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Criteria Update And Prolonged Credit Stability Lead To Upgrades For 250 Texas Basic Infrastructure Districts

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Contact Information

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Criteria Update And Prolonged Credit Stability Lead To Upgrades For 250 Texas Basic Infrastructure Districts

Standard & Poor's Ratings Services has raised the ratings on the general obligation (GO) bonds of 250 Texas basic infrastructure districts (see table 1). These upgrades are based on:

- Recent criteria modifications specifically related to these credits; and
- Our view that most rated Texas districts have maintained strong ratios in key GO performance measures, despite continued concern about current economic conditions.

The primary purpose of these districts is utility service or infrastructure provision. These districts are usually created at the request of real estate developers seeking to benefit from tax-exempt financing of infrastructure improvements to serve future development.

Typically, we constrain the ratings on the debt issued by many of these districts because of their limited purpose and size, lack of professional management, and, in our opinion, very high debt burdens. We believe, however, that these entities warrant a higher rating because of their historically stable financial positions, with what we consider generally high reserve levels, and low tax delinquency rates. While high debt burdens relative to other GO credits are the norm for these districts, in our view, state oversight, coupled with managed debt issuance, offsets this weakness.

We believe that as a district reaches an advanced level of development, it exhibits an increasing number of credit characteristics commonly found in other municipal governments. In general, economic activity in Texas remains stable, with lower-than-average unemployment rates, moderate impact from the housing market decline to date, and overall high property tax collections, which, we believe, serve to further stabilize revenues (see the article "Methodology And Assumptions: Rating Unlimited Property Tax Basic Infrastructure Districts," published March 17, 2009, on RatingsDirect).

Texas Districts Retain Stable Credit Characteristics

The rating stability of these districts, in our opinion, should be bolstered by strong financial performance and stable property values. For the most part, Texas did not experience the run-up in housing prices seen in other parts of the country. Therefore, we believe that any decline in home values, especially in rural areas, will be minimal. These districts, in general, have very limited service responsibilities, with dedicated tax revenues for debt service, and separate water and sewer fees to cover the majority of system expenditures.

Standard & Poor's maintains GO debt ratings on 277 of these types of districts, which include municipal utility districts, water control and improvement districts, and levee improvement districts, among others. Following these rating revisions, there are now eight districts rated in the 'AA' category and 145 in the 'A' category. The remaining 124 are in the 'BBB' category (see chart).

Across all these districts, the average unreserved general fund balance is very strong, in our opinion, at 162% of general fund expenditures. Debt ratios, which are typically higher than most other GO credits, range from an

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average of 16.3% for 'BBB' districts to an average of 8% for those in the 'AA' category. The local property tax rate tends to trend the same as the debt burden (see tables 1 and 2).

Given the limited purpose and service responsibilities of these districts, debt service as a percent of operating expenditures tends to be what we consider very high. For most districts, we understand that additional bonds are likely to be issued. Generally speaking, however, additional bonding is not likely to substantially alter current debt profiles, we believe, since ongoing tax base growth has historically offset the need for tax rate increases. Should there be a slowdown in home sales or a decline in property values, future debt can be delayed.

Table 1

Rating Changes And Selected Credit Ratios

Issuer	New Rating	Previous Rating	Assessed Value ($000)	Acreage	Assessed Value/Acre ($)	Issuer Property Tax Rate (cents)	Unreserved General Fund Balance (% Of Operating Expenditures)	Overall Net Debt As A % Of Market Value
Barker Cypress Mun Util Dist	A-	BBB	230,481	736	313,153.5	90.0	157.2	13.6
Bella Vista Mun Util Dist	BBB+	BBB-	92,338	107	862,972.0	76.8	640.9	17.0
Big Oaks Mun Util Dist	A	BBB+	303,150	595	509,495.8	73.0	88.4	13.4
Bilma Pub Util Dist	A	BBB+	343,830	682	504,149.6	55.0	65.6	9.9
Bissonnet Mun Util Dist	A	BBB+	269,086	544	494,643.4	48.0	77.8	8.2
Block House Mun Util Dist	BBB+	BBB	299,004	717	417,020.9	86.0	69.3	16.2
Brazoria Cnty Mun Util Dist #17	BBB+	BBB-	337,582	771	437,849.5	63.0	122.0	19.4
Brazoria Cnty Mun Util Dist #18	BBB	BBB-	357,716	773	462,763.3	57.0	81.1	19.9
Brazoria Cnty Mun Util Dist #2	A+	BBB+	326,744	637	512,941.9	51.0	377.2	10.7
Brazoria Cnty Mun Util Dist #23	BBB	BBB-	161,850	592	273,395.3	85.0	136.0	18.8
Brazoria Cnty Mun Util Dist #26	BBB+	BBB-	599,813	1,630	367,983.4	71.0	1,947.2	21.8
Brazoria Cnty Mun Util Dist #3	A	BBB+	257,160	476	540,252.1	65.0	215.3	12.9
Brazoria Cnty Mun Util Dist #4	A	BBB+	247,039	601	411,046.6	62.8	85.8	9.9
Brazoria Cnty Mun Util Dist #6	A	BBB+	506,159	804	629,551.0	67.0	113.7	13.6
Bridgestone Mun Util Dist	A	A-	812,934	2,249	361,464.7	75.0	69.3	10.8
Brushy Creek Mun Util Dist	AA-	BBB+	1,006,044	2,214	454,401.1	50.0	80.6	10.8
Burney Rd Mun Util Dist	A+	BBB+	265,346	408	650,357.8	30.0	344.3	10.6
Chambers Cnty Mun Util Dist #1	BBB+	BBB-	119,787	479	250,077.2	80.5	49.1	11.5
Charterwood Mun Util Dist	A	BBB+	242,159	462	524,153.7	70.0	98.2	12.3

