

Honor the Texas flag;  
I pledge allegiance to thee, Texas, one state under God,  
one and indivisible.

# **NOTICE OF PUBLIC MEETING**

BE IT KNOWN that the City Council of the City of Lake Jackson will meet on **Monday, October 16, 2017 in Public Hearing and Regular Session at 6:30 P.M.** at 25 Oak Drive, Lake Jackson, Texas, Lake Jackson City Hall in the Council Chambers with the following agenda:

## **REGULAR AGENDA**

### **PLEDGE OF ALLEGIANCE**

US FLAG  
TEXAS FLAG

### **INVOCATION**

### **VISITORS COMMENTS**

*This item is available for those citizens wishing to address City Council on an issue not on the agenda. Any item discussed cannot be voted on, but could be considered for placement on the agenda of the next regularly scheduled meeting.*

### **COMMENDATIONS**

RECOGNITION OF JOHN ROY GUTIERREZ EARNING HIS C LEVEL WASTEWATER OPERATOR LICENSE AND TRAVIS SILLS EARNING HIS D LEVEL WASTEWATER LICENSE FROM THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

COMMENDATION ON RECEIVING THE GFOA (GOVERNMENT FINANCE OFFICERS AWARD) FOR THE CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

At said meeting the council will deliberate, discuss, consider and or take final action on any or all of the following matters:

## **1. PRESENTATIONS**

A. PROCLAMATION – RED RIBBON WEEK

## **2. CONSENT AGENDA**

A. APPROVAL OF MINUTES – OCTOBER 2, 2017

B. MINUTES OF BOARDS AND COMMISSIONS

C. APPROVE MEMBERSHIP FEE OF \$100 TO THE ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC (ERCOT)

D. APPROVE PURCHASE FOR SOFTWARE LICENSES THROUGH THE PEG INTER LOCAL AGREEMENT WITH BISD IN AN AMOUNT NOT TO EXCEED \$678.30

E. DISCUSS AND CONSIDER LETTER OF SUPPORT FOR THE PORT OF FREEPORT'S APPLICATION FOR AN INFRA GRANT

## **3. REGULAR AGENDA**

- A. PUBLIC HEARING TO CONSIDER REZONING THE FIRST CHRISTIAN CHURCH LOCATED AT 503 OYSTER CREEK DRIVE, FROM R-2 TO B-3
- B. DISCUSS AND CONSIDER AN ORDINANCE REZONING THE FIRST CHRISTIAN CHURCH LOCATED AT 503 OYSTER CREEK DRIVE FROM R-2 TO B-3 – FIRST READING
- C. DISCUSS AND CONSIDER AN ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF LAKE JACKSON, TEXAS LIMITED TAX BONDS, SERIES 2017” IN THE AMOUNT OF \$650,000 FOR ENGINEERING FOR IMPROVEMENTS TO DOWNTOWN; \$3,350,000 FOR RESIDENTIAL STREETS; - FIRST AND FINAL READING
- D. DISCUSS AND CONSIDER AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF LAKE JACKSON, TEXAS WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2017 IN THE AMOUNT OF \$4,990,000 FOR WATER AND SEWER REPAIRS IN THE BASIN 6 AREA, LAKE FOREST AREA AND HUISACHE AREA – FIRST AND FINAL READING
- E. DISCUSS AND CONSIDER REQUEST TO CLOSE PARKING WAY ON THURSDAY NOVEMBER 30<sup>TH</sup> FROM 5:30 P.M. – 8:00 P.M. FOR SANTA AT THE GAZEBO – DEBRA PERRY
- F. DISCUSS AND CONSIDER REQUEST TO PLACE HOLIDAY POLE BANNERS AND DECORATIONS IN THE MEDIANS IN THE ENTRANCE OF THE NORTHWOOD SUBDIVISION
- G. APPROVE PURCHASE OF TWO 2018 AUTOCAR REAR LOAD REFUSE TRUCKS THRU BUYBOARD IN AN AMOUNT NOT TO EXCEED \$571,262.00
- H. DISCUSS AND CONSIDER APPROVING AN ADDENDUM TO THE INTERLOCAL AGREEMENT WITH VELASCO DRAINAGE DISTRICT FOR THE REPAIR OF THE RIVER OAKS 60” OUTFALL PIPE IN THE AMOUNT OF \$36,000
- I. AWARD ONE YEAR EXTENSION TO DXI INDUSTRIES INC FOR THE FOLLOWING:
  - 1) 1-TON (2,000-POUND CHLORINE CONTAINERS) AT A UNIT PRICE OF \$0.347 PER LB. FOR AN ESTIMATED ANNUAL TOTAL PRICE OF \$40,946.00 FOR 118,000 POUNDS.
  - 2) 150-POUND (150-POUND CHLORINE CYLINDER) AT A UNIT PRICE OF \$0.634 PER LB. FOR AN ESTIMATED ANNUAL TOTAL PRICE OF \$20,288.00 FOR 32,000 POUNDS.
  - 3) 1-TON (2,000-POUND SULFUR DIOXIDE CONTAINERS) AT A UNIT PRICE OF \$0.399 PER LB. FOR AN ESTIMATED ANNUAL TOTAL PRICE OF \$27,930.00 FOR 70,000 POUNDS.
- J. AWARD BID TO RINEHART TRUCKING TO REPLACE THE GOLF COURSE BUNKER SAND AND ROCK DAMAGED IN HURRICANE HARVEY IN AN AMOUNT NOT TO EXCEED \$117,982.50
- K. DISCUSS AND REVIEW CHAPTER 30 ELECTIONS
- L. DISCUSS AND CONSIDER AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH JOHN D. MERCER AND ASSOCIATES FOR ENGINEERING SERVICES RELATED TO WILLOW DRIVE/BLOSSOM DRAINAGE IMPROVEMENTS IN AN AMOUNT NOT TO EXCEED \$70,900 AND TERMINATE PREVIOUS CONTRACT WITH DAMIAN AND ASSOCIATES, INC. FROM THE PROJECT

M. UPDATE ON DRAINAGE IN THE PARKWOOD SUBDIVISION NEAR MOSS, CHESTNUT AND PALM LANE

N. UPDATE ON CONSTRUCTION PROJECTS

- a. CONSTRUCTION FUNDS FINANCIAL UPDATE
- b. SIDEWALK PROJECTS
- c. UTILITY REPAIR PROJECTS
- d. DRAINAGE REPAIR PROJECTS
- e. SOUTH PARKING PLACE

O. ITEMS OF COMMUNITY INTEREST

**4. ADJOURNMENT**

**The City Council may go into Executive Session on any item listed on the Agenda in accordance with Section 551.071 of the Government Code (attorney-client privilege).**

I hereby certify that this Public Notice was placed on the Official Bulletin Board at City Hall on Friday, October 13, 2017 at 4:00 p.m.

\_\_\_\_\_  
Alice A. Rodgers, City Secretary

I hereby certify that this Public Notice was removed from the Official Bulletin Board at City Hall on this the \_\_\_\_\_ day of \_\_\_\_\_ 2017, at \_\_\_\_\_ a. /p.m.

\_\_\_\_\_  
Alice A. Rodgers, City Secretary

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This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (979) 415-2403 or FAX (979) 297-8823 for further information.

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# City Council Agenda Item

City of Lake Jackson

**Meeting Date:** October 16<sup>th</sup>, 2017

**Subject:** Employee Recognition

**Submitted by:** David Van Riper, Director of Public Works

**Expenditure Account:** NA

**Action Requested:** Recognition of John Roy Gutierrez earning his C Level Wastewater Operator License and Travis Sills earning his D level Wastewater license from the Texas Commission on Environmental Quality.

**Alternatives:** NA

**Summary of Subject:**

The Requirements for a C level Wastewater Operator are 60 class room hours, two (2) years experience operating a wastewater treatment plant, and passing the TCEQ exam.

The Requirements for a D level Wastewater Operator are 20 class room hours and passing the TCEQ exam.

A wastewater operator must be able to understand mathematics, basic chemistry, mechanics, basic electrical theory, and hydraulics. The main responsibility of a Wastewater Operator in the State of Texas is to protect the health of the community and protect the waters of Texas.

We welcome Mr. Gutierrez and Sills as TCEQ certified Wastewater Operators.

Great Job!

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

*Be it known that*

**JOHN R GUTIERREZ**

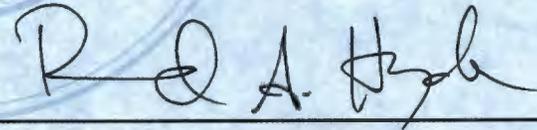
*has fulfilled the requirements in accordance with the  
laws of the State of Texas for*

**CLASS C WASTEWATER TREATMENT OPERATOR**

*License Number:* **WW0058437**

*Issue Date:* **09/20/2017**

*Expiration Date:* **09/20/2020**



*Executive Director*

*Texas Commission on Environmental Quality*

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

*Be it known that*

**TRAVIS D SILLS**

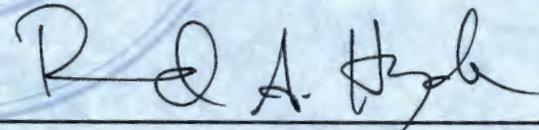
*has fulfilled the requirements in accordance with the  
laws of the State of Texas for*

**CLASS D WASTEWATER TREATMENT OPERATOR**

*License Number:* **WW0058172**

*Issue Date:* **09/22/2017**

*Expiration Date:* **09/22/2020**



*Executive Director*

*Texas Commission on Environmental Quality*

# Proclamation

I, Joe Rinehart by the authority vested in me as Mayor of the City of Lake Jackson, Texas, do hereby proclaim

**October 23-27, 2017**

As

**Red Ribbon Week**

In the City of Lake Jackson, and urge all citizens to join in the week's activities and to work all year to protect our community from the dangers of alcohol and other drugs.

**Whereas**, Texas and the City of Lake Jackson values the health and safety of all our citizens. Substance abuse is particularly damaging to one of our most valuable resources, our children, and a contributing factor in the three leading causes of death for teenagers - accidents, homicides and suicides; and

**Whereas**, It is the goal of the Texas Red Ribbon Campaign and the City of Lake Jackson to involve families, schools, businesses, churches, law enforcement agencies and service organizations in all aspects of this campaign and establish an atmosphere that supports awareness, education and on-going initiatives to prevent illegal drug use; and

**Whereas**, The Texas Red Ribbon Campaign theme promotes family and individual responsibility for living healthy, drug-free lifestyles, without illegal drugs or the illegal use of legal drugs; and

**Whereas**, There are many activities planned during the Red Ribbon Campaign in the City of Lake Jackson; and

**Now Therefore**, We the Mayor and the City Council of the City of Lake Jackson do hereby proclaim October 23-27, 2017 as Red Ribbon Week in the City of Lake Jackson, Texas.

In Testimony whereof, witness my hand and the seal of the City of Lake Jackson, this 16<sup>th</sup> day of October, A.D. 2017.

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Joe Rinehart, Mayor  
City of Lake Jackson

STATE OF TEXAS

COUNTY OF BRAZORIA

CITY OF LAKE JACKSON

BE IT KNOWN that the City Council of the City of Lake Jackson met on Monday October 2, 2017 at 6:30 p.m. in Regular Session at 25 Oak Drive, Lake Jackson, Texas, in the Council Chambers at the Lake Jackson City Hall with the following in attendance:

Joe Rinehart, Mayor	William P. Yenne, City Manager
Buster Buell, Council member	Modesto Mundo, Asst. City Manager
Will Brooks, Council member	Alice A. Rodgers, City Secretary
Matt Broaddus, Council member	Sherri Russell, City Attorney
Tim Scott, Council member	Pam Eaves, Finance Director
Gerald Roznovsky, Council member	Rick Park, Police Chief
	Jose Sanchez, Personnel Director
	John Boehm, Asst. to City Manager
	Sal Aguirre, City Engineer

#### PLEDGE OF ALLEGIANCE

Council member Roznovsky led the pledge of allegiance to the flags.

#### INVOCATION

Council member Brooks led the invocation.

#### VISITORS

There were no visitors to speak on a non-agenda item.

#### CONSENT AGENDA

- A. Approval of Minutes – August 21, September 18, 2017
- B. Minutes of Boards and Commissions
- C. Appoint Ryan Kesler to the Zoning Board of Adjustments to fill the unexpired term of Jeremy Biggers

On motion by Council member Roznovsky second by Council member Scott with all members present voting “aye” the consent agenda was approved as follows:

- A. Approval of Minutes – August 21, September 18, 2017 - approved
- B. Minutes of Boards and Commissions – accepted with thanks
- C. Appoint Ryan Kesler to the Zoning Board of Adjustments to fill the unexpired term of Jeremy Biggers - appointed

#### DISCUSS AND CONSIDER HOTEL OCCUPANCY TAX COMMITTEE RECOMMENDED GRANT APPLICATION AND PROCEDURES

Council member Roznovsky stated that the HOT committee has worked on this application and procedure for any additional funds available in the Hotel Occupancy Tax. The committee was formed earlier this year. They took examples from other areas and cities to come up with this application procedure. They define this as a grant program.

Mr. Mundo stated that the Hotel Occupancy Tax Committee has worked several months preparing procedures and applications for hotel tax grant funds to assist projects and events that enhance and promote tourism in Lake Jackson and clearly adhere to State Law.

The Committee recommends receipt of grant submittals four times per year. After a thorough review they will recommend funding recommendations to City Council. The final funding decision is up to the City Council.

Mr. Mundo stated that this process allows for accountability of the funds granted to each applicant.

On motion by Council member Broaddus second by Council member Buell with all members present voting “aye” approval was granted for the Hotel Occupancy Grant Application and Procedures.

DISCUSS AND CONSIDER AN ORDINANCE AMENDING CHAPTER 58 MANUFACTURED HOMES AND TRAILERS OF THE CITY OF LAKE JACKSON CODE OF ORDINANCES TO ADD PROVISIONS FOR TEMPORARY POST-DISASTER HOUSING – FIRST AND FINAL

On motion by Council member Brooks second by Council member Roznovsky with all members present voting “aye” to suspend the rules that an ordinance be read on two separate occasions.

On motion by Council member Roznovsky second by Council member Brooks with all members present voting “aye” an ordinance amending Chapter 58 Manufactured Homes and Trailers of the City of Lake Jackson Code of Ordinances to add provisions for temporary post-disaster housing was passed and adopted on first and final reading.

RESOLUTION AMENDING THE FY 2016-17 BUDGET BY INCREASING THE EXPENDITURES IN THE PEG FUND AND LOWERING THE FUND BALANCE BY \$162,926.06

On motion by Council member Roznovsky second by Council member Buell with all members present voting “aye” a resolution amending the FY 2016-17 budget by increasing the expenditures in the PEG fund and lowering the fund balance by \$162,926.06 was passed.

DISCUSS AND CONSIDER NOMINATING CANDIDATES FOR THE BRAZORIA COUNTY APPRAISAL BOARD OF DIRECTORS

There were no nominations submitted.

DISCUSS AND CONSIDER RESOLUTION APPOINTING THE CITY OF LAKE JACKSON’S REPRESENTATIVE AND ALTERNATE TO THE HOUSTON-GALVESTON AREA COUNCIL’S 2018 GENERAL ASSEMBLY AND BOARD OF DIRECTORS

On motion by Council member Brooks second by Council member Scott with all members present voting “aye” a resolution appointing the City of Lake Jackson’s representative Gerald Roznovsky and alternate Buster Buell to the Houston-Galveston Area council’s 2018 general assembly and board of directors was passed.

CONSIDER AND APPROVE LETTER TO TXDOT REGARDING SETTING A CONDITION ON TXDOT THAT THE PROPOSED DRAINAGE CHANNEL, AS PART OF THE SH 332 EXPANSION PROJECT WILL PASS THROUGH A PORTION OF WILDERNESS PARK, THAT THE OUTFALL TO THE BRAZOS RIVER MAY NOT AFFECT THE HIGH BANK OF THE RIVER AND THAT A FLOOD GATE STRUCTURE BE BUILT AT THE OUTFALL THAT WILL PREVENT BACKFLOW OF THE BRAZOS RIVER INTO THE PROPOSED DRAINAGE CHANNEL DURING FLOODING EVENTS ON THE BRAZOS RIVER

On motion by Council member Roznovsky second by Council member Brooks with all members present voting “aye” approval was granted for a letter to be sent to TxDot regarding setting a condition on TxDot that the proposed drainage channel, as part of the SH 332 expansion project will pass through a portion of Wilderness Park, that the outfall to the Brazos River may not affect the high bank of the river and that a flood gate structure

be built at the outfall that will prevent backflow of the Brazos River into the proposed drainage channel during flooding events on the Brazos River.

DISCUSS AND CONSIDER A CITY PROGRAM TO ASSIST IN REPLACING PRE-1961 HOUSES BY WAIVING BUILDING PERMIT FEES AND ASSISTING WITH DEMOLITION COSTS IF A NEW HOME IS BUILT WITHIN 24 MONTHS OF DEMOLITION

Mr. Yenne stated that he felt this should be discussed during the strategic planning session.

Council member Roznovsky said he felt council should discuss this at some time to decide if it needs to be moved up the list of priorities.

Mayor Rinehart stated he had a problem with doing this for someone who has rental property and will make money. If we are using taxpayers' money he felt they should be required to live on the property for two years.

Council member Roznovsky stated he felt unless it was made to be appealing it would not take off since most builders can build \$300,000 and sell them.

Council member Scott stated he felt this was a great idea for a nonprofit group. To use it for a for profit group does not set right with him.

UPDATE ON DRAINAGE IN THE PARKWOOD SUBDIVISION NEAR MOSS, CHESTNUT AND PALM LANE

Athelstan Sanchez stated that by next meeting he will have a presentation of phase I.

Phase I:

Freese & Nichols (FNI) submitted final deliverables for this Phase. Yet to reschedule another time to do a presentation on Phase 1 to council.

Phase II;

FNI is on track working on the Hydrology & Hydraulic for this Phase. Will be delivering gage data taken along Oyster Creek during the 2016 May-June Brazos River Overflow and similar obtained during recent TS Harvey and Brazos River Overflow. Will also deliver "Mammoth Lake bathymetry".

Phase III:

Staff needs to touch base with Clute's Public Works Director to discuss FNI's proposed survey plan so can give feedback to FNI for them to update scope and fee to our Cities in October. Thereafter work on getting a contract, between the Cities of Clute & Lake Jackson and FNI, for this Phase.

UPDATE ON CONSTRUCTION PROJECTS

- a. CONSTRUCTION FUNDS FINANCIAL UPDATE
- b. SIDEWALK PROJECTS
- c. UTILITY REPAIR PROJECTS
- d. DRAINAGE REPAIR PROJECTS
- e. SOUTH PARKING PLACE

Mayor Rinehart asked when Center Point will change the poles at Circle Way and Oak Drive. Mr. Aguirre stated Center Point and stated that the contractor is authorized to do the work. However the contractor is not responding to the city's requests for the work to be done.

Mayor Rinehart commented that Matula and Matula has done a good job on South Parking Place.

Athelstan Sanchez stated he has given the new engineer the information done by the previous engineer on the Willow Blossom drainage and hope to hear from him in a week.

ITEMS OF COMMUNITY INTEREST

Council member Buell stated that flu shots will be available at the Civic Center on Wednesday.

Council member Brooks informed David Van Riper that this Thursday the ISA is having a gas detector seminar.

Council member Scott thanked the police department for taking care of business quite efficiently.

Council member Broaddus thanked the police department for the public outreach programs.

Mayor Rinehart reported National Night Out will be tomorrow at MacLean Park at 5p-7:30p.

Mayor Rinehart first responders are doing great things.

Council member Buell thanked the police department for their work on the Jack in the Box robbery.

Bill Yenne said Home Goods and TJ Max will not open until February 2018.

Mayor Rinehart asked about Billie Fails funeral. Mr. Yenne stated it would be tomorrow with visitation from 2-4p with service at 4p.

Mr. Yenne reported that Martha Breeden a former employee recently passed away.

Mayor Rinehart asked how Ricky Williams was doing. Mr. Yenne reported he is going to MD Anderson for further tests.

ADJOURNMENT

There being no further business the meeting adjourned at 6:56 p.m.

These minutes read and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Joe Rinehart, Mayor

\_\_\_\_\_  
Alice A. Rodgers, City Secretary

## NOTICE OF PUBLIC MEETING

BE IT KNOWN that the Dangerous Structure Determination Board of the City of Lake Jackson will meet for a called Public Hearing on **TUESDAY October 17, 2017 AT 5:30 P.M.** in the Council Chambers at Lake Jackson City Hall, 25 Oak Drive, Lake Jackson with the following agenda:

### AGENDA

At said meeting the Dangerous Structure Determination Board will deliberate, discuss, consider and or take final action on any or all of the following matters:

1. APPROVAL OF MINUTES
2. REVIEW OF DANGEROUS STRUCTURE DETERMINATION BOARD'S DUTIES AND PROCEDURES
3. CONSIDER AND DISCUSS DEMOLITION AND REMOVAL OF PROPERTY LOCATED AT 1110 SYCAMORE, LAKE JACKSON, TEXAS ( LOT 3-S/2 LOT 2, BLOCK1 SHADY OAKS TERRACE), JAMES E. MOBLEY, OWNER
4. CONSIDER AND DISCUSS DEMOLITION AND REMOVAL OF PROPERTY LOCATED AT 1006 SYCAMORE, LAKE JACKSON, TEXAS ( LOT 3, BLOCK 3, SHADY OAKS NO. 2) HILL-WALKING, OWNER
5. CONSIDER AND DISCUSS DEMOLITION AND REMOVAL OF PROPERTY LOCATED AT 138 SPRUCE, LAKE JACKSON, TEXAS (LOT 1, BLOCK 3, INWOOD SUBDIVISION), DEBORAH K. POTTS ESTATE, OWNER
6. ADJOURNMENT

I hereby certify that this Public Notice was placed on the Official Bulletin Board at City Hall on Friday, October 13, 2017 at 4:00 p.m.

\_\_\_\_\_  
Alice A. Rodgers, City Secretary

I hereby certify that this Public Notice was removed from the Official Bulletin Board at City Hall on this the \_\_\_\_\_ day of \_\_\_\_\_, 2017, at \_\_\_\_\_ a./p.m.

\_\_\_\_\_  
Alice A. Rodgers, City Secretary

**This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (979) 415-2403 or FAX (979) 297-8823 for further information.**

STATE OF TEXAS

COUNTY OF BRAZORIA

CITY OF LAKE JACKSON

BE IT KNOWN that the Dangerous Structure Determination Board of the City of Lake Jackson, Texas met in called session on Tuesday, July 31, 2012 at 5:15 p.m. with the following in attendance:

Ed Harrington  
Justin Sparkman  
Sal Aguirre  
Ben Torres  
Melanie Calvin

Matt Houston, Building Official  
Kacey Roman, Code Enforcement Officer  
Irene McKay, Code Enforcement Officer  
Lynn Brannan, Apartment Code Enforcement Officer  
Alice A. Rodgers, City Secretary

Glenda V. Mendoza, City Council Liaison

SWEAR IN MEMBER

Ms. Alice Rodgers, City Secretary gave the Statement of Appointed Officer and the Oath of Office to Mr. Justin Sparkman; swearing him into office of the Dangerous Structure Determination Board.

APPROVAL OF MINUTES

On Motion by Ms. McCourt second by Mr. Torres with all members present voting “aye” the minutes of January 2010 were approved as presented.

DISCUSS AND CONSIDER CITY ACTIONS TAKEN AT AND ATTACHMENTS OF LIENS AT 105 SOUTHERN OAKS DRIVE, LAKE JACKSON TEXAS

Mr. Kacey Roman, Code Enforcement Officer provided the board with the following communication on the events that have taken place at this property.

**105 Southern Oaks Drive** – *The City of Lake Jackson issued an Emergency Abatement Order at 105 Southern Oaks Drive due to Health and Safety Hazards existing on the property. The home is owned by Ila Ray Williams, an elderly retired school teacher, and her adult daughter, Jhil Williams.*

*On September 12, 2011, Code Enforcement was called to 105 Southern Oaks Drive by a Humane Officer about the condition of a house that was uninhabitable due to dogs, cats, hoarding, filth, and feces along with possible rodent and insect infestations. Several written complaints were made from various neighbors regarding the condition of the home, and the feeding of feral cats and hoarding.*

*After inspection, the property was declared a Dangerous Structure by the Building Official, Matt Houston. The property was also declared a Health Hazard by the City Health Official Dr. Gianonni.*

*The City of Lake Jackson paid for 6 nights hotel stay at Super 8 Hotel, and then the Williams moved to an apartment in Clute to live in.*

*The City contacted Adult Protective Services to evaluate the Williams. APS declared Ms. Williams culpable for her actions, and stated they could not help her.*

The property was remediated and cleaned by USA Decon. Ms. Williams was particularly concerned about valuables that she had in the house, so Code Enforcement Officers were on site during the entire remediation, and individually sorted through all the personal belongings to determine whether or not anything could be salvaged. Photos were taken of all items that were kept, destroyed, and cleaned. Clothing that could be salvaged was professionally laundered, and returned to the Williams.

Please review the details of this event that are included in the attached information. We will be discussing whether or not the actions taken were valid and necessary.

At this time, we are asking for the house to be declared a public nuisance under Sections 14-303 and 14-307(15) of the Code of Ordinances. We are also asking that the Notice To Abate Or Demolish Under Emergency Summary Action and all actions subsequently taken by the City to clean and secure the building and personal property were necessary. This action will allow liens to be placed on the property for the amounts listed below. With the nuisance finding, we will be able to prevent persons from attempting to live in the building. There is no funding for demolition at this time, so we are not asking that the house be demolished. The building is not habitable, but has been vacated, secured and cleaned.

**Please review the attached photos and information.**

- The Report by USA Decon is a project overview.
- The Engineering report’s password is ‘kacey’.
- The Timeline and Memo are a detail of the exact events.
- Witness statements given by several neighbors
- “Acknowledgement by Ila Williams” allows for the City to take these actions.
- Thousands of photographs were taken so only a portion of those are included. The rest are available at City Hall.

<b>Costs</b>	<b>Description</b>
\$20,515.00	USA Decon
\$376.49	Econo Wash - Laundry Service
\$4,563.49	Dumpster Fees
\$87.95	Title Search
\$400.00	Super 8 - 6 nights of Hotel Stay
\$130.00	Property Maintenance - Lawn Mowing
\$31.58	Lake Hardware - for Boarding up the House
\$61.49	Lake Hardware - Boarding up & securing garage
\$1,800.00	Professional Engineering Services, Inc. – Interior Inspection
<b>\$27,966.00</b>	<b>Total Expenses</b>

Ms. Roman reviewed the reports and displayed photos of the home showing the condition the home was found in. There was no air conditioning or lights in the house.

Dora Bonner, attorney for Ms. Williams stated that she recognizes that Ms. Williams had a problem in her home and believes that Ms. Williams now recognizes that she had problem in her home. The problem Ms. Bonner has is with the procedure the city went through in addressing this issue. She stated she had an issue with the acknowledge that the city asked Ms. Williams to sign. They told Ms. Williams that the cost

estimated to clean the house would be \$13,000. Tonight, the city comes with a figure of \$27,000 to be approved. That is 50% more than they anticipated they would have to pay without a subsequent agreement with Ms. Williams for the extra cost.

Ms. Bonner stated that Ms. Williams was to have an opportunity to look at her belongings, there were to be 3 bins placed in front of the house, the first bin was for the city to determine if the item was not salvageable, the second bin was Ms. Williams to make a determination if the items were salvageable. However, it was revealed to Ms. Bonner that Ms. Williams was not given the opportunity to make a determination at what was going to be salvaged. The decision was made solely by city personnel as to what would be salvaged. If the city was going to change their mind in the middle of the process then they should have gone back to Ms. Williams to inform her. This was her possessions and she was not able to make the determination for closure.

Ms. Bonner stated that the city in their acknowledgement indicated that they would provide dumpsters for the USA Decon and tonight they are asking for Ms. Williams to pay for the dumpsters. There is nothing in the acknowledgement that indicated they were going to have Ms. Williams pay for the extra items the city provided. They indicated that they would clean the clothes. There was no indication that she would be charged for cleaning the clothes. There was no indication that the third-party inspector would be an expense to Ms. Williams. The temporary housing issue has been resolved and that she would be given the opportunity to reimburse the city for all costs and then she would have a lien on the property. Ms. Bonner stated there is not been an opportunity for Ms. Williams to reimburse the city and yet they are coming and saying they need to have a lien on the property. Additionally, Section 14-332 of the Code of Ordinance indicates that a lien cannot be put on a homesteaded property. She stated that what the city is asking the board to do is not allowed by the Code.

Ms. Bonner said the city indicated they did this action on an emergency basis because of what they found when they went in. According to the code after the home is vacated the city is required to provide a notice to the DSDB and the owner. Ms. Bonner felt that here a year after actions were taken they city did not provide notice promptly as indicated in the code. It has been nearly 12 months and now they are asking this board to agree they did the right thing. The city is asking the board to approve a lien which is not allowed on this lady's homesteaded property.

Ms. Bonner asked the code enforcement officer and the city manager about the \$1,800 inspection they had done. In the inspection report, what they are asking Ms. Williams to do before she can move back into the house is take a 60-year-old house and build it up to 2012 code and then make the determination that is the minimum that needs to be done before she can move in. Ms. Bonner stated she did not agree with that. Ms. Bonner questioned if the city went beyond what needed to be done by taking the paneling out. The engineer in the report indicates that Ms. Williams would have to spend nearly \$100,000 before she could even step back into her home to say it is at minimum standards for the city of Lake Jackson.

