

Town Hall Meeting



Columbia Lakes 2027 Bond Proposal

Aug 27, 2026

West Columbia Civic Center

General Business

Meeting Agenda



- ☐ **Varner Creek Utility District (the “District”) Introductions**
- ☐ **District Services and Responsibilities**
- ☐ **2026 Accomplishments**
- ☐ **Status of Outstanding Bonds**
- ☐ **Scope and Costs of the 2027 Bond Proposal**
- ☐ **Proposed Tax Rate Impact and Comparison**
- ☐ **Understanding Road Powers and Ownership**
- ☐ **How Bonds Funds Are Structured**
- ☐ **Bond Proposal Timeline**
- ☐ **Open Session for Questions**

District Board of Directors



Keith Barker
President



Jim Stubbs
Vice-President



Mark Hopkins
Investment Officer



Jody Tielke
Secretary



Amy Neal
Treasurer

General Business

Support Team



Micheal and Megan Bendit

Administrator & Business Office – 1st Capital
Business Services

Morris and Ben Ryder

Operations & Maintenance – Ryder & Co.

Randall Liska and Steve Matula

Engineering – Baker & Lawson

Clark Stockton Lord

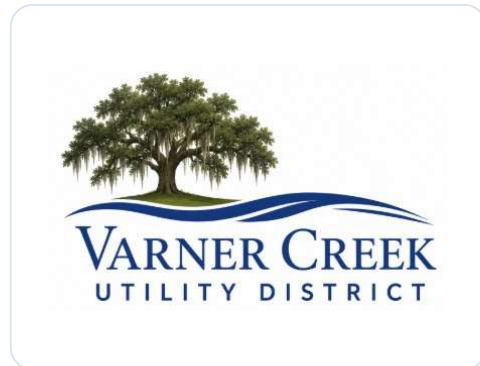
Legal Council - Greenberg Traurig

Joseph Morrow

Investment Banker – Hilltop Securities Inc.

Two Sides of the Same Coin

One Relationship, Two Organizations



Water, Wastewater,
Garbage, Drainage and
Flood Control



Homeowner's
Association, Deed
Restrictions, Parks &
Recreation
Roads

Services and Responsibilities



Water and Wastewater Services

District provide Water and Wastewater services to ALL Residential and Commercial Properties in Columbia Lakes.

Garbage Collection

Garbage service contract for all residential homes.

Drainage and Flood Control

District maintains drainage systems, levees and pumps for stormwater collection and flooding control.

Bond Issues

District manages Bond Issues needed for major infrastructure replacements or repairs needed in Columbia Lakes for **ALL** existing **Commercial** and **Residential** property within the District.

2026 Accomplishments

Spillway Property Purchase

Water Retention, Intermediate Levee System, Protect the CL Lagoon System.



Redundant 12" Water Main

Eliminate The Single Point of Failure to Supplying Water to all of CL. Added Fourth Booster Pump.



Wastewater Manway Repairs

Prevent Continued Water Infiltration.



New Water Plant Control System

Original 1970's System Has Been Obsolete for Many Years.



General Business



Status of Outstanding Bonds



2007/8 Bond Issue, Refinanced in 2017

The \$10 million bond issued in 2007 & 2008 to fund road surface replacement and Wastewater main slip lining matures in 2029, \$1.84MM Remains Outstanding.

2018 Bond Issue

The \$3.5 million bond issued in 2018 that funded flood control and infrastructure improvements matures in 2039 and has \$2.56MM Outstanding.