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Table 1

Rating Changes And Selected Credit Ratios (cont.)								
Chelford City Mun Util Dist	A	A-	253,891	705	360,129.1	43.0	60.6	6.4
Chimney Hill Mun Util Dist	A-	BBB	231,278	535	432,295.3	89.0	143.4	14.2
Cimarron Mun Util Dist	A	BBB	302,388	1,060	285,271.7	60.0	78.8	11.9
Cinco Mun Util Dist #1 (contract rev bnds)	A	BBB+	2,044,281	5,345	382,466.0	29.0	20.0	11.6
Cinco Mun Util Dist #10	A-	BBB	193,740	581	333,459.6	65.0	254.6	14.3
Cinco Mun Util Dist #14	A	BBB+	391,771	695	563,699.3	79.0	111.7	8.4
Cinco Mun Util Dist #5	A-	BBB	150,919	178	847,859.6	57.5	150.7	14.0
Cinco Mun Util Dist #6	A-	BBB	159,814	380	420,563.2	59.0	240.8	12.7
Cinco Mun Util Dist #7	A-	BBB	314,234	632	497,205.7	57.5	185.0	13.0
Cinco Mun Util Dist #9	A-	BBB	248,026	486	510,341.6	61.0	78.6	12.4
Clay Rd Mun Util Dist	A-	BBB-	139,402	312	446,801.3	85.0	132.9	12.9
Cornerstones Mun Util Dist	A	BBB+	247,913	585	423,782.9	38.0	148.3	9.2
Crosby Mun Util Dist	BBB+	BBB-	161,694	1,584	102,079.5	52.0	81.2	12.8
Cypress Forest Pub Util Dist	A+	A-	576,704	941	612,862.9	30.0	70.1	6.0
Denton Cnty Fresh Wtr Supp Dist #6	BBB	BBB-	541,775	661	819,629.3	100.0	39.5	19.0
Denton Cnty Levee Imp Dist #1	A+	BBB+	558,661	938	595,587.4	15.5	704.1	7.7
Denton Cnty Mun Util Dist #4	BBB	BBB-	101,596	263	386,296.6	95.0	313.1	18.1
Dowdell Pub Util Dist	BBB	BBB-	165,926	618	268,488.7	85.0	10.9	14.5
El Dorado Util Dist	A-	BBB	107,600	318	338,364.8	58.0	275.4	7.5
Eldridge Rd Mun Util Dist	A+	BBB+	247,082	420	588,290.5	32.0	1,307.2	8.2
Fallbrook Util Dist	A	BBB+	205,119	558	367,596.8	38.0	90.3	6.5
Fern Bluff Mun Util Dist	A	A-	404,074	689	586,464.4	51.0	60.9	8.0
First Colony Mun Util Dist #9	A+	BBB+	524,877	1,037	506,149.5	30.0	161.5	11.3
Fort Bend Cnty Levee Imp Dist #10	BBB+	BBB	300,975	714	421,533.6	46.0	339.3	18.8
Fort Bend Cnty Levee Imp Dist #11	A+	BBB+	952,544	1,810	526,267.4	27.0	291.5	13.1
Fort Bend Cnty Levee Imp Dist #14	A+	BBB+	480,438	560	857,925.0	19.0	57.3	8.0
Fort Bend Cnty Levee Imp Dist #17	BBB	BBB-	534,820	2,317	230,824.3	58.0	25.1	16.6
Fort Bend Cnty Levee Imp Dist #2	AA-	A+	3,225,153	5,313	607,030.5	16.5	470.5	6.9
Fort Bend Cnty Levee Imp Dist #7	AA-	A-	1,135,964	2,200	516,347.3	21.5	310.3	10.0