Ms. Bonner did not agree with all the items in the engineer's report that needed to be fixed before she could go back in the house. She asked that the board not issue an order that would prevent Ms. Williams from going back into her home to try to fix her home. Ms. Williams has lived in that home for over 60 years. She cannot complete the repair items within 60 days. She will need access in order to do the repairs that need to be done.

Justin Sparkman stated that the estimate of \$100,000 was an engineer's estimate. He asked if Ms. Williams had obtained an estimate from a builder.

Ms. Bonner stated she had not. She did not know when Ms. Williams received a copy of the report.

Mr. Torres stated that a builder's estimate needed to be obtained.

Kacey Roman stated that they received a builder's estimate of \$101,000. October 24<sup>th</sup> was when the report was done and Ms. Williams was given a copy a week later.

Ms. Bonner asked when Ms. Williams received notice of this hearing.

Ms. Roman stated about 2 weeks ago.

Melanie Calvin asked if Ms. Williams had gotten estimates outside of what the city has gotten bids for to establish a plan of action if she were to move back in?

Ms. Bonner stated that she went today and got an estimate from a repairman. She indicated that she had conflicting information as to what the city required to be done first. Whether the plumbing and electrical needed to be done first or the issues with the structure. When the plumbing and electrical person came in they were told the structural issues needed to be taken care of first. Ms. Bonner presented an estimate of \$85,000 for the purposes of going in and making the downstairs livable and bringing it up to code, to do the roof and the plumbing and electrical.

Mr. Sparkman asked if Ms. Williams wants to reimburse the city for these services?

Ms. Bonner said she wants to reimburse the city but she does not believe she owes \$27,000 because that was not what she agreed to in the acknowledgement. But yes, she wants an opportunity to try to pay the city back on an installment.

Mr. Sparkman asked if Ms. Williams approached the City Manager to set up an installment plan.

Ms. Bonner stated she met with him this morning and the indication was they did not mind working with Ms. Williams but they wanted to get permission from the Board to put the lien on the property in the event Ms. Williams did not pay.

Mr. Sparkman stated that more negotiations needed to be had for the repayment.

Sal Aguirre asked if there had been any attempt to talk to the city about the process to rebuild.

Ms. Bonner said that Mr. Yenne has had numerous conversations with Ms. Williams.

Ms. Williams said the city was supposed to tell her when to come and discuss it.

Mr. Aguirre asked if she took any action and came to the city to say she would like to start working on her home.

Ms. Williams said one reason is she has a book filled with pictures of things she lost, silverware, jewelry, pictures, etc. It is not there and she does not know what happened to it. She was hoping to get these things back but nothing has been returned to her. She has not started on her house in the past two years because of 5 deaths in her immediate family including her husband in June. She said she was devastated and not able to function. Ms. Williams spoke of other items that she could not find.

Ms. Calvin asked if it was possible that some of the items were in the garage.

Ms. Williams said they are not. Her daughter went through the items in the garage and they were not there. She felt they have suffered thousands of dollars' worth of things lost. She stated there were some things taken out of the yard.

Mr. Aguirre asked if Ms. Williams had put a value on the items that were missing.

Ms. Williams said it would be hard to say because some of them were antiques.

Ms. Bonner stated she had not be on the case long enough to put down a list. She has asked Ms. Williams to create a list of all the things she has lost and then a valuation could be put to those items.

Mr. Aguirre asked about the repair estimate of \$85,000 and how would she handle making the repairs and bringing the property up to code. Would she be contracting someone to do the work for her for the actual construction to build the house to a condition that would allow her to go back into the house and live? How would she handle it and who would handle it?

Ms. Bonner asked if the question was how would she handle it or how would she pay for it.

Mr. Aguirre stated who would handle the contractor. It could start out as \$85,000 and end up at \$160,000. One of the points Ms. Bonner made was the acknowledgement amount went from \$13,000 to \$27,000. Who would ensure the contractor amount would stay at \$85,000?

Ms. Bonner said she assumes the contractor would be a reputable contractor and Ms. Williams would have to watch.

Mr. Aguirre said he has a reputable contractor doing a contract for him for close to \$4.5 million right now and the project has not been completed. The contract has escalated to probably another \$500,000 at least. What he is afraid is starting with a contractor, not knowing what you will encounter, which has happened in this project particularly with US Decon who gave an estimate based on what they could see, and when they started doing the work they encountered things they were not anticipating. The wood paneling was hiding a lot of black mold. There is a building in the area that has wood paneling and behind that is sheetrock that is totally covered in black mold. Those are the conditions that people encounter in a contract that can escalate just like the \$27,000. The \$85,000 is an estimate and will go beyond that point. \$97,000 is an estimate given by the engineer that will go up according to what you will find. That is his concern that Ms. Williams

want to remedy the house by doing this contract and he does not know if Ms. Williams is up to that task.

Ms. Bonner asked if Mr. Aguirre is saying that no one should be allowed to renovate or to salvage their homes because they may not have the intellectual ability?

Mr. Aguirre stated not intellectual ability.

Ms. Bonner asked if he felt they would not have the business acumen to know who they hire and what needs to be done without being taken advantage of. She did not see that that was the city's responsibility. The city should be saying that this is what we want you to take care of. And if you go out and take care of it whether it cost you \$100 or \$100,000 really should not be the city's concerns.

Mr. Aguirre stated he was just asking questions of how this would be happening if it is according to this board if it progresses to that point, how would that happen. Who would be taking care of that.

Ms. Bonner stated her understanding is that Ms. Williams will hire a reputable contractor.

Mr. Torres said the board's determination is did the city take reasonable action and he felt they did, the conditions warranted action. He said Ms. Williams' was surprised by the estimate, but it is an estimate for \$13,000 and then get in there and find different things the cost goes up. The costs are what they are and are reasonable in his mind based on what he has seen. To him it seems like there were reasonable actions and cost. He felt this cost was due to the city based on what he has seen. It is not sure of the legal parts on liens, but based on the information he had he felt the situation had to be cleaned up and this is how much it cost. It is unfortunate, but it is what it is.

Mr. Aguirre brought up the question of whether or not a lien could be placed on the property and asked Ms. Russell to speak on it.

Sherri Russell said that Ms. Bonner was correct that you cannot place a lien on someone's homestead unless under certain circumstances. This is one that the State law says no. Mr. Williams has signed the acknowledgement stating what this would cost and she has said she is willing to pay some of it back. It does say in the State law not to put a lien on a homesteader's property.

Mr. Aguirre said one of the requests is to assess the lien as Ms. Bonner made the point.

Ms. Russell said if the board could just assess the reasonable cost and not say it is a lien, just so we know what it is. We have already talked about her paying it back so we don't have to file a lien. We would like to know when the board voted if they thought the house was a nuisance or not and whether the actions were reasonable. It was an extreme case, this is not something we do normally. It is still shocking when I see the pictures. Ms. Bonner is right about the homestead, but if the board could determine whether or not it was a nuisance. We don't want to demolish this lady's house we want to give her a chance to fix it if she can. We don't want to hamper that with a lien because it would be hard to get a loan with an encumbered property.

Ms. Russell stated she drafted the acknowledgement and did not mean for it to be a price list but she wanted to let them know what Decon was looking at and how serious the situation was, the bins and the cleaning.

Ms. Russell did not mean for this to be a price list. On the first paragraph second page it says, “pay for all costs” not just all cleaning, but all cost. We did not know how much it would cost, how many dumpsters and how much it would cost. As for things getting tossed away, Kacey patted down every pocket and looked through every tissue because Ms. Williams told her she hid all this stuff. You can see the pictures of them going through every little thing looking for all this stuff.

Kacey Roman stated that Ms. Williams has a couple of storage units and all the contents were stolen from one. There may have been some things that she remembers ‘they are in a storage unit’ that could have been stolen. We saved everything that we could save.

Ms. Russell said that everything in the house is bin #2. It sounds like there may have been some miscommunication with her due to the situation. They decided that bin#2 was going to be her house. The only things that were thrown away had nothing to do with sentimental value it was just can you save it or can you not. When you pick up things that disintegrate in your hands and you don’t even know what you are throwing away, you can’t tell.

Mr. Torres asked how the city could request reimbursement.

Ms. Russell said we will not place a lien, we can ask for the money. We are not looking at civil judgements right now. All she is asking from the board is to look at the cost and see what they thought was reasonable and what was not.

Mr. Torres said he thought the cost were reasonable and the situation warranted it. He asked what motion were we looking for.

Melanie Calvin said before a motion is made she asked if there were anyone else who wanted to speak on this issue.

Ms. Russell stated there is an order of remittance and an order of vacating and securing property. The order vacating and securing says what they did was correct, the property needs to remain vacated and disconnect the utilities.

Kacey Roman asked if that still allowed for repairs, for the contractor to go in to repair it.

Ms. Russell said it did. Ms. Williams has the keys to the house and is allowed in the house. We want to make sure it has been declared a nuisance so she doesn’t live in it without fixing it first. That is what is really important that it not get lived in until it is fixed. The structure is rotted. The electricity is bad. If there had been a fire the ladies would not have made it out. The order of remittance could be issued with zero in the amount. Then say that everything was done correctly, please vacate and secure the property and no one is allowed in as it is a nuisance.

Ms. Russell distributed the orders for the board to review.

Ms. Bonner asked that the board look under Section 14-341 Securing the Building she felt there were issues with timeframes. These notices have been secured on the building which was secured back in September of

2011, that they were supposed to provide notice within 11 days and here we are nearly 11 months after the city has secured the building.

Kacey Roman stated the notice of abate and abolish was sent immediately.

Ms. Bonner stated this is under securing the building, 14-341. She asked that before the board makes the decision on what they are going to decide, that they be able to look at the section of the code and the requirements that the city is required to meet prior to taking action. The city is basically coming to the board to approve what they have already done whether or not it is according to what the ordinance says.

Ms. Russell said the city was going by Section 14-345 which is the emergency abatement by city officials. It was vacated, she knew when we were there, she saw the posting go up on the door. She is in an apartment, she had actual notice of everything that happened. If Ms. Williams wanted a hearing she could have asked for a hearing. Just given the situation we did not ask for a hearing, we are not required to ask for a hearing. We told her we would put it off and wait to see what she could do. We just wanted to be patient with her because we knew nothing serious was going to happen because she was in a safe apartment. Section 14-345 says this is an emergency abatement, we vacated and she already knew about it, she had actual notice. It says to provide notice to the board of what we did. We may have missed that.

Ms. Russell asked Ms. Roman if notice was provided to the DSDB.

Ms. Roman stated she did not.

Ms. Russell stated that is one step that was missed and will not legally prevent the board from issuing the nuisance order today. She could ask for a hearing, she had 30 days to do that. We are not following everything specifically. We are handling this case as an individual, odd and strange case. It is nothing we are planning on doing ever again. The code at this point just did not fit. We are not trying to steal her home or demolish it. We wanted to give her time. Mr. Yenne and I sat down with her around Christmas to discuss what she could do. At this point it has been almost a year and we need to get this done and see what she can do after this hearing.

Ms. Roman stated that Mr. Yenne has spoken with Ms. Williams one to five times a day for three months. He did keep her in constant contact of everything we were doing. He would let her know every morning what actions we were taken and when she could expect things back. She was kept in constant contact with Mr. Yenne. He was the main contact.

Ms. Roman showed pictures of the home, one depicting the notice on the door.

Ms. Calvin stated she agreed with Mr. Torres that this was an emergency situation with extenuating circumstances. It was and is a nuisance and safety issue for her to be allowed to go back in the home other than allowing a contractor in to begin repairs. If work is done in conjunction with the city and Matt Houston and permitting.

Mr. Aguirre asked how long with the declaration of nuisance go, indefinitely?

Ms. Russell stated yes it could.

Mr. Aguirre asked that if Ms. Williams does not want to pursue the repair route then this declaration of nuisance could go indefinitely.

Ms. Russell said it could go indefinitely unless the structure starts falling down, then it becomes a different kind of danger. If we see something happening from the outside of the home which would endanger neighbors or people on the property without them knowing about it, then we would come back and ask for a demolition. As it stands right now, it is boarded up and is secured. It is not pretty, but it is boarded up and secured and not a danger to somebody. But if something happens and we see it is deteriorating to the point where it can hold on its own anymore we will be back here asking for a demolition order whether we had money or not because then it would be a definite danger to the community.

Ms. Bonner said she just heard Ms. Russell say that the current condition of the home is not a danger to anybody and if that.....

Ms. Russell said that is not what she meant. The home is boarded and secured, people can't get in it and therefore it is not a danger to the community anymore. Anyone trying to live in there or trying to access it or be inside of it, yes, she would say it is still a nuisance and a danger. It needs to be repaired because we are looking at that actually happening. Looking at the structure, looking at the rotting, that is going to happen.

Ms. Calvin said the roof is still leaking and so the house will continue to grow new mold.

Ms. Russell said from the pictures of the rafters there is nothing in the ceiling to hold things back. It is a nuisance inside, just that people can't access it from outside, the kids or vagrants are not able to get in. We don't mind it sitting there and having an attempt to repair unless things become worse. That is what she meant.

Matt Houston stated that while most of the dangers have been removed it is not a habitable residence. Those things would have to be corrected before anybody could live there. I think that is what Ms. Russell was trying to say.

Mr. Aguirre asked Mr. Houston what it would take to make this property habitable.

Mr. Houston said a contractor to hire subcontractors to go in and do some structural work to the home. Probably a new roof, a new back wall as it is extremely rotted away, they would have to redo the electrical. The house has cast iron plumbing. He is not sure what condition the plumbing is in, they would need to have a plumber out to see if the underground plumbing is workable. There is a considerable amount of work. Looking over the estimate of S&L Contractors that was provided is just to make the bottom floor habitable.

Mr. Aguirre asked if that was the estimate for \$85,000 and if it was just for the bottom floor.

Mr. Houston stated it was and it was just for the bottom floor. Mr. Houston stated he would need drawings showing the living room, bedroom, bathroom meeting all the minimum requirements as defined by the

international residential code.

Mr. Aguirre asked if the finishing of the second floor would be necessary to make this property habitable.

Ms. Roman stated there is only a half bath downstairs.

Mr. Houston stated that was true so part of the upstairs would have to be made operable to get a full bath. It is an unusual house in the sense there is not a full bathroom downstairs. They could put a full bathroom downstairs but it would require breaking up part of the floor to tie into the existing plumbing which is not indicated in the estimate. That is why he would need some plans or drawing showing how they would make this happen. He is not saying it can't happen he is saying he would need something to show him they were putting a full bathroom in.

Ms. Roman asked if it were possible to remove the second story and make the home a single story.

Mr. Houston stated it was possible. They would be better off turning the second floor into an enlarged attic area until they could remodel that portion and add rooms up there.

Mr. Aguirre stated that doesn't change the situation that they would still need to put in a bathroom downstairs.

Mr. Houston stated they would have to have a full bathroom downstairs.

Ms. Williams said there is a full bath at the head of the stairs.

Ms. Roman said that is upstairs.

Mr. Houston said that is on the second floor and the estimate was only for the first floor.

Sal Aguirre moved to approve the order vacating and securing the property be given and due to the fact all the evidence presented at this to justify that the property be declared public nuisance and to guaranty the safety of the public and of the private owner, second by Ben Torres with all members present voting "aye" motion was approved.

Mr. Aguirre stated that since according to State law a lien can be placed against this property, it is only proper that the board declare that the cost associated with this property are appropriate and that the money has been spent by the city. It has been spent with public funds and should be restituted by the persons that were found culpable as defined by the county board. This restitution shall be one that is agreed to with the owner and the City Manager, that they meet and agree to a repayment agreement and that that be left in the hands of the City Manager to determine along with the owner depending on her abilities to repay this debt.

Ms. Russell stated that the order would read that the costs were found to be reasonable and no lien shall be placed on the property and the city manager is ordered to negotiate with Ms. Williams and her attorney.

On motion by Sal Aguirre second by Ben Torres with all members present voting "aye" approval was

granted for the order to read that the costs were found to be reasonable and no lien shall be placed on the property and the City Manager is ordered to negotiate with Ms. Williams and her attorney.

ADJOURNMENT

There being no further business the meeting adjourned at 6:43 p.m.

These minutes read and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary

STATE OF TEXAS

COUNTY OF BRAZORIA

CITY OF LAKE JACKSON

BE IT KNOWN that the Planning Commission of the City of Lake Jackson met in Regular Session on Monday, August 1, 2017 in Lake Jackson, Texas with the following agenda:

Locke Sanders, Chair  
John Fey, Vice Chair  
Jeffrey Gilbert, Secretary  
Harry Sargent  
Brenda Colegrove,  
Mayor Rinehart, Council Liaison

William Yenne, City Manager  
Sal Aguirre, City Engineer  
Sally Villarreal, Asst. City Secretary  
Athelstan Sanchez, Asst. City Engineer  
Eddie Herrera, Engineering Technician  
John Boehm, Asst. to the City Manager  
David Van Riper, Public Work Director

PLEDGE OF ALLEGIANCE

Harry Sargent led the pledge of allegiance.

VISITORS COMMENTS

There were no visitor comments.

APPROVAL OF MINUTES

Minutes were approved as presented.

FINAL REVIEW AND ACTION ON REPLAT OF 7.798 ACRE LAKE JACKSON TOWN CENTER RESERVE "C"

Sal Aguirre spoke in place of Mr. Doug Roesler who was not able to make the meeting.

Mr. Aguirre stated all planning has been taken care of.

Ms. Colegrove stated her concerns regarding the property being split. Her concern is the regulation of what type of businesses would be coming in.

Mr. Gilbert stated the Planning Commission does not have the authority to deny which type of business is allowed if it meets the PUD.

Mr. Yenne discussed the memo provided by City Attorney, Sherri Russell. The proposed business meets all the conditions and requirements under the PUD and State Law.

Ms. Colegrove stated the PUD specifies at least 2 of 3 types of uses in Reserve "C" which is now subdivided in multiple areas.

Mr. Yenne stated one of the changes that was made to the PUD, was rather than making each of the areas have all the various requirements, the entire site would need to have it. It is all considered one piece now.

Ms. Colegrove stated that is the concern. If it is being split up in pieces, how will it be overseen that both uses are being used for all the pieces.

Mr. Yenne stated the only way to address that would be to re-open the PUD, which would mean going through the public hearing process and discussing how the PUD could be changed.

Mr. Yenne stated the owner of the property had mentioned a single housing unit.

Mr. Gilbert stated the owner of the property would need to have someone with authority speak about it.

On motion by Harry Sargent second by Brenda Colegrove with all present members voting “aye” the final review and action on replat of 7.798 acre Lake Jackson Town Center Reserve “C” was approved.

PRELIMINARY REVIEW AND ACTION ON SITE AND LANDSCAPE PLAN AMENDMENT OF KWIK CAR LUBE AND TUNE LOCATED AT 211 W. HWY 332, OUTLOT D, PLANTATION VIL-  
LAGE SECTION 22

*(Previous Discussion)*

*The preliminary review on this item came to you back in August of 2016 and remained inactive till now. A review of your discussion then, indicated that you were receptive to the site and landscape changes with conditions that they go back and consider reducing the number of vacuum spaces to save removal of trees and to include frontage hedge screening of the site in consideration of counting drive thru cue spaces in parking count. The final version comes in with no changes to the previous one and with no signs of this addressing your advice other than adding a new 4” tree to compensate for the 29” caliper removal. In addition, your attention to the new driveway addition indicates that chances are high, the existing 8” oak will not survive the impact of pavement construction and will be lost also.*

*The status of other agencies having interest in this site changes are as follows:*

- *TxDOT driveway: In process, but not yet permitted*
- *CenterPoint: In process, tentative no objection given but not yet official*
- *VDD: Reviewed, with no action, to be resubmitted for no objection determination.*

*Staff leaves this to your discretion of this being satisfactory for approval.*

Mr. Aguirre stated this item will be removed due to TxDOT not approving the driveway request.

FINAL REVIEW AND ACTION ON PLAT OF BLOCK 1, LOTS 1, 2, 3, 4, & 5 OF THE RESERVES AT LAKE JACKSON FOR THE APARTMENT DEVELOPMENT LOCATED AT 202 FM 2004

*(Previous Discussion)*

*This subdivision plat had been approved and finalized back in October 2016 but never recorded due to U. S. Corps of Engineer wetland determination wavering. This cautious approach proved to be well founded as the determination made enlarged the wetland areas and upended all the development area and in turn all development plans within and already in completed stage.*

*The resulting ruling reduced the developable land area by 2 acres but disrupted their original business phasing plan and the lots had to be modified to a new plan design. The new lots configuration balances the phase 1/2 areas more to a 11.7 ac/9.3 ac ratio and creates a separate additional lot for the mitigation area required for the new development design. The lot for designated wetland, floodplain and jurisdictional waters has been reconfigured to the increased area and the dedicated VDD drainage maintenance easement lot remains as previously platted making this a 5-lot partition of the property.*

*All the conditions of format and content for subdivision platting are included as required and with all easements needed to service the property. Any revisions needed will be addressed at a final and staff*

*recommends it for your preliminary approval consideration.*

Mr. Gary Davis – 2700 Barton Creek Blvd, in Austin, TX., stated they are at the end of having a plat that meets all requirements and asked for the Planning Commission’s final approval on the plat.

On motion by Jeffrey Gilbert second by John Fey with all present members voting “aye” the final review and action on plat of Block 1, Lots 1, 2, 3, 4 & 5 of the Reserves at Lake Jackson for apartment development located at 202 FM 2004 was approved.

FINAL REVIEW AND ACTION ON REVISED SITE PLAN OF THE RESERVES AT LAKE JACKSON FOR THE APARTMENT DEVELOPMENT LOCATED AT 202 FM 2004

*(Previous Discussion)*

*The previous discussion memo is reprinted below to give you a better feel for the changes the site plan has had to make because of the wetland determination made and its effective impact on their original business design model. For comparison, the new changes are in red and all other remarks not so marked indicate they remain valid and effective as in the previous site.*

*The proposed site plan is for development of Lot 1, a 16.5/11.75 acre area for a two-story apartment complex consisting of 22/7 buildings with a total of 220 units. Of these, the bedroom count is proposed to be 118/106 – 1 bedroom, 88/96 – 2 bedrooms and 14/18 – 3 bedrooms. The unit count of 13.3/18.7 per acre fall within the R-4 zone allowable of 20 units per acre.*

*The site parking is provided in a mix of attached garage space in all units with tandem surface parking as well as regular surface parking. The overall space count for the complex calls for 264/108 garages with 94/66 tandem and 128/295 regular surface for a total of 486/469. The provided parking ratio of 2.2/2.13 per unit is shy of the current ordinance 2.5 per unit requirement but in line with the ongoing ordinance amendment requirements of 2 per unit. This is also an increase from the recent developer claims for reduced standards.*

*The infrastructure serving this site has been discussed at length throughout the process and has been addressed to the city’s conditions as follows:*

- *The waste collection system for this complex will be by internal collection system to a single pickup collection dumpster station. The detail of placement and facility construction will be finalized with our city department to all’s satisfaction.*
- *Potable water and fire suppression supply from the existing limited source in the area has been supplemented. An existing 8” water line with limited capacity and pressure has now been looped with a 12” line from a separate feed system with additional volume and pressure for a reliable supply. This improved supply has reduced the fire fighting concerns of this outlying residential development with its sprinkler fighting system. The Fire Marshal’s review show no issues with the proposed fire protection measures such as proper fire lane access widths and radius design, number exit way, gate access provision and of the fire hydrant coverage layout.*
- *The internal sanitary sewer system designed for the development meets the standards of the city and its public component crosses the highway to an existing system previously sized for this future growth demand. No major issues run with this.*

*The most critical infrastructure conditions of this development lie in the ground elevation of the facilities and the drainage systems required for development in this special flood hazard areas. These have also been in discussion since the early process of development and finally bared out by the Bastrop Bayou drainage study and the adopted city's flood management policy to be incorporated in the new FEMA maps. The developed area of the site will require the raising of the ground level from 2'-3'/3.5' by fill, while the lowest elevation of the parking fields and access drives have been set at the 15.0/16.0 base flood elevation of the new maps, and the living floor elevation set at 16.5/17.0 as a safety free board. In addition, the development has incorporated the flood plain management policy conditions of retention and mitigation requirements for this special hazard areas.*

*Staff has again started a review of the internal and outfall storm sewer systems, detention and mitigation pond sizing, along with the overall drainage prompted by the site's significant modification Comments will be shared with the engineer during this preliminary and final review period, there is no doubt that the engineer will adhere and comply with the stated requirements made known to him given their previous experience in this site issue. Given the relative status quo of the main elements of the site, staff recommends your consideration of preliminary approval to the revised site plan.*

Mr. Aguirre asked Mr. Davis to give some detail on the housing.

Mr. Davis discussed the site plan and the layout of the buildings. Some of the buildings will have attached garages. The clubhouse is in the front. The pool and recreational area will be behind the clubhouse. Two buildings in the front are 3 story buildings with two elevators per building. On the back of the site are 5 detached two story buildings which contain 10 units and are designed as originally planned.

Mr. Davis stated there are landscaped areas throughout the project.

Mr. Davis also stated the buildings comply with ADA.

Mr. Davis stated they are very pleased with the outcome of the buildings.

Mr. Fey asked how many units were in each E Urban building.

Mr. Davis replied 85 units per building with the big house buildings having 10 per building.

Mr. Aguirre stated everything complies and meets criteria with the site plan and all required permits have been obtained by the state.

Mr. Sargent asked if it would be the first place with a compactor in the city.

Mr. Aguirre stated commercial areas within the city have compactors.

Mr. Yenne stated the Lake Jackson sanitation dept. will handle the compactors.

Mr. Davis stated that the complex will have a concierge service where garbage will be picked up at the resident's doors.

Mr. Aguirre stated a change to the plan was increasing the height of the elevation both on the finished floor and parking area.

On motion by John Fey second by Jeffrey Gilbert with all present members voting “aye” the final review and action on revised site plan of The Reserves at Lake Jackson for the apartment development located at 202 FM2004 was approved.

FINAL REVIEW AND ACTION ON LANDSCAPE PLAN OF THE RESERVES AT LAKE JACKSON FOR THE APARTMENT DEVELOPMENT LOCATED AT 202 FM 2004

*(Previous Discussion)*

*The regulatory site changes forcing the development redesign also significantly affected the existing tree condition of the site and of the past approved landscape plan.*

*The heavy tree conditions of the site and the ground elevation buildup needs for development of the site created a landscape plan challenge for this project. The site area already curtailed by the detention and mitigation takings require the ground fill raising of the remaining natural area. The prepared plan reflects the results of this encumbrance but also shows consideration to the ordinance landscape principal condition.*

*The plan as submitted contains the following results:*

*A tree survey has been incorporated within the proposed site development plan. This is qualified alternate plan because it leaves the landscape plan requirements of lot 2 development for the future and indicates the remaining lot 3 to stay in natural condition. Lot 4 & 5 are discounted from the plan as their use for drainage easement and fill mitigation purposes acknowledges full removal of trees.*

*The survey shows all trees to be removed in the Lot 1 site development which range from 12” to 55” caliper. The plan claims that 151/95 of those in the survey, 148/78 will be removed while 3/17 will be protected within their open area plan. The required tree count of the site design calls for 58 trees. To supplement the count they have incorporated an additional 64 trees for a total of 67/81 native trees which satisfies the minimum requirement plus some. The plan does not claim credits for the 3/17 protected trees to avoid any replacement future liability.*

*The landscape area plan indicates a mix of designed open space and detention area space to comply with ordinance requirement. Based on the site design, a total of 48,800 sq. ft. of open landscape area is required which is shown in the plan. The plan claims as providing 191,000/176,649 sq. ft. of open landscape which needs to be properly indicated in plan by areas to be accounted for validation.*

*The remaining principal requirements of the ordinance relative to parking lot shrub and tree screening has been included in the plan without issues and the automatic sprinkling requirements also made part of the plan. Staff recommends your consideration of preliminary approval of the alternate landscape plan.*

Mr. Davis recapped the landscape plan as follows:

The total site is a total of 11.75 acres.

The gross building area is 2.805 acres.

Net are of landscaping of 8.944 acres and additional 1.137 acres of storm water retention.

The number of trees required per ordinance is 58 which equates to 3 trees per every 20,000 sq. feet. They will be planting new trees totaling 64. The total of trees under their landscape plan will total of 81 trees which takes into account some of the trees that will be saved.

Mr. Davis stated the challenge of this site is raising it to be out of the flood plain.

Mr. Davis stated they discussed with their landscaper about saving as many trees as possible.

Mr. Sargent asked how many tree wells they have.

Mr. Davis stated he was not sure exactly how many, but could ask the architects for a count.

Mr. Aguirre stated there are 17 trees that are being protected. These trees are contained within the phase I site.

Mr. Sargent discussed the difficulty in trying to save trees that may die within 6 - 12 months.

Mr. Sargent asked the commission for their opinions about saving trees.

Mr. Yenne mentioned the Civic Center tried to save trees, but they didn't last.

Mr. Aguirre talked about a couple of trees at HEB trying to be saved. One didn't last a year and the other one is not looking too good.

Mr. Davis stated his experience about saving trees. Mr. Davis has had projects where trees were saved, the rate of success is highly dependent on the nurturing the trees receive after construction.