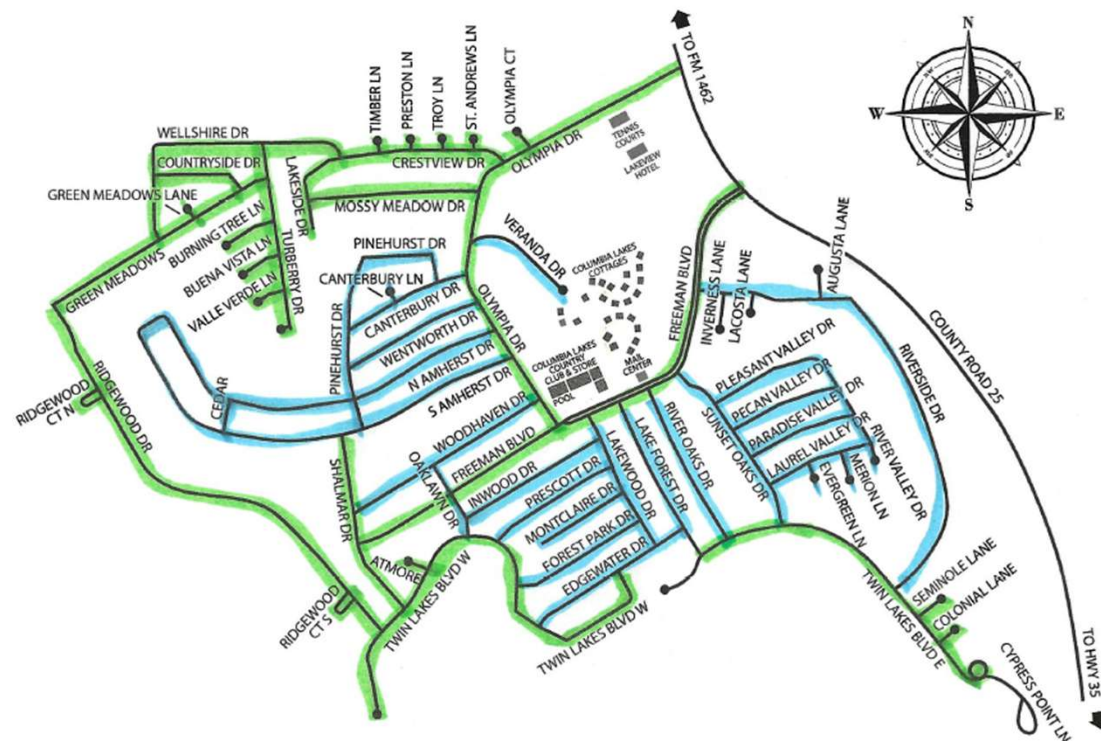
Scope and Costs of 2027 Bond Proposal



Project Scope and Timing	
Phase 1 (2028 to 2031 projects)	
50% Roads	\$10,700,000
50% Water Line Mains	\$4,860,000
100% Wastewater Laterals	\$460,000
Total	\$16,020,000
Phase 2 (2032 to 2035 projects)	
50% Road	\$10,700,000
50% Water	\$4,860,000
Total	\$15,560,000
Total Bond Proposal	\$31,580,000