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Fort Bend Cnty Mun Util Dist #1	BBB+	BBB-	263,941	833	316,855.9	65.0	131.8	15.3
Fort Bend Cnty Mun Util Dist #106	A	BBB	308,419	585	527,212.0	47.0	73.2	13.9
Fort Bend Cnty Mun Util Dist #108	BBB+	BBB	194,390	427	455,245.9	40.0	20.7	12.9
Fort Bend Cnty Mun Util Dist #109	A	BBB+	228,400	423	539,952.7	53.0	54.6	13.7
Fort Bend Cnty Mun Util Dist #111	A+	A-	362,389	512	707,791.0	30.0	151.4	10.1
Fort Bend Cnty Mun Util Dist #112	A	BBB+	181,806	299	608,046.8	39.0	189.7	11.6
Fort Bend Cnty Mun Util Dist #115	A-	BBB	245,401	306	801,964.1	59.0	201.3	13.1
Fort Bend Cnty Mun Util Dist #116	BBB	BBB-	289,062	741	390,097.2	113.0	54.2	17.5
Fort Bend Cnty Mun Util Dist #118	BBB+	BBB-	295,738	617	479,316.0	89.0	205.1	16.7
Fort Bend Cnty Mun Util Dist #119	A-	BBB	306,628	516	594,240.3	75.0	202.6	12.8
Fort Bend Cnty Mun Util Dist #121	BBB	BBB-	208,636	501	416,439.1	125.0	52.8	16.4
Fort Bend Cnty Mun Util Dist #124	BBB+	BBB	133,761	269	497,252.8	99.0	155.9	16.2
Fort Bend Cnty Mun Util Dist #130	BBB+	BBB-	147,088	310	474,477.4	80.0	74.0	14.6
Fort Bend Cnty Mun Util Dist #137	BBB	BBB-	255,054	816	312,566.2	62.0	70.0	17.0
Fort Bend Cnty Mun Util Dist #138	BBB	BBB-	231,812	696	333,063.2	62.0	69.4	15.7
Fort Bend Cnty Mun Util Dist #151	BBB	BBB-	183,937	1,400	131,383.6	130.0	60.8	16.7
Fort Bend Cnty Mun Util Dist #21	A	A-	450,737	1,039	433,818.1	39.0	574.4	9.9
Fort Bend Cnty Mun Util Dist #23	BBB+	BBB	547,755	1,303	420,379.9	95.0	37.9	14.8
Fort Bend Cnty Mun Util Dist #25	BBB+	BBB	624,843	1,474	423,909.8	82.0	16.6	14.9
Fort Bend Cnty Mun Util Dist #30	BBB+	BBB-	354,258	1,263	280,489.3	88.0	186.9	14.7
Fort Bend Cnty Mun Util Dist #34	A-	BBB	248,179	635	390,833.1	72.0	229.8	14.4
Fort Bend Cnty Mun Util Dist #35	BBB+	BBB	517,564	768	673,911.5	105.0	72.4	13.2
Fort Bend Cnty Mun Util Dist #42	A+	BBB+	282,725	529	534,451.8	43.0	374.0	10.0
Fort Bend Cnty Mun Util Dist #46	BBB+	BBB	231,350	491	471,181.3	90.0	169.6	15.3
Fort Bend Cnty Mun Util Dist #48	BBB+	BBB	107,083	294	364,227.9	89.0	303.3	15.1
Fort Bend Cnty Mun Util Dist #67	A	BBB+	233,868	425	550,277.6	45.0	60.2	9.7

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Table 1

Rating Changes And Selected Credit Ratios (cont.)								
Fort Bend Cnty Mun Util Dist #68	A	BBB+	203,971	402	507,390.5	40.5	111.8	10.2
Fort Bend Cnty Mun Util Dist #69	A	BBB+	146,571	248	591,012.1	33.0	115.2	9.7
Fort Bend Cnty Mun Util Dist #81	A	BBB+	244,876	934	262,179.9	39.0	164.8	5.4
Fort Bend Cnty Wtr Ctl & Imp Dist #2	AA-	A+	2,328,497	7,023	331,553.0	18.0	54.8	5.9
Galveston Cnty Mun Util Dist #13	A-	BBB-	144,082	401	359,306.7	61.0	652.7	12.9
Galveston Cnty Mun Util Dist #14	BBB	BBB-	162,276	513	316,327.5	88.0	343.8	20.6
Galveston Cnty Mun Util Dist #15	BBB	BBB-	167,961	476	352,859.2	82.5	353.6	21.1
Galveston Cnty Mun Util Dist #29	A-	BBB-	153,868	311	494,752.4	17.0	184.8	6.5
Galveston Cnty Mun Util Dist #39	BBB	BBB-	160,683	504	318,815.5	90.0	68.3	17.8
Galveston Cnty Mun Util Dist #43	BBB+	BBB-	168,868	435	388,202.3	100.0	716.0	12.1
Galveston Cnty Mun Util Dist #6	A-	BBB	326,126	865	377,024.3	44.0	335.0	14.0
Galveston Cnty Wtr Ctl & Imp Dist #12	A	BBB	366,551	1,076	340,660.8	37.0	113.1	10.1
Grand Lakes Mun Util Dist #1	A-	BBB	241,063	393	613,391.9	79.0	102.4	12.6
Grand Lakes Mun Util Dist #2	A	BBB	252,556	448	563,741.1	70.0	192.3	11.7
Grand Lakes Mun Util Dist #4	A-	BBB	270,018	520	519,265.4	82.0	164.9	14.2
Grand Lakes Wtr Ctl & Imp Dist	A	BBB+	1,012,346	1,717	589,601.6	9.5	175.7	12.5
Grand Mission Mun Util Dist #1	BBB	BBB-	190,213	574	331,381.5	110.0	85.7	20.3
Grant Road Pub Util Dist	A-	BBB	163,448	446	366,722.0	63.0	191.9	11.3
Harris Cnty Fresh Wtr Supp Dist #47	BBB+	BBB	114,206	475	240,433.7	70.0	36.3	12.8
Harris Cnty Fresh Wtr Supp Dist #51	A	A-	465,448	1,282	363,064.0	27.0	94.2	9.9
Harris Cnty Fresh Wtr Supp Dist #58	BBB+	BBB	90,256	804	112,300.6	54.5	171.6	10.7
Harris Cnty Fresh Wtr Supp Dist #61	A	BBB+	617,342	1,784	346,043.7	49.0	127.3	11.4
Harris Cnty Imp Dist #1	AA-	A	3,289,787	500	6,579,574.0	14.3	100.9	5.1
Harris Cnty Mun Util Dist #1	BBB	BBB-	249,769	940	265,711.7	106.0	70.0	17.7
Harris Cnty Mun Util Dist #104	A	BBB+	205,861	464	443,665.9	62.0	112.0	10.5
Harris Cnty Mun Util Dist #109	A	BBB+	417,660	1,283	325,534.0	52.0	88.2	12.6

