

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS**

**\$1,615,000 Current Interest Bonds**

Due Feb 15	Principal Amount	Interest Rate	Initial Reoffering Yield(a)	CUSIP Number(b)	Due Feb 15	Principal Amount	Interest Rate	Initial Reoffering Yield(a)	CUSIP Number(b)
2015	\$110,000	2.50%	2.00%	919787HG9	2017	\$115,000	3.00%	2.58%	919787HJ3
2016	110,000	2.50	2.28	919787HH7	2018	120,000	3.00	2.88	919787HK0

\$255,000 3.375% Term Bonds due February 15, 2020 – Yield 3.48% (a) 919787HM6 (b)  
 \$275,000 4.00% Term Bonds due February 15, 2022 (c) – Yield 3.83% (a) 919787HP9 (b)  
 \$300,000 4.00% Term Bonds due February 15, 2024 (c) – Yield 4.13% (a) 919787HR5 (b)  
 \$330,000 4.25% Term Bonds due February 15, 2026 (c) – Yield 4.33% (a) 919787HS3 (b)

**\$125,000 Premium Compound Interest Bonds (c)**

Maturity Feb 15	Original Principal Amount	Offering Price Per \$5,000 Maturity Amount	Initial Reoffering Yield(a)	Total Payment at Maturity	CUSIP Number(b)
2012	\$20,000	\$4,970.50	1.35%	\$25,000	919787HT1
2013	60,000	4,872.70	1.80	105,000	919787HU8
2014	45,000	4,763.10	2.00	105,000	919787HF1

- (a) Initial reoffering yield represents the initial offering yield to the public which has been established by the Underwriter and which may be subsequently changed by the Underwriter and is the sole responsibility of the Underwriter. The initial reoffering yields indicated above represent the lower of the yields resulting when priced at maturity or to the first call date. Accrued interest from September 1, 2011, is to be added to the price of the Current Interest Bonds.
- (b) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the Underwriter, the District nor the Financial Advisor is responsible for the selection or correctness of the CUSIP numbers set forth herein.
- (c) Current Interest Bonds maturing on February 15, 2022, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on February 15, 2020, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. The Term Bonds maturing on February 15 in each of the years 2020, 2022, 2024, and 2026 are also subject to mandatory sinking fund redemption as described herein. The Premium Compound Interest Bonds are not subject to redemption prior to stated maturity. See "THE BONDS—Redemption Provisions."

## DEBT SERVICE REQUIREMENTS

The following table sets forth the actual debt service requirements for the Outstanding Bonds, less the debt service on the Refunded Bonds, plus the debt service on the Bonds.

Calendar Year	Outstanding Bonds Debt Service Requirements	Less: Refunded Bonds Debt Service Requirements	Plus: Debt Service on the Bonds			Debt Service Requirements
			Principal	Interest	Total	
2011	\$ 132,081 (a)					\$ 132,081
2012	517,561	\$ 88,375	\$ 20,000	\$ 60,595	\$ 80,595	509,782
2013	509,709	171,399	60,000	103,181	163,181	501,491
2014	507,948	172,263	45,000	118,181	163,181	498,866
2015	506,683	172,823	110,000	56,806	166,806	500,666
2016	509,621	173,043	110,000	54,056	164,056	500,635
2017	506,764	172,891	115,000	50,956	165,956	499,829
2018	503,235	172,463	120,000	47,431	167,431	498,204
2019	508,798	176,625	125,000	43,522	168,522	500,694
2020	508,550	175,378	130,000	39,219	169,219	502,391
2021	502,510	173,875	135,000	34,325	169,325	497,960
2022	505,468	176,920	140,000	28,825	168,825	497,373
2023	502,545	174,510	145,000	23,125	168,125	496,160
2024	503,723	176,710	155,000	17,125	172,125	499,138
2025	503,818	178,390	160,000	10,625	170,625	496,053
2026	507,801	179,550	170,000	3,613	173,613	501,864
2027	276,688					276,688
2028	266,063					266,063
2029	255,375					255,375
Total	\$ 8,534,938	\$ 2,535,213	\$ 1,740,000	\$ 691,586	\$ 2,431,586	\$ 8,431,311

(a) Excludes the District's February 15, 2011 debt service payment.

## THE BONDS

### General

Following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order authorizing the issuance and sale of the Bonds. The Bond Order authorizes the issuance and sale of the Bonds and prescribes the terms, conditions, and provisions for the payment of the principal of and interest on the Bonds by the District.

Principal of the Current Interest Bonds, together with principal and interest on the Premium Compound Interest Bonds, is payable at maturity at the principal payment office of the paying agent/registrar, initially, Regions Bank in Houston, Texas (the "Paying Agent/Registrar"). Interest on the Current Interest Bonds accrues from September 1, 2011, and is payable on each February 15 and August 15 commencing February 15, 2012, until the earlier of maturity or prior redemption. Interest on the Premium Compound Interest Bonds will accrete from the date of delivery and will be compounded semi-annually on February 15 and August 15 of each year commencing February 15, 2012. The Premium Compound Interest Bonds will be issued in principal amounts that will mature in \$5,000 denominations or integral multiples thereof, including both principal and interest. See "APPENDIX B—Accreted Values of Premium Compound Interest Bonds" for the accreted value thereof on each compounding date through maturity. The Bonds mature on February 15 in the amounts and years shown on the inside cover page of this Official Statement. Interest calculations are based on a 360-day year comprised of twelve 30-day months.

### Authority for Issuance

The Bonds are issued by the District pursuant to the terms and provisions of the Bond Order; Article XVI, Section 59 of the Texas Constitution; Chapter 1207, Texas Government Code; as amended; Chapters 49 and 54 of the Texas Water Code, as amended; and the general laws of the State of Texas.