Phase 1 – Green

Phase 2 - Blue



General Business

Proposed Tax Rate Impact

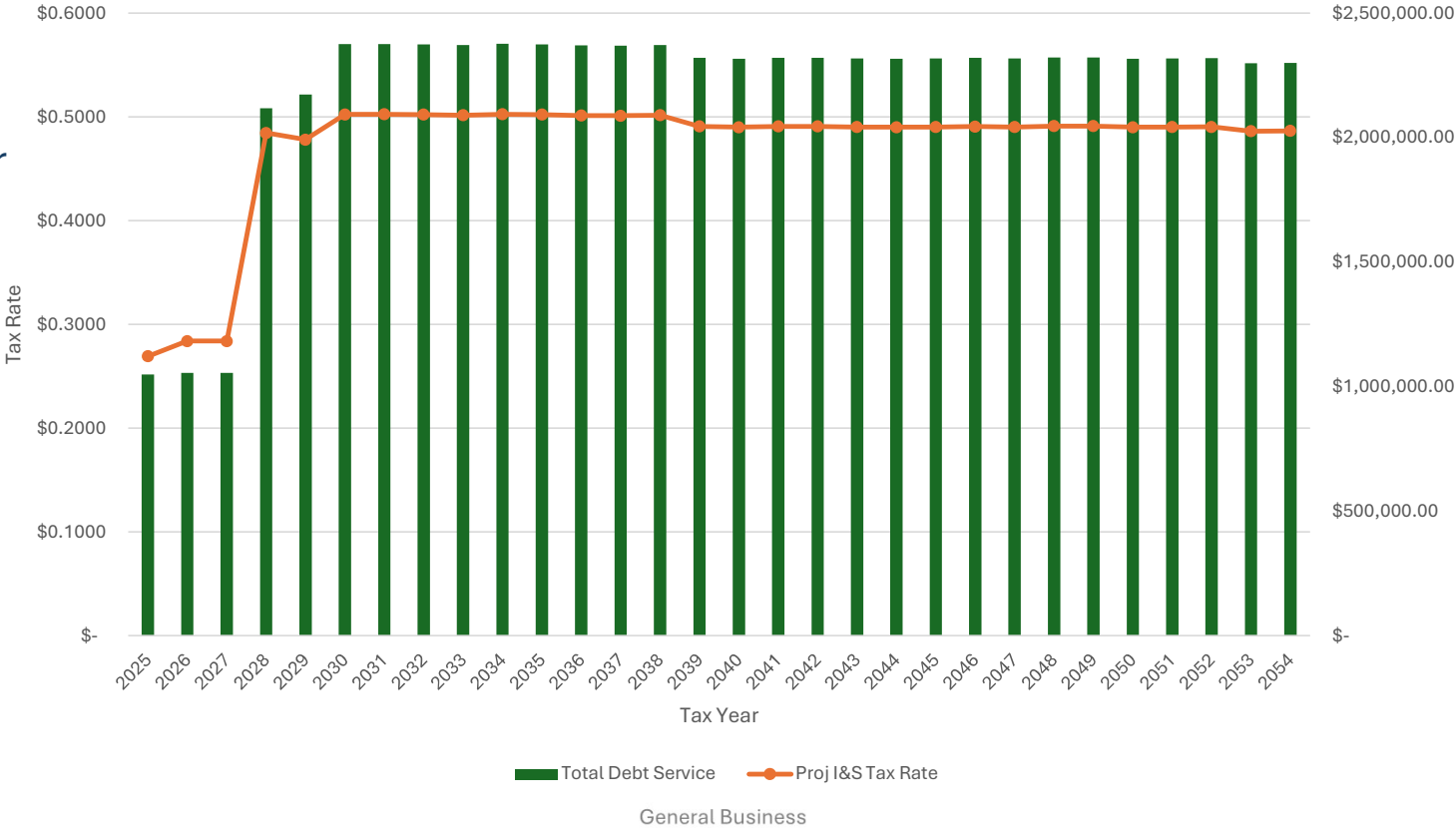


Tax Rate (Current)		Tax Rate (New Proposed)	
Current Tax Rate Average		Proposed Tax Rate Average (Using 2026 Data)	
M&O	\$0.119109	M&O	\$0.119109
Debt Services (Old Bonds)	\$0.283751	Debt Services (New Bond)	\$0.4925
2026 Average Home Taxable Value	\$301,298	2026 Average Home Taxable Value	\$301,298
2026 Average Home Tax Levy for M&O	\$358.87	2026 Average Home Tax Levy for M&O	\$358.87
2026 Average Home Tax Levy for Debt Service	\$854.94	Proposed Average Home Tax Levy for Debt Service	\$1,484.01
2026 Average Home Total Tax Levy	\$1,213.81	Proposed Average Home Total Tax Levy	\$1,842.88
		Proposed Average Home Tax Levy Increase	\$629.07

Tax Rate & Debt Service (2025-2054)



Tax Rate & Debt Service by Year (2025-2054)



Tax Rate Comparison (2025)



City	Entity Tax Rate	City Tax Rate	Total Tax Rate
Columbia Lake	VARNER CREEK UTILITY DISTRICT	0.364	1.765
West Columbia	CITY OF WEST COLUMBIA	0.657	2.057
Brazoria	CITY OF BRAZORIA	0.651	2.055
Sweeny	CITY OF SWEENY	0.901	2.339
Angleton	CITY OF ANGLETON	0.515	1.969
Lake Jackson	CITY OF LAKE JACKSON	0.379	1.939
Freeport	CITY OF FREEPORT	0.514	2.874
Clute	CITY OF CLUTE	0.472	2.032
Richwood	CITY OF RICHWOOD	0.558	2.118
Alvin	CITY OF ALVIN	0.685	2.446
Manvel	CITY OF MANVEL	0.560	3.314

Understanding Road Powers and Ownership



Background: Road Powers are granted under the authority of Article III, Section 52, Texas Constitution, and Section 54.234, TWC, further provides that a district may petition the TCEQ to acquire such Road Powers.