On motion by Brenda Colegrove second by Harry Sargent with all present members voting "aye" the final review and action on landscape plan of The Reserves at Lake Jackson for the apartment development located at 202 FM 2004 was approved.

#### ITEMS OF COMMUNITY INTEREST

Mr. Sargent mentioned the mobile signs. The insurance business across the funeral home on Dixie Dr., the insurance business on Birch St. and Beef O' Brady's, all have mobile cars that do not appear to move. The one at Beef O' Brady's is parked in the grass.

Sherri Russell stated she would drive by and look at the signage and refer to the sign ordinance.

Ms. Colegrove asked how things were looking for back to school with the new elementary school, Beutel.

Mr. Yenne stated they were a little behind. The school has asked to use the Jasmine Hall parking lot temporarily to shuttle the employees back and forth to the school. The school is looking very good.

Mayor Rinehart stated 3 of the 4 lanes were poured in the parking lot at the school.

Mr. Yenne stated the next big project will be in the Woodland Park Subdivision. Mr. Yenne stated it is currently being designed and once the bonds that were approved by the voters have been sold, the construction of those streets will begin in 2018.

Mr. Sargent asked about the South Parking pavilion and if there would be a grass center.

Mr. Aguirre replied it will be landscaped in the middle.

Mr. Sanders asked about new developments.

Mr. Yenne stated the new Courtyard Marriott is coming along very nice and the Staybridge is moving along rapidly as well.

SET NEXT MEETING DATE

The next meeting date was set for Wednesday, September 6, 2017 at 6:30 p.m.

ADJOURN

There being no further business the meeting was adjourned at 7:14 p.m.

These minutes read and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

---

Locke Sanders, Chairman

---

Jeffrey Gilbert, Secretary

**STATE OF TEXAS**

**COUNTY OF BRAZORIA**

**CITY OF LAKE JACKSON**

**BE IT KNOWN THAT** the Lake Jackson Youth Advisory Commission of the City of Lake Jackson met in a regular session at the Lake Jackson Police Department Training Room, Monday, September 18, 2017, at 6:00 p.m.

**Board Members:**

Mary Macrae, Chairman	Emily Liondas	Alexia Boe
Emilio Razo, Vice Chairman	Meagen Fails	
Emma Nguyen, Secretary	Gwyneth Macrae	
Zach Merritt, Alumni Chair	Dillion Lackey	
Madeline Merritt, Events Coordinator	Annaleah Merritt	
Vivian Jones, Adult Advisor	Christian Melass	

**Also, present:** Terri Cardwell, Volunteer Coordinator

**RESOURCE MEMBERS:**

Cooper Wattier, Ethan Smith, Ava Postlethwaite, Angela Barrera, Jr. Perez, Leonardo Montier, Meredith Mancini, Sophia Nguyen, Lauren Read, Carlos Cruz, James Trevino, Jacqueline Napoli, Savannah Torres, De' Anthony White and Erika Hidalgo.

**CALL MEETING TO ORDER**

Terri Cardwell called the meeting to order at 6:11 p.m.

**SWEARING OF MEMBERS**

Terri Cardwell asked the new YAC Officers and Board Members for 2017-2018 to rise and they were sworn in after repeating the oath of office. They were then asked to sign their forms for the City Secretary's office.

**INTRODUCTION OF OFFICERS AND MEMBERS**

Mary Macrae led the introduction of YAC Officers and YAC Members, to start the first meeting of the new school year.

**BIRTHDAYS AND TEAM BUILDING ACTIVITY**

Zach Merritt presented the birthdays for all the summer months. Then we started with September for Fall.

Zach presented a "team building" activity called "Would You Rather". As Zach read questions they had to pick sides to his questions on where they would rather be or what they rather liked. It was a great team building activity to see how the group interacted and what type of things or places they liked.

**APPROVAL OF MINUTES**

Emma Nguyen presented the minutes from the May end of year meeting. On a motion by Zach Merritt, second by Alexia Boe with all voting "aye", the minutes were approved as written.

**OVERVIEW OF “YAC”**

Terri Cardwell and Mary Macrae discussed the importance of YAC activities and events. YAC begins in August and runs during the calendar school year till May. We have an end of year event in May. We do recruiting at the Intermediate school in August and a back to school event. We have a Board and a Resource Committee. Our main events are SnowLand for the Festival of Lights, the Fall & Spring Cleanups and Sr. Fest in February. We attend the YAC Summit in February. To be able to attend that event you must participate in events and attend meetings. If you cannot attend meetings we ask that you contact Ms. Cardwell and please let her know that you can not attend. A simple text message or email will do. School is a priority and comes first. We do Random Acts of Kindness and participate in several City events such as the Rec Halloween events, City Festivals and specific charges passed down to us from City Council. We are a working board and we learn how our City functions and follow Parliamentary Procedures.

Every year is different and this begins YAC’s 21st year as we celebrate the City’s 75th anniversary.

**DISCUSS & FINALIZE DATES FOR 2017-2018**

Mary and Ms. Cardwell announced date for Fall events:

- October 27      Family Fright Night    MacLean Park (YAC helps Rec Center)
- October 28      Monster Dash Fun Run
- November 11    Citywide Fall Cleanup City Hall (YAC helps Keep Lake Jackson Beautiful)
- November 18    SnowLand - Festival of Lights    Civic Center    YAC’s Event

More details and times will be discussed closer to date of event.

**ITEMS OF COMMUNITY INTEREST**

Members discussed events going on at school and in the community. Homecoming will be in October and Zach Merritt has been nominated for Homecoming King.

**DISCUSS AND SET NEXT MEETING DATE**

The next meeting was set for Monday, October 9th at 6:00 p.m. at the Lake Jackson Police Department meeting room.

**ADJOURN**

The meeting was adjourned at 7:03 p.m.

These minutes read and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Mary Macrae, Chairman

\_\_\_\_\_  
Emma Nguyen, Secretary

STATE OF TEXAS

COUNTY OF BRAZORIA

CITY OF LAKE JACKSON

BE IT KNOWN that the Zoning Board of Adjustments of the City of Lake Jackson met in a called session at 5:20, May 8, 2017 in the Conference Room at Lake Jackson City Hall with the following present:

Keith Frank, Chair

Susan Perry

Jeremy Biggers

Stephen Shawyer

David Howarth, Absent

David Walton, Building Official

Heather Melass, City Liaison

William Yenne, City Manager

Sherri Russell, City Attorney

Aron Blackwell, Assistant Project Manager

Visitor Sheet Attached

APPROVAL OF MINUTES

Minutes for March 8, 2017 were approved by present members with changes to name spelling of, David Howarth and Stephen Shawyer.

CONSIDER VARIANCE TO ALLOW AN 8 FOOT FENCE AT THE REAR OF THE PROPERTY FOR 59, 61, 63, 65, 67, 69, 71, 73, 75, 77, AND 79 Tanager COURT – Aron Blackwell gave an explanation of the need for an 8-foot-tall fence at the back of the said properties. This will allow a sound screen for the property owners. William Yenne and David Walton gave brief explanation of the city's precision of the proposed 8-foot-tall fence being installed with no city objections to the request. The Velasco drainage district has authority over the drainage ditch between the Dow buildings and the property owners on Tangerine Ct. On a motion by Jeremy Biggers with all members present voting "aye" the variance request was granted.

ADJOURNMENT

There being no further business the meeting adjourned at 5:34

These minutes read and approved \_\_\_\_ day of \_\_\_\_\_, 2017

\_\_\_\_\_  
Keith Frank, Chair

\_\_\_\_\_  
Susan Perry, Secretary

# VISITOR SIGN IN SHEET

ZBA

Name of Group

5-8-17

Date of Meeting

**PLEASE PRINT LEGIBLY!!**

Name

Address

Doug Potts

HARVEY - HOUSTON

Aron Blackwell

Harvey - Houston

HARLEY ARON

Core-RE

Derisha Jones

Raintree Apts

Robert Garza

Raintree Apts

Shawn Russell

LJ

✓ Mitchell Jacob

~~59~~ 59 Tangerine court LJ

Drew Lindsey

61 Tangerine Ct, LJ

Peggy Bubela

62 Tangerine Ct. L.J.

Edwin Bubela

62 Tangerine Ct. L.J.

## NOTICE OF PUBLIC MEETING

BE IT KNOWN that the Parks & Recreation Board of the City of Lake Jackson will meet on TUESDAY, OCTOBER 17, 2017, AT 5:30 P.M. at The Recreation Center, 91 Lake Rd., Lake Jackson, Texas with the following agenda:

At said meeting the Lake Jackson Parks and Recreation Board will deliberate, discuss, consider and or take final action on any or all of the following matters:

### AGENDA

- I. PLEDGE OF ALLEGIANCE
- II. APPROVAL OF MINUTES
- III. VISITORS
- IV. DISCUSS, CONSIDER AND TAKE ACTION ON COMMUNITY ENHANCEMENT PROGRAM APPLICATION FROM DYNAMO DASH SOCCER CLUB OF LAKE JACKSON FOR THE PURCHASE OF SOCCER GOAL WHEELS FOR MACLEAN PARK.
- V. DISCUSS, CONSIDER AND MAKE RECOMMENDATION ON REQUEST TO RENAME THE YOUTH SOFTBALL FIELDS AT MACLEAN PARK IN HONOR OF DANNY WEBB
- VI. DISCUSS, CONSIDER, MAKE RECOMMENDATION ON REQUEST TO RENAME SHADOW GLEN PARK AFTER COACH JOHNNY GIROUARD
- VII. DISCUSS, CONSIDER, MAKE RECOMMENDATION ON PLAYGROUND DESIGN/PROPOSAL FOR MACLEAN PARK
- VIII. DISCUSS, CONSIDER, TAKE ACTION ON FORMING A SUB-COMMITTEE TO PLAN THE PARKS AND RECREATION SCAVENGER HUNT FOR THE CITY'S 75<sup>TH</sup> ANNIVERSARY CELEBRATION
- IX. ITEMS OF COMMUNITY INTEREST
- X. DIRECTOR'S UPDATE
  1. Recreation Updates
  2. Parks Updates
  3. Planning/CIP Updates
- XI. SET FUTURE MEETING DATE:

I hereby certify that this Public Notice was placed on the Official Bulletin Board at City Hall on this the \_\_\_\_\_ day of \_\_\_\_\_, 2017, at \_\_\_\_\_ a.m./p.m.

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Alice A. Rodgers, City Secretary

I hereby certify that this Public Notice was removed from the Official Bulletin Board at City Hall on this the \_\_\_\_\_ day of \_\_\_\_\_, 2017, at \_\_\_\_\_ a.m./p.m.

\_\_\_\_\_  
Alice A. Rodgers, City Secretary

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This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (979) 415-2403 or FAX (979) 297-9804 for further information.

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## NOTICE OF PUBLIC MEETING

**BE IT KNOWN** that the **KEEP LAKE JACKSON BEAUTIFUL COMMISSION** of the City of Lake Jackson will meet on **TUESDAY, OCTOBER 17, 2017 AT 6:00 P.M.**, in the **Council Chambers at Lake Jackson City Hall**, 25 Oak Drive Lake Jackson, Texas with the following agenda:

### AGENDA

1. CALL MEETING TO ORDER
2. APPROVAL OF MINUTES – **SEPTEMBER 2017**
3. DISCUSS & FINALIZE PLANS FOR THE “**VETERAN’S MEMORIAL PARKWAY**”  
CLEANUP – SATURDAY, NOVEMBER 11TH
4. DISCUSS, REVIEW, & TAKE ACTION ON PLANS FOR FALL PROJECTS:
  - A. Habitat Walk – November 5<sup>th</sup>
  - B. Festival of Lights – November 19<sup>th</sup>
  - C. Social Media
5. DISCUSS & REVIEW AREAS OF RESPONSIBILITIES
6. ITEMS OF COMMUNITY INTEREST
7. SET NEXT MEETING DATE – **THURSDAY, NOVEMBER 9th**
8. ADJOURN

I hereby certify that this Public Notice was placed on the Official Bulletin Board at City Hall on **Thursday, October 12, 2017 at 4:00 p.m.**

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Alice A. Rodgers, City Secretary

I hereby certify that this Public Notice was removed from the Official Bulletin Board at City Hall on this the \_\_\_\_\_ day of \_\_\_\_\_, 2017, at \_\_\_\_\_ a. /p.m.

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Alice A. Rodgers, City Secretary

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This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (979) 415-2403 or FAX (409) 297-9804 for further information.

# NOTICE OF PUBLIC MEETING

BE IT KNOWN that the Senior Citizens Committee of the City of Lake Jackson will meet on **MONDAY, Oct. 16, 2017** in **REGULAR SESSION** at **6:00 P.M.** at the Lake Jackson Civic Center, 333 HWY 332, Lake Jackson, Texas with the following agenda:

## AGENDA

### VISITORS COMMENTS

*This item is available for those citizens wishing to address the commission on an issue not on the agenda. Any item discussed cannot be voted on, but could be considered for placement on the agenda of the next regularly scheduled meeting.*

At said meeting the Seniors Commission will deliberate, discuss, consider and or take final action on any or all of the following matters:

1. APPROVAL OF MINUTES –July 24, 2017
2. REVIEW OF FISCAL YEAR **2016-2017** BUDGET BALANCE
3. SUBMITTAL AND RECAP OF RECENT EVENTS
4. DISCUSSION AND ACTION ON SCHEDULED UPCOMING EVENTS
  - a. Oct. Wednesday’s Game Day
  - b. Oct. 17 Bingo
  - c. Oct. 19 Computer terminology (Windows 10)
  - d. Nov. 2, Dec. 7 “42 Dominoes”, 6:00 - 8:30p.m.
  - e. Nov. 6 TDECU Financial Fraud – Carolyn Oden
  - f. Nov. 7, Dec. 12 Card making class
  - g. Nov. 11 Clarion Symphony
  - h. Nov. 14 Thanksgiving lunch – depending on availability
  - i. Nov. 20 LJSCC
  - j. Dec. 5 Crafting 6:00 – 8:00 p.m.
  - k. Dec. Coastalaires
5. PRESENTATION, SUBMITTAL, DISCUSSION AND ACTION ON FUTURE EVENTS
  - a. HEB cooking class – Julie
  - b. Healthy eating for seniors
  - c. Alzheimer’s – detection, stages, progression
  - d. Comedy – variety show
  - e. Trash or Treasures
  - f. Line dance
  - g. Hemi Hide Out – Fulshear area bus trip
  - h. Sock hop – bring pair of socks for needy child or adult
  - i. Big Band Ball – Valentine’s Week
  - J. Sr. Fest – Feb. 3<sup>rd</sup>

- k. Computer / Tablet class
- l. Cooking in a mug / Potluck cooking for two
- m. Yoga / Pickle ball (offered by REC center)
- n. Suggest items for future

6. ITEMS OF COMMUNITY INTEREST

7. SET NEXT MEETING DATE (Nov. 20, 2017– **6:00 PM**)

8. ADJOURN

I hereby certify that this Public Notice was placed on the Official Bulletin Board at City Hall on Friday, Oct. 13, 2017 at \_\_\_\_\_ p.m.

\_\_\_\_\_  
Alice A. Rodgers, City Secretary

I hereby certify that this Public Notice was removed from the Official Bulletin Board at City Hall on this the \_\_\_\_\_ day of \_\_\_\_\_, 2017, at \_\_\_ p.m.

\_\_\_\_\_  
Alice A. Rodgers, City Secretary

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This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (979) 415-2403 or FAX (979) 297-8823 or email: arodgers@lakejacksontx.gov for further information.

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# City Council Agenda Item

City of Lake Jackson

**Meeting Date:** October 16, 2017

**Subject:** PEG Computer Licenses

**Submitted by:** John W. Boehm, Asst. to the City Mgr.

**Expenditure Account:** 125-0000-461-61-40

**Action Requested:**

Approve request for \$678.30 for 14 Windows 10 Pro licenses for BISD audio visual computer lab.

**Alternatives:** Decline the request.

**Summary of Subject:**

BISD has requested an additional expenditure of \$678.30 for 14 Windows 10 Pro licenses for the audio visual computer lab. These licenses are required to run the software needed. This expense was not previously submitted because BISD did not realize all the components required to build the program this first year, such as these additional licenses.

Hello,

Below is a quote for your requested item(s). Please let me know if there is anything else I can assist with.

Best Regards,  
Elizabeth



**Pricing Proposal**

**Quotation #:** 14211536

**Description:** Microsoft Select Plus - Win Pro 10

**Created On:** Oct-03-2017

**Valid Until:** Oct-31-2017

**BRAZOSPORT INDEPENDENT SCHOOL DISTRICT**

**Inside Account Manager**

**Mandy Woodruff**

500 Circle Way  
Lake Jackson, TX 77566  
United States  
Phone: 9792656181  
Fax:  
Email: mandy.woodruff@brazosportisd.net

**Elizabeth Stauffer**

1301 South Mo-Pac Expressway  
Suite 375  
Austin, TX 78746  
Phone: 800-870-6079 Ext. 3025616  
Fax: 512-732-0232  
Email: Elizabeth\_Stauffer@SHI.com

[Click here to order this quote](#)

All Prices are in US Dollar(USD)

Product	Qty	Your Price	Total
1 Windows 10 Pro - Upgrade license - 1 license - Select Plus - All Languages Microsoft - Part#: FQC-09552 Contract Name: Microsoft Contract #: DIR-SDD-2503	14	\$48.45	\$678.30
		Subtotal	\$678.30
		Shipping	\$0.00
		Total	\$678.30

**Additional Comments**

The Products offered under this proposal are subject to the [SHI Return Policy](#), unless there is an existing agreement between SHI and the Customer.



**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.  
MEMBERSHIP APPLICATION AND AGREEMENT FOR MEMBERSHIP YEAR 2018**

This Membership Application and Agreement (Agreement) is by and between Electric Reliability Council of Texas Inc. (ERCOT) and \_\_\_\_\_ (Applicant). In consideration of the mutual covenants contained herein, the parties hereby agree that the Applicant shall become an ERCOT Member and receive the ERCOT Member Services and benefits described herein, subject to the terms and conditions of this Agreement. This Agreement shall be effective as of the date signed by the Applicant provided that the Applicant meets all of the qualifications for ERCOT Membership.

Capitalized terms that are not defined in this Agreement shall have the meaning as defined in the ERCOT Bylaws or the ERCOT Protocols.

**A. Membership Application Information**

1. Name of Entity applying for Membership: \_\_\_\_\_
2. Type of Membership: Check **ONE** type of Membership. *Affiliated Entities as defined in the ERCOT Bylaws may hold only one Corporate Membership.*

Entities applying for additional Memberships, such as an Associate Membership, must use a separate Agreement for each Membership. The applicable fees are listed below and entitle Members to services ERCOT provides such as hosting ERCOT meetings, providing Members with necessary information and such other Member Services as may from time to time be offered. Please note that any Member may request that the Member's Annual Member Service Fees be waived for good cause shown.

**Corporate.** Voting. \$2,000 per Membership Year (except Residential and Commercial Consumer Members fees are \$100 per year). Corporate Membership includes the right to vote on matters submitted to the general membership such as election of Board Directors, election of Technical Advisory Committee (TAC) Representatives and TAC subcommittees thereof and amendments to the Articles of Incorporation and the ERCOT Bylaws. Residential Consumer Members do not elect a Director to represent the Residential Consumer interests as the Public Counsel is mandated to represent these interests.

**Associate.** Non-voting. \$500 per Membership Year (except Residential and Commercial Consumer Members fees are \$50 per year). Associate Membership includes no voting rights. However, an Associate Member may be elected by Corporate Members to serve as a voting member of the Board, TAC or a TAC subcommittee thereof.

**Adjunct.** Non-voting. \$500 per Membership Year. Entities not meeting the Segment requirements for Membership may join as Adjunct Members upon Board approval. Adjunct Membership does not include voting rights or the right to be elected to the Board, TAC or a TAC subcommittee thereof.

3. The Applicable Annual Member Services Fee must be delivered to ERCOT by the Record Date in order for the Member to participate in the elections for the Membership Year. Please make checks payable to ERCOT and mail to ERCOT, Attention: Treasury Department, 7620 Metro Center Drive, Austin, Texas 78744. Please send an email to [membership@ercot.com](mailto:membership@ercot.com) for wire instructions.

4. Segment Participation: (Check **ONE** Segment designation.)

**Consumer.** Any Entity representing the interests of end-users of electricity in the ERCOT Region.

Check **ONE** Subsegment designation:

**Residential Consumer**

**Small Commercial Consumer** (Peak demand of 1000 KW or less)

**Large Commercial Consumer** (Peak demand greater than 1000 KW)

**Industrial Consumer** (Average monthly demand greater than 1 megawatt and engaged in an industrial process)

**Cooperative.** An Entity operating in the ERCOT Region that is: (i) a corporation organized under Chapter 161 of the Texas Utilities Code or a predecessor statute to Chapter 161 and operating under that chapter; (ii) a corporation organized as an electric cooperative in a state other than Texas that has obtained a certificate of authority to conduct affairs in the State of Texas; (iii) a cooperative association organized under Tex.Rev.Civ.Stat. 1396-50.01 or a predecessor to that statute and operating under that statute; or (iv) a River Authority as defined in Tex. Water Code §30.003.

**Independent Generator.** Any Entity that is not a Transmission and Distribution Entity (T&D Entity) or an Affiliate of a T&D Entity and (i) owns or controls generation of at least 10 MW in the ERCOT Region; or (ii) is preparing to operate and control generation of at least 10 MW in the ERCOT Region, and has approval of the appropriate governmental authority, has any necessary real property rights, has given the connecting transmission provider written authorization to proceed with construction and has provided security to the connecting transmission provider.

**Independent Power Marketer.** Any Entity that is not a T&D Entity or an Affiliate of a T&D Entity and is registered at the Public Utility Commission of Texas (PUCT) as a Power Marketer to serve in the ERCOT Region.

**Independent REP.** Any Entity that is certified by the PUCT to serve in the ERCOT Region as a Retail Electric Provider (REP) under PURA §39.352 and that is not an Affiliate of a T&D Entity operating in the ERCOT Region.

**Aggregators** may register to participate in this Segment if unable to qualify in any other Segment.

**Investor-Owned Utility.** (i) An investor-held, for-profit “electric utility” as defined in PURA §31.002(6) that (a) operates within the ERCOT Region, (b) owns 345 kV interconnected transmission facilities in the ERCOT Region, (c) owns more than 500 pole miles of transmission facilities in the ERCOT Region, or (d) is an Affiliate of an Entity described in (a), (b) or (c); or (ii) a public utility holding company of any such electric utility.

**Municipal.** An Entity operating in the ERCOT Region that owns or controls transmission or distribution facilities, owns or controls dispatchable generating facilities, or provides retail electric service and is either: (i) a municipally owned utility as defined in PURA §11.003 or (ii) a River Authority as defined in Tex. Water Code §30.003.

5. Identify your designated representative for required notices to ERCOT Members, participation in meetings of the Corporate Members and voting issues:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

6. List any other ERCOT Memberships held by the Applicant or any Affiliates (attach extra pages if necessary):

(a) Entity name: \_\_\_\_\_  
Segment: \_\_\_\_\_  
  
(b) Entity name: \_\_\_\_\_  
Segment: \_\_\_\_\_  
  
(c) Entity name: \_\_\_\_\_  
Segment: \_\_\_\_\_

## **B. Membership Agreement**

1. **Membership.** Membership in ERCOT is open to any Entity that meets any of the Segment definitions set forth in the Bylaws. Members must be an organization that either operates in the ERCOT Region or represents consumers within the ERCOT Region. Members may join as a Corporate, Associate or Adjunct Member subject to the criteria set forth in the ERCOT Bylaws. Members must apply for Membership through an authorized officer or agent.

2. **Fees.** Annual Member Services Fees are described in the ERCOT Bylaws and may be changed through the procedure set forth therein. Any change in fees shall automatically become effective as to all ERCOT Members without the necessity of amending this Agreement. All Memberships are year to year and must be renewed annually. Annual Member Services Fee renewals shall be due by the record date for the annual membership meeting. Membership fees may not be prorated. This Agreement shall renew in yearly increments upon ERCOT's receipt of the following (1) Member's Renewal Application and (2) Member's applicable Annual Member Services Fee. Any Member may request that the Member's Annual Member Service Fees be waived for good cause shown.

3. **Application for Membership.** Members will submit the following items in order to apply for Membership: (i) payment of the Annual Member Services Fee and (ii) a signed copy of this Agreement. Upon approval, ERCOT will promptly notify Member Applicant of the same.

4. **Change of Designated Representative.** An ERCOT Member may change its representative at any time by written request (signed by a duly authorized representative of the ERCOT Member) submitted to the ERCOT Legal Department at [membership@ercot.com](mailto:membership@ercot.com).

5. **Suspension and Expulsion.** All ERCOT Members shall abide by the ERCOT Bylaws, as they may be amended from time to time, and any other rule or regulation duly adopted by the Board of Directors. Any ERCOT Member, who willfully violates any provision of this Agreement, the

ERCOT Bylaws, or any other rule or regulation duly adopted by the Board of Directors, may be reprimanded, suspended, and/or expelled in accordance with procedures adopted by the Board of Directors or set forth in the ERCOT Bylaws. Such action will affect all persons deriving Membership privileges through such ERCOT Member.

6. **Amendment.** This Agreement may be amended, modified, superseded, canceled, renewed, or extended and the terms and conditions hereof may be waived only by a written instrument executed by both parties hereto or, in the case of a waiver, by the party waiving compliance.

7. **Governing Law.** This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Texas that apply to contracts executed in and performed entirely within the State of Texas, without reference to any rules of conflict of laws. Parties consent to the exclusive jurisdiction of Texas.

IN WITNESS WHEREOF, the Member certifies that (i) the Member meets the requirements for ERCOT Membership in the Segment designated herein; (ii) all information provided herein is true and correct to the best of the Member's knowledge; and (iii) through its authorized representative the Member agrees to be bound by the terms of this Agreement, the ERCOT Bylaws and any other requirements duly adopted by the Board of Directors.

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# City Council Agenda Item

City of Lake Jackson

**Submitted by:** Sally Villarreal, Asst. City Secretary

**Presented by:** Bill Yenne, City Manager

**Meeting Date:** October 16, 2017

**Subject:** 2017 Port Freeport INFRA Application

**Action Requested:** Consider letter of support for the Port of Freeport's application for an INFRA grant. The Port is seeking discretionary INFRA funding in order to implement Phase II of its Parcel 14 Rail Development Project.

**Alternatives:**



## CITY OF LAKE JACKSON

25 OAK DRIVE • LAKE JACKSON, TEXAS 77566-5289 • 979-415-2400 • FAX 979-297-9804

October 16, 2017

Elaine Chao  
Secretary of Transportation  
United States Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Re: 2017 Port Freeport INFRA Application

Dear Ms. Chao:

I am writing this letter in support of a 2017 Infrastructure for Rebuilding America (INFRA) grant application by Port Freeport, located in Freeport, Texas. The Port is seeking discretionary INFRA funding in order to implement Phase II of its Parcel 14 Rail Development Project.

This project, if funded, will allow the Port to construct four (4) additional internal rail lines to their internal rail system. This project will create operational efficiencies for the movement of freight within the Port, reduce delays in shipping time, and most importantly create the capacity needed for the Port to be able to move up to 50% of their total freight by rail. This project will increase Port rail capacity by approximately 130%.

The ability to move these goods by rail rather than by conventional semi-trailer truck will serve to reduce congestion, improve vehicular safety, reduce vehicle emissions, and reduce the maintenance burden on the regional roadway network. Additionally, the implementation of this project will provide a significant economic benefit for the Houston region. For these reasons and more, I fully support this application by Port Freeport and urge the United States Department of Transportation to give the application full consideration for funding.

Sincerely,

Joe Rinehart  
Mayor  
City of Lake Jackson

# City Council Agenda Item

City of Lake Jackson

**Meeting Date:** October 16, 2017

**Subject:** Discuss and consider rezoning the church at 503 Oyster Creek Drive -- First Reading

**Submitted by:** Sherri Russell

**Expenditure Account:**

**Action Requested:** Approve

**Alternatives:**

**Summary of Subject:** This church already exists, but it is in a residentially designated zone that does not list churches as permitted or conditional uses.

**ORDINANCE NO. 17- 2148**

**AN ORDINANCE AMENDING THE ZONING MAP OF THE CITY OF LAKE JACKSON, TEXAS; FINDING THAT ALL PREREQUISITES OF THE LAW HAVE BEEN COMPLIED WITH NECESSARY TO AMEND THE ZONING MAP OF THE CITY, AND AMENDING THE ZONING MAP OF THE CITY OF LAKE JACKSON, TEXAS, BY REZONING LOT 11B OF THE WHARTON PLANTATION (JARED E GROCE 5 LEAGUE GRANT, ABSTRACT 66) FROM R-2 RESIDENTIAL TO B-3 (INSTITUTIONAL); PROVIDING A SAVINGS CLAUSE; AND PROVIDING FOR PUBLICATION.**

**WHEREAS**, all prerequisites of the law have been complied with to enable the City Council of the City of Lake Jackson, Texas, to amend the zoning ordinance of said city as hereinafter set forth and all persons interested in such proposed amendments have been given a hearing before the City Planning Commission on the 3rd day of October 2017, and by the City Council of the City of Lake Jackson on the 16th day of October 2017, and the evidence has been offered in favor of such rezoning, the City Council does hereby declare that it will be in the public interest to amend the zoning ordinance as hereinafter set forth.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LAKE JACKSON, TEXAS:**

**Section 1:** That the zoning map of the City of Lake Jackson, Texas shall hereby be amended by changing the zoning classification from R-2 (Residential) to B-3 (Institutional) on Lot 11B of the Wharton Planation (Jared E Groce 5 League Grant, Abstract 66) as shown on Exhibit A.

