

ORDER

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The Commissioners Court of Harris County, Texas, acting in its capacity as the governing body of the Harris County Flood Control District, convened at a regular meeting of such Court at the Harris County Administration Building in the City of Houston, Texas, on the _____ day of _____, 2018, with the following members present, to-wit:

Ed Emmett	County Judge
Rodney Ellis	Commissioner, Precinct No. 1
Jack Morman	Commissioner, Precinct No. 2
Steve Radack	Commissioner, Precinct No. 3
R. Jack Cagle	Commissioner, Precinct No. 4

And the following members absent, to-wit _____, constituting a quorum, when among other business, the following was transacted:

**ORDER CALLING HARRIS COUNTY FLOOD CONTROL
DISTRICT BOND ELECTION**

Commissioner _____ introduced an order and made a motion that the same be adopted. Commissioner _____ seconded the motion for adoption of the order. The motion, carrying with it the adoption of the order, prevailed by the following vote:

	Yes	No	Abstain
Judge Ed Emmett	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Comm. Rodney Ellis	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Comm. Jack Morman <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Steve Radack	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Comm. R. Jack Cagle	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>

The County Judge thereupon announced that the motion had duly and lawfully carried and that the order had been duly and lawfully adopted. The order thus adopted follows:

RECITALS

WHEREAS, the Governor of the State of Texas has determined that an emergency exists and has granted permission to the Commissioners Court of Harris County, Texas (the "Court") to order a special election for and on behalf of the Harris County Flood Control District (the "District") as an emergency election on a non-uniform date pursuant to the provisions of Texas Election Code, Section 41.0011;

WHEREAS, specifically, the emergency was the occurrence and the extreme damages caused by and resulting from Hurricane Harvey in and throughout Harris County (the "County") and Southeast Texas in August, 2017; and

WHEREAS, the Court, acting in its capacity as the governing body of the District, wishes to proceed with the calling of a bond election for the purposes set forth in this Order.

NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF HARRIS COUNTY, TEXAS, ACTING IN ITS CAPACITY AS THE GOVERNING BODY OF THE HARRIS COUNTY FLOOD CONTROL DISTRICT, THAT:

Section 1: All of the facts and recitals of this Order are declared to be true and correct, and such facts and recitals are, therefore, incorporated fully herein for all purposes.

Section 2: An election shall be held in and throughout County, on August 25, 2018, which is not less than sixty-two (62) nor more than ninety (90) days from the date of this Order, at which election of the following proposition shall be submitted:

HARRIS COUNTY FLOOD CONTROL DISTRICT PROPOSITION A

SHALL THE COMMISSIONERS COURT OF HARRIS COUNTY, TEXAS, ACTING IN ITS CAPACITY AS THE GOVERNING BODY OF THE HARRIS COUNTY FLOOD CONTROL DISTRICT, BE AUTHORIZED TO ISSUE, IN ONE OR MORE SERIES, BONDS OF SUCH DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$2,500,000,000.00, BEARING INTEREST AT A RATE OR RATES NOT EXCEEDING THE MAXIMUM INTEREST RATE NOW OR HEREAFTER AUTHORIZED BY LAW, AS SHALL BE DETERMINED WITHIN THE DISCRETION OF SUCH COMMISSIONERS COURT AT THE TIME OF ISSUANCE, AND MATURING SERIALLY OR OTHERWISE AT SUCH TIMES AS MAY BE FIXED BY SUCH COMMISSIONERS COURT NOT TO EXCEED 30 YEARS FROM THEIR DATE OR DATES, FOR THE PURPOSES OF FINANCING FLOOD CONTROL PROJECTS FOR THE DISTRICT, INCLUDING PURCHASING LANDS, EASEMENTS, RIGHTS-OF-WAY AND STRUCTURES, AND FOR THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS, INCLUDING