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Rating Changes And Selected Credit Ratios (cont.)								
Harris Cnty Mun Util Dist #11	BBB+	BBB	94,563	382	247,547.1	86.0	62.6	7.7
Harris Cnty Mun Util Dist #119	A-	BBB	207,356	639	324,500.8	46.0	78.0	7.2
Harris Cnty Mun Util Dist #122	BBB+	BBB-	65,714	230	285,713.0	100.0	307.9	9.6
Harris Cnty Mun Util Dist #147	BBB+	BBB	102,994	231	445,861.5	83.0	209.1	6.7
Harris Cnty Mun Util Dist #151	A	BBB+	411,635	910	452,346.2	46.0	206.4	11.2
Harris Cnty Mun Util Dist #152	A	BBB+	359,448	725	495,790.3	41.0	67.9	11.1
Harris Cnty Mun Util Dist #153	A	BBB+	457,420	971	471,081.4	45.0	131.7	11.8
Harris Cnty Mun Util Dist #154	BBB+	BBB	271,288	773	350,954.7	56.5	60.9	15.0
Harris Cnty Mun Util Dist #155	BBB+	BBB-	101,158	288	351,243.1	89.0	281.4	13.5
Harris Cnty Mun Util Dist #156	BBB	BBB-	109,571	288	380,454.9	120.0	184.7	15.5
Harris Cnty Mun Util Dist #157	BBB+	BBB	419,213	1,090	384,599.1	93.0	147.8	16.0
Harris Cnty Mun Util Dist #162	A-	BBB	126,418	343	368,565.6	56.0	168.4	9.0
Harris Cnty Mun Util Dist #167	BBB+	BBB	313,313	1,162	269,632.5	125.0	53.3	10.0
Harris Cnty Mun Util Dist #172	BBB+	BBB-	156,666	520	301,280.8	89.0	102.3	17.3
Harris Cnty Mun Util Dist #173	A-	BBB	242,145	460	526,402.2	76.0	88.2	13.2
Harris Cnty Mun Util Dist #180	BBB+	BBB-	174,932	489	357,734.2	90.0	112.8	9.7
Harris Cnty Mun Util Dist #186	A	BBB+	228,791	364	628,546.7	47.0	244.2	9.5
Harris Cnty Mun Util Dist #188	A-	BBB-	187,772	362	518,707.2	75.0	53.9	9.9
Harris Cnty Mun Util Dist #196	BBB+	BBB	284,160	702	404,786.3	70.0	108.4	15.3
Harris Cnty Mun Util Dist #200	A-	BBB	215,726	736	293,106.0	48.0	127.1	13.6
Harris Cnty Mun Util Dist #208	A	BBB	180,834	328	551,323.2	62.0	202.5	10.8
Harris Cnty Mun Util Dist #217	BBB	BBB-	100,458	216	465,083.3	115.0	47.0	17.2
Harris Cnty Mun Util Dist #230	A-	BBB-	218,815	467	468,554.6	64.0	159.3	13.4
Harris Cnty Mun Util Dist #238	BBB+	BBB	239,965	600	399,941.7	73.0	70.2	15.4
Harris Cnty Mun Util Dist #239	BBB+	BBB-	241,520	490	492,898.0	89.0	96.8	13.6
Harris Cnty Mun Util Dist #248	BBB+	BBB-	194,237	367	529,256.1	78.0	191.2	15.8