**Section 2:** That all ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict only.

**Section 4.** That if any provision of this ordinance shall be held to be invalid or unconstitutional, the remainder of such ordinance shall continue in full force and effect the same as if such invalid or unconstitutional provision had never been a part hereof.

**Section 5.** That is hereby officially found and determined that the meeting at which this ordinance is passed is open to the public as required by law, and that public notice of the time, place and purpose of said meeting was given as required.

**PASSED AND APPROVED** on the first reading this 16th day of October, 2017.

**PASSED AND ADOPTED** on this second and final reading this            day of            2017.

---

**Joe Rinehart, Mayor**

**ATTEST:**

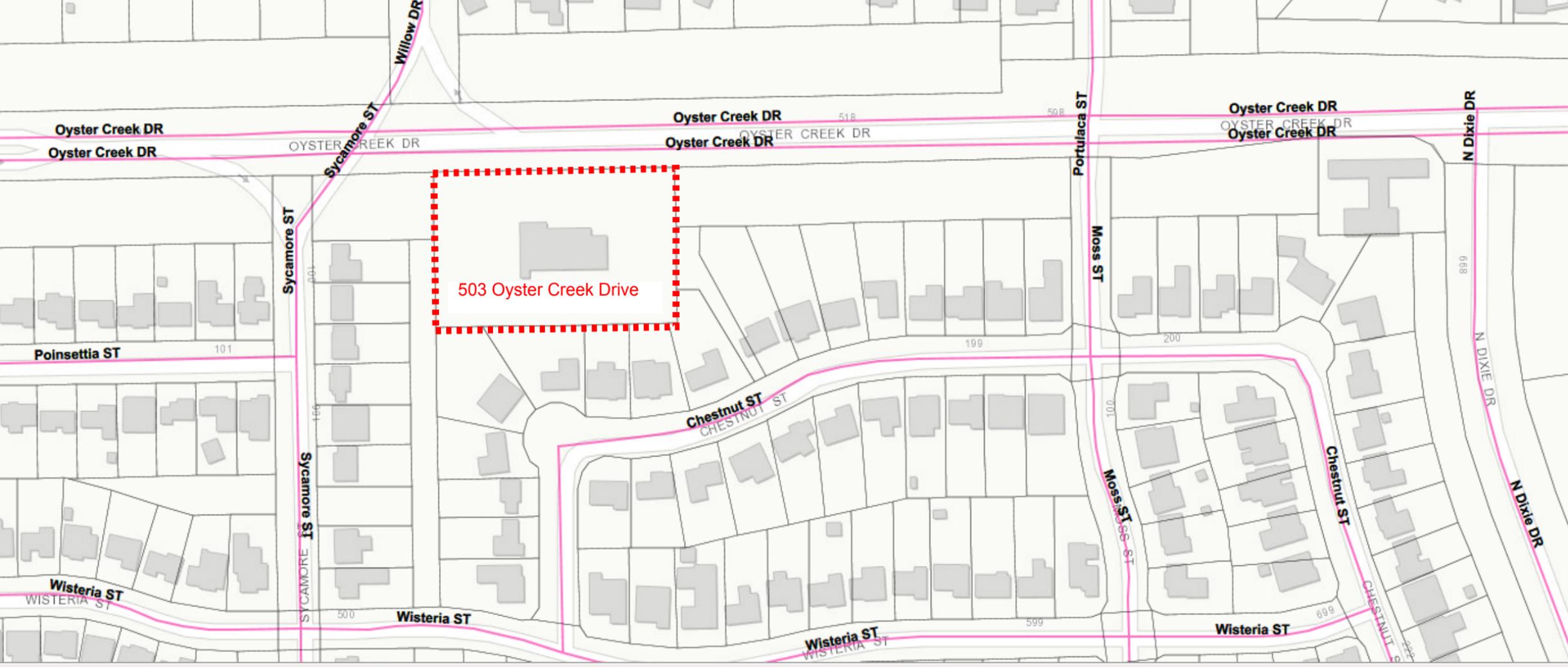
---

**Alice Rodgers, City Secretary**

**APPROVED AS TO FORM:**

---

**Sherri Russell, City Attorney**



503 Oyster Creek Drive

Oyster Creek DR  
Oyster Creek DR

Oyster Creek DR 518  
Oyster Creek DR  
Oyster Creek DR

Oyster Creek DR  
Oyster Creek DR  
Oyster Creek DR

Poinsettia ST 101

503 Oyster Creek Drive

Chestnut ST  
CHESTNUT ST

Moss ST

Portulaca ST

N Dixie DR

688

N Dixie DR

N Dixie DR

Wisteria ST  
WISTERIA ST

Wisteria ST

Wisteria ST  
WISTERIA ST

Wisteria ST

Chestnut ST

Wisteria ST

CHESTNUT ST

Sycamore ST

Sycamore ST

Willow DR

OYSTER CREEK DR

508

101

106

500

199

200

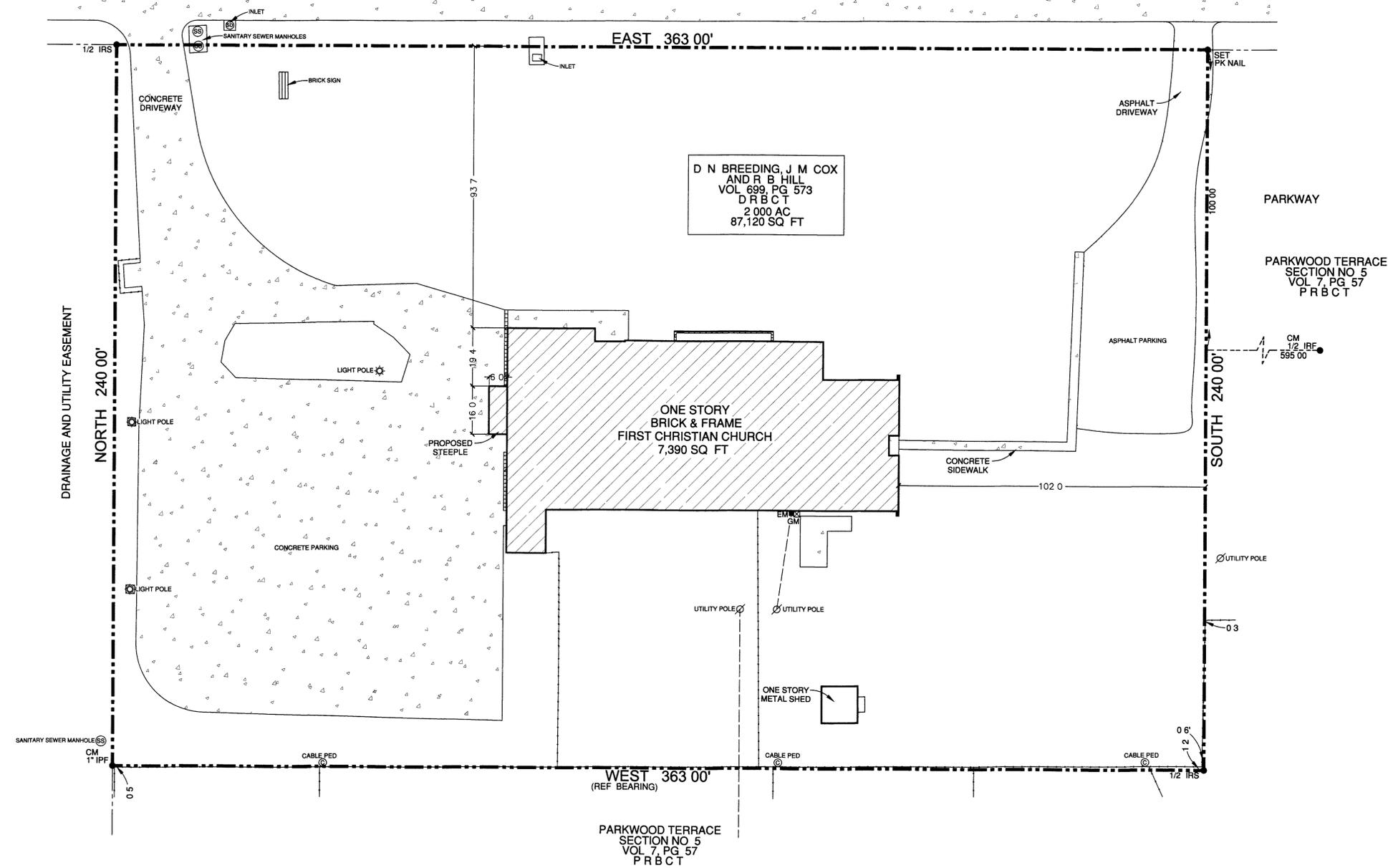
100

599

699

322

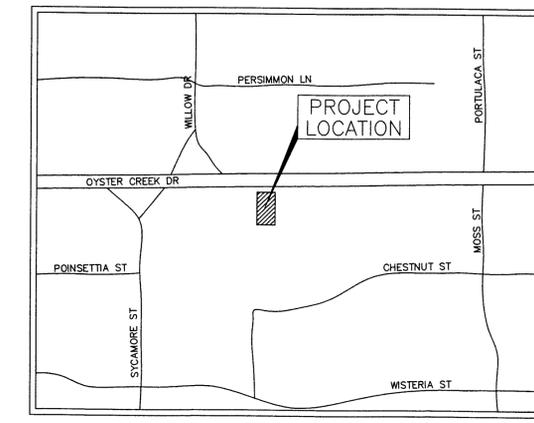
ADDRESS: 503  
OYSTER CREEK DRIVE  
(R.O.W.)



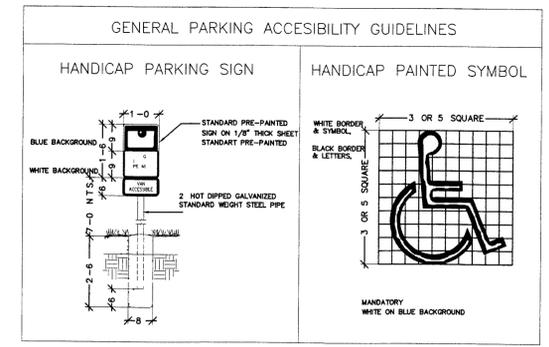
D N BREEDING, J M COX  
AND R B HILL  
VOL 699, PG 573  
D R B C T  
2 000 AC  
87,120 SQ FT

ONE STORY  
BRICK & FRAME  
FIRST CHRISTIAN CHURCH  
7,390 SQ FT

PARKWOOD TERRACE  
SECTION NO 5  
VOL 7, PG 57  
P R B C T



VICINITY MAP  
NOT TO SCALE  
ZIP CODE #77566



① DIMENSION OF EXISTING PARKING SPACES (TYP)  
NO SCALE

NO	DATE	DESCRIPTION
1		
2		



P O BOX  
23398  
Houston, Texas 77228  
Ph 281-888-6747  
real\_designs@live.com  
www.real-designs-inc.com

OWNER  
**FIRST  
CHRISTIAN  
CHURCH**

**PROPOSED ONE-STORY  
BUILDING REMODEL  
FIRST CHRISTIAN  
CHURCH LOCATED AT  
503 OYSTER CREEK DRIVE  
LAKE JACKSON, TEXAS 77566**

DRAWING TITLE

**SITE  
PLAN**

DATE  
11/1/2016

DESIGN  
8613

DRAWN  
8613

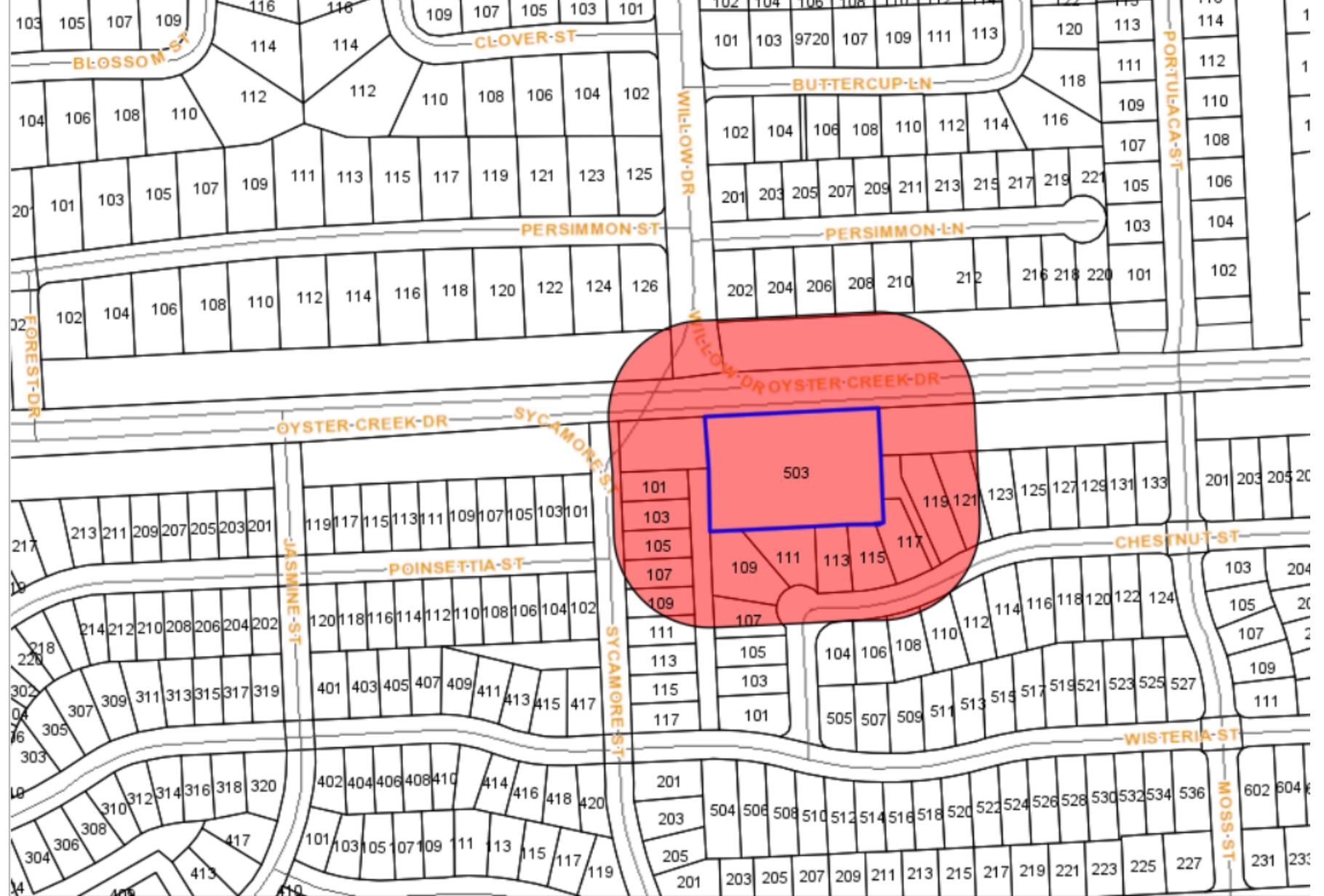
SCALE  
1 20

JOB No  
16104051

FILE

DRAWING

**C1.0**



Name	Address	City	State	Zip code
Asiala Irma Iris Lopez	101 Sycamore	Lake Jackson	Texas	77566
JC/SC Joint Venture	103 Sycamore	Lake Jackson	Texas	77566
Richard Mueller	105 Sycamore	Lake Jackson	Texas	77566
Albright Daniel Estate	107 Sycamore	Lake Jackson	Texas	77566
Joyce D. Campbell	109 Sycamore	Lake Jackson	Texas	77566
Edward Zingleman Family Living Trust	111 Sycamore	Lake Jackson	Texas	77566
Randal Wiggins	107 Chestnut	Lake Jackson	Texas	77566
David Padgett Altizer	109 Chestnut	Lake Jackson	Texas	77566
Albert Ross Parrott	111 Chestnut	Lake Jackson	Texas	77566
Jacob Rios	113 Chestnut	Lake Jackson	Texas	77566
Joseph Mezger	115 Chestnut	Lake Jackson	Texas	77566
Jeffrey Fourrier	117 Chestnut	Lake Jackson	Texas	77566
Jamie Louks	119 Chestnut	Lake Jackson	Texas	77566
James Tarrant	121 Chestnut	Lake Jackson	Texas	77566
Richard Miller	123 Chestnut	Lake Jackson	Texas	77566
Robert & Cynthia Moore	104 Chestnut	Lake Jackson	Texas	77566
Paul Franklin Van Dorn, Jr.	106 Chestnut	Lake Jackson	Texas	77566
Patricia Heffley	108 Chestnut	Lake Jackson	Texas	77566
Garry Andrew Grable	110 Chestnut	Lake Jackson	Texas	77566
Lara Slawson	112 Chestnut	Lake Jackson	Texas	77566

# City Council Agenda Item

City of Lake Jackson

Meeting Date 10/16/17

Subject: Bond Sale

Submitted by: Pam Eaves

Expenditure Account: N/A

Action Requested: Approve Sale of \$4.0M General Obligation Bonds

Alternatives: [Click here to enter text.](#)

**Summary of Subject: Representatives (Joe Morrow) from First Southwest will be on hand with the bids (interest rates) on the sale of the above bonds. Paul Martin and/or Dan Martinez our bond counsel may also be on hand. Mr. Morrow will make a recommendation for council approval as to who the bonds will be sold to. The proceeds of these bonds will be used to pay for the replacement of streets, water and sewer in the woodland park subdivision (Hickory, Bois d'arc, Lotus, Lotus Ct. Oleander) and for engineering of the next phase of downtown.**

Action Taken:

Tabled

Deferred

Denied

Approved

**ORDINANCE NO.** \_\_\_\_\_

---

ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF LAKE JACKSON,  
TEXAS LIMITED TAX BONDS, SERIES 2017”; ENTERING INTO A PAYING  
AGENT/REGISTRAR AGREEMENT; AND APPROVING ALL OTHER MATTERS  
RELATED THERETO

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**ORDINANCE NO. 17-2148**

**ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF LAKE JACKSON, TEXAS LIMITED TAX BONDS, SERIES 2017”; ENTERING INTO A PAYING AGENT/REGISTRAR AGREEMENT; AND APPROVING ALL OTHER MATTERS RELATED THERETO**

WHEREAS, the City of Lake Jackson, Texas (the “City”) has been organized, created, and established pursuant to the laws of the State of Texas as a home rule city of the State of Texas; and

WHEREAS, at an election duly called and held for and within the City on May 7, 2016, the duly qualified resident electors of the City authorized the City Council of the City (the “Council”) to issue bonds in the minimum amount of \$9,900,000 for the (i) purpose of making permanent public improvements for public purposes in the downtown area, (“Downtown Revitalization Proposition”); \$1,000,000 for the purpose of making permanent public improvements to the Plantation Bridge (the “Plantation Bridge Proposition”); \$3,800,000 for the purpose of making permanent public improvements to residential streets (the “Residential Streets Proposition”); \$800,000 for the purpose of making permanent public improvements for drainage purposes (the “Drainage Proposition”); and \$500,000 for the purpose of making permanent public improvements for traffic improvements (the “Traffic Proposition”).

To issue the Bonds (defined below), the Council allocates \$250,000 from the Downtown Revitalization Proposition, leaving \$9,650,000 authorized but unissued therefrom; \$1,000,000 from the Plantation Bridge Proposition, leaving \$0 authorized but unissued therefrom; \$450,000 from the Residential Streets Proposition, leaving \$3,350,000 authorized but unissued therefrom; \$800,000 from the Drainage Proposition, leaving \$0 authorized but unissued therefrom; and \$500,000 from the Traffic Proposition, leaving \$0 authorized but unissued therefrom.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAKE JACKSON TEXAS THAT:

**Section 1. Authorization of the Bonds.** There is hereby ordered to be issued, under and by virtue of the laws of the State of Texas, including particularly Chapter 1331, Texas Government Code, as amended, a series of bonds of the City to be known as “CITY OF LAKE JACKSON, TEXAS LIMITED TAX BONDS, SERIES 2017” in the total amount of \$\_\_\_\_\_ (the “Bonds”), payable from ad valorem taxes as provided in this Ordinance, for the purposes described in the “Form of Bonds” contained in Section 4 hereof.

**Section 2. Date, Denominations, Numbers, and Maturities of and Interest on the Bonds.** The Bonds shall be dated November 1, 2017 and shall be in the denomination of \$5,000 or any integral multiple thereof. Interest shall commence to accrue on the Bonds on such date. The Bonds shall be in the respective denominations and principal amounts hereinafter stated, with the Initial Bond (as hereinafter defined) being number I-1 and the Definitive Bonds (as hereinafter defined) numbered consecutively from R-1 upward, payable to the Initial Purchaser (as hereinafter defined), or to the registered assigned or assignees of the Bonds or any portion or portions thereof (in each case, the “Registered Owner”).

The Bonds shall mature on March 15 in each of the years and in the amounts and bear interest as set forth in the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Installment (\$)</u>	<u>Interest Rate (%)</u>	<u>Years of Stated Maturity</u>	<u>Principal Installment (\$)</u>	<u>Interest Rate (%)</u>
2019			2029		
2020			2030		
2021			2031		
2022			2032		
2023			2033		
2024			2034		
2025			2035		
2026			2036		
2027			2037		
2028			2038		

**Section 3. Right of Prior Redemption.**

(a) Optional Redemption. The City reserves the right to redeem the Bonds maturing on or after March 15, 2027, in whole or in part in principal amount of \$5,000 or an integral multiple thereof, on March 15, 2026, or any date thereafter, at the redemption price of par plus interest accrued to the specific date of redemption, and shall direct the Paying Agent/Registrar to call by lot Bonds, or portions thereof, within such maturity or maturities and in such principal amounts, for redemption.

(b) Mandatory. The Bonds maturing on March 15 in the years \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ are subject to mandatory redemption as described in the Form of Bonds in Section 4 hereof.

(c) Notice of Redemption. Notice of any redemption shall be given as provided in the FORM OF BONDS included in Section 4 hereof. If such notice of redemption is given, and if due provision for such payment is made, the Bonds, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the date fixed for their redemption, and shall not be regarded as being outstanding except for the right of the Owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Register all such redemptions of principal of the Bonds or any portion thereof. By the date fixed for any such redemption due provision shall be made by the City with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds, or the portions thereof which are to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given and if due provision for such payment is made, all as provided above, the Bonds, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities and shall not bear interest after the date fixed for their redemption and shall not be regarded as being outstanding except for the right of the Owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Owner upon the surrender thereof for cancellation, at the expense of the City all as provided in this Ordinance.

(d) Conditional Notice of Redemption. The City may make any notice of redemption conditional on the occurrence of a condition precedent. In the event that the City chooses to provide a conditional notice of redemption, the City shall include in the notice of redemption that the redemption is conditioned upon the occurrence of a condition precedent.

**Section 4. General Characteristics and Form of the Bonds.** The Bonds shall be issued, shall be payable, shall have the characteristics, and shall be signed and executed and the Bonds shall be sealed, all as provided and in the manner indicated in the form set forth below. The Form of the Bonds, the Form of Paying Agent/Registrar’s Authentication Certificate, the Form of Assignment, and the Form of the Comptroller’s Registration Certificate to accompany the Initial Bond on the initial delivery thereof, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance:

FORM OF BONDS  
[FORM OF DEFINITIVE BOND]

NUMBER	DENOMINATION
R-	\$ _____
REGISTERED	REGISTERED

United States of America  
State of Texas  
CITY OF LAKE JACKSON, TEXAS  
LIMITED TAX BOND, SERIES 2017

<u>DATED DATE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>CUSIP NO.</u>
November 1, 2017		%	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ (\$ \_\_\_\_\_)

THE CITY OF LAKE JACKSON, TEXAS (the “City”), a political subdivision of the State of Texas, promises to pay to the Registered Owner, specified above, or registered assignees (the “Owner”) on the Maturity Date, specified above, upon presentation and surrender of this Bond at the designated payment office of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, or its successor (the “Paying Agent/Registrar”), the Principal Amount, specified above, in lawful money of the United States of America, and to pay interest thereon at the Interest Rate, specified above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the Dated Date, specified above, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check dated March 15, 2018 and each September 15 and March 15 thereafter, mailed to the Owner of record as shown on the books of registration kept by the Paying Agent/Registrar (the “Register”), as of the date which is the last business day of the month next preceding the interest payment date or in such other manner as may be acceptable to the Owner and the Paying Agent/Registrar. Notwithstanding the above paying procedures, upon written request to the City and the Paying Agent/Registrar, the Owner of at least \$1,000,000 in principal amount may receive all payments of principal and interest hereon by wire transfer on each payment date. CUSIP number identification with appropriate dollar amount of payment pertaining to each CUSIP number (if more than one CUSIP number) must accompany all payments of interest and principal, whether by check or wire transfer. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the City. Notice of the Special Record Date

and of the scheduled payment date of the past due payment (the “Special Payment Date”, which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bond, when due, in the manner set forth in the Ordinance authorizing the issuance of the Bonds adopted by the City Council of the city on October 16, 2017 (the “Ordinance”).

IF THE DATE for the payment of the principal of or interest on the Bonds shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding business day; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds, dated as of November 1, 2017 (the “Bonds”) of like designation and tenor, except as to number, interest rate, denomination, and maturity issued pursuant to the Ordinance, in the original aggregate principal amount of \$\_\_\_\_\_ for the following purposes: making permanent public improvements in the downtown area; making permanent public improvements to the Plantation Bridge; making permanent public improvements to residential streets; making permanent public improvements for drainage purposes; and making permanent public improvements for traffic improvements.

for design of downtown revitalization projects, for completion of downtown parking facilities, for construction of a bridge, for traffic control improvements, for drainage improvements, for street improvements and associated utility and drainage improvements, , and to pay the costs of issuance of the Bonds, by virtue of the laws of the State of Texas, including particularly Chapter 1331, Texas Government Code.

THE BONDS are issued pursuant to the Ordinance whereunder the City covenants to levy a continuing, direct, annual ad valorem tax on taxable property within the City, within the limitations prescribed by law, for each year while any part of the Bonds are considered outstanding under the provisions of the Ordinance, in a sufficient amount to pay interest on each Bond as it becomes due, to provide for the payment of the principal or maturing amounts, as appropriate, of the Bonds when due and to pay the expenses of assessing and collecting such tax. Reference is hereby made to the Ordinance for provisions with respect to the custody and application of the City’s funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Registered Owner.

THE CITY RESERVES THE RIGHT to redeem the Bonds maturing on or after March 15, 2026, in whole or in part, on March 15, 2025 or on any interest payment date thereafter. Such optional redemption shall be at a redemption price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the particular Bonds to be redeemed shall be selected by the City in integral multiples of \$5,000 within any one maturity.

THE BONDS maturing on March 15 in each of the years \_\_\_\_, \_\_\_\_, and \_\_\_\_ (the “Term Bonds”) shall be subject to mandatory sinking fund redemption, in whole or in part (at a redemption price equal to the principal amount thereof and any accrued interest thereon to the date set for redemption), on March 15 in each of the years and in the amounts set forth below:



denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The City shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for transferring, converting and exchanging any Bond or portion thereof; provided, however, that any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such transfer, conversion and exchange. In any circumstance, neither the City nor the Paying Agent/ Registrar shall be required (1) to make any transfer or exchange during a period beginning at the opening of business 15 days before the day of the first mailing of a notice of redemption of bonds and ending at the close of business on the day of such mailing, or (2) to transfer or exchange any Bonds so selected for redemption when such redemption is scheduled to occur within 30 calendar days; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

THIS BOND IS TRANSFERABLE OR EXCHANGEABLE only upon presentation and surrender at the designated payment office of the Paying Agent/Registrar. If a Bond is being transferred, it shall be duly endorsed for transfer or accompanied by an assignment duly executed by the Owner, or his authorized representative, subject to the terms and conditions of the Ordinance. If a Bond is being exchanged, it shall be in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance. The Owner of this Bond shall be deemed and treated by the City and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the City and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owner.

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Bonds in order to render the same legal, valid, and binding obligations of the City have happened and have been accomplished and performed in regular and due time, form, and manner, as required by law; that provision has been made for the payment of the principal of and interest on, or maturing amounts of (as appropriate) the Bonds by the levy of a continuing, direct, annual ad valorem tax upon taxable property within the City; and that issuance of the Bonds does not exceed any constitutional or statutory limitation.

BY BECOMING the Owner of this Bond, the Owner thereby acknowledges all of the terms and provisions of the Ordinance, agrees to be bound by such terms and provisions, and agrees that the terms and provisions of this Bond and the Ordinance constitute a contract between each Owner and the City.