DETENTION BASINS, CHANNEL MODIFICATIONS AND OTHER WORKS SUITABLE FOR USE IN CONNECTION WITH FLOOD DAMAGE REDUCTION, OF AND ON BEHALF OF THE HARRIS COUNTY FLOOD CONTROL DISTRICT, INCLUDING BUT NOT LIMITED TO ALL COSTS ASSOCIATED WITH IMPROVEMENTS TO HOLD OR CONVEY STORM WATER, INCLUDING WETLANDS MITIGATION, AND ALL ADDITIONS TO SUCH SYSTEMS AND ALL WORKS, IMPROVEMENTS, FACILITIES, INTERESTS IN PROPERTY, AND CONTRACT RIGHTS NECESSARY OR CONVENIENT OR IN THE AID THEREOF, FOR SUCH DISTRICT OR IN COOPERATION OR BY CONTRACT WITH THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF, THE STATE OF TEXAS OR ANY AGENCY THEREOF, THE CITY OF HOUSTON, ANY OTHER MUNICIPALITY OR POLITICAL SUBDIVISION WITHIN HARRIS COUNTY, OR ANY COUNTY ADJACENT TO HARRIS COUNTY OR ANY MUNICIPALITY OR POLITICAL SUBDIVISION WITHIN SUCH A COUNTY, AND ANNUALLY TO LEVY, TO THE FULL EXTENT AUTHORIZED BY THE CONSTITUTION AND THE LAWS OF THE STATE OF TEXAS, AN AD VALOREM TAX OF THE DISTRICT UPON ALL TAXABLE PROPERTY WITHIN SUCH DISTRICT SUFFICIENT TO PAY THE INTEREST ON SUCH BONDS AND TO CREATE AND PROVIDE A SINKING FUND FOR THE REDEMPTION OF SAID BONDS AT MATURITY?

Section 3: The time during which the polls will be open for voting on election day, August 25, 2018, shall be from 7:00 a.m. to 7:00 p.m.

Section 4: The election shall be held at the polling places in the County election precincts established or to be established by the Court, pursuant to Tex. Elec. Code §42.001 *et seq.*, as amended. The Court has appointed or will appoint presiding judges and alternative presiding judges to conduct such election in each election precinct or consolidated precinct in which a polling place is located. The presiding judge shall appoint the number of clerks, within the prescribed number of clerks heretofore authorized and set by the Court, that the election judge considers necessary for the proper conduct of the election pursuant to Tex. Elec. Code §§32.031, 32.032, & 32.033, as amended.

Section 5: The ballots of such election shall conform to the requirements of the Texas Election Code, as amended, and shall have printed thereon the following, together with Spanish, Chinese and Vietnamese translations:

OFFICIAL BALLOT

HARRIS COUNTY FLOOD CONTROL DISTRICT PROPOSITION A

THE ISSUANCE OF BONDS IN AN AMOUNT FOR
NOT TO EXCEED \$2,500,000,000.00, FOR
FLOOD CONTROL PURPOSES AND THE
LEVYING OF THE TAX OF THE DISTRICT IN AGAINST
PAYMENT THEREOF.

Section 6: Early voting shall be conducted by the County Clerk of the County, namely Stan Stanart. The early voting shall be conducted on the first floor of the Harris County Administration Building, 1001 Preston, Houston, Harris County, Texas 77002, or at the Harris County Law Library Conference Center, in the basement of 1019 Congress, Houston, Texas 77002, and at such other locations as ordered by this Court. Early voting shall be conducted from Wednesday, August 8, 2018, through Tuesday, August 21, 2018, and shall be conducted on the weekdays of the early voting period and during the hours that the County Clerk's office is regularly open for business, that is from 8:00 a.m. to 4:30 p.m., except that on Saturday, August 11, 2018 and Saturday, August 18, 2018, and weekdays from Wednesday, August 15, 2018 through Tuesday, August 21, 2018, early voting shall be conducted from 7:00 a.m. until 7:00 p.m. In addition, early voting will be conducted on Sunday, August 12, 2018 and Sunday, August 19, 2018 from 1:00 p.m. until 6:00 p.m. The mailing address to which ballot applications and ballots voted by mail are to be sent is as follows: Stan Stanart, Harris County Clerk, Attn: Elections Division, P.O. Box 1148, Houston, Texas 77251-1148. The ballot applications must be received by the County Clerk by August 14, 2018, at 4:30 p.m.

In addition to the early voting at the main early voting polling place, the County Clerk shall conduct early voting by personal appearance at one or more temporary branch polling places in each state representative district in the County, pursuant to Tex. Elec. Code §85.062, as amended.

Section 7: All duly qualified resident voters of the County shall be entitled to vote on the proposition submitted by this Order.