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Rating Changes And Selected Credit Ratios (cont.)								
Harris Cnty Mun Util Dist #26	A-	BBB+	414,098	1,357	305,157.0	75.0	48.3	12.8
Harris Cnty Mun Util Dist #276	BBB	BBB-	226,963	422	537,827.0	79.0	66.2	14.5
Harris Cnty Mun Util Dist #280	BBB+	BBB-	151,385	335	451,895.5	60.0	243.1	18.1
Harris Cnty Mun Util Dist #304	BBB	BBB-	200,819	664	302,438.3	90.0	274.1	18.2
Harris Cnty Mun Util Dist #322	A-	BBB	198,029	468	423,138.9	63.0	146.6	13.9
Harris Cnty Mun Util Dist #341	A	BBB+	263,198	343	767,341.1	45.0	89.9	10.7
Harris Cnty Mun Util Dist #342	BBB+	BBB-	161,623	476	339,544.1	75.0	121.4	14.9
Harris Cnty Mun Util Dist #344	BBB	BBB-	188,651	688	274,202.0	12.0	78.8	15.3
Harris Cnty Mun Util Dist #354	BBB+	BBB-	408,128	757	539,138.7	67.0	97.0	16.0
Harris Cnty Mun Util Dist #355	A+	BBB+	368,384	435	846,859.8	31.0	163.4	8.3
Harris Cnty Mun Util Dist #361	BBB	BBB-	152,569	377	404,692.3	110.0	95.4	15.4
Harris Cnty Mun Util Dist #364	A	BBB+	374,061	546	685,093.4	56.0	163.8	12.5
Harris Cnty Mun Util Dist #365	A	BBB+	345,602	671	515,055.1	57.0	227.9	10.6
Harris Cnty Mun Util Dist #367	A	BBB	452,703	930	486,777.4	78.0	92.3	11.9
Harris Cnty Mun Util Dist #368	BBB+	BBB-	429,646	960	447,547.9	96.0	111.4	14.9
Harris Cnty Mun Util Dist #370	A	BBB	505,029	577	875,266.9	50.0	138.7	12.5
Harris Cnty Mun Util Dist #371	BBB+	BBB-	181,099	349	518,908.3	99.0	89.6	14.1
Harris Cnty Mun Util Dist #372	A+	A-	629,797	492	1,280,075.2	21.0	292.2	7.3
Harris Cnty Mun Util Dist #383	BBB	BBB-	260,127	783	332,218.4	108.0	11.5	11.5
Harris Cnty Mun Util Dist #391	BBB	BBB-	212,241	770	275,637.7	138.0	52.7	16.5
Harris Cnty Mun Util Dist #43	A	BBB+	153,767	459	335,004.4	59.5	138.6	11.0
Harris Cnty Mun Util Dist #44	A	BBB+	142,698	300	475,660.0	35.0	212.5	11.1
Harris Cnty Mun Util Dist #49	BBB	BBB-	121,087	872	138,861.2	100.0	55.6	18.1
Harris Cnty Mun Util Dist #64	BBB+	BBB	174,963	443	394,950.3	71.0	64.8	11.6
Harris Cnty Mun Util Dist #65	BBB+	BBB	140,524	501	280,487.0	82.6	45.6	13.9
Harris Cnty Mun Util Dist #70	BBB+	BBB	191,009	364	524,750.0	93.0	47.2	12.9

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Rating Changes And Selected Credit Ratios (cont.)								
Harris Cnty Mun Util Dist #71	BBB	BBB-	386,906	1,316	294,001.5	102.0	98.4	17.1
Harris Cnty Mun Util Dist #8	BBB+	BBB-	141,699	435	325,744.8	49.0	66.0	10.7
Harris Cnty Mun Util Dist #81	A+	BBB+	368,917	921	400,561.3	37.0	262.7	8.2
Harris Cnty Mun Util Dist #82	BBB+	BBB	329,340	1,847	178,310.8	79.0	110.9	15.8
Harris Cnty Mun Util Dist #15	BBB+	BBB	117,455	500	234,910.0	92.0	52.0	6.2
Harris Cnty Wtr Ctl & Imp Dist #119	A	BBB+	399,616	852	469,032.9	55.0	45.4	14.1
Harris Cnty Wtr Ctl & Imp Dist #155	A	BBB	722,884	2,371	304,885.7	25.0	156.9	12.1
Harris Cnty Wtr Ctl & Imp Dist #21	A-	BBB+	334,857	2,583	129,638.8	36.6	16.3	6.5
Harris Cnty Wtr Ctl & Imp Dist #36	A	BBB+	211,342	1,151	183,616.0	28.0	97.8	11.7
Harris Cnty Wtr Ctl & Imp Dist #89	BBB	BBB-	151,104	837	180,530.5	138.0	96.1	17.3
Harris Cnty Wtr Ctl & Imp Dist #96	A-	BBB	573,216	1,088	526,852.9	99.0	107.4	14.2
Harris-Fort Bend Cntys Mun Util Dist #5	A-	BBB	184,299	448	411,381.7	82.0	181.3	12.2
Langham Creek Util Dist	A	BBB+	395,001	948	416,667.7	66.0	67.7	10.4
Longhorn Twn Util Dist	A-	BBB-	139,952	226	619,256.6	70.0	203.4	11.7
Louetta North Pub Util Dist	A	BBB+	241,664	423	571,309.7	52.0	235.6	8.9
Louetta Rd Util Dist	A-	BBB-	80,137	210	381,604.8	45.0	127.8	6.0
Malcomson Rd Util Dist	A	A-	439,706	859	511,881.3	50.0	91.8	11.0
Mayde Creek Mun Util Dist	A	BBB+	220,121	470	468,342.6	75.5	166.9	12.3
Meadows at Chandler Creek MUD	A	BBB+	221,658	531	417,435.0	58.4	97.8	6.2
Memorial Mun Util Dist	A	BBB	290,267	576	503,935.8	58.0	293.6	10.4
Mills Rd Mun Util Dist	A-	BBB	187,770	440	426,750.0	88.0	85.7	12.0
Mission Bend Mun Util Dist #2	A-	BBB	298,846	738	404,940.4	90.0	63.2	5.6
Montgomery Cnty Mun Util Dist #18	A+	A	702,873	1,472	477,495.2	45.0	102.9	9.3
Montgomery Cnty Mun Util Dist #39	A	BBB	354,807	878	404,108.2	47.0	269.2	10.8
Montgomery Cnty Mun Util Dist #40	A+	A-	578,366	1,102	524,833.0	21.0	136.5	6.7
Montgomery Cnty Mun Util Dist #46	AA-	A+	2,633,340	4,746	554,854.6	31.0	73.0	8.9
Montgomery Cnty Mun Util Dist #47	AA-	A-	1,714,901	3,297	520,139.8	28.0	69.7	8.2