IN WITNESS WHEREOF this Bond has been signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary of the City, and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

CITY OF LAKE JACKSON, TEXAS

\_\_\_\_\_  
City Secretary

\_\_\_\_\_  
Mayor

(SEAL)

\* \* \*

[FORM OF INITIAL BOND]

The Initial Bond shall be in the form set forth above for the Definitive Bonds except the following shall replace the heading and the first two paragraphs:

NO. I-1

\$ \_\_\_\_\_

United States of America  
State of Texas  
CITY OF LAKE JACKSON, TEXAS  
LIMITED TAX BONDS, SERIES 2017

Dated Date: November 1, 2017

Registered Owner: \_\_\_\_\_

Principal Amount: \_\_\_\_\_ AND NO/100 DOLLARS  
(\$ \_\_\_\_\_)

THE CITY OF LAKE JACKSON, TEXAS (the "City"), for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner, specified above, or the registered assigns thereof (the "Owner"), the Principal Amount, specified above, with principal installments payable on March 15 in each of the years, and bearing interest at per annum rates in accordance with the following schedule:

<u>YEARS OF</u> <u>STATED MATURITY</u>	<u>PRINCIPAL</u> <u>INSTALLMENT (\$)</u>	<u>INTEREST</u> <u>RATE (%)</u>
---	---	------------------------------------

(Information to be inserted from schedule in Section 2 hereof.)

INTEREST on the unpaid Principal Amount hereof from the Dated Date, specified above, or from the most recent interest payment date to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for shall be paid computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 15 and September 15 of each year, commencing March 15, 2018.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The final payment of principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at final maturity, at the designated payment office of THE BANK OF NEW YORK MELLON TRUST COMPANY, N. A., Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of principal installments and interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof as shown by the registration books kept by the Paying Agent/Registrar (the "Register") at the close of business on the Record Date by check drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by

United States mail, postage prepaid, on each such payment date, to the registered owner hereof at its address as it appears on the Register kept by the Paying Agent/Registrar, as hereinafter described. The record date ("Record Date") for payments hereon means the last business day of the month preceding a scheduled payment. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date", which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on this Bond, when due, in the manner set forth in the ordinance authorizing the issuance of the Bonds adopted by the City Council of the City on October 16, 2017 ( the "Ordinance").

\* \* \*

FORM OF REGISTRATION CERTIFICATE OF THE COMPTROLLER OF PUBLIC ACCOUNTS

(TO BE PRINTED ON OR ATTACHED TO THE INITIAL BOND ONLY)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. \_\_\_\_\_

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this \_\_\_\_\_.

\_\_\_\_\_  
(COMPTROLLER'S SEAL)

\_\_\_\_\_  
Comptroller of Public Accounts of the State of  
Texas

\* \* \*



Additional abbreviations may also be used though not in the list above.

[END OF FORMS]

In case any officer of the City whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of any such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery. Any Bond which bears the facsimile signature of such person who at the actual time of the delivery of such Bond shall be an officer authorized to sign such Bond, but who at the date of such Bonds was not such an officer, shall be validly and sufficiently signed for such purpose as if such person had been such officer as the date of such Bond. The City authorizes the imprinting of CUSIP (the American Bankers Association's Committee on Uniform Securities Identification Procedures) numbers on the Bonds; provided, however, that the failure of such CUSIP numbers to appear on any Bond, or any errors therein or in any part of the Bond the form of which is not included in this Ordinance, shall in no way effect the validity or enforceability of the Bonds or relieve the Initial Purchaser of its obligation to accept delivery of and pay for the Bonds.

**Section 5. Definitions.** In addition to other words and terms defined in this Ordinance (except those defined and used in Section 4), and unless a different meaning or intent clearly appears in the context, the following words and terms shall have the following meanings, respectively:

“Bonds” means any bond or bonds or all of the bonds, as the case may be, of that series styled “City of Lake Jackson, Texas Limited Tax Bonds, Series 2017” in the original aggregate principal amount of \$\_\_\_\_\_ authorized by this Ordinance.

“Chapter 1331” means the Texas Government Code, Chapter 1331, as amended.

“City” means the City of Lake Jackson, Texas, acting by and through its City Council.

“Code” means the Internal Revenue Code of 1986, as amended.

“Defeased Bond” means any Bond, and the interest thereon, deemed to be paid, retired, and no longer outstanding within the meaning of this Ordinance.

“Definitive Bonds” means the Bonds issued in exchange for the Initial Bond.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Government Obligations” means (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency of instrumentality and that, on the date the Board adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board adopts or approves the proceedings and authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; or (iv) such other securities that may be authorized from time to time under Texas law to be used as defeasance securities.

“Initial Bond” means the Bond registered by the Comptroller of Public Accounts of the State of Texas as described in Section 11 hereof.

“Initial Purchaser” means \_\_\_\_\_.

“Interest Payment Date” means, when used in connection with any Bond, March 15, 2018 and each September 15 and March 15 thereafter until maturity.

“Official Statement” means the disclosure document describing the Bonds dated October 16, 2017.

“Ordinance” means this “Ordinance Authorizing the Issuance of City of Lake Jackson, Texas Limited Tax Bonds, Series 2017; Entering into a Paying Agent/Registrar Agreement; and Approving All Other Matters Related Thereto” adopted by the City Council of the City on October 16, 2017.

“Owner” means any person who shall be the registered owner of any outstanding Bonds.

“Paying Agent/Registrar” means The Bank of New York Mellon Trust Company, N. A., Dallas, Texas, and such other bank or trust company as may hereafter be appointed in substitution therefor or in addition thereto to perform the duties of the Paying Agent/Registrar in accordance with this Ordinance.

“Paying Agent/Registrar Agreement” means the agreement dated November 1, 2017, between the Paying Agent/Registrar and the City relating to the registration, authentication, and transfer of the Bonds, substantially in the form attached hereto as Exhibit “A”.

“Record Date” means the last business day of the calendar month next preceding the applicable Interest Payment Date.

“Register” means the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of and the principal amounts registered to each Owner.

“Registered Owner” means any person who shall be the registered owner of any outstanding Bonds, or the registered assigned or assignees of the Bonds or any portion or portions thereof.

**Section 6. City Funds.** The City hereby confirms the establishment of the following funds of the City at a depository of the City:

(a) Interest and Sinking Fund and Tax Levy. A special “Interest and Sinking Fund” is hereby confirmed and shall be maintained by the City at an official depository bank of the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City and shall be used only for paying the interest on and principal of the Bonds. The net proceeds of all ad valorem taxes levied and collected for and on account of the Bonds shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the principal of or interest on or maturing amounts of (as appropriate) the Bonds are outstanding and unpaid, the City shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Bonds and the principal on the Bonds as such principal matures (but never less than 2% of the original principal amount of the Bonds as a sinking fund each year); the tax shall be based on the latest approved tax rolls of the City, with full allowances being made for tax delinquencies and the cost of tax collection. The rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the City, for each year while any of the Bonds are outstanding and unpaid, and the tax shall be assessed and collected each year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Bonds, as such interest comes due and such principal matures, are hereby pledged irrevocably for such payment.

(b) Construction Fund. A special “Construction Fund” is hereby confirmed and shall be maintained by the City at an official depository bank of the City. The Construction Fund shall be kept separate and apart from all other funds and accounts of the City and shall be used only for paying the costs associated with the purposes for which the Bonds are issued, and, to the extent not otherwise provided for, to pay the costs and expenses in connection with issuance of the Bonds.

**Section 7. Perfection of Security.** Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the proceeds of ad valorem taxes thereto, and such pledge is, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the ad valorem tax proceeds is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in such pledge, the City agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

**Section 8. Investments and Security.**

(a) Investment of Funds. The City may place money in the Interest and Sinking Fund in time or demand deposits or invest such money as authorized by law at the time of such deposit. Obligations purchased as an investment of money in a fund shall be deemed to be part of such fund.

(b) Amounts Received from Investments. Except as otherwise provided by law, amounts received from the investment of any money in the Interest and Sinking Fund shall be retained therein. It is provided, however, that any interest earnings on proceeds of the Bonds which are required to be rebated to the United States of America in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

(c) Security for Funds. All funds created by this Ordinance shall be secured in the manner and to the fullest extent required by law for the security of funds of the City.

**Section 9. Covenants of the City.**

(a) General Covenants. The City covenants and represents that:

(i) The City is a duly created and existing home-rule municipality of the State of Texas, and is duly authorized under the laws of the State of Texas to create and issue Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms; and

(ii) The Bonds shall be ratably secured in such manner that no one Bond shall have preference over other Bonds.

(b) Specific Covenants. The City covenants and represents that, while the Bonds are outstanding and unpaid, it will:

(i) Levy an ad valorem tax, within legal limits, that will be sufficient to provide funds to pay the current interest on the Bonds and to provide the necessary sinking fund, all as described in this Ordinance; and

(ii) Keep proper books of record and accounts in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the funds created pursuant to

this Ordinance, and all books, documents, and vouchers relating thereto shall at all reasonable times be made available for inspection upon request from any Owner.

(c) Covenants Regarding Tax Matters. The City covenants to take any action to maintain, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in “gross income” for federal income tax purposes. In furtherance thereof, the City specifically covenants as follows:

(i) To refrain from taking any action which would result in the Bonds being treated as “private activity bonds” within the meaning of section 141(a) of the Code;

(ii) To take any action to assure that no more than 10% of the proceeds of the Bonds or the projects financed therewith are used for any “private business use,” as defined in section 141(b)(6) of the Code or, if more than 10% of the proceeds or the projects financed therewith are so used, that amounts, whether or not received by the City with respect to such private business use, do not under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10% of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(iii) To take any action to assure that in the event that the “private business use” described in paragraph (ii) hereof exceeds 5% of the proceeds of the Bonds or the projects financed therewith, then the amount in excess of 5% is used for a “private business use” which is “related” and not “disproportionate,” within the meaning of section 141(b)(3) of the Code, to the governmental use;

(iv) To take any action to assure that no amount which is greater than the lesser of \$5,000,000 or 5% of the proceeds of the Bonds is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(v) To refrain from taking any action which would result in the Bonds being “federally guaranteed” within the meaning of section 149(b) of the Code;

(vi) Except to the extent permitted by section 148 of the Code and the regulations and rulings thereunder, to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds.

(vii) To otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings);

(viii) Except to the extent otherwise provided in section 148(f) of the Code and the regulations and rulings thereunder, to pay to the United States of America at least once during each five year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90% of the “Excess Earnings,” within the meaning of section 148(f) of the Code, and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100% of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code;

(ix) To maintain such records as will enable the City to fulfill its responsibilities under this subsection and sections 141 and 148 of the Code and to retain such records for at least six years following the final payment of principal and interest on the Bonds; and

(x) To comply with the information reporting requirements of section 149(e) of the Code.

(xi) The covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such modification or expansion, in the opinion of nationally-recognized bond counsel, will not adversely affect the exclusion from gross income of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exclusion from gross income of interest on the Bonds under section 103 of the Code.

(xii) Proper officers of the City charged with the responsibility of issuing the Bonds are hereby authorized and directed to execute any documents, certificates, or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

Notwithstanding any other provision in this Ordinance, to the extent necessary to preserve the exclusion from gross income of interest on the Bonds under section 103 of the Code, the covenants contained in this subsection shall survive the later of the defeasance or discharge of the Bonds.

(d) Covenants Regarding Sale, Lease, or Disposition of Financed Property. The City covenants that the City will regulate the use of the property financed, directly or indirectly, with the proceeds of the Bonds and will not sell, lease, or otherwise dispose of such property unless (i) the City takes the remedial measures as may be required by the Code and the regulations and rulings thereunder in order to preserve the exclusion from gross income of interest on the Bonds under section 103 of the Code or (ii) the City seeks the advice of nationally-recognized bond counsel with respect to such sale, lease, or other disposition.

**Section 10. Paying Agent/Registrar.** The Paying Agent/Registrar is hereby appointed as paying agent for the Bonds. The principal of the Bonds and the accrued interest on the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America, which, on the date of payment, is legal tender for the payment of debts due the United States of America, as described in the Form of Bonds in Section 4 hereof.

The City, the Paying Agent/Registrar, and any other person may treat the Owner as the absolute owner of such Bonds for the purpose of making and receiving payment of the principal thereof and for the further purpose of receiving payment of the interest thereon and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Ordinance shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the Register at one of its corporate trust offices in Texas in which, subject to such reasonable regulations as it may

prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Ordinance.

The City may at any time and from time to time appoint another Paying Agent/Registrar in substitution for the previous Paying Agent/Registrar provided that any such Paying Agent/Registrar shall be a national or state banking institution, shall be an association or a corporation organized and doing business under the laws of the United States of America or any state, authorized under such laws to exercise trust powers, shall be subject to supervision or examination by federal or state authority, and shall be authorized by law to serve as a paying agent/registrar. In such event, the City shall give notice by United States mail, first-class, postage prepaid to each Owner. Any bank or trust company with or into which any Paying Agent/Registrar may be merged or consolidated, or to which the assets and business of Paying Agent/Registrar may be sold or otherwise transferred, shall be deemed the successor of such Paying Agent/Registrar for the purposes of this Ordinance.

The Mayor and the City Secretary of the City are hereby authorized to enter into, execute, and deliver the Paying Agent/Registrar Agreement with the initial Paying Agent/Registrar in substantially the form presented to the City on this date.

**Section 11. Initial Bond; Exchange or Transfer of Bonds.** Initially, one Bond (the "Initial Bond") numbered I-1 and being in the principal amount as shown in Section 2 for each year of maturity, and representing the entire principal amount of Bonds shall be registered in the name of the Initial Purchaser or the designee thereof and shall be executed and submitted to the Attorney General of Texas for approval, and thereupon certified by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent, by manual signature. At any time thereafter, the Owner may deliver the Initial Bond to the Paying Agent/Registrar for exchange, accompanied by instructions from the Owner or such designee designating the person, maturities, and principal amounts to and in which the Initial Bond are to be transferred and the addresses of such persons, and the Paying Agent/Registrar shall thereupon, within not more than 72 hours, register and deliver such Bonds upon authorization of the City as provided in such instructions.

Each Bond shall be transferable within 72 hours after request, but only upon the presentation and surrender thereof at the designated payment office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Owner or his authorized representative in the form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, to the extent possible and under reasonable circumstances within three business day after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations, of the same maturity, in the appropriate principal amount, and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the appropriate corporate trust office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount or maturing amounts, as appropriate, equal to the unpaid principal amount or maturing amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with this Ordinance and each Bond so delivered shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The City or the Paying Agent/Registrar may require the Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the

transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the City.

**Section 12. Book-Entry Only System.** Initially the Bonds will be registered so as to participate in a securities depository system (the “DTC System”) with The Depository Trust Company, New York, New York, or any successor entity thereto (“DTC”), as set forth herein. The definitive Bonds shall be issued in the form of a separate single definitive Bond for each maturity. Upon issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the outstanding Bonds shall be registered in the name of Cede & Co., as the nominee of DTC. The City and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including a “Letter of Representations” (the “Representation Letter”).

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Bonds from time to time as securities depository (a “Depository Participant”) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (an “Indirect Participant”). Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, or (ii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a registered owner of a Certificate, of any amount with respect to principal or interest on the Bonds. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond evidencing the obligation of the City to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the holder, the word “Cede & Co.” in this Ordinance shall refer to such new nominee of DTC.

In the event that (a) the City determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the City determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City shall notify the Paying Agent/Registrar, DTC, and Depository Participants of the availability within a reasonable period of time through DTC of certificated certificates, and the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the City may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the City, or such depository’s agent or designee, and if the City and the Paying Agent/Registrar do not select such alternate securities depository system then the Bonds may be registered in whatever names the registered owners of Bonds transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

**Section 13. City Officers’ Duties.**

(a) Issuance of Bonds. The Mayor of the City shall submit the Initial Bond, the record of the proceedings authorizing the issuance of the Bonds, and any and all necessary orders, certificates, and

records to the Attorney General of the State of Texas for his investigation. After obtaining the approval of the Attorney General, the Mayor of the City shall cause the Initial Bond to be registered by the Comptroller of Public Accounts of the State of Texas. The officers or acting officers of the City are authorized to execute and deliver on behalf of the City such certificates and instruments as may be necessary or appropriate prior to the delivery of and payment for the Bonds to and by the Initial Purchaser.

(b) Execution of Ordinance. The Mayor and the City Secretary of the City are authorized to execute the certificate to which this Ordinance is attached on behalf of the City and to do any and all things proper and necessary to carry out the intent hereof.

**Section 14. Remedies of Owners.** In addition to all rights and remedies of any Owner of the Bonds provided by the laws of the State of Texas, the City and the City Council covenant and agree that in the event the City defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make the payments required by this Ordinance to be made into the Interest and Sinking Fund, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in this Ordinance, the Owner of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the City and other officers of the City to observe and perform any covenant, obligation, or condition prescribed in this Ordinance. No delay or omission by any Owner to exercise any right or power accruing to such Owner upon default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. The specific remedies mentioned in this Ordinance shall be available to any Owner of any of the Bonds and shall be cumulative of all other existing remedies.

**Section 15. Lost, Stolen, Destroyed, Damaged, or Mutilated Bonds; Destruction of Paid Bonds.**

(a) Replacement Bonds. In the event any outstanding Bond shall become lost, stolen, destroyed, damaged, or mutilated, at the request of the Owner thereof, the City shall cause to be executed, registered by the Paying Agent/Registrar, and delivered a substitute Bond of like date and tenor, in exchange and substitution for and upon cancellation of such mutilated or damaged Bond, or in lieu of and substitution for such Bond, lost, stolen, or destroyed, subject to the provisions of subsections (b), (c), (d), and (e) of this Section.

(b) Application and Indemnity. Application for exchange and substitution of lost, stolen, destroyed, damaged, or mutilated Bonds shall be made to the Paying Agent/Registrar. In every case the applicant for a substitute Bond shall furnish to the Paying Agent/Registrar such deposit for fees and costs as may be required by the City to save it and the Paying Agent/Registrar harmless from liability. In every case of loss, theft, or destruction of a Bond, the applicant shall also furnish to the Paying Agent/Registrar indemnity to the Paying Agent/Registrar's satisfaction and shall file with the City evidence to the City's satisfaction of the loss, theft, or destruction and of the ownership of such Bond. In every case of damage or mutilation of a Bond, the applicant shall surrender the Bond so damaged or mutilated to the Paying Agent/Registrar.

(c) Matured Bonds. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of or interest on the Bonds, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a substitute Bond, if any, provided security or indemnity is furnished as above provided in this Section.

(d) Expense of Issuance. Upon the issuance of any substitute Bonds, the City may charge the owner of such Bond with all fees and costs incurred in connection therewith. Every substitute Bond

issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, destroyed, damaged, or mutilated shall constitute a contractual obligation of the City, whether or not the lost, stolen, destroyed, damaged, or mutilated Bonds shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) Authority to Issue Substitute Bonds. This Ordinance shall constitute sufficient authority for the issuance of any such substitute Bonds without necessity of further action by the City or any other body or person, and the issuance of such substitute Bonds is hereby authorized, notwithstanding any other provisions of this Ordinance.

(f) Destruction of Paid Bonds. At any time subsequent to six months after the payment thereof, the Paying Agent/Registrar is authorized to cancel and destroy any Bonds duly paid and shall furnish to the City a certificate evidencing such destruction.

### **Section 16. Defeasance.**

(a) Except to the extent provided in subsection (c) of this Section, any Bond, and the interest thereon, shall be deemed to be paid, retired, and no longer outstanding within the meaning of this Order (a “Defeased Bond”) when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to a person described by section 1207.061(a), Texas Government Code, as amended (a “Depository”), with respect to the safekeeping, investment, administration, and disposition of a deposit made under section 1207.061, Texas Government Code, as amended, for such payment (the “Deposit”) (A) lawful money of the United States of America sufficient to make such payment or (B) Government Obligations, which may be in book-entry form, that mature and bear interest payable at times and in amounts sufficient to provide for the scheduled payment or redemption of any Defeased Bond. To cause a Bond scheduled to be paid or redeemed on a date later than the next scheduled interest payment date on such Bond to become a Defeased Bond, the City must, with respect to the Deposit, enter into an escrow or similar agreement with a Depository.

In connection with any defeasance of the Bonds, the City shall cause to be delivered: (i) in the event an escrow or similar agreement has been entered into with a Depository to effectuate such defeasance, a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the Defeased Bonds in full on the maturity or redemption date thereof (the “Verification”); or (ii) in the event no escrow or similar agreement has been entered into, a certificate from the Mayor certifying that the amount deposited with a Depository is sufficient to pay the Defeased Bonds in full on the maturity or redemption date thereof. In addition to the required Verification or certificate, the City shall also cause to be delivered an opinion of nationally recognized bond counsel to the effect that the Defeased Bonds are no longer outstanding pursuant to the terms hereof and a certificate of discharge of the Paying Agent/Registrar with respect to the Defeased Bonds. The Verification, if any, and each certificate and opinion required hereunder shall be acceptable in form and substance, and addressed, if applicable, to the Paying Agent/Registrar and the City. The Bonds shall remain outstanding hereunder unless and until they are in fact paid and retired or the above criteria are met.

At such time as a Bond shall be deemed to be a Defeased Bond hereunder, and all herein required criteria have been met, such Bond and the interest thereon shall no longer be outstanding or unpaid and shall no longer be entitled to the benefits of the pledge of the security interest granted under this Order, and such principal and interest shall be payable solely from the Deposit of money or Government

Obligations; provided, however, the City has reserved the option to be exercised at the time of the defeasance of the Bonds, to call for redemption, at an earlier date, those Bonds which have been defeased to their maturity date, if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the Registered Owners immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of reservation be included in any redemption notices that it authorizes.

(b) Any money so deposited with a Depository may at the written direction of the City also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by a Depository which is not required for the payment of the Defeased Bonds and interest thereon, with respect to which such money has been so deposited, shall be used as directed in writing by the City.

(c) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Order.

**Section 17. Ordinance a Contract; Amendments.** This Ordinance shall constitute a contract with the Owners, from time to time, of the Bonds, binding on the City and its successors and assigns, and shall not be amended or repealed by the City as long as any Bond remains outstanding except as permitted in this Section. The City may, without the consent of or notice to any Owners, amend, change, or modify this Ordinance as may be required (a) by the provisions hereof; (b) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein; or (c) in connection with any other change which is not to the prejudice of the Owners. The City may, with the written consent of the Owners of the majority in aggregate principal amount of Bonds then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Ordinance; provided that without the consent of all of the Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Bonds or reduce the principal amount thereof or the rate of interest thereon; (ii) give any preference to any Bond over any other Bond; (iii) extend any waiver of default to subsequent defaults; or (iv) reduce the aggregate principal amount of Bonds required for consent to any such amendment, change, modification, or rescission. When the City desires to make any amendment or addition to or rescission of this Ordinance requiring consent of the Owners, the City shall cause notice of the amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

**Section 18. Continuing Disclosure Undertaking.**

(a) Annual Reports. The City will provide certain updated financial information and operating data to the Municipal Securities Rulemaking Board (the “MSRB”) via its Electronic Municipal Market Access System (“EMMA”) annually. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement under Tables numbered 1 through 6 and Appendix B authorized by Section 21 of this Ordinance. The City will update and provide this information within six months after the end of each fiscal year ending in or after 2017. The updated information will include audited financial statements, if the City commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the City will provide unaudited financial statements by the required

time, and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B of the final Official Statement or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation.

The City's current fiscal year end is September 30. Accordingly, it must provide updated information by March 31 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB through EMMA.

(b) Material Event Notices. The City will file with the MSRB notice of any of the following events with respect to the Bonds in a timely manner (and not more than 10 business days after occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the federal income tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) obligation calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material. Neither the Bonds nor the Ordinance make any provision for debt service reserves, credit enhancement, or liquidity enhancement. In addition, the City will provide timely notice of any failure by the City to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports".

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur; the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(c) Notice of Failure to Timely File. The City also will notify the MSRB through EMMA, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with the provisions described above.

(d) Amendments. The City may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment

will not materially impair the interests of the holders and beneficial owners of the Bonds. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the City so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

(e) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of Rule 15c2-12 (the “Rule”), except that the City in any event will give notice of any deposit made in accordance with Section 18 above that causes the Bonds no longer to be outstanding and any call of Bonds made in connection therewith.

(f) The provisions of this Section are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(g) UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provisions of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended, supplemented, or repealed by the City from time to time under the following circumstances, but not otherwise: (1) to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if the provisions of this Section, as so supplemented or amended, would have permitted an underwriter to purchase or sell Bonds in the present offering in compliance with the Rule and either the Owners of a majority in aggregate principal amount of the outstanding Bonds consent to such amendment, supplement, or repeal, or any State agency or official determines that such amendment, supplement, or repeal will not materially impair the interests of the beneficial owners of the Bonds, (2) upon repeal of the applicable provisions of the Rule, or any judgment by a court of final jurisdiction that such provisions are invalid, or (3) in any other circumstance or manner permitted by the Rule.

**Section 19. Designation as Qualified Tax-Exempt Obligations.** The City hereby designates the Bonds as “qualified tax-exempt obligations” as defined in section 265(b)(3) of the Code. In furtherance of such designation, the City represents, covenants, and warrants the following: (a) during the calendar year in which the Bonds are issued, the City (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Bonds, will result in more than \$10,000,000 of “qualified tax-exempt obligations” being issued; (b) the City reasonably anticipates that the amount of tax-exempt obligations issued during 2017 by the City (including any subordinate entities) will not exceed \$10,000,000; and (c) the City will take such action which would assure, or to refrain from such action which would adversely affect, the treatment of the Bonds as “qualified tax-exempt obligations.”

**Section 20. Sale of Bonds; Approval of Official Statement.**

(a) Sale. The sale of the Bonds to the Initial Purchaser pursuant to the taking of competitive bids at a price of \$\_\_\_\_\_ (which amount is equal to par, plus an original issue premium on the Bonds of \$\_\_\_\_\_ less Initial Purchaser’s discount of \$\_\_\_\_\_) plus accrued interest to the date of delivery is hereby confirmed. It is hereby officially found, determined, and declared that the Initial Purchaser submitted the bid which resulted in the lowest net effective rate to the City, and delivery of the Bonds to the Initial Purchaser shall be made as soon as practicable after the adoption of this Ordinance, upon payment therefor, in accordance with the terms of sale. The officers of the City are hereby authorized and directed to execute and deliver such Bonds, instructions, or other instruments as are required or necessary to accomplish the purposes of this Ordinance. The proceeds from the sale of the Bonds shall be used in the following manner: (i) accrued interest on the Bonds of \$\_\_\_\_\_, plus a contingency of \$\_\_\_\_\_ shall be deposited to the credit of the Interest and Sinking Fund; (ii) \$\_\_\_\_\_ shall be deposited to the credit of the Construction Fund to be used to accomplish the purposes for which the Bonds were issued; and (iii) \$\_\_\_\_\_ of premium shall be used to pay the costs of issuance for the Bonds.

(b) Approval of Official Statement. The City hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement, or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Bonds by the Initial Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The form and content of and the distribution and use of the Preliminary Official Statement dated October \_\_, 2017, prior to the date hereof is hereby ratified and confirmed. The City Council finds and determines that the Preliminary Official Statement is “deemed final” as that term is defined in 17 C.F.R. Section 240.15c2-12.

(c) Legal Opinion. The Initial Purchaser’s obligation to accept delivery of the Bonds is subject to their being furnished an opinion of Winstead PC, Bond Counsel, such opinion to be dated and delivered as of the date of delivery and payment for the Bond.

(d) Registration and Delivery. Upon the registration of the Initial Bond, the Comptroller of Public Accounts of the State of Texas is authorized and instruct to deliver the Initial Bond pursuant to the instruction of the Mayor for delivery to the Initial Purchaser.

**Section 21. Further Procedures.** The Mayor and the City Secretary of the City and all other officers, employees, attorneys, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the City, all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Bonds, and the Official Statement. In case any officer whose signature shall appear on any Bond shall cease to be such officer

before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. Prior to the initial delivery of the Bonds, the Mayor and the City Secretary of the City and Bond Counsel to the City are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Bonds by the Texas Attorney General's office.

**Section 22. Other Documents.** The Mayor and the City Secretary are hereby authorized to execute and attest to such other documents, certificates, letters of instruction, tax information forms, and other agreements of any kind which, in the opinion of Bond Counsel, are necessary or advisable in order to issue the Bonds and verify that the interest on the Bonds will be exempt from gross income of the holders thereof under current federal tax law.

**Section 23. Nonpresentment of Bonds.** In the event any Bond shall not be presented for payment when the principal thereof or interest thereon, if applicable, becomes due, either at maturity or otherwise, or if any check or draft representing payment of principal of or interest on the Bonds shall not be presented for payment, if funds sufficient to pay the principal of or interest on such Bond shall have been made available by the City to the Paying Agent/Registrar for the benefit of the Registered Owner thereof, all liability of the City to the Registered Owner thereof for the payment of the principal of or interest on such Bond shall cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds in trust, uninvested and without liability for interest thereon, for the benefit of the Registered Owner of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Order with respect to the principal of or interest on such Bond. To the extent applicable, the Paying Agent/Registrar shall hold and apply any such funds in accordance with Title 6, Texas Property Code, as amended, and shall comply with the reporting requirements of Chapter 74, Texas Property Code, as amended.

**Section 24. Attorney General Examination Fee.** The City recognizes that under Section 1202.004, Texas Government Code, the Attorney General of Texas requires a nonrefundable examination fee be paid at the time of submission of the transcript of proceedings authorizing the Bonds and that, based upon the principal amount of the Bonds, such fee is \$\_\_\_\_\_. Bond Counsel is accommodating the City by paying such fee upon submission of such transcript. Officials of the City are, however, hereby authorized to reimburse Bond Counsel such amount as soon as possible and whether or not the Bonds are ever delivered and such amount is hereby appropriated from available funds for such purpose. The City is also authorized to reimburse the fund used for such payment with proceeds of the Bonds.