Petition Process: TCEQ may take up to 180 days to complete its review of the petition, plus up to two weeks for the execution and issuance of the order approving the petition. The District will need to have the executed order from TCEQ authorizing its Road Powers before it can call an election on the question of issuing bonds for projects requiring Road Powers.

Road Ownership: The District cannot use bond proceeds to exercise Road Powers with respect to roads owned by a Columbia Lakes Homeowners' Association (the "HOA") and restricted from public access. The HOA's ownership of the roads and maintenance of a gate restricting public use of the roads allow a presumption that the roads are private property and makes the District's use of bonds proceeds for the construction, improvement and maintenance of those roads unconstitutional under Texas law.

Conveyance of Roads: To convey the roads to the District, we will need to conduct a thorough review of the title to the roads and determine the most effective way to acquire ownership. District may apply for Road Powers prior to accomplishing the road conveyance.

Understanding Road Powers and Ownership



Loss of Gate and Access Control: Public roads must remain open and accessible to the general public 24/7. Private citizens and HOAs cannot legally erect gates, guard booths, or security checkpoints to restrict or log traffic on public streets.

Law Enforcement: Once roads are public, the local municipality or county holds exclusive jurisdiction over traffic and parking regulations under statutes like Section 311.001, Texas Transportation Code.

No Private Obstructions: The HOA loses the right to restrict commercial vehicles, trailers, as the public right-of-way is governed strictly by civil code and local law enforcement.

Shifting Financial Burdens: While the HOA sacrifices control and exclusivity, the primary benefit is financial. The responsibility and costs of road maintenance, and repaving shift entirely to the district budget rather than the HOA's reserve funds.

How Bonds Funds Are Structured



Bond funds are restricted public funds. They may only be used for the purposes approved by voters and authorized in the bond documents and related regulatory approvals.

Texas law requires accountability. Municipal utility districts may issue bonds for repair, maintenance or other infrastructure improvements only with required voter approval, and bond-related funds remain subject to legal and regulatory limits.

The District cannot treat bond proceeds as unrestricted cash. Funds must be tracked separately, spent only on eligible project costs, and documented to show they support the approved bond purpose.

Bond Proposal Timeline



- ☐ August 2026: Petition TCEQ for Road Powers (180-day process) – Greenberg Traurig
- ☐ July 5, 2027: Begin Public Relation Efforts Regarding Bond Election – VCUD
- ☐ Before August 2027: District Ownership & Maintenance of Roads
- ☐ August 4 thru 16, 2027: Call Bond Election
- ☐ September 3, 2027: Notice to County Clerk
- ☐ October 3 thru 19, 2027: Public First Notice of Bond Election
- ☐ November 2, 2027: Election Day for Bond Proposal (Roads, Water, Wastewater)
- ☐ November 5 thru 13, 2027: Time of Canvassing Votes
- ☐ December 1, 2027: Columbia Lakes Become Non-Gated (If Road Bond Proposal is Approved)
- ☐ March 13, 2028: Bond Application to TCEQ (90-days process) – Baker & Lawson
- ☐ June 11, 2028: Bond Issuance – Hilltop Securities
- ☐ 2028 thru 2035: Project Execution

Bottom Line



- ❑ **Ask:** The District is asking residents to approve a \$31.58M, two-phase bond to modernize roads, water, and Wastewater infrastructure through 2035.
- ❑ **Cost:** The cost to homeowners is about \$629 more per year on an average home — but the District's total tax rate would still be the lowest in Brazoria County neighboring Cities.
- ❑ **Impact:** The biggest strings attached are non-financial: securing Road Powers and converting private HOA streets to public ones means giving up the community's gates and access control.
- ❑ **Sequencing:** Sequencing is critical — TCEQ approval and road conveyance must both happen before the election can even be called, making the legal groundwork the true gating factor.

Open Session for Questions