Section 8: A Notice of Election containing a substantial copy of this Order shall be published in an English language newspaper of general circulation in the District and the County, such notice to be published on the same day in each of two (2) successive weeks, the date of the first publication to be not less than fourteen (14) days prior to the date set for the election. Further, at least one of such notices shall be published not earlier than the thirtieth (30th) day nor later than the fourteenth (14th) day before election day. For each precinct that is combined to form a consolidated precinct under Tex. Elec. Code §42.008, as amended, not later than the tenth (10th) day before election day, a copy of such notice shall be posted in the polling place used in the preceding general election, giving notice of the precinct's consolidation, and the location of the polling place of the consolidated

precinct. Notice of this election shall also be given by posting, not later than the twenty-first (21st) date before election day, a substantial copy of this Order (a) in at least three (3) public places in Harris County, (b) at the Harris County Courthouse, (c) on the bulletin board used for posting notices of the meetings of the Court in its capacity as the governing body of the District, and (d) on the County's or the District's website, together the notice of election and the contents of the proposition. In addition, a substantial copy of this Order shall be posted in a prominent location at each polling place on election day and during early voting by personal appearance. The County Clerk is hereby authorized and directed to cause such notices of election to be published and posted as hereinabove described.

Section 9: The Notice of Election shall be translated into the Spanish language and such Spanish translation shall be posted with each notice posted pursuant to Section 8 of this Order, and such Spanish translation shall be published at the times provided in Section 8 of this Order in a Spanish language newspaper of general circulation in the County.

Section 10: The Notice of Election shall be translated into the Vietnamese language and such Vietnamese translation shall be posted with each notice posted pursuant to Section 8 of this Order, and such Vietnamese translation shall be published at the times provided in Section 8 of this Order in a Vietnamese language newspaper of general circulation in the County.

Section 11: The Notice of Election shall be translated into the Chinese language and such Chinese translation shall be posted with each notice posted pursuant to Section 8 of this Order, and such Chinese translation shall be published at the times provided in Section 8 of this Order in a Chinese language newspaper of general circulation in the County.

Section 12: The election shall be held in accordance with the Texas Election Code, as amended, and the provisions of the Constitution of the State of Texas and the United States of America.

Section 13: (a) Pursuant to Section 3.009, Texas Election Code: (i) the proposition language that will appear on the ballot is set forth in Section 5 of this Order, (ii) the purposes for which the bonds are to be authorized are set forth in Section 2 of this Order, (iii) the principal amount of bonds to be authorized is set forth in Section 2 of this Order, (iv) if the issuance of bonds is authorized by voters, taxes sufficient to pay the annual principal of and interest on the bonds and to provide a sinking fund to pay the bonds may be imposed, as set forth in Section 2 of this Order, (v) bonds authorized pursuant to this Order may be issued to mature as may be fixed by the Court, not to exceed 30 years from their date or dates and bearing interest at the rate or rates (not to exceed 15%), as authorized by law and determined by the Court, (vi) as of the beginning of the District's current fiscal year, the aggregate amount of outstanding principal of the District's debt obligations was \$83,075,000.00, and the aggregate amount of outstanding interest on the District's debt obligations was \$39,945,900.00, and (vii) and the District's

ad valorem debt service tax rate as of the date of adoption of this Order is \$0.00095 per \$100 of taxable property.

The aggregate amounts of outstanding principal and interest on the District's debt obligations provided above do not include the District's debt secured by sources other than the District's ad valorem tax, including the District's Contract Tax Refunding Bonds, Series 2017A; Contract Tax Refunding Bonds, Series 2015B; Contract Tax Refunding Bonds, Series 2014A; Contract Tax Refunding Bonds, Taxable Series 2014B; Contract Tax Refunding Bonds, Series 2008C; and Contract Tax Refunding Bonds, Series 2008A (collectively, the "Contract Tax Bonds"). As of the beginning of the District's current fiscal year, the aggregate amount of outstanding principal of the Contract Tax Bonds was \$470,745,000.00, and the aggregate amount of outstanding interest on the Contract Tax Bonds was \$202,787,882.27.

(b) Based upon market conditions as of the date of this Order and using taxable assessed values for the 2018 tax year (2018/2019 fiscal year), without adjustment for anticipated growth in taxable assessed value in future years, if the bonds are authorized, the estimated total tax rate of the District is expected to be approximately \$0.062997 per \$100 of taxable assessed value, based on current State law, which is subject to change. The estimated total tax rate represents the sum of (i) the most recently adopted tax rate for operations and maintenance, which is \$0.027360 per \$100 of taxable assessed valuation plus (ii) the estimated tax rate for voted debt obligations of the District, including the bonds, which is to remain at \$0.035637 per \$100 of taxable assessed valuation.