**Section 25. Miscellaneous Provisions.**

(a) General. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa; words importing the masculine gender shall include the feminine and neuter genders and vice versa. Reference to any document means that document as amended or supplemented from time to time. Reference to any party to a document means that party and its successors and assigns. Reference herein to any article, section, subsection or other subdivision, as applicable, unless specifically stated otherwise, means the article, section, subsection or other subdivision, as applicable, of this Ordinance.

(b) Incorporation of Preamble. The preamble and recitals to this Ordinance are incorporated by reference in this Ordinance.



## EXHIBIT A

### PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of November 1, 2017 (this “Agreement”), by and between the CITY OF LAKE JACKSON, TEXAS (the “Issuer”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, a banking association duly organized and existing under the laws of the United States of America (the “Bank”).

### RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its “City of Lake Jackson, Texas Limited Tax Bonds, Series 2017” (the “Securities”), such Securities to be issued in fully registered form only as to the payment of principal and interest thereon;

WHEREAS, the Securities are scheduled to be delivered to the initial purchasers thereof as provided in the “Order” (hereinafter defined);

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of and interest on the Securities and with respect to the registration, transfer, and exchange thereof by the Owners thereof;

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

### ARTICLE I.

#### APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

**Section 1.01. Appointment.** The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities. As Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal and interest on the Securities as the same become due and payable to the Owners thereof, all in accordance with this Agreement and the Order.

The Issuer hereby appoints the Bank as Registrar with respect to the Securities. As Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Order.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

**Section 1.02. Compensation.** As compensation for the Bank’s services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Schedule “A” attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank’s current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

## **ARTICLE II. DEFINITIONS**

**Section 2.01. Definitions.** For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Bank Office” means the designated corporate trust office of the Bank as indicated on the signature page hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Financial Advisor” means First Southwest Company, San Antonio, Texas.

“Fiscal Year” means the fiscal year of the Issuer, ending September 30.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Issuer Request” and “Issuer Order” means a written request or order signed in the name of the Issuer by its Mayor Judge, Director of Finance, or City Secretary, or any one or more of said officials, and delivered to the Bank.

“Legal Holiday” means a day on which the Bank is required or authorized to be closed.

“Order” means the order of the governing body of the Issuer pursuant to which the Securities are issued, certified by the City Secretary or any other officer of the Issuer and delivered to the Bank.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Order).

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of the Order.

“Responsible Officer” when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfer of the Securities.

“Stated Maturity” means the date specified in the Order the principal of a Security is scheduled to be due and payable.

**Section 2.02. Other Definitions.** The terms “Bank”, “Issuer”, and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

### **ARTICLE III. PAYING AGENT**

**Section 3.01. Duties of Paying Agent.** As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the Bank Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States mail, first class postage prepaid, on each payment date, to the Holders of the Securities (or their Predecessor Securities) on the respective Record Date, to the address appearing on the Security Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

**Section 3.02. Payment Dates.** The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Order.

### **ARTICLE IV. REGISTRAR**

**Section 4.01. Security Register - Transfers and Exchanges.** The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange, and replacement of the Securities, and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges, and replacement of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer, or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

**Section 4.02. Certificates.** The Issuer shall provide an adequate inventory of printed Security certificates to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Security certificates will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such certificates in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

**Section 4.03. Form of Security Register.** The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer, and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

**Section 4.04. List of Security Holders.** The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

Unless required by law, the Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

**Section 4.05. Return of Cancelled Certificates.** The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

**Section 4.06. Mutilated, Destroyed, Lost, or Stolen Securities.** The Issuer hereby instructs the Bank, subject to the applicable provisions of the Order, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an over issuance.

In case any Security shall be mutilated, or destroyed, lost, or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed, lost, or stolen Security, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss, or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and

charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost, or stolen.

**Section 4.07. Transaction Information to Issuer.** The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

## **ARTICLE V. THE BANK**

**Section 5.01. Duties of Bank.** The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum approved by the Issuer as prepared by the Issuer's Financial Advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the Financial Advisor or the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

**Section 5.02. Reliance on Documents, Etc.** (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document supplied by the Issuer.

The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

**Section 5.03. Recitals of Issuer.** The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

**Section 5.04. May Hold Securities.** The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

**Section 5.05. Money Held by Bank.** A special depository account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of money received from the Issuer and held hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities, to the extent permitted by law, shall be continuously collateralized by securities or obligations which qualify and are eligible under the laws of the State of Texas to secure and be pledged as collateral for deposits of public funds by an instrumentality and political subdivision of the State of Texas to the extent that such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such account shall be made by check drawn on such account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

All funds at any time and from time to time provided to or held by the Bank hereunder shall be deemed, construed, and considered for all purposes as being provided to or held by the Bank in trust. The Bank acknowledges, covenants, and represents that it is acting herein in trust in relation to such funds, and is not accepting, holding, administering, or applying such funds as a banking depository, but solely as a paying agent for and on behalf of the Security thereto. The Holders shall be entitled to the same preferred claim and first lien on the funds so provided as are enjoyed by the beneficiaries of trust funds generally. The funds provided to the Bank hereunder shall not be subject to warrants, drafts, or checks drawn by the Issuer and, except as expressly provided herein, shall not be subject to compromise, setoff, or other charge or diminution by the Bank.

The Bank shall be under no liability for interest on any money received by it hereunder.

Subject to the unclaimed property laws of the State of Texas and any provisions in the Order to the contrary, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be paid by the Bank to the Issuer, and the Holder of such Security shall thereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such money shall thereupon cease. If the Issuer does not elect, the Bank is directed to report and dispose of the funds in compliance with Title 6 of the Texas Property Code, as amended.

**Section 5.06. Indemnification.** To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

**Section 5.07. Interpleader.** The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State and Issuer where the administrative offices of the Issuer are located, and agree that service of process by certified or registered mail, return receipt

requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

**Section 5.08. Depository Trust Company Services.** It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements”, currently in effect, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

**Section 5.09. Reporting Requirements of Paying Agent/Registrar.** To the extent required by the Code and the regulations promulgated and pertaining thereto, it shall be the duty of the Paying Agent/Registrar, on behalf of the Issuer, to report to the owners of the Securities and the Internal Revenue Service (i) the amount of “reportable payments”, if any, subject to backup withholding during each year and the amount of tax withheld, if any, with respect to payments of the Securities and (ii) the amount of interest or amount treating as interest on the Securities and required to be included in gross income of the owner thereof.

## **ARTICLE VI. MISCELLANEOUS PROVISIONS**

**Section 6.01. Amendment.** This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

**Section 6.02. Assignment.** This Agreement may not be assigned by either party without the prior written consent of the other.

**Section 6.03. Notices.** Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

**Section 6.04. Effect of Headings.** The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

**Section 6.05. Successors and Assigns.** All covenants and agreements herein made by the Issuer shall bind its successors and assigns, whether so expressed or not.

**Section 6.06. Severability.** In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**Section 6.07. Benefits of Agreement.** Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

**Section 6.08. Entire Agreement.** This Agreement and the Order constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Order, the Order shall govern.

**Section 6.09. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

**Section 6.10. Termination.** This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay, or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

**Section 6.11. Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A.**  
Dallas, Texas

By \_\_\_\_\_

Title \_\_\_\_\_

Address: 2001 Bryan Street  
Dallas, Texas 75201

ATTEST:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest:

**CITY OF LAKE JACKSON, TEXAS**

By \_\_\_\_\_  
City Secretary

By \_\_\_\_\_  
Mayor  
Address: 25 Oak Drive  
Lake Jackson, Texas 77566

(CITY SEAL)

EXHIBIT A  
FEE SCHEDULE

**ORDINANCE NO. 17-2149**

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ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF LAKE JACKSON,  
TEXAS WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2017;  
A PAYING AGENT/REGISTRAR AGREEMENT; AND APPROVING ALL OTHER  
MATTERS RELATED THERETO

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**ORDINANCE NO. \_\_\_\_\_**

**ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF LAKE JACKSON, TEXAS WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2017; A PAYING AGENT/REGISTRAR AGREEMENT; AND APPROVING ALL OTHER MATTERS RELATED THERETO**

WHEREAS, the City Council (the “Council”) of the City of Lake Jackson, Texas (the “City”) has heretofore issued the following described outstanding bonds (collectively, the “Outstanding Parity Bonds”), to-wit:

City of Lake Jackson, Texas Waterworks and Sewer System Revenue Bonds, Series 2009, dated as of November 15, 2009, in the original principal amount of \$1,690,000 and now outstanding in the amount of \$1,095,000 (the “Series 2009 Bonds”);

City of Lake Jackson, Texas Waterworks and Sewer System Revenue Refunding Bonds, Series 2010, dated as of May 15, 2010, in the original principal amount of \$8,775,000 and now outstanding in the amount of \$3,045,000 (the “Series 2010 Bonds”);

City of Lake Jackson, Texas Waterworks and Sewer System Revenue Bonds, Series 2013, dated as of June 1, 2013, in the original principal amount of \$2,000,000 and now outstanding in the amount of \$1,600,000 (the “Series 2013 Bonds”);

City of Lake Jackson, Texas Waterworks and Sewer System Revenue Bonds, Series 2016, dated as of December 1, 2016, in the original principal amount of \$3,885,000 and now outstanding in the amount of \$3,765,000 (the “Series 2017 Bonds”);

WHEREAS, all of the Outstanding Parity Bonds are secured by a pledge of the net revenues from the operation of the City’s waterworks and sewer system and are on a parity with each other (and any Parity Bonds, hereinafter defined, which are hereafter authorized, issued, and delivered) and the City now wishes to issue the Bonds described below as Parity Bonds; and

WHEREAS, it is hereby determined that the terms of the Bonds as hereafter provided are the most reasonably available and advantageous and are in the best interest of the City;

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LAKE JACKSON, TEXAS THAT:

**Section 1. Authorization of the Bonds.** Pursuant to Chapters 1501 and 1502, Texas Government Code, and other applicable law, the City’s bonds are hereby authorized to be issued to be designated as the “CITY OF LAKE JACKSON, TEXAS WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2017” in the aggregate principal amount of \$4,990,000 (the “Bonds”) (i) for extensions and improvements to the City’s System and (ii) to pay certain costs incurred in connection with the issuance of the Bonds.

**Section 2. Date, Maturities, and Interest Rates.** The Bonds shall be dated November 1, 2017, shall be in the denomination of \$5,000 or any integral multiple thereof, shall be numbered I-1 for the Initial Bond and consecutively from R-1 upward for the definitive bonds, and shall mature on the maturity date, in each of the years, and in the amounts, respectively, as set forth in the following schedule and shall bear interest at the following rates per annum:

MATURITY DATE: April 15

<u>YEAR OF STATED MATURITIES</u>	<u>PRINCIPAL AMOUNT (\$)</u>	<u>INTEREST RATE (%)</u>	<u>YEAR OF STATED MATURITIES</u>	<u>PRINCIPAL AMOUNT (\$)</u>	<u>INTEREST RATE (%)</u>
2019			2029		
2020			203		
2021			2031		
2022			2032		
2023			2033		
2024			2034		
2025			2035		
2026			2036		
2027			2037		
2028			2038		

Such interest shall be payable on April 15, 2018, and semiannually thereafter on October 15 and April 15. Said interest shall be payable to the registered owner of any such Bond in the manner provided in the FORM OF BONDS set forth in this Ordinance.

**Section 3. Right of Prior Redemption.**

(a) *Optional.* The City reserves the right to redeem the Bonds maturing on or after April 15, 2026, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on April 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. If less than all the Bonds are to be redeemed, the City shall select the maturities of Bonds to be redeemed. If less than all of the Bonds in a maturity are to be redeemed by the City, the City shall determine the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot Bonds, or portions thereof, within such maturity or maturities and in such principal amounts, for redemption.

(b) *Mandatory.* The Bonds maturing on April 15 in the years \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ are subject to mandatory redemption as described in the Form of Bonds in Section 5 hereof.

(c) *Notice.* Notice of such redemption shall be given as provided in the FORM OF BOND in Section 5 hereof. If such notice of redemption is given, and if due provision for such payment is made, the Bonds, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the date fixed for their redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of the Bonds or any portion thereof. By the date fixed for any such redemption due provision shall be made by the City with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or the portions thereof which are to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in an aggregate principal amount equal to the unreserved portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the City all as provided in this Ordinance.

(d) *Conditional Notice of Redemption.* The City may make any notice of redemption conditional on the occurrence of a condition precedent. In the event that the City chooses to provide a conditional notice of redemption, the City shall include in the notice of redemption that the redemption is conditioned upon the occurrence of a condition precedent.

**Section 4. Paying Agent/Registrar.** (a) The City shall keep or cause to be kept at the principal corporate trust office of the Paying Agent/Registrar herein named, or such other bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve and perform duties of and services of Paying Agent/Registrar, named in accordance with the provisions of (g) of this Section (the "Paying Agent/Registrar"), books or records of the registration and transfer of the Bonds (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the registered owner and record in the Registration Books the address of such registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided. The City or its designee shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. Registration of each Bond may be transferred in the Registration Books only upon presentation and surrender of such bond to the Paying Agent/Registrar for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing the assignment of the bond, or any portion thereof in any integral multiple of \$5,000, to the assignee or assignees thereof, and the right of such assignee or assignees to have the bond or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Bond or any portion thereof, a new substitute bond or bonds shall be issued in exchange therefor in the manner herein provided.

(b) The entity in whose name any Bond shall be registered in the Registration Books at any time shall be treated as the absolute owner thereof for all purposes of this Ordinance, whether or not such bond shall be overdue, and the City and the Paying Agent/Registrar shall not be affected by any notice to the contrary unless otherwise required by law; and payment of, or on account of, the principal of, premium, if any, and interest on any such bond shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid.

(c) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, and to act as its agent to exchange or replace Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Bonds, and of all exchanges of such bonds, and all replacements of such bonds, as provided in this Ordinance.

(d) Each Bond may be exchanged for fully registered bonds in the manner set forth herein. Each bond issued and delivered pursuant to this Ordinance, to the extent of the unpaid or unredeemed principal balance or principal amount thereof, may, upon surrender of such bond at the principal corporate trust office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered bonds, without interest coupons, in the form prescribed in the FORM OF BONDS set forth in this Ordinance, in the denomination of \$5,000, or any integral multiple of \$5,000 (subject to the requirement

hereinafter stated that each substitute Bond shall have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal amount of any bond or bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If a portion of any Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute bond or bonds having the same maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of \$5,000 at the request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. If any Bond or portion thereof is assigned and transferred, each bond issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the bond for which it is being exchanged. Each substitute bond shall bear a letter and/or number to distinguish it from each other bond. The Paying Agent/Registrar shall exchange or replace Bonds as provided herein, and each fully registered bond delivered in exchange for or replacement of any bond or portion thereof as permitted or required by any provision of this Ordinance shall constitute one of the Bonds for all purposes of this Ordinance, and may again be exchanged or replaced. It is specifically provided, however, that any bond delivered in exchange for or replacement of another bond prior to the first scheduled interest payment date on the Bonds (as stated on the face thereof) shall be dated the same date as such bond, but each substitute bond so delivered on or after such first scheduled interest payment date shall be dated as of the interest payment date preceding the date on which such substitute bond is delivered, unless such bond is delivered on an interest payment date, in which case it shall be dated as of such date of delivery; provided, however, that if at the time of delivery of any substitute bond the interest on the bond for which it is being exchanged has not been paid, then such bond shall be dated as of the date to which such interest has been paid in full. On each substitute bond issued in exchange for or replacement of any bond or bonds issued under this Ordinance there shall be printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form hereinafter set forth. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such bond, date such by dating the Authentication Certificate in the manner set forth above, and manually sign such Certificate, and no such bond shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for exchange or replacement. No additional ordinances, orders, or resolutions need be passed or adopted by the Council or any other body or person so as to accomplish the foregoing exchange or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute bonds in the manner prescribed herein, and said bonds shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength pursuant to Chapter 1201, Texas Government Code, as amended, the duty of such exchange or replacement of bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and upon the execution of the aforementioned Paying Agent/Registrar's Authentication Certificate, the exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which originally were delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts. Neither the City nor the Paying Agent/Registrar shall be required (1) to issue, transfer, or exchange any Bond subject to redemption during a period beginning at the opening of business 15 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing, or (2) to transfer or exchange any Bond after it is selected for redemption, in whole or in part when such redemption is scheduled to occur within 30 calendar days; provided, however, that such limitation shall not be applicable to an exchange by the owner of the uncalled principal balance of a Bond.

(e) All Bonds issued in exchange or replacement of any other Bond or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such bonds to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be exchanged for other Bonds, (v) shall have

the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BONDS set forth in this Ordinance.

(f) The City shall pay all of the Paying Agent/Registrar's reasonable and customary fees and charges for making transfers, conversions, and exchanges of the Bonds in accordance with an agreement between the City and the Paying Agent/Registrar, but the registered owner of any Bond requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. In addition, the City hereby covenants with the registered owners of the Bonds that it will pay the reasonable and standard or customary fees and charges of the Paying Agent/ Registrar for its services with respect to the payment of the principal of and interest on the Bonds, when due.

(g) The City covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar, to act as and perform the services of Paying Agent/Registrar for the Bonds under this Ordinance, and that the Paying Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified national or state banking institution which shall be a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state Authority, and whose qualifications substantially are similar to the previous Paying Agent/Registrar to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

**Section 5. Form of the Bonds.** The Bonds shall be issued, shall be payable, shall have the characteristics, and shall be signed and executed (and the Bonds shall be sealed) all as provided, and in the manner indicated, in the form set forth below. The Form of the Bonds, including the Form of Paying Agent/Registrar's Authentication Certificate, the Form of Assignment, and the Form of the Comptroller's Registration Certificate to accompany the Initial Bond on the initial delivery thereof, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance:

FORM OF BONDS

[FORM OF DEFINITIVE BOND]

NUMBER  
R-  
REGISTERED

DENOMINATION  
\$ \_\_\_\_\_  
REGISTERED

United States of America  
State of Texas

CITY OF LAKE JACKSON, TEXAS  
WATERWORKS AND SEWER SYSTEM REVENUE BOND,  
SERIES 2017

<u>DATED DATE</u>	<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>CUSIP NO.</u>
November 1, 2017		%	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_(\$\_\_\_\_\_)

THE CITY OF LAKE JACKSON, TEXAS (the "City") hereby promises to pay to the Registered Owner, specified above, or the registered assignee (the "registered owner") the Principal Amount, specified above, and to pay interest thereon, from the Dated Date, specified above, to the Maturity Date, specified above, at the Interest Rate, specified above, with said interest being payable on April 15, 2018 and semiannually on each April 15 and October 15 thereafter.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the designated payment office of THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof as shown by the Registration Books kept by the Paying Agent/Registrar at the close of business on the Record Date by check drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, postage prepaid, on each such interest payment date, to the registered owner hereof at its address as it appears on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. The date for determining the person to whom interest is payable on any interest payment date means the last calendar day of the month preceding a scheduled interest payment ("Record Date"). In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date", which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each registered owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the registered owner of this Bond that no later than each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due, in the manner set forth in the Ordinance authorizing the issuance of the Bonds adopted by the Council of the City on October 16, 2017 (the "Ordinance").

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying

Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of bonds of like tenor and effect except as to denomination, number, maturity, interest rate and right of prior redemption, issued (i) for extensions and improvements to the City's System and (ii) to pay certain costs incurred in connection with the issuance of the Bonds;

THE BONDS of this series scheduled to mature on and after April 15, 2026 may be redeemed prior to their scheduled maturities in whole, or in part in principal amounts of \$5,000 or any integral multiple thereof, at the option of the City, on April 15, 2025, or any date thereafter, for the principal amount thereof plus accrued interest to the date fixed for redemption.

THE BONDS maturing in \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ (the "Term Bonds") shall be subject to mandatory sinking fund redemption, in whole or in part (at a redemption price equal to the principal amount thereof and any accrued interest thereon to the date set for redemption), on April 15 in each of the years and in the amounts set forth below:

<u>Bonds Maturing April 15, _____</u>		<u>Bonds Maturing April 15, _____</u>	
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>

<u>Bonds Maturing April 15, _____</u>	
<u>Year</u>	<u>Amount</u>

\*Final Maturity

At least 30 days prior to the mandatory redemption date for the Term Bonds, the Paying Agent/Registrar shall select by lot the Term Bonds to be redeemed. Any Term Bonds, or a portion thereof, not selected for prior redemption shall be paid on the date of final maturity. To the extent, however, that the Term Bonds of a maturity which at least 50 days prior to a mandatory redemption date (i) have been previously purchased by the City and delivered to the Paying Agent/Registrar for cancellation or (ii) called for optional redemption in part and other than from a sinking fund redemption payment, the annual sinking fund payments therefore shall be reduced by the amount obtained by multiplying the principal amount of the Term Bonds of such maturity so purchased or redeemed by the ratio which each remaining annual sinking fund redemption payment therefore bears to the total sinking fund payments for such maturity, and by rounding each such payment to the nearest \$5,000 integral.

AT LEAST 30 days prior to the date fixed for any such redemption, a notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid to the registered owner of each Bond or portion thereof to be redeemed at its address as it appeared on the Registration Books on the 45th day prior to such redemption date; provided, however, that the failure to send, mail or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed

for any such redemption due provision shall be made by the City with the Paying Agent/Registrar for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion thereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Ordinance.

NOTWITHSTANDING ANYTHING IN THE ORDINANCE TO THE CONTRARY, the City may make any notice of redemption conditional on the occurrence of a condition precedent. In the event that the City chooses to provide a conditional notice of redemption, the City shall include in the notice of redemption that the redemption is conditioned upon the occurrence of a condition precedent.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Ordinance, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The City shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for transferring, converting and exchanging any Bond or portion thereof; provided, however, that any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such transfer, conversion and exchange. In any circumstance, neither the City nor the Paying Agent/ Registrar shall be required (1) to make any transfer or exchange during a period beginning at the opening of business 15 days before the day of the first mailing of a notice of redemption of bonds and ending at the close of business on the day of such mailing, or (2) to transfer or exchange any Bonds so selected for redemption when such redemption is scheduled to occur within 30 calendar days; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Ordinance that it promptly will appoint a

competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Ordinance is duly recorded and available for inspection in the official minutes and records of the City, and agrees that the terms and provisions of this Bond and the Ordinance constitute a contract between each registered owner hereof and the City.

THE BONDS are on a parity with certain outstanding bonds payable from, and the City has reserved the right, subject to the restrictions stated, and adopted by reference, in the Ordinance, to issue additional parity revenue bonds, without notice to or consent of the registered owners, which also may be made payable from, and secured by, a first lien on and pledge of the "Net Revenues" of the City's combined waterworks and sewer system (as defined and described in the Ordinance).

IF THE INTEREST ON, OR PRINCIPAL OF, THIS BOND is paid by any payment made pursuant to a surety bond for the debt service reserve account for this Bond, the issuer of such surety bond shall become subrogated to the rights of the registered owners and shall become the registered owner of this Bond for purposes of repayment of such amounts.

THE REGISTERED OWNER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation, or from any source whatsoever other than the aforesaid Net Revenues.

IT IS HEREBY certified and covenanted that this Bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed and been done in accordance with law; that this Bond is a special obligation; and that the principal of and interest on this Bond together with outstanding parity revenue bonds are payable from, and secured by a first lien on and pledge of, the Net Revenues.

IN TESTIMONY WHEREOF, the Council has caused the seal of the City to be duly impressed or placed in facsimile hereon, and this Bond to be signed with the imprinted facsimile signature of the Mayor and countersigned by the facsimile signature of the City Secretary.

CITY OF LAKE JACKSON, TEXAS

\_\_\_\_\_  
City Secretary

\_\_\_\_\_  
Mayor

(CITY SEAL)

\* \* \*

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE  
(Attached to or printed on definitive Bonds only)

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Ordinance described on the face of this Bond; and that this Bond has been issued in exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, NATIONAL ASSOCIATION, Dallas, Texas  
as Paying Agent/Registrar

Dated \_\_\_\_\_

By \_\_\_\_\_  
Authorized Representative

\* \* \*

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

\_\_\_\_\_  
(Please insert Social Security or Taxpayer Identification Number of Trustee) / \_\_\_\_\_  
(Please print or typewrite name and address, including zip code, of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_



(Information to be inserted from Section 2).

INTEREST on the unpaid Principal Amount hereof shall accrue from the date Dated Date, specified above, or from the most recent interest payment date to which interest has been paid or duly provided for, until the Principal Amount has become due and payment thereof has been made or duly provided for, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on April 15 and October 15 of each year, commencing April 15, 2018.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The final payment of principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at final maturity, at the designated payment office of THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of principal installments and interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof as shown by the Registration Books kept by the Paying Agent/Registrar at the close of business on the Record Date by check drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, postage prepaid, on each such payment date, to the registered owner hereof at its address as it appears on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. The record date ("Record Date") for payments hereon means the last calendar day of the month preceding a scheduled payment. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date", which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the registered owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the Registered Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due, in the manner set forth in the ordinance authorizing the issuance of the Bonds adopted by the Council of the City on October 16, 2017 (the "Ordinance").

FORM OF COMPTROLLER'S CERTIFICATE  
(ATTACHED TO THE INITIAL BOND)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. \_\_\_\_\_

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this \_\_\_\_\_.

(COMPTROLLER'S SEAL)

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

[END OF FORMS]

**Section 6. Definitions.** As used in this Ordinance, the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

“Additional Bonds” means the additional parity obligations which the City reserves the right to issue in the future, as provided in Section 16 of this Ordinance.

“Authorized Officer” means the City Manager or Finance Director.

“Bond” or “Bonds” means any bond or bonds or all of the bonds, as the case may be, of that series styled “City of Lake Jackson, Texas Waterworks and Sewer System Revenue Bonds, Series 2017” authorized by this Ordinance.

“City” means the City of Lake Jackson, Texas, a home-rule city and a political subdivision of the State of Texas, or any successor thereto.

“Code” means The Internal Revenue Code of 1986, as amended.

“Contingency Fund” means the fund provided for in Section 13 herein.

“Council” means the governing body of the City of Lake Jackson, Texas.

“Defeased Bond” means any Bond, and the interest thereon, deemed to be paid, retired, and no longer outstanding within the meaning of this Ordinance.

“Definitive Bonds” means the Bonds issued in exchange for the Initial Bonds.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Government Obligations” means direct noncallable obligations of the United States, including (i) obligations that are unconditionally guaranteed by, the United States; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; or (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm of not less than “AAA” or its equivalent.

“Initial Bond” means the Bond registered by the Comptroller of Public Accounts of the State of Texas as described in Section 22(d) herein.

“Initial Purchaser” means BOK Financial Securities, Inc.

“Interest and Sinking Fund” means the fund provided for in Section 11 herein.

“Interest Payment Date” means, when used in connection with any Bond, April 15, 2017 and each April 15 and October 15 thereafter until maturity.

“Net Revenues” means all gross revenues of the System after deducting the necessary and reasonable expenses of operation and maintenance of the System, including all salaries, labor, material,

repairs, and extensions necessary to render efficient service. Depreciation and payments into and out of the Interest and Sinking Fund, the Reserve Fund, and the Contingency Fund shall never be considered as expenses of operation and maintenance.

“Official Statement” means the disclosure document describing the Bonds dated the date of the Bond Purchase Agreement.

“Ordinance” means this “Ordinance Authorizing the Issuance of the City of Lake Jackson, Texas Waterworks and Sewer System Revenue Bonds, Series 2017; A Paying Agent/Registrar Agreement; and Approving all Other Matters Related Thereto” adopted by the City Council of the City on October 16, 2017.

“Outstanding Parity Bonds” means the outstanding bonds described in the preamble herein.

“Owners” means any person who shall be the registered owner of any outstanding Bonds.

“Parity Bonds” means collectively the Outstanding Parity Bonds, the Bonds, and any Additional Bonds.

“Parity Bonds Ordinances” means collectively the ordinances authorizing the Parity Bonds.

“Paying Agent/Registrar” means The Bank of New York Mellon Trust Company, National Association, Dallas, Texas, and such other bank or trust company as may hereafter be appointed in substitution therefor or in addition thereto to perform the duties of the Paying Agent/Registrar in accordance with this Ordinance.

“Paying Agent/Registrar Agreement” means the agreement, dated November 1, 2017, between the Paying Agent/Registrar and the City relating to the registration, authentication, and transfer of the Bonds, attached hereto as Exhibit “A”.

“Record Date” means the last business day of the calendar month next preceding the applicable Interest Payment Date.

“Register” means the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of and the principal amounts registered to each Owner.

“Reserve Fund” means the fund provided in Section 12 herein.

“Rule” means Rule 15(c)2-12 promulgated by the United States Securities Exchange Commission found at 17 C.F.R. Section 240.15c2-12.

“System” means the City’s entire existing waterworks and sewer system, together with all future extensions, enlargements, additions, replacements, and improvements thereto.

“System Fund” means the fund described in Section 9 herein.

“Year” or “fiscal year” means the regular fiscal year used by the City in connection with the operation of the System, which may be any 12 consecutive months period established by the City, presently from October 1 to September 30 of the following year.

