas Election Code, a copy of this Order, appearing in English and Spanish, shall be posted on Election Day and during early voting by personal appearance in a prominent location at each polling place; posted in three public places in the boundaries of the District no later than the 21st day before the election; and posted on the District's Internet website during the 21 days before the election, if the District maintains an Internet website.

Section 13. Immediately after the elections, the officers holding same shall make and deliver returns of the results thereof to the Secretary of the Board, who shall safely keep them and deliver same to the Board, at which the Board shall canvass the returns and declare the results of the elections pursuant to Section 49.101 of the Texas Water Code and Section 67.003 of the Texas Election Code, as amended.

Section 14. The President or Vice President and Secretary or Assistant Secretary of the Board are authorized and directed to take any action necessary to carry out the provisions of this Order.

Section 15. It is hereby found that the meeting at which this Order has been considered and adopted was open to the public, as required by law, and that written notice of the time, place, and subject matter of said meeting, and of the proposed adoption of this Order, was given as required by Section 49.063, Texas Water Code, as amended. The Board further ratifies and confirms said written notice and the contents and posting thereof.

Section 16. The District has reserved the right to issue from time to time all of the \$43,335,000 of Existing New Money Bond Authorization and \$65,002,500 of Existing Refunding Bond Authorization respectively, authorized at the May 2003 Bond Election. Neither this Order nor the election called hereby in any way impact the May 2003 Bond Election or the Contract Election.

EXHIBIT "A"
ELECTION DAY POLLING PLACE
November 5, 2019

Registered voters of the District participating in the November 5, 2019 election may vote at the location listed below.

Los votantes registrados del Distrito participante en la elección del 5 de noviembre del 2019, podrán votar en el lugar de votación listado abajo.

SEE ATTACHED LOCATIONS

Subject to Change

EXHIBIT "B"

Early Voting Location

SEE ATTACHED LOCATIONS

Dates and Times:

SEE ATTACHED DATES AND TIMES

Subject to Change

EXHIBIT "C"

INFORMATION REQUIRED PURSUANT TO SECTION 3.009(b) OF THE TEXAS ELECTION CODE¹

In accordance with the provisions of 3.009(b) of the Texas Election Code, it is hereby found and determined that:

- (1) The proposition language that will appear on the ballot is set forth in Section 5 of this Order.
- (2) The purposes for which the bonds are to be authorized are set forth in Section 4 of this Order.
- (3) The principal amount of the bonds to be authorized is set forth in Sections 4 and 5 of this Order.
- (4) As set forth in Sections 4 and 5 of this Order, if the bonds are approved by the voters, taxes sufficient to pay the annual principal of and interest on the bonds may be levied.
- (5) Based upon the bond market conditions at the date of adoption of this Order, the maximum interest rate for any series of the bonds is estimated to be 6.00% as calculated in accordance with applicable law. Such estimate is based on the [Preliminary Engineering Report for Road Facilities dated [July 2019] and takes into account a number of factors including issuance schedule, maturity schedule and the estimated projected tax rate. The estimated maximum interest rate is provided for informational purposes only in accordance with Section 3.009(b)(5) of the Texas Election Code and could be affected by material changes in the assumptions used, including future economic and legal changes that are beyond the control of the District. The estimated maximum interest rate provided herein is not a limitation on the interest rate at which the bonds, or any series thereof, may be submitted to the Texas Commission on Environmental Quality for purposes of approval of issuance of the bonds or the interest rate at which the bonds, or any series thereof, may be sold. Such estimate is not a part of the proposition to be voted on and does not create a contract with the voters.
- (6) As set forth in Section 4 of this Order, if the bonds are approved by the voters, the bonds may be issued in one or more series to mature serially over a period not to exceed 40 years.
- (7) As of the beginning of the District's current fiscal year (2018-2019), the aggregate principal amount of outstanding principal of the District's ad valorem tax debt obligations is \$0; provided however, based upon its 2018 certified assessed valuation, the District's pro rata share of the Master District's contract tax debt is approximately 1.78% of the outstanding principal amount of \$16,185,000, or \$288,093.
- (8) As of the beginning of the District's current fiscal year (2018-2019), the aggregate amount of outstanding interest on the District's ad valorem tax debt obligations is \$0; provided, however, based upon its 2018 Certified Assessed Valuation, the District's pro rata share of outstanding interest on the Master District's contract tax debt is 1.78% of \$5,284,101.98, or \$95,113.80.
- (9) As of the date of this Order, the ad valorem debt service tax rate of the District is \$0.00 per \$100.00 valuation of taxable property; provided, however, the contract tax rate of the District is \$0.35 per \$100 of assessed valuation.

¹ This information is provided solely for purposes of compliance with Section 3.009(b) of the Texas Election Code and is for illustration purposes only. The information is not a part of the proposition to be voted on and does not create a contract with the voters.