

**The Woodlands MUD No. 1 and Montgomery County
MUD No. 6 Agree on Consolidation.
Proposal to go to voters on November 2, 2021.**

The Boards of Directors of The Woodlands MUD No. 1 and Montgomery County MUD No. 6 have agreed on a plan to consolidate the two MUDs into a new Municipal Utility District called The Woodlands Municipal District No. 3 (MUD No. 3). In accordance with Texas Water Code requirements, the two MUDs have put the proposed consolidation on the November 2, 2021 ballot for voters in each MUD district to decide. A majority of those who vote in each MUD is required for the consolidation to become effective, probably sometime early in 2022.

The proposed consolidation reflects that both MUDs have no debt, strong balance sheets, and no known deferred maintenance. Consolidation will reduce auditing, legal, and other administrative expenses. It will also reduce the number of MUD directors and Trustees that oversee the Woodlands Water Agency (WWA), by 5 and 1 respectively. A fact sheet is attached with this announcement.

A copy of the MUD 1 & MUD 6 consolidation report is available on the Woodlands Water website at www.woodlandswater.org. The Boards of Directors of MUD 1 & MUD 6 recommend that all taxpayers in their respective MUDs carefully consider the consolidation proposal and vote on the November 2 ballot.

**The Woodlands
MUD No. 1**



**Montgomery County
MUD No. 6**



Fact Sheet

MUD 1 & 6 Consolidation Forming MUD 3

	<u>MUD 1</u>	<u>MUD 6</u>	<u>Consolidated MUD 3</u>
<u>Key Financials</u>¹			
Debt	\$0	\$0	\$0
Assets (= Liabilities)	\$16,136,000	\$17,444,000	\$33,580,000
Liquidity	\$3,160,000	\$3,033,000	\$6,193,000
Annual Savings	\$0	\$0	\$86,000+
<u>2021/2022 Budget</u>¹			
Revenue	\$4,020,000	\$3,259,000	\$7,279,000
Expenses	\$3,845,000	\$4,466,000 ²	\$8,311,000
<u>2022 Property Tax(\$/\$100)</u>			
Rate	\$0.07	\$0.075	TBD ³
Exemptions:			
Homestead	20%	20%	TBD ³
Over-65	\$10,000	\$10,000	TBD ³
Disabled	\$10,000	\$10,000	TBD ³
<u>Other</u>			
Directors	5	5 (10 total)	5
Trustees	1	1 (2 total)	1

Notes:

1. Financial and budget numbers for MUDs 1&6 from August 2021 balance sheets and approved FY 2021/2022 budgets respectively (rounded).
2. MUD 6 to install AMI water meters in 2022. Funded from available cash. (AMI – Automated Metering Infrastructure). New meters already installed in MUD 1.
3. Voters in MUD 1 & 6 must approve the consolidation proposal before board consideration of rates and exemptions.