If approved by voters, the bonds will be secured by an ad valorem tax that is sufficient to pay the principal of and interest on the bonds. Actual tax rates, interest rates, maturity dates, aggregate outstanding indebtedness and interest on such debt will only be established and known at the time that bonds are issued. In addition, actual tax rates will depend upon, among other factors, the assessed valuation of taxable property, prevailing interest rates, the market for the District's bonds and general market conditions at the time that bonds are issued.

The estimated tax rates and other statements contained in this subsection (b) are (i) based on certain assumptions (including assumptions concerning prevailing market and economic conditions at the time(s) of issuance of the bonds) and derived from projections obtained from the District's financial advisor, (ii) subject to change to the extent that actual facts, circumstances and conditions prevailing at the time that the bonds are issued differ from such assumptions and projections, (iii) provided solely in satisfaction of the requirements of Section 3.009, Texas Election Code, and for no other purpose, without any assurance that such projections will be realized, and (iv) not intended to give rise to a contract with voters or limit the authority of the Court to issue bonds in accordance with the proposition submitted by this Order.

Section 14: In calling the Election the Court, as the governing body of the District, declares its intentions as follows:

- (a) The proceeds of the Bonds shall be used only for the purposes described in the Proposition.
- (b) The projects undertaken with proceeds of the Bonds will provide benefits throughout the boundaries of the District which coincide with the boundaries of Harris County. With Respect to the Addicks and Barker Reservoirs, the District will continue to cooperate with the U.S. Army Corps of Engineers as a non-federal sponsor.
- (c) The District expects that the projects to be provided with proceeds of the Bonds will include, but are not limited to, those projects described as Bond Projects in the report to be filed by the District with the Court (“Bond Projects”). Bond Projects are also set out as such on the District’s website (www.hcfcd.org).
- (d) Proceeds of the Bonds will be used to purchase lands, easements, rights-of-way and structures, including buyouts and removal of houses and other structures that may have been repeatedly flooded, in order to obtain optimal rights-of-way to achieve the purposes for which the Bonds are issued. Nothing in this Order shall be construed as limiting the District’s authority under State law to require dedication of land.
- (e) Prior to beginning construction of any Bond Projects, as defined above, the District shall cause preliminary engineering reports to be prepared and presented at a regularly scheduled meeting of Commissioners Court for approval. At or near the time of commencement of such a report, the District shall solicit public comments at one or more meetings called for comment on the proposed project. Such meetings for public comment shall be conducted within at least one of the primary watersheds affected by the project.
- (f) Projects will be undertaken in an expeditious manner, giving due consideration to the time required for environmental and other permitting, the acquisition of all needed land and rights-of-way and other factors the timing of which are not under the District’s control. Funds will be sought from, or provided to, federal, state and other local governments, as determined by the Court, to match or enhance the projects authorized to be undertaken with proceeds of the Bonds. Funds and assets may also be accepted from other sources to provide local matching funds for projects, such as grants from private foundations or donations of interests in property, to the extent that, as determined by the Court, such grants do not significantly delay or complicate implementation of such projects.
- (g) Since flooding issues do not respect jurisdictional or political boundaries, the Commissioners Court shall provide a process for the equitable expenditure of funds, recognizing that project selection may have been affected in the past and may continue to be affected by eligibility requirements for matching Federal, State, and other local government funds.

(h) The Court may determine to expend proceeds of the Bonds without regard to the eligibility requirements for matching federal, state and other local funds.

All of the foregoing intentions are subject to the requirements of applicable federal and state law, and such intentions (other than (a) above) shall not be construed to give rise to a contract with the voters or otherwise or limit the authority of the Court to issue the Bonds in accordance with the Proposition or expend the proceeds of the Bonds as otherwise authorized by applicable law.

Section 15: All acts undertaken prior to the adoption of this Order by the County Judge, County Clerk, the Director of the Office of the Financial Management, the County Attorney, the County Treasurer and other officers and agents of the County or the District in connection with the foregoing matters are hereby ratified, confirmed and adopted by the District.