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Table 1

Rating Changes And Selected Credit Ratios (cont.)								
Montgomery Cnty Mun Util Dist #60	AA-	A-	1,149,569	1,940	592,561.3	29.0	77.0	7.8
Montgomery Cnty Mun Util Dist #67	A+	BBB+	649,433	1,576	412,076.8	33.0	75.7	8.7
Montgomery Cnty Mun Util Dist #7	A+	A-	646,546	1,500	431,030.7	20.0	135.2	6.8
Montgomery Cnty Mun Util Dist #89	BBB	BBB-	214,738	464	462,797.4	137.0	24.8	16.3
Montgomery Cnty Mun Util Dist #9	A	BBB+	254,965	757	336,809.8	60.0	151.2	6.4
Montgomery Cnty Mun Util Dist #94	BBB	BBB-	205,425	667	307,983.5	121.0	80.5	15.7
Montgomery Cnty Util Dist #2	A-	BBB+	136,155	316	430,870.3	57.0	244.4	10.7
Montgomery Cnty Util Dist #4	A+	A-	284,047	761	373,254.9	52.0	158.3	4.8
Morton Rd Mun Util Dist	BBB+	BBB	122,841	292	420,688.4	81.0	181.7	13.8
Newport Mun Util Dist	A-	BBB	358,227	1,928	185,802.4	68.0	59.9	12.0
North Mission Glen Mun Util Dist	A-	BBB	384,809	669	575,200.3	52.0	142.0	12.5
NorthPointe Wtr Ctl & Imp Dist	BBB+	BBB-	428,980	1,694	253,234.9	40.0	126.9	18.4
Northtown Mun Util Dist	A	BBB	355,395	1,224	290,355.4	75.0	197.5	10.2
Northwest Austin Mun Util Dist #1	A+	A-	447,324	710	630,033.8	27.5	312.3	18.3
Northwest Harris Cnty Mun Util Dist #10	BBB+	BBB-	353,764	1,061	333,425.1	80.0	60.8	15.6
Northwest Harris Cnty Mun Util Dist #12	BBB	BBB-	77,981	758	102,877.3	96.0	83.1	18.0
Northwest Harris Cnty Mun Util Dist #15	BBB+	BBB	156,635	541	289,528.7	83.0	99.8	13.8
Northwest Harris Cnty Mun Util Dist #20	A	BBB+	191,459	348	550,169.5	48.0	130.7	11.8
Northwest Harris Cnty Mun Util Dist #22	BBB+	BBB	156,479	313	499,932.9	73.0	63.5	13.2
Northwest Harris Cnty Mun Util Dist #24	A-	BBB+	213,434	402	530,930.3	107.0	87.1	10.2
Northwest Harris Cnty Mun Util Dist #29	A	BBB	225,008	400	562,520.0	55.0	287.8	10.5
Northwest Harris Cnty Mun Util Dist #30	BBB+	BBB-	252,583	730	346,004.1	72.0	83.0	13.2
Northwest Harris Cnty Mun Util Dist #32	BBB	BBB-	220,652	548	402,649.6	105.0	65.8	16.1
Northwest Harris Cnty Mun Util Dist #36	BBB+	BBB-	156,286	282	554,205.7	78.0	76.2	15.4
Northwest Harris Cnty Mun Util Dist #9	A	BBB+	269,505	608	443,264.8	70.0	48.9	8.4
Northwest Pk Mun Util Dist	A+	BBB+	581,013	1,526	380,742.5	43.0	136.5	7.2

