

**LUMBERTON MUNICIPAL UTILITY DISTRICT
VOTER INFORMATION DOCUMENT
PROPOSITION A**

Ballot Information: At the election to be held on Tuesday, November 2, 2021 (“Election Day”), the following language will appear on the ballot:

- FOR () "THE ISSUANCE OF \$74,275,000 OF LUMBERTON MUNICIPAL UTILITY DISTRICT UNLIMITED TAX BONDS AND LEVYING THE TAX TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS TO PAY FOR AND FINANCE THE CONSTRUCTION AND EQUIPPING OF PUBLIC WORKS INCLUDING (i) DESIGN, CONSTRUCTION, RENOVATIONS, UPGRADES, EXPANSIONS AND EQUIPPING OF THE WASTEWATER COLLECTION, TRANSPORTATION AND TREATMENT SYSTEM OF THE DISTRICT INCLUDING PRETREATMENT AND POST SECONDARY TREATMENT OF WASTEWATER EFFLUENT, (ii) DESIGN, CONSTRUCTION, RENOVATION, UPGRADES, EXPANSION AND EQUIPPING OF LIFT STATIONS, (iii) PURCHASING LAND AND EQUIPPING OF BUILDINGS AND FACILITIES RELATED TO THE COLLECTION, TRANSPORTATION AND WASTEWATER TREATMENT SYSTEM OF THE DISTRICT, (iv) INFRASTRUCTURE IMPROVEMENTS INCLUDING FLOOD MITIGATION AND DRAINAGE RELATED TO THE HEREINABOVE DESCRIBED PROJECTS, (v) GEOGRAPHIC INFORMATION SYSTEM MAPPING OF DISTRICT UTILITY SYSTEMS, (vi) ENGINEERING, SURVEYING, GEOTECHNICAL AND OTHER PROFESSIONAL SERVICES RELATED TO THE HEREINABOVE DESCRIBED PROJECTS, AND (vii) COST OF ISSUANCE OF THE BONDS."
- AGAINST ()

Estimated Debt Service Information: The following table sets forth the estimated principal amount of and interest due to maturity on the bonds to be issued if Proposition A passes and all outstanding obligations of the Lumberton Municipal Utility District (the “District”) secured by and payable from ad valorem taxes.

Principal Amount of Bonds to be Authorized under Proposition A	Estimated Interest for Bonds to be Authorized under Proposition A ⁽¹⁾	Estimated Combined Principal & Interest required to pay on time & in full the Bonds to be authorized under Proposition A ⁽¹⁾⁽²⁾	Principal of District’s Existing Outstanding Debt (as of August 5, 2021) ⁽³⁾	Remaining Interest on District’s Existing Outstanding Debt (as of August 5, 2021) ⁽³⁾	Combined Principal and Interest to timely pay District’s Existing Outstanding Debt (as of August 5, 2021) ⁽³⁾
\$74,275,000	\$33,367,066	\$107,642,066	\$4,625,000	\$418,900	\$5,043,900

- (1) Interest on the proposed bonds under Proposition A was calculated at a weighted average interest rate of 2.500% based on market conditions as of August 5, 2021, and therefore, the actual interest payable on such proposed bonds may be less than, or more than, the amounts set forth above based on market conditions at the time of sale of the proposed bonds to be authorized under Proposition A.
- (2) Assumes the proposed bonds under Proposition A will be sold at their par amount of \$74,275,000. If Proposition A is approved by the voters, upon the actual sale of the bonds, the principal amount of bonds sold may decrease based on market conditions at the time of such sale.
- (3) Aggregate of all outstanding obligations of the District secured by and payable from ad valorem taxes as of the date of August 5, 2021. Such amount also includes obligations which the District may pay from sources

other than ad valorem taxes but that could be paid from ad valorem taxes if such other sources are not available at the time required for payment.

Based on the information and assumptions provided in the table above, the estimated maximum annual increase in the amount of ad valorem taxes that would be imposed on a residence homestead in the District with a taxable appraised value of \$100,000 to repay the proposed bonds to be authorized under Proposition A is \$205.90 per year. This estimate assumes (i) annual growth of the District's taxable assessed valuation at a rate of 2.0% through tax year 2030, and holds the District's taxable assessed valuation constant thereafter, (ii) assumes that the proposed bonds will be issued in an amortization that will produce relatively consistent levels of aggregate debt service in each year and (iii) the District has no current plans to issue additional debt obligations to be paid from ad valorem tax prior to the November 2021 election.

The information provided in this Document is solely for purposes of compliance with §1251.052 of the Texas Government 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.