**Section 7. Pledge.** The Parity Bonds, redemption premium, if any, and any interest payable thereon, are and shall be secured by and payable from an irrevocable first lien on and pledge of the Net Revenues, and the Net Revenues are further pledged irrevocably to the establishment and maintenance of

the funds created by the Parity Bonds Ordinances. The Parity Bonds are not and will not be secured by or payable from a mortgage or deed of trust on any real, personal, or mixed properties constituting the System. The owners of the Parity Bonds shall never have the right to demand payment of such obligations out of any funds raised or to be raised by taxation, or from any source whatsoever other than the Net Revenues. This Ordinance shall not be construed as requiring the City to expend any funds which are derived from sources other than the operation of the System, but nothing herein shall be construed as preventing the City from doing so.

**Section 8. Rates.** The City covenants and agrees with the owners of the Parity Bonds that it will:

(a) fix and maintain rates and collect charges for the facilities and services afforded by the System which will provide revenues sufficient at all times: (i) to pay all operation, maintenance, depreciation, replacement, and betterment charges of the System; (ii) to establish and maintain the Interest and Sinking Fund, the Reserve Fund, and the Contingency Fund; and (iii) to pay promptly the Parity Bonds as and when the same become due; and

(b) deposit as collected all revenues derived from the operation of the System into the System Fund.

**Section 9. System Fund.** There has been created and established, and hereby confirmed, on the books of the City, to be accounted for separate and apart from all other funds of the City, a special fund entitled the “City of Lake Jackson, Texas, Waterworks and Sewer System Fund”. All gross revenues of every nature received from the operation and ownership of the System shall be deposited into and credited to the System Fund immediately upon receipt. The necessary and reasonable expenses of operation and maintenance of the System shall first be paid from the System Fund and then deposits and transfers shall be made from the Net Revenues to the Interest and Sinking Fund, the Reserve Fund, and the Contingency Fund, as described herein.

**Section 10. Construction Fund.** A special “City of Lake Jackson Waterworks and Sewer System Revenue Bonds, Series 2017 Construction Fund” is hereby created and shall be established and maintained by the City at an official depository bank of the City and shall be kept separate and apart from all other funds of the City. The Construction Fund is the fund into which the proceeds of the Bonds shall be deposited. Money in the Construction Fund shall be used to pay the costs necessary or appropriate to accomplish the purposes for which the Bonds are issued and for payment of the costs of issuance of the Bonds.

All amounts remaining in the Construction Fund after the completion of the Project and payment of all costs of issuance with respect to the Bonds shall be used as described in Section 29.

**Section 11. Interest and Sinking Fund.** For the sole purpose of paying the principal of, redemption premium, if any, and interest on the Parity Bonds, as the same come due, there has been created and established, and hereby confirmed, on the books of the City a separate fund entitled the “City of Lake Jackson, Texas Waterworks and Sewer System Interest and Sinking Fund”. Payments into Interest and Sinking Fund shall be made from the System Fund in equal monthly installments, as will be sufficient to pay the principal and interest scheduled to come due on the Bonds on the next principal and interest payment dates. Any investment income in the Interest and Sinking Fund shall be credited against the succeeding payment requirements.

**Section 12. Reserve Fund.** There has been created and established, and hereby confirmed, on the books of the City a separate fund entitled “City of Lake Jackson, Texas Waterworks and Sewer System Reserve Fund”. The aggregate amount to be accumulated and maintained in the Reserve Fund shall be an

amount equal to the succeeding year's principal and interest requirements for the Parity Bonds, and that such amount shall be so accumulated within 61 months from the date of the Parity Bonds by the deposit in the Reserve Fund of equal monthly installments. The aggregate amount to be accumulated and maintained in the Reserve Fund shall be increased by an additional amount equal to the succeeding year's principal and interest requirements for any Additional Bonds, and such amount shall be so accumulated within 61 months from the date of the Bonds by the deposit in the Reserve Fund of equal monthly installments beginning on the 15th day of the month following the initial delivery of such Additional Bonds. The aggregate amount to be accumulated in the Reserve Fund, however, shall never be required to exceed the succeeding year's principal and interest requirements for all outstanding Parity Bonds (the "Reserve Requirement"). If any money in the Reserve Fund is ever used to pay principal or interest on the Parity Bonds, the City shall replenish the Reserve Fund from the Net Revenues to the Reserve Requirement as soon as possible but in no event more than 61 months from the date such money was withdrawn from the Reserve Fund. The City may credit any interest earnings or excess amount in the Reserve Fund against such payment obligation with the effect that only the Reserve Requirement described herein needs to be maintained in the Reserve Fund.

In the event that the Series 2000 Bonds are no longer outstanding (whether by maturity or defeasance), which will occur with delivery of the Bonds, the City may replace the cash in the Reserve Fund with a surety bond or other credit instrument then authorized by law and of sufficient credit quality to not adversely affect the then rating or ratings on any Parity Bonds remaining outstanding.

**Section 13. Contingency Fund.** There has been created and established, and hereby confirmed, on the books of the City a separate fund entitled "City of Lake Jackson, Texas Waterworks and Sewer System Contingency Fund". After making payments to the Interest and Sinking Fund and the Reserve Fund, the City shall deposit \$200 per month from the Net Revenues to the Contingency Fund until such time there is on hand in the Contingency Fund \$50,000. The money in the Contingency Fund shall be used only (a) to pay unusual maintenance and operating expenses and (b) to pay the principal of or interest on the Parity Bonds at any time when there are not sufficient amount in the Interest and Sinking Fund and the Reserve Fund for such purpose. Any amount in the Contingency Fund in excess of \$50,000 may be used by the City for any lawful purpose.

**Section 14. Investments.** Money in any Fund established by the Parity Bonds Ordinances may, at the option of the City, be placed or invested in any investments then permitted by Texas law.

**Section 15. Funds Secured.** Money in all Funds created by this Ordinance, to the extent not invested, shall be secured in the manner prescribed by law for securing funds of the City.

**Section 16. Additional Bonds.** In addition to inferior lien bonds authorized by Section 1502.061, Texas Government Code, the City expressly reserves the right hereafter to issue additional parity bonds and other evidences of indebtedness now or hereafter authorized by the Legislature of Texas (collectively, the "Additional Bonds"), and the Additional Bonds, when issued, may be secured by and payable from a first lien on and pledge of the Net Revenues in the same manner and to the same extent as the outstanding Parity Bonds but subject to the remaining provisions hereof, and the Outstanding Parity Bonds, the Bonds, and the Additional Bonds may be in all respects of equal dignity. It is provided, however, that no Additional Bonds shall be issued unless:

(a) No default exists in connection with any of the covenants or requirements of the ordinance or ordinances authorizing the issuance of all then outstanding Parity Bonds;

(b) The Interest and Sinking Fund and the Reserve Fund contain the amount then required to be on deposit therein;

(c) A certificate is executed by a Certified Public Accountant to the effect that in his opinion the Net Earnings (described below) of the System for the last fiscal year, or for any 12 consecutive calendar month period ending not more than 90 days prior to the adoption of the ordinance authorizing the issuance of such Additional Bonds, were at least 1.25 times the average annual principal and interest requirements for all then outstanding Parity Bonds and for the series of Additional Bonds then proposed to be issued. Provided, however, should the certificate of the accountant certify that the Net Earnings of the System for the period covered thereby were, in either case, less than required above, and a change in the rates and charges for services afforded by the System became effective at least 60 days prior to the scheduled date of adoption of the ordinance authorizing such Additional Bonds, then such Additional Bonds may nevertheless be issued if, a Certified Public Accountant or an independent registered professional engineer or engineering firm containing a registered professional engineer, certifies that, had such change in rates and charges been effective for the period covered by the accountant's certificate, the Net Earnings for the System for the period covered by the accountant's certificate would have met the tests specified herein (the term "Net Earnings" as used herein shall mean the operating revenues of the System (excluding amounts received specifically for capital items) after deducting the reasonable expenses of operation and maintenance of the System (excluding expenditures for capital items, provisions for depreciation, and interest on bonded debt));

(d) The Additional Bonds are made to mature on April 15 in each of the years in which they are scheduled to mature; and

(e) The ordinance authorizing the issuance of such Additional Bonds shall provide that the aggregate amount to be accumulated and maintained in the Reserve Fund shall be increased by an additional amount not less than the next succeeding year's principal and interest requirements for said Additional Bonds, and that such additional amount shall be so accumulated within 61 months from the date of the Additional Bonds, by the deposit in the Reserve Fund of the necessary sums in equal monthly installments; provided, however, that the aggregate amount to be accumulated in the Reserve Fund shall never be required to exceed the Reserve Requirement or, a surety bond or other credit instrument then authorized by law and of sufficient credit quality to not adversely affect the then rating or ratings on any Parity Bonds remaining outstanding may be obtained by the City.

**Section 17. Covenants of the City.** (a) Covenants Regarding Tax Matters. The City covenants to take any action to maintain, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in "gross income" for federal income tax purposes. In furtherance thereof, the City specifically covenants as follows:

(i) To refrain from taking any action which would result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(ii) To take any action to assure that no more than 10% of the proceeds of the Bonds or the projects financed therewith are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10% of the proceeds or the projects financed therewith are so used, that amounts, whether or not received by the City with respect to such private business use, do not under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10% of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(iii) To take any action to assure that in the event that the "private business use" described in paragraph (ii) hereof exceeds 5% of the proceeds of the Bonds or the projects financed therewith,

then the amount in excess of 5% is used for a “private business use” which is “related” and not “disproportionate”, within the meaning of section 141(b)(3) of the Code, to the governmental use;

(iv) To take any action to assure that no amount which is greater than the lesser of \$5,000,000 or 5% of the proceeds of the Bonds is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(v) To refrain from taking any action which would result in the Bonds being “federally guaranteed” within the meaning of section 149(b) of the Code;

(vi) Except to the extent permitted by section 148 of the Code and the regulations and rulings thereunder, to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds;

(vii) To otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings);

(viii) Except to the extent otherwise provided in section 148(f) of the Code and the regulations and rulings thereunder, to pay to the United States of America at least once during each five year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90% of the “Excess Earnings”, within the meaning of section 148(f) of the Code, and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100% of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(ix) To maintain such records as will enable the City to fulfill its responsibilities under this subsection and section 148 of the Code and to retain such records for at least six years following the final payment of principal and interest on the Bonds.

For the purposes of the foregoing, in the case of a refunding bond, the term “proceeds” includes transferred proceeds and, for purposes of paragraphs (ii) and (iii); the term “proceeds” includes “disposition proceeds”, as defined in the regulations relating to section 141 of the Code; and, in the case of refunding bonds, “transferred proceeds” (if any) and proceeds of the refunded bonds.

The covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such modification or expansion, in the opinion of nationally-recognized bond counsel, will not adversely affect the exclusion from gross income of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exclusion from gross income of interest on the Bonds under section 103 of the Code.

Proper officers of the City charged with the responsibility of issuing the Bonds are hereby authorized and directed to execute any documents, certificates, or reports required by the Code and to

make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

Notwithstanding any other provision in this Ordinance, to the extent necessary to preserve the exclusion from gross income of interest on the Bonds under section 103 of the Code the covenants contained in this subsection shall survive the later of the defeasance or discharge of the Bonds.

(b) Designation As Qualified Tax-Exempt Obligations. The City hereby designates the Bonds as “qualified tax exempt obligations” as defined in section 265(b)(3) of the Code. In furtherance of such designation, the City represents, covenants, and warrants the following: (a) during the calendar year in which the Bonds are issued, the City (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Bonds, will result in more than \$10,000,000 of “qualified tax exempt obligations” being issued; (b) the City reasonably anticipates that the amount of tax exempt obligations issued during 2017 by the City (including any subordinate entities) will not exceed \$10,000,000; and (c) the City will take such action which would assure, or to refrain from such action which would adversely affect, the treatment of the Certificates as “qualified tax-exempt obligations”.

(c) Covenants Regarding Sale, Lease, or Disposition of Financed Property. The City covenants that the City will regulate the use of the property financed, directly or indirectly, with the proceeds of the Bonds and will not sell, lease, or otherwise dispose of such property unless (i) the City takes the remedial measures as may be required by the Code and the regulations and rulings thereunder in order to preserve the exclusion from gross income of interest on the Bonds under section 103 of the Code or (ii) the City seeks the advice of nationally-recognized bond counsel with respect to such sale, lease, or other disposition.

(d) General Covenants. The City further covenants, warrants, and agrees that in accordance with and to the extent required or permitted by law while the Parity Bonds are outstanding and unpaid:

(i) *Performance.* It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in each Parity Bonds Ordinances, and in each and every Parity Bond; it will promptly pay or cause to be paid the principal of and interest on every Parity Bond, on the dates and in the places and manner prescribed in the Parity Bonds Ordinances; and it will, at the times and in the manner prescribed, deposit, or cause to be deposited, the amounts required to be deposited into the Interest and Sinking Fund, the Reserve Fund, and Contingency Fund; and any owner of the Parity Bonds may require the City, its officials and employees, to carry out, respect, or enforce the covenants and obligations of the Parity Bonds Ordinances by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings in any court of competent jurisdiction against the City, its officials and employees;

(ii) *Legal Authority.* It is a duly created and existing home rule city of the State of Texas, and is duly authorized under the laws of the State of Texas to create and issue the Parity Bonds; all action on its part for the creation and issuance of said obligations has been duly and effectively taken; and said obligations in the hands of the owners and owners thereof are and will be valid and enforceable special obligations of the City in accordance with their terms;

(iii) *Operation of System; No Free Service.* It shall continuously and efficiently operate the System and maintain the System in good condition, repair, and working order, all at reasonable cost. No free service of the System shall be allowed, and should the City or any of its agencies or instrumentalities, lessees, or concessionaires make use of the services and facilities of the System, payment monthly of the standard retail price of the services provided shall be made by the City or

any of its agencies or instrumentalities, lessees, or concessionaires out of funds from sources other than the revenues of the System, unless made from surplus Net Revenues;

(iv) *Records and Audits.* It shall keep proper books and records and accounts, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the System. Upon written request made not more than 60 days following the close of the fiscal year, the City shall furnish to any owner of any Parity Bonds, complete financial statements of the System in reasonable detail covering such fiscal year, certified by the City's auditor. Any owners of 25% in principal amount of the Parity Bonds at the time outstanding shall have the right at all reasonable times to inspect the System and all records, accounts, and data of the City relating thereto;

(v) *Governmental Agencies.* It has or will obtain and keep in full force and effect all franchises, permits, authorization, and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation, and maintenance of the System, and it will comply with all of the terms and conditions of any and all franchises, permits and authorizations applicable to or necessary with respect to the System;

(vi) *No Competition.* It will not operate, or grant any franchise or, to the extent it legally may, permit the acquisition, construction, or operation of, any facilities which would be in competition with the System, and to the extent that it legally may, the City will prohibit any such competing facilities; and

(vii) *Insurance.* It shall insure, or self-insure, to the extent deemed necessary by the Council such parts of the System as are usually insured by municipalities operating like properties, and insurance premiums shall be a part of the operating expenses of the System.

**Section 18. Amendment of Ordinance.** (a) The owners of the Parity Bonds aggregating in principal amount 51% of the aggregate principal amount of then outstanding Parity Bonds shall have the right from time to time to approve any amendment to this Ordinance which may be deemed necessary or desirable by the City; provided, however, that without the consent of the owners of all of the Parity Bonds at the time outstanding, nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Ordinance or in the Parity Bonds so as to:

- (1) Make any change in the maturity of the outstanding Parity Bonds;
- (2) Reduce the rate of interest borne by any of the outstanding Parity Bonds;
- (3) Reduce the amount of the principal payable on the outstanding Parity Bonds;
- (4) Modify the terms of payment of principal of or interest on the outstanding Parity Bonds or impose any conditions with respect to such payment;
- (5) Affect the rights of the owners of less than all of the Parity Bonds then outstanding; or
- (6) Change the minimum percentage of the principal amount of Parity Bonds necessary for consent to such amendment.

(b) If at any time the City shall desire to amend this Ordinance under this Section, the City shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in The City of New York, New York, once during each calendar week for at least two successive calendar

weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all owners of Parity Bonds. Such publication is not required, however, if notice in writing is given to each owner of the then Outstanding Parity Bonds.

(c) Whenever at any time not less than 30 days, and within one year, from the date of the first publication of said notice or other service of written notice the City shall receive an instrument or instruments executed by the owners of at least 51% in aggregate principal amount of all Parity Bonds then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Paying Agent/Registrar, the Council may pass the amendatory ordinance in substantially the same form.

(d) Upon the passage of any amendatory ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be amended in accordance with such amendatory ordinance, and the respective rights, duties and obligations under this Ordinance of the City and all the owners of then outstanding Parity Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendments.

(e) Any consent given by the owner of a Parity Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Parity Bond during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent and the City, but such revocation shall not be effective if the owners of 51% in aggregate principal amount of the then outstanding Parity Bonds as in this Section defined have, prior to the attempted revocation, consented to and approve the amendment.

(f) For the purpose of this Section the fact of the owning of Parity Bonds issued in registered form without coupons and the amounts and numbers of such Parity Bonds and the date of their owning same shall be proved by the Registrar. The City may conclusively assume that such ownership continues until written notice to the contrary is served upon the City.

(g) The foregoing provisions of this Section notwithstanding, the City by action of the Council may amend this Ordinance for any one or more of the following purposes:

- (1) To add to the covenants and agreements of the City in this Ordinance contained, other covenants and agreements thereafter to be observed, grant additional rights or remedies to the owners, or to surrender, restrict, or limit any right or power herein reserved to or conferred upon the City;
- (2) To make such provisions for the purpose of curing any ambiguity, or curing, correcting, or supplementing any defective provision contained in this Ordinance, or in regard to clarifying matters or questions arising under this Ordinance, as are necessary or desirable and not contrary to or inconsistent with this Ordinance and which shall not adversely affect the interests of the owners of the Parity Bonds; or
- (3) To modify any of the provisions of this Ordinance in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Parity Bonds outstanding at the date of the adoption of such modification shall cease to be

outstanding, and (ii) such modification shall be specifically referred to in the text of all Additional Bonds issued after the date of the adoption of such modification.

**Section 19. Damaged, Mutilated, Lost, Stolen, or Destroyed Bonds.** (a) In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant for a replacement bond shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the applicant shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) This Ordinance shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the City or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such bonds in the form and manner and with the effect, as provided in this Ordinance for Bonds issued in exchange for other Bonds.

**Section 20. Book-Entry Only System.** (a) The Definitive Bonds shall be initially issued in the name of Cede & Co., as nominee of DTC, as owner of the Bonds, and held in custody of DTC. A single certificate will be issued and delivered to DTC for each maturity of the Bonds. Beneficial owners of Definitive Bonds will not receive physical delivery of Bond certificates except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other person purchasing, selling, or otherwise transferring beneficial ownership of Bonds is to receive, hold, or deliver any Bond certificate. No person shall acquire or hold any beneficial interest in any Bond representing a portion of the principal amount of such Bond which is other than \$5,000 or an integral multiple thereof.

(b) Replacement Definitive Bonds may be issued directly to beneficial owners of Bonds other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Bonds (which determination shall become effective no less than 90 days after

written notice to such effect to the City and the Paying Agent/Registrar); or (ii) the City has advised DTC of its determination (which determination is conclusive as to DTC and beneficial owners of the Bonds) that DTC is incapable of discharging its duties as securities depository for the Bonds; or (iii) the City has determined (which determination is conclusive as to DTC and the beneficial owners of the Bonds) that the interests of the beneficial owners of the Bonds might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any event described in (i) or (ii) above, the City shall use its best efforts to attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City shall cause to be executed, authenticated, and delivered replacement Bonds, in certificate form, to the DTC participants having an interest in the Bonds as shown on the records of DTC provided by DTC to the City. In the event that the City makes the determination described in (iii) above and has made provisions to notify the beneficial owners of Bonds of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Bonds in certificate form to the DTC participants having an interest in the Bonds as shown on the records of DTC provided by DTC to the City. The City undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the City to make any determination described in (ii) or (iii) above.

(c) Whenever, during the term of the Bonds, the beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Ordinance of holding, delivering, or transferring Bonds shall be deemed modified to require the appropriate person or entity to meet the requirement of DTC as to registering or transferring the book entry to produce the same effect.

(d) If at any time, DTC ceases to hold the Bonds, all references herein to DTC shall be of no further force or effect.

**Section 21. Defeasance and Purchase.** (a) Except to the extent provided in subsection (c) of this Section, any Bond, and the interest thereon, shall be deemed to be paid, retired, and no longer outstanding within the meaning of this Ordinance (a “Defeased Bond”) when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to a person described by Section 1207.061(a), Texas Government Code, as amended (a “Depository”), with respect to the safekeeping, investment, administration, and disposition of a deposit made under Section 1207.061, Texas Government Code, as amended, for such payment (the “Deposit”) (A) lawful money of the United States of America sufficient to make such payment or (B) Government Obligations, which may be in book-entry form, that mature and bear interest payable at times and in amounts sufficient to provide for the scheduled payment or redemption of any Defeased Bond. To cause a Bond scheduled to be paid or redeemed on a date later than the next scheduled interest payment date on such Bond to become a Defeased Bond, the City must, with respect to the Deposit, enter into an escrow or similar agreement with a Depository.

In connection with any defeasance of the Bonds, the City shall cause to be delivered: (i) in the event an escrow or similar agreement has been entered into with a Depository to effectuate such defeasance, a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the Defeased Bonds in full on the maturity or redemption date thereof (the “Verification”); or (ii) in the event no escrow or similar agreement has been entered into, a certificate from the Mayor of the City certifying that the amount deposited with a Depository is sufficient to pay the Defeased Bonds in full on the maturity or redemption date thereof. In addition to the required Verification or certificate, the City shall also cause to be delivered an opinion of nationally recognized bond counsel to the effect that the Defeased Bonds are no longer outstanding pursuant to the terms hereof and a certificate of discharge of the Paying Agent/Registrar with respect to the Defeased Bonds. The Verification, if any, and

each certificate and opinion required hereunder shall be acceptable in form and substance, and addressed, if applicable, to the Paying Agent/Registrar and the City. The Bonds shall remain outstanding hereunder unless and until they are in fact paid and retired or the above criteria are met.

At such time as a Bond shall be deemed to be a Defeased Bond hereunder, and all herein required criteria have been met, such Bond and the interest thereon shall no longer be outstanding or unpaid and shall no longer be entitled to the benefits of the pledge of the security interest granted under this Ordinance, and such principal and interest shall be payable solely from the Deposit of money or Government Obligations; provided, however, the City may exercise its right to call the Bonds prior to stated maturity if it has reserved such option to be exercised at the time of the defeasance of the Bonds, to call for redemption, at an earlier date, those Bonds which have been defeased to their maturity date, if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the Registered Owners immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of reservation be included in any redemption notices that it authorizes.

(b) Any money so deposited with a Depository may at the written direction of the City also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by a Depository which is not required for the payment of the Defeased Bonds and interest thereon, with respect to which such money has been so deposited, shall be used as directed in writing by the City.

(c) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(d) The City reserves the right to purchase any of the Bonds for cancellation at any time and at any price.

**Section 22. Sale of Bonds.** (a) Sale. The sale of the Bonds to the Initial Purchaser pursuant to the taking of competitive bids at a price of \$\_\_\_\_\_ (which amount is equal to par, plus an original issue premium on the Bonds of \$\_\_\_\_\_ less Initial Purchaser's discount of \$\_\_\_\_\_) plus accrued interest to the date of delivery is hereby confirmed. It is hereby officially found, determined, and declared that the Initial Purchaser submitted the bid which resulted in the lowest net effective rate to the City, and delivery of the Bonds to the Initial Purchaser shall be made as soon as practicable after the adoption of this Ordinance, upon payment therefor, in accordance with the terms of sale. The officers of the City are hereby authorized and directed to execute and deliver such Bonds, instructions, or other instruments as are required or necessary to accomplish the purposes of this Ordinance. The proceeds from the sale of the Bonds shall be used in the following manner: (i) accrued interest on the Bonds of \$\_\_\_\_\_, plus a rounding amount of \$\_\_\_\_\_ shall be deposited to the credit of the Interest and Sinking Fund; (ii) \$\_\_\_\_\_ shall be deposited to the credit of the Construction Fund to be used to accomplish the purposes for which the Bonds were issued; and (iii) \$\_\_\_\_\_ of premium shall be used to pay the costs of issuance for the Bonds.

(b) Approval of Official Statement. The City hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement, or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Bonds by the Initial Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The form and content of and the distribution and use of the Preliminary Official Statement, dated October \_\_, 2017,

prior to the date hereof is hereby ratified and confirmed. The Board finds and determines that the Preliminary Official Statement is “deemed final” as that term is defined in 17 C.F.R. Section 240.15c2-12.

(c) Legal Opinion. The Initial Purchaser’s obligation to accept delivery of the Bonds is subject to their being furnished an opinion of Winstead PC, Bond Counsel, such opinion to be dated and delivered as of the date of delivery and payment for the Bonds.

(d) Registration and Delivery. Upon the registration of the Initial Bond, the Comptroller of Public Accounts of the State of Texas is authorized and instructed to deliver the Initial Bond pursuant to the instruction of the Mayor for delivery to the Initial Purchaser.

**Section 23. Perfection of Security.** Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the proceeds of revenues thereto, and such pledge is, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the revenue proceeds is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in such pledge, the City agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

**Section 24. Approval and Registration of Bonds.** The Mayor of the City is hereby authorized to have control of the Bonds and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Initial Bond, said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller’s Registration Certificate. The Bonds thus registered shall remain in the custody of the Mayor (or his designee) until delivered to the Initial Purchaser.

**Section 25. Attorney General Examination Fee.** The City recognizes that under Section 1202.004, Texas Government Code, as amended by Senate Bill 495, Acts of the 79<sup>th</sup> Legislature Regular Session, 2005, the Attorney General of Texas requires a nonrefundable examination fee be paid at the time of submission of the transcript of proceedings authorizing the Bonds. Bond Counsel is accommodating the City by paying such fee upon submission of such transcript. Officials of the City are, however, hereby authorized to reimburse Bond Counsel such amount as soon as possible and whether or not the Bonds are ever delivered and such amount is hereby appropriated from available funds for such purpose. The City is also authorized to reimburse the fund used for such payment with proceeds of the Bonds.

**Section 26. Further Procedures.** The Mayor, the City Secretary, the City Manager, Finance Director, and all other officers, employees, attorneys, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the City, all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Bonds, and the Official Statement. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. Prior to the initial delivery of the Bonds, the Mayor, the City Manager, and Bond Counsel to the City are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments

authorized by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance; (ii) comply with requirements of any bond insurer; (iii) obtain a rating from any of the national bond rating agencies; or (iv) obtain the approval of the Bonds by the Texas Attorney General's office.

**Section 27. Paying Agent/Registrar Agreement.** The Paying Agent/Registrar Agreement, between the City and the Paying Agent/Registrar, in substantially the form attached hereto as Exhibit "A", is hereby approved, and the Mayor is authorized to execute and the City Secretary is authorized to attest same.

**Section 28. Continuing Disclosure.** (a) Annual Reports. The City shall provide annually to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to its Electronic Municipal Market Access System ("EMMA"), within six months after the end of each fiscal year ending in or after 2017, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 22 of this Ordinance, being the information described in Exhibit "B" hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit "B" hereto and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, the City shall provide audited financial statements for the applicable fiscal year to the MSRB when and if the audit report on such statements becomes available.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) if it is available from the MSRB that theretofore has been provided to the MSRB or filed with the Securities and Exchange Commission.

(b) Material Event Notices. The City shall notify the MSRB, in a timely manner, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws: (i) principal and interest payment delinquencies; (ii) non-payment related defaults; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (vii) modifications to rights of holders of the Bonds; (viii) calls; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds; and (xi) rating changes.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with this Section by the time required by this Section.

(c) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Section 21 above that causes the Bonds no longer to be outstanding and any call of Bonds made in connection therewith.

The provisions of this Section are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provisions of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended, supplemented, or repealed by the City from time to time under the following circumstances, but not otherwise: (1) to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if the provisions of this Section, as so supplemented or amended, would have permitted an underwriter to purchase or sell Bonds in the present offering in compliance with the Rule and either the Owners of a majority in aggregate principal amount of the outstanding Bonds consent to such amendment, supplement, or repeal, or any State agency or official determines that such amendment, supplement, or repeal will not materially impair the interests of the beneficial owners of the Bonds, (2) upon repeal of the applicable provisions of the Rule, or any judgment by a court of final jurisdiction that such provisions are invalid, or (3) in any other circumstance or manner permitted by the Rule.

**Section 29. Proceeds of Sale of the Bonds.** The proceeds of the Bonds in the amount described in Section 22 shall be deposited in accordance with Section 22 and applied as described therein to issue the Bonds. A portion of the proceeds of the Bonds shall be used to pay the costs of issuance of the Bonds. The accrued interest on the Bonds shall be deposited into the Interest and Sinking Fund. It is further provided, however, that any interest earnings on bond proceeds which are required to be rebated to the United States of America pursuant to Section 17 hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Ordinance. Any remaining proceeds not required to be rebated will be deposited to the Interest and Sinking Fund.

**Section 30. Miscellaneous Provisions.** (a) Titles Not Restrictive. The titles assigned to various sections of this Ordinance are for convenience only and shall not be considered restrictive of the subject matter of any section or of any part of this Ordinance.

(b) Inconsistent Provisions. All orders, ordinances, and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed and declared to be inapplicable, and the provisions of this Ordinance shall be and remain controlling as to the matters prescribed herein.

(c) Severability. If any word, phrase, clause, paragraph, sentence, part, portion, or provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance shall nevertheless be valid and the Council hereby declares that this Ordinance would have been enacted without such invalid word, phrase, clause, paragraph, sentence, part, portion, or provisions.