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Table 1

Rating Changes And Selected Credit Ratios (cont.)								
Orange Cnty Wtr Ctl & Imp Dist #1	A	BBB+	364,027	8,037	45,293.9	30.6	96.3	9.3
Palmer Plantation Mun Util Dist #1	A-	BBB	143,318	416	344,514.4	70.0	90.6	11.7
Palmer Plantation Mun Util Dist #2	A	BBB	163,921	333	492,255.3	49.0	374.5	12.8
Parkway Util Dist	BBB+	BBB-	171,730	671	255,931.4	84.0	161.6	17.9
Point Aquarius Mun Util Dist	BBB	BBB-	135,368	515	262,850.5	74.6	49.4	14.4
Post Wood Mun Util Dist	A-	BBB	115,926	319	363,404.4	67.0	92.5	11.2
Ranch at Cypress Creek Mun Util Dist #1	A-	BBB+	232,353	347	669,605.2	62.8	108.8	14.7
Rayford Rd Mun Util Dist	BBB+	BBB	471,256	1,314	358,642.3	64.2	38.3	13.7
Reid Rd Mun Util Dist #1	A	BBB+	222,166	561	396,017.8	57.0	41.6	9.2
Reid Rd Mun Util Dist #2	A	BBB	243,996	436	559,623.9	40.0	160.0	8.2
Remington Mun Util Dist #1	A-	BBB	763,721	1,826	418,248.1	61.0	119.2	15.4
Renn Rd Mun Util Dist	A	BBB	162,301	340	477,355.9	63.0	178.0	10.0
River Pl Mun Util Dist	A	A-	398,210	970	410,525.8	40.0	90.8	10.7
Senna Hills Mun Util Dist	BBB+	BBB-	139,162	323	430,842.1	56.0	73.9	10.0
Shasla Pub Util Dist	BBB+	BBB	71,482	208	343,663.5	94.0	129.2	14.0
Sienna Plantation Levee Imp Dist	BBB+	BBB	1,557,632	9,786	159,169.4	49.0	44.6	15.9
Sienna Plantation Mun Util Dist #10	BBB	BBB-	174,108	943	184,632.0	90.0	23.6	18.0
Sienna Plantation Mun Util Dist #2	BBB+	BBB	482,561	1,056	456,970.6	72.0	44.6	16.2
Sienna Plantation Mun Util Dist #3	BBB+	BBB	550,451	1,229	447,885.3	75.0	44.1	17.3
Smith Cnty Mun Util Dist #1	BBB+	BBB-	118,015	4,808	24,545.5	30.7	32.1	3.6
South Shore Harbour Mun Util Dist #2	A-	BBB-	224,704	395	568,870.9	29.0	281.3	9.6
South Shore Harbour Mun Util Dist #7	BBB+	BBB	227,429	472	481,841.1	75.0	593.0	16.1
Southern Montgomery Cnty Mun Util Dist	A+	BBB+	442,077	1,752	252,327.1	22.0	139.1	6.5
Spencer Rd Pub Util Dist	A+	A-	280,703	681	412,192.4	50.0	169.8	6.8
Spring Creek Util Dist	BBB+	BBB	278,139	967	287,630.8	100.0	69.8	14.6
Stanley Lake Mun Util Dist	A	BBB+	218,530	765	285,660.1	50.0	68.0	8.1
Terranova West Mun Util Dist	A	BBB+	145,350	322	451,397.5	66.0	175.8	7.8

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Table 1

Rating Changes And Selected Credit Ratios (cont.)

Trail of the Lakes Mun Util Dist	BBB+	BBB	261,501	792	330,178.0	75.0	42.1	13.8
Travis Cnty Mun Util Dist #2	BBB+	BBB-	99,678	404	246,727.7	90.0	286.6	14.0
Travis Cnty Mun Util Dist #3	A	A-	507,307	854	594,036.3	52.3	276.6	8.7
Travis Cnty Mun Util Dist #4 (master district)	A-	BBB	738,276	492	1,500,561.0	35.0	295.7	9.4
Travis Cnty Wtr Ctl & Imp Dist #17 (Steiner Ranch)	A	A-	1,390,715	4,075	341,279.8	60.7	60.2	12.8
Travis Cnty Wtr Ctrl & Imp Dist #20	A+	A-	296,988	1,005	295,510.4	35.0	109.3	4.0
West Harris Cnty Mun Util Dist #11	A-	BBB+	453,392	985	460,296.4	73.0	146.2	14.2
West Harris Cnty Mun Util Dist #14	A	BBB	156,265	395	395,607.6	67.0	229.7	11.7
West Harris Cnty Mun Util Dist #2	A	BBB	116,958	461	253,705.0	42.0	221.3	10.5
West Harris Cnty Mun Util Dist #9	A-	BBB	215,078	422	509,663.5	65.0	278.8	13.5
West Keegans Bayou Imp Dist	A+	A-	901,932	2,400	375,805.0	12.1	788.2	13.2
West Travis Cnty Mun Util Dist #6	A	BBB+	156,051	620	251,695.2	45.0	270.8	9.8
Weston Mun Util Dist	BBB+	BBB-	324,914	717	453,157.6	62.0	160.6	10.1
Williamson Cnty Wtr Swr Irr & Dr Dist #3	BBB+	BBB-	152,564	746	204,509.4	77.3	112.8	15.1
Williamson-Travis Cntys Wtr Ctl & Imp Dist #1D	A-	BBB	179,801	415	433,255.4	82.5	1,120.2	14.0
Willow Fork Drainage Dist	A+	BBB+	2,559,304	5,718	447,587.3	20.0	570.5	12.7
Windfern Forest Util Dist	A+	BBB+	255,436	483	528,853.0	42.0	247.0	8.3
Woodlands Metro Ctr Mun Util Dist	A	BBB+	1,045,379	1,648	634,331.9	21.0	21.5	12.4

Table 2

Selected Means And Medians

Ratings	Number Of Underlying Ratings	Assessed Value ($000)	Assessed Value Per Acre ($)	Tax Rate Per $100 AV (cents)	Unreserved General Fund Balance (% Of Operating Expenditures)	Overall Net Debt As A % Of Assessed Valuation
Means						
AA-	8	2,060,407	1,269,558	26	155	8.0
A+	26	560,410	544,687	32	294	9.0
A	71	343,807	461,480	51	145	10.5
A-	48	249,507	451,195	66	177	11.7
BBB+	72	277,286	364,831	75	153	13.7
BBB	47	210,724	317,312	94	91	16.3

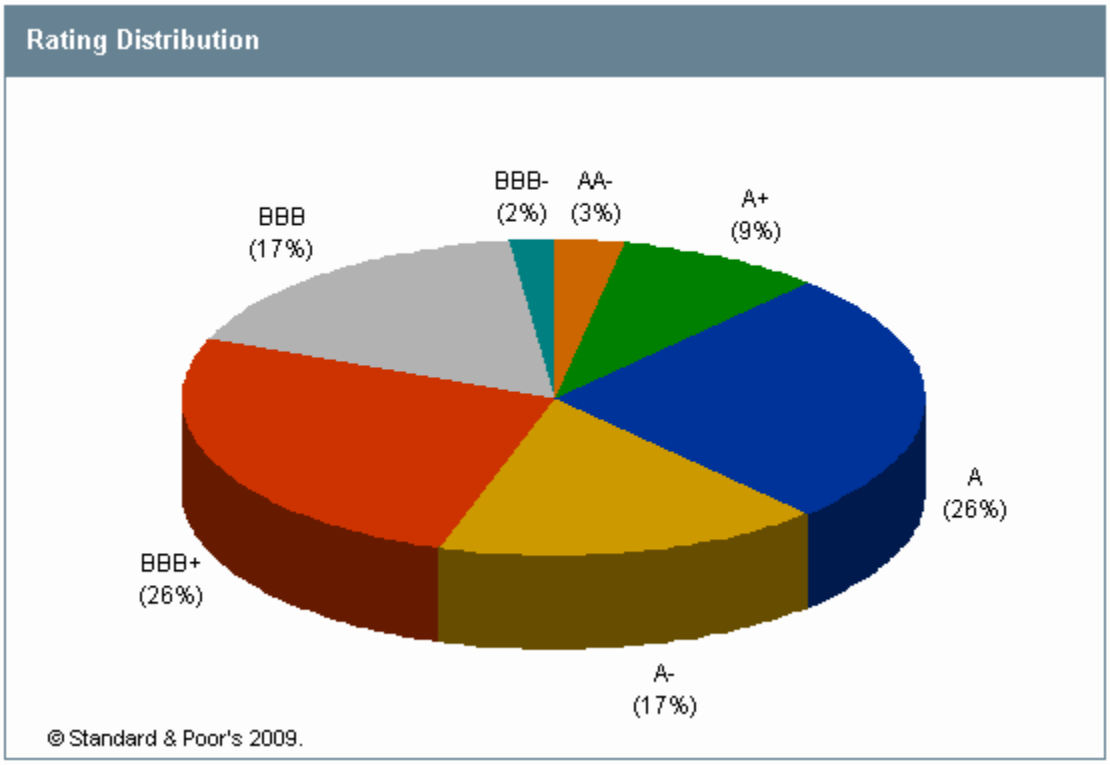
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Table 2

Selected Means And Medians (cont.)

Medians						
AA-	8	2,021,699	537,497	25	79	8.0
A+	26	463,881	518,887	30	167	8.3
A	71	266,142	473,371	50	114	10.7
A-	48	308,419	477,495	47	139	10.4
BBB+	72	194,314	367,983	78	86	14.1
BBB	47	200,819	314,447	96	68	16.6

Chart 1



Contact Information

Table 3

Contact Information

Credit analyst	Location	Phone	E-mail
Horacio Aldrete	Dallas	(1) 214-871-1426	horacio_aldrete@standardandpoors.com
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Table 3

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