(d) Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas.

(e) Open Meeting. The Council officially finds and determines that the meeting at which this Ordinance is adopted was open to the public; and that public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

(f) Incorporation of Recitals. The recitals to this Ordinance are hereby incorporated by reference herein as if copied in full.

**Section 31. Effective Date.** Pursuant to Section 1201.028, Texas Government Code, this Ordinance shall be effective on the date of adoption without regard to the City Charter's rule requiring ordinances to be read on two separate days.

PASSED AND ADOPTED by the Council of the City of Lake Jackson, Texas, this 16th day of October, 2017.

/s/ Joe Rinehart  
Mayor, City of Lake Jackson, Texas

ATTEST:

/s/ Alice A. Rodgers  
City Secretary, City of Lake Jackson, Texas

APPROVED AS TO FORM:

/s/ Sherri Russell  
Sherri Russell  
City Attorney

(CITY SEAL)

## EXHIBIT A

### PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of November 1, 2017 (this “Agreement”), by and between the CITY OF LAKE JACKSON, TEXAS (the “City”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, a banking association duly organized and existing under the laws of the United States of America (the “Bank”).

#### RECITALS

WHEREAS, the City has duly authorized and provided for the issuance of its “City of Lake Jackson, Texas Waterworks and Sewer System Revenue Bonds, Series 2017” (the “Securities”), such Securities to be issued in fully registered form only as to the payment of principal and interest thereon;

WHEREAS, the Securities are scheduled to be delivered to the initial purchasers thereof as provided in the “Ordinance” (hereinafter defined);

WHEREAS, the City has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of and interest on the Securities and with respect to the registration, transfer, and exchange thereof by the Owners thereof;

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the City and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

#### ARTICLE I. APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

**Section 1.01. Appointment.** The City hereby appoints the Bank to serve as Paying Agent with respect to the Securities. As Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the City the principal and interest on the Securities as the same become due and payable to the Owners thereof, all in accordance with this Agreement and the Ordinance.

The City hereby appoints the Bank as Registrar with respect to the Securities. As Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the City books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Ordinance.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

**Section 1.02. Compensation.** As compensation for the Bank’s services as Paying Agent/Registrar, the City hereby agrees to pay the Bank the fees and amounts set forth in Schedule “A” attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank’s current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the City on or before 90 days prior to the close of the Fiscal Year of the City, and shall be effective upon the first day of the following Fiscal Year.

In addition, the City agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

## ARTICLE II. DEFINITIONS

**Section 2.01. Definitions.** For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Bank Office” means the designated corporate trust office of the Bank as indicated on the signature page hereof. The Bank will notify the City in writing of any change in location of the Bank Office.

“City Request” and “City Ordinance” means a written request or order signed in the name of the City by its Mayor, Director of Finance, or City Secretary, or any one or more of said officials, and delivered to the Bank.

“Financial Advisor” means FirstSouthwest, a Division of Hilltop Securities Inc., Houston, Texas.

“Fiscal Year” means the fiscal year of the City, ending September 30.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Legal Holiday” means a day on which the Bank is required or authorized to be closed.

“Ordinance” means the ordinance of the governing body of the City pursuant to which the Securities are issued, certified by the City Secretary or any other officer of the City and delivered to the Bank.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Ordinance).

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of the Ordinance.

“Responsible Officer” when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the City providing for the registration and transfer of the Securities.

“Stated Maturity” means the date specified in the Ordinance the principal of a Security is scheduled to be due and payable.

**Section 2.02. Other Definitions.** The terms “Bank”, “City”, and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

### **ARTICLE III. PAYING AGENT**

**Section 3.01. Duties of Paying Agent.** As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the City, pay on behalf of the City the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the Bank Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the City, pay on behalf of the City the interest on each Security when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States mail, first class postage prepaid, on each payment date, to the Holders of the Securities (or their Predecessor Securities) on the respective Record Date, to the address appearing on the Security Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

**Section 3.02. Payment Dates.** The City hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Ordinance.

### **ARTICLE IV. REGISTRAR**

**Section 4.01. Security Register - Transfers and Exchanges.** The Bank agrees to keep and maintain for and on behalf of the City at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange, and replacement of the Securities, and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the City and subject to such reasonable regulations as the City and the Bank may prescribe. All transfers, exchanges, and replacement of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer, or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and

new Securities delivered to the Holder or the assignee of the Holder in not more than three business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

**Section 4.02. Certificates.** The City shall provide an adequate inventory of printed Security certificates to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Security certificates will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such certificates in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

**Section 4.03. Form of Security Register.** The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer, and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

**Section 4.04. List of Security Holders.** The Bank will provide the City at any time requested by the City, upon payment of the required fee, a copy of the information contained in the Security Register. The City may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

Unless required by law, the Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the City, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the City so that the City may contest the court order or such release or disclosure of the contents of the Security Register.

**Section 4.05. Return of Cancelled Certificates.** The Bank will, at such reasonable intervals as it determines, surrender to the City, Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

**Section 4.06. Mutilated, Destroyed, Lost, or Stolen Securities.** The City hereby instructs the Bank, subject to the applicable provisions of the Ordinance, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an over issuance.

In case any Security shall be mutilated, or destroyed, lost, or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed, lost, or stolen Security, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss, or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the City and the Bank harmless. All expenses and

charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost, or stolen.

**Section 4.07. Transaction Information to City.** The Bank will, within a reasonable time after receipt of written request from the City, furnish the City information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

## **ARTICLE V. THE BANK**

**Section 5.01. Duties of Bank.** The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum as prepared by the City's Financial Advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the Financial Advisor or the City as the final closing memorandum. The Bank shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

**Section 5.02. Reliance on Documents, Etc.** (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document supplied by the City.

The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

**Section 5.03. Recitals of City.** The recitals contained herein with respect to the City and in the Securities shall be taken as the statements of the City, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the City, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

**Section 5.04. May Hold Securities.** The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the City with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

**Section 5.05. Money Held by Bank.** A special depository account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of money received from the City and held hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities, to the extent permitted by law, shall be continuously collateralized by securities or obligations which qualify and are eligible under the laws of the State of Texas to secure and be pledged as collateral for deposits of public funds by an instrumentality and political subdivision of the State of Texas to the extent that such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such account shall be made by check drawn on such account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

All funds at any time and from time to time provided to or held by the Bank hereunder shall be deemed, construed, and considered for all purposes as being provided to or held by the Bank in trust. The Bank acknowledges, covenants, and represents that it is acting herein in trust in relation to such funds, and is not accepting, holding, administering, or applying such funds as a banking depository, but solely as a paying agent for and on behalf of the Security thereto. The Holders shall be entitled to the same preferred claim and first lien on the funds so provided as are enjoyed by the beneficiaries of trust funds generally. The funds provided to the Bank hereunder shall not be subject to warrants, drafts, or checks drawn by the City and, except as expressly provided herein, shall not be subject to compromise, setoff, or other charge or diminution by the Bank.

The Bank shall be under no liability for interest on any money received by it hereunder.

Subject to the unclaimed property laws of the State of Texas and any provisions in the Ordinance to the contrary, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be paid by the Bank to the City, and the Holder of such Security shall thereafter look only to the City for payment thereof, and all liability of the Bank with respect to such money shall thereupon cease. If the City does not elect, the Bank is directed to report and dispose of the funds in compliance with Title 6 of the Texas Property Code, as amended.

**Section 5.06. Indemnification.** To the extent permitted by law, the City agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

**Section 5.07. Interpleader.** The City and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a

Federal or State District Court located in the State and City where the administrative offices of the City are located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The City and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

**Section 5.08. Depository Trust Company Services.** It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements”, currently in effect, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

**Section 5.09. Reporting Requirements of Paying Agent/Registrar.** To the extent required by the Code and the regulations promulgated and pertaining thereto, it shall be the duty of the Paying Agent/Registrar, on behalf of the City, to report to the owners of the Securities and the Internal Revenue Service (i) the amount of “reportable payments”, if any, subject to backup withholding during each year and the amount of tax withheld, if any, with respect to payments of the Securities and (ii) the amount of interest or amount treating as interest on the Securities and required to be included in gross income of the owner thereof.

## **ARTICLE VI. MISCELLANEOUS PROVISIONS**

**Section 6.01. Amendment.** This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

**Section 6.02. Assignment.** This Agreement may not be assigned by either party without the prior written consent of the other.

**Section 6.03. Notices.** Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the City or the Bank shall be mailed or delivered to the City or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

**Section 6.04. Effect of Headings.** The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

**Section 6.05. Successors and Assigns.** All covenants and agreements herein made by the City shall bind its successors and assigns, whether so expressed or not.

**Section 6.06. Severability.** In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**Section 6.07. Benefits of Agreement.** Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

**Section 6.08. Entire Agreement.** This Agreement and the Ordinance constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Ordinance, the Ordinance shall govern.

**Section 6.09. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

**Section 6.10. Termination.** This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the City and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and City mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay, or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the City.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

**Section 6.11. Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in several copies, each of equal dignity, as of the day and year first above written.

CITY OF LAKE JACKSON, TEXAS

By: \_\_\_\_\_  
Joe Rinehart, Mayor

ATTEST:

\_\_\_\_\_  
Alice A. Rodgers, City Secretary

THE BANK OF NEW YORK MELLON,  
TRUST COMPANY, NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT A  
FEE SCHEDULE

## **EXHIBIT B**

### **DESCRIPTION OF ANNUAL FINANCIAL INFORMATION**

The following information is referred to in Section 28 of this Ordinance.

#### **Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified and included in the Appendix or under the headings of the Official Statement referred to below:

1. The audited financial statements of the City for the most recently concluded fiscal year.
2. The information included in the Official Statement under the headings “THE SYSTEM”, “DEBT INFORMATION”, and “FINANCIAL INFORMATION”, in Tables 1 through 6, and in Appendix B.

#### **Accounting Principles**

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above, as such principles may be changed from time to time to comply with state law or regulation.

# City Council Agenda Item

City of Lake Jackson

**Submitted by:** Sally Villarreal, Asst. City Sec.

**Presented by:** Debra Perry

**Meeting Date:** October 16, 2017

**Subject:** Closing a portion of Parking Way

**Action Requested:** Discuss and consider request to close Parking Way on Thursday November 30<sup>th</sup> from 5:30 p.m. – 8:00 p.m. for Santa at the Gazebo.

**Alternatives:**

# City Council Agenda Item

City of Lake Jackson

**Meeting Date:** October 16, 2017

**Subject:** Seasonal Decoration in median in residential area

**Submitted by:** Alice A. Rodgers, City Secretary

**Expenditure Account:**

**Action Requested:** DISCUSS AND CONSIDER REQUEST TO PLACE HOLIDAY POLE BANNERS AND DECORATIONS IN THE MEDIANS IN THE ENTRANCE OF THE NORTHWOOD SUBDIVISION

**Alternatives:**

**Summary of Subject:**

The Northwood HOA is requesting approval to place banners on the decorative light poles in the medians at the entrance of their subdivision. They would also like to request permission to place Christmas Decorations in the median as well.

The sign ordinance does allow Council to grant permission for the placement of items in the city right of way.

**From:** [mlheather59](#)  
**To:** [Alice Rodgers](#)  
**Cc:** [Mike Kessler](#)  
**Subject:** Oct. 16 City Council Meeting  
**Date:** Wednesday, October 11, 2017 8:36:39 PM

---

Alice,

I will be representing the Northwood HOA at the Oct. 16 city council meeting to ask for a permanent variance for our light pole decorations. The following represents our request.

The Northwood HOA respectfully requests a permanent variance of the signage ordinance that will allow us to display Christmas and Patriotic banners on the light poles along the Northwood Dr. and Deerwood Dr. entrances. The Christmas banners will be displayed no sooner than Dec. 1 and no later than Jan. 5 of any year. Patriotic banners will be displayed from 2 days before, until 2 days after the holiday (Veterans Day, Fourth of July, etc.).

We are also requesting a permanent variance that will allow us to display Christmas seasonal decorations in the medians as we did in 2016.

Thanks for helping us get on the agenda.

Mike Heather  
Northwood HOA President

# City Council Agenda Item

City of Lake Jackson

**Meeting Date:** October 16, 2017

**Subject:** Approve Purchase of Two (2) CNG AUTOCAR Rear Load Refuse Trucks.

**Submitted by:** David Van Riper, Director of Public Works

**Expenditure Account:** Equipment Replacement Fund

**Action Requested:** Approve Purchase of Two 2018 AUTOCAR Rear Load Refuse Trucks thru Buyboard in an Amount not to Exceed \$571,262.00

**Alternatives:**

**Summary of Subject:**

Description	Unit	Department	Purchase Price	Account
2018 Refuse Truck	823	7600	\$285,631.00	11300004198458
2018 Refuse Truck	827	7600	\$285,631.00	11300004198459
<b>Total</b>			<b>\$571,262.00</b>	



# City Council Agenda Item

City of Lake Jackson

**Meeting Date:** 10/16/2017

**Subject:** REIMBURSE VELASCO DRAINAGE DISTRICT FOR REPAIR OF 60" RIVER OAKS OUTFALL PIPE

**Submitted by:** Athelstan Sanchez

**Expenditure Account:**

**Action Requested:** Approve addendum to an interlocal agreement between the City of Lake Jackson and Velasco Drainage District (VDD) to reimburse VDD \$36,000.00, the cost incurred to repair that portion of a 60" river oaks outfall pipe to Oyster Creek residing within the City between 204 & 206 River Oaks Dr.

**Alternatives:**

**Summary of Subject:**

VDD has paid \$72,000.00 to repair some 168 linear feet of the 60" river oaks outfall corrugated metal pipe by curing in place technique which the bottom was in disrepair. Eighty-six (86) feet of this pipe is inside the city. The City had promised to reimburse VDD the early part of fiscal year 2018, being money was to be allocated in FY 2018 general project fund. Hence VDD is now seeking this reimbursement of \$36,000.00.

Since only \$32,500.00 was allocated, the difference of \$3,500.00 will be paid for from another source to be determined.

Please refer to the accompanying documents for more details.

April 18, 2017

Eddie,

Please have the interlocal agreement for the Cured In Place Lining of the 60" Outfall pipe at River Oaks Subdivision approved by the city and have them sign both originals. Let me know when they are signed and I will pick them up and have our Board approve and sign. When everyone is finished signing the agreements, I will bring back one of the originals for your records.

If you have any questions, please call me at 979-265-4251.

Thanks,

Chris Gallion  
Velasco Drainage District

G. L. KIDWELL  
Chairman  
Area 1  
Lake Jackson, Texas

L. H. JONES  
Vice Chairman  
Area 3  
Freeport, Texas

F. R. Hamlet  
Secretary  
Area 2  
Clute, Texas

# Velasco Drainage District

Phone (979) 265-4251 Fax (979) 265-7602  
E-mail: vdd@velascodrainagedistrict.com

Mr. Sal Aguirre, City Engineer  
25 Oak Drive  
Lake Jackson, Texas 77566

March 15, 2017

**Re: Interlocal Agreement for a Cured in Place Pipe for the River Oaks Outfall at River Oaks Drive, Lake Jackson, Texas**

Dear Mr. Aguirre,

The Velasco Drainage District's Board of directors accepted a bid for doing a Cured in Place Pipe for the River Oaks Outfall to Oyster Creek in its meeting on Tuesday, March 14, 2017 for the amount of \$72,000 with Layne Inliner having the successful bid. This pipe is 60" x 86' CMP (city side) plus 60" x 82' CMP (VDD side) being a total of 168'. This pipe runs from a manhole that is at River Oaks Drive to the District's gate well (86') then from the gate well it runs to a headwall at Oyster Creek (82') as shown on the attached drawing. The pipe and outfall is located between houses at 204 River Oaks Drive and 206 River Oaks Drive. This Corrugated Metal Pipe is in very bad shape. Even though it is not that old the bottom of pipe was badly corroded needing immediate attention. Mr. Aguirre and I discussed this project earlier this year and agreed that rather than the District repairing just its part of the pipe being the piece that runs from the gate well to the creek, it would be better to do this as one big project and spilt the cost. Today I talked to Sal again to let him know that the bid had been awarded to Layne Inliner for \$72,000 and he asked that I write this formal letter asking for this project to be part of your budget for next year. The District will pay for the whole amount this year and are asking that the city reimburse their half early next year. This will mean a good cost savings for both of us and will give new life to this outfall. The Cured in Place Pipe project has a lifespan of fifty years plus. I am attaching the drawing mentioned above with this letter and also some photos of the site. When the District has the contractor's schedule for doing this work, we will contact the city so that the adjacent area can be informed of this project.

Also, Sal wanted me to mention that we are doing a cost estimate for the repair of the damage that was done to the East Bank of the Brazos River Levee at Maclean Park by the contractor that was working on

Mail Address  
Post Office Box 7  
Clute, Texas 77531

Freight and Express  
Drainage District Warehouse  
915 Stratton Ridge Road  
Clute, Texas 77531

the city's new sanitary sewer force main. This estimate will cover labor, fuel and equipment for doing this work. Since the District staff does this kind of work all the time and we know FEMA's requirements for levees, the Velasco Drainage District would be happy to do this work on behalf of the city through our interlocal agreement per the cost reimbursement that will be presented to the city.

Thank you for the opportunity to work together on both of these projects.

Sincerely,



Chris Gallion

Superintendent

Velasco Drainage District

**Addendum to Interlocal Agreement with City of Lake Jackson  
April 17, 2017**

The City of Lake Jackson agrees if approved through their 2018 budget that the Velasco Drainage District perform their part of the repair of the River Oaks 60" Outfall Pipe, located between 204 River Oaks Drive and 206 River Oaks Drive, Lake Jackson, Texas, that has been badly corroded on the bottom of this existing Corrugated Metal Pipe. The repair involves placing a Cured-In-Place Pipe inside of the existing 60" Corrugated Metal Pipe from the junction box near River Oaks Drive to the headwall at Oyster Creek. The section of pipe from the junction box to the gate well is considered to be the city's responsibility, while the section from the gate well to the headwall at the creek is the Velasco Drainage District's responsibility. In January of this year the District approached the City's Engineer, Sal Aguirre, and asked if the city would consider splitting the cost of this project based on the above and Mr. Aguirre agreed and said that he would ask that this be considered on next year's budget. It was agreed that the Velasco Drainage District would pay the full amount this year and ask for the City of Lake Jackson to pay their half in 2018. The awarded bid was \$72,000 as bid by Layne Inliner, LLC. Base on the lump sum amount the City's payment would be half, being \$36,000. Upon the signing of this agreement the City of Lake Jackson agrees to pay the amount of \$36,000 within the first month 2018. (See attached - 5 photos, 1 aerial photo, 1 plan view drawing)

Velasco Drainage District  
By: [Signature]  
Name: GLKIDWELL  
Title: CHAIRMAN

City of Lake Jackson  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:  
By: [Signature]  
Name: Chris Gallis  
Title: Superintendent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

River Oaks Outfall  
Lake Jackson, Texas  
1 - 60" x 82' CMP and 1 - 60" x 86' CMP  
February 2, 2017



## INTERLOCAL ASSISTANCE AGREEMENT

### **Parties**

1. This agreement is made in Brazoria County, Texas, between Velasco Drainage District (hereinafter "District"), and the City of Lake Jackson (hereinafter "City").

### **Authority**

2. This agreement is authorized by the Interlocal Cooperation Act, Texas Government Code, Chapter 791.

### **Term and Renewal**

3. The term of this agreement shall be from the Effective Date hereof through the first September 30<sup>th</sup> thereafter.

4. This agreement shall be automatically renewed for subsequent one-year terms from each October 1<sup>st</sup> immediately after the initial term or any extension term hereof, through the next September 30<sup>th</sup> of each succeeding year, unless either party terminates the agreement as provided herein.

### **Assistance with Projects**

5. From time to time, the City may choose whether to ask the District for assistance with certain projects, and the District may choose whether to provide such assistance in the form of personnel, equipment, or materials. The term "Project" herein means a project for which the City has requested assistance, and the District has agreed to provide assistance. The scope of a Project and of the District's assistance will be decided at the time of the request and acceptance. This agreement sets the terms applicable to such assistance, in addition to the terms agreed at the time of the request.

6. The District's work authorized by this Agreement may be done:

- a. By the District through use of District personnel or equipment;
- b. By an independent contractor with whom the District has contracted for the provision of certain services, equipment, or materials.

7. During the term of this Agreement, when District work is requested, the Mayor of the City shall submit a request in writing to the District's Superintendent. The District's Superintendent and the Mayor of the City shall agree in writing as to the location and type of assistance to be provided pursuant to this Agreement. It is expressly understood between the parties that the District shall have no obligation to provide any service or work not so agreed to in writing. The District's Supervisor is authorized to sign an acceptance statement for each Project at the appropriate time and authorize the work to be completed as the District's schedule allows.

**Independent Contractors**

8. The parties intend that in carrying out this agreement or taking any action hereunder, each party shall act as an independent contractor and not as an agent, employee, or borrowed servant of the other party.

**No Borrowed Servants**

9. No agent or employee of either party shall be a borrowed servant of the other party.

**Workers' Compensation Insurance Required**

10. Each party agrees to provide worker's compensation insurance upon all of its employees engaged in any project under this agreement.

**Responsibility for Safety**

11. The City agrees to provide all warning and safety signs and other safety protections as required when work is being performed by the District pursuant to this Agreement.

**Responsibility for Utilities**

12. The term "Utilities" in this agreement means any and all of the following:
  - a. Equipment and facilities of any nature for water, sewer, electricity, cable television, internet, other communications, and any other utilities of any nature;
  - b. Pipelines, wire lines, and fiber optic lines, regardless whether used for a utility or not; and
  - c. Equipment associated, affiliated, or used with any of the foregoing.
  
13. The City, not the District, shall be responsible for:
  - a. Locating all Utilities and informing the District in writing in advance of such Utilities, the type or nature thereof, and the location thereof, before the District begins work on the project or site; and
  - b. Repairing any damage to any Utilities not disclosed by the City to the District as required by this agreement. If the District chooses to repair such damage itself or through a subcontractor of the District, then the City agrees to reimburse the District upon request for the reasonable cost of doing so.

**Responsibility for Wetlands and Flood Matters**

14. The City, not the District, shall be responsible for:
  - a. Locating all wetlands, flood zones, and flood ways of every nature that are either at or near the site of the Project or that may be affected by the Project, and informing the District in writing in advance of such matters, the type or nature thereof, and the location thereof, before the District begins work on the project or site; and
  - b. Repairing or mitigating any damage or impairment to any wetlands, flood zones, and flood ways of any nature not disclosed by the City to the District as required by this agreement. If the District chooses to repair such damage or impairment itself or through a subcontractor of the District, then the City agrees to reimburse the District upon request for the reasonable cost of doing so.

**No Warranties by District**

15. The parties further agree that any and all services, equipment, and materials provided by the District are WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, to the City or any other person, and that the

District has no obligation to provide any supplemental warranty work on a project. The City agrees to provide any engineering or design work required for work done pursuant to this agreement.

**Indemnity**

16. To the extent authorized by law, the City hereby agrees to indemnify and hold harmless the District and its officers, agents, employees, attorneys, and representatives from any and all liability, losses, damages, attorney's fees, costs of defense, claims, and causes of action of any nature or kind, in contract, tort, or otherwise, arising wholly or partly in any manner from this agreement, the subject matter hereof, or any act, omission, or condition related hereto.

**No Consumer Goods or Services**

17. Nothing herein shall be construed to make either party a purchaser or consumer of goods or services from the other.

**No Rights of Third Parties**

18. This is not a third party contract. This contract may not be enforced by any person other than the District or the City, and nothing herein shall be construed to create any rights in third parties.

**Warranties of Authority**

19. Each person signing this Interlocal Assistance Agreement on behalf of the District represents and warrants that this agreement has been authorized by the governing body of the District in compliance with the Texas Open Meetings Act on the following date: August 4, 2015.

20. Each person signing this Interlocal Assistance Agreement on behalf of the City represents and warrants that this agreement has been authorized by the governing body of the City in

compliance with the Texas Open Meetings Act on the following date: July 20, 2015.

21. The City represents and warrants that its governing body has authorized the Mayor of the City to sign and deliver requests for assistance by the District and to execute agreements concerning the scope of such assistance, as provided in this agreement. By executing such a request or agreement, the Mayor represents and warrants that he or she has been authorized by the governing body of the City to do so.

22. By signing a request or agreement concerning the scope of a project or of assistance pursuant to this Interlocal Assistance Agreement, the Superintendent of the District represents and warrants that he or she has been authorized to do so by the governing body of the District.

23. Each party intends and agrees that the other party may rely upon the representations of authority contained herein or provided for herein, and that it is reasonable for the other party to so rely.

EFFECTIVE DATE: 4th August 2015

VELASCO DRAINAGE DISTRICT

By: [Signature]  
Name: GL KIDWELL  
Title: CHAIRMAN

ATTEST:

By: [Signature]  
Name: J. Robert Hamlet  
Title: Secretary

06-19-15

NAME OF CITY: CITY OF LAKE JACKSON

By: Joe Rinehart  
Name: Joe Rinehart  
Title: Mayor

ATTEST:  
By: Alice A. Rodgers  
Name: Alice A. Rodgers  
Title: City Secretary



206 River Oaks Dr

Gateway

Headwall of Outfall

Oyster Creek

Manhole

204 River Oaks Drive

© 2016 Google

Google

29°04'07.41" N 95°28'01.78" W elev 34 ft











# City Council Agenda Item

City of Lake Jackson

**Submitted by:** Keelie Kennedy, Buyer

**Presented by:** Modesto Mundo, Asst. City Manager

**Meeting Date:** October 16, 2017

**Subject:** Bid No. 0480– Chlorine and Sulfur Dioxide

**Action Requested:** Award one year extension to DXI Industries Inc for the following:

- 1) 1-TON (2,000-pound chlorine containers) at a unit price of \$0.347 per lb. for an estimated annual total price of \$40,946.00 for 118,000 pounds.
- 2) 150-Pound (150-pound chlorine cylinder) at a unit price of \$0.634 per lb. for an estimated annual total price of \$20,288.00 for 32,000 pounds.
- 3) 1-TON (2,000-pound sulfur dioxide containers) at a unit price of \$0.399 per lb. for an estimated annual total price of \$27,930.00 for 70,000 pounds.

This will be the first contract extensions for Bid No. 0480.

**Alternative:** Reject extensions

**Summary of Subject:**

DXI Industries Inc has provided Chlorine and Sulfur Dioxide for the City for a total of \$89,164.00, the contract allows three additional, one (1) year extensions. Staff recommends that their contract be extended for an additional year as allowed in the contract terms.

# City Council Agenda Item

City of Lake Jackson

**Meeting Date:** October 16, 2017

**Subject:** Bunker Sand - Harvey

**Submitted by:** Modesto A. Mundo, Asst. City Mgr.

**Expenditure Account:** 111-0800-413-43-15

**Action Requested:**

Award Bid 17-09-007 Golf Course Bunker Sand & 3/8" Rock to Rinehart Trucking in an amount not to exceed \$117,982.50.

**Alternatives:**

**Summary of Subject:**

On October 10, 2017, the City opened bids for golf course bunker sand and 3/8" rock. Eight vendors were notified of our bid solicitation. The proposal package was available on the City Purchasing Website, advertised in the Facts newspaper on September 28<sup>th</sup>, October 1<sup>st</sup> and October 5<sup>th</sup>, and posted on Civcast an electronic bid clearinghouse. Two (2) bids were received and evaluated.

The bid is for materials only that will be used to replace the bunker sand and 3/8" rock damaged in the Harvey flood. Estimates are based on the amount of material used in the 2016 Brazos River flood. We will meet with Jeff Brauer, golf course architect, on October 12<sup>th</sup> to discuss reducing bunkers and the potential savings we could realize. We are now out for bid for the repair of the bunkers and may need to amend the bid based on our meeting with the golf course architect.

Vendor			Rinehart Trucking		Turf Materials	
Item	Description	Qty	Unit Price	Total	Unit Price	Total
1	Bunker sand and removal of equal amount of spoiled	3,845 tons	\$ 28.50	\$ 109,582.50	\$ 36.28	\$ 139,496.60
2	3/8" rock and removal of equal amount of spoiled	200 tons	42.00	8,400.00	45.68	9,136.00
3	Removal of sand and gravel	162 loads	Included in price above		\$ 100 per load	16,180.00
			<b>\$ 117,982.50</b>		<b>\$ 164,812.60</b>	

# City Council Agenda Item

City of Lake Jackson

**Meeting Date:** October 16, 2017

**Subject:** Discuss revisions to Chapter 30 Elections

**Submitted by:** Sherri Russell

**Expenditure Account:**

**Action Requested:** Directions to Staff

**Alternatives:**

**Summary of Subject:** After reviewing Ch. 30 Elections, legal staff has concluded that the chapter is not necessary. Every provision is covered in other documents or is technologically obsolete. A chart is provided that illustrates this issue.

Chapter 30 Elections

Ordinance Section	Reasons to repeal
<p><b>Sec. 30-1. - Precincts or districts, county precincts adopted, reference to description.</b></p> <p>The precincts or districts adopted by the county commissioners' court as precincts or districts within the limits of the city in which to hold county and state elections, are hereby adopted by the city, and the same are declared to be the precincts or districts in which to hold city elections, such precincts, described by metes and bounds, being on file in the office of the county clerk.</p>	<p>No longer necessary. Precincts are set by county and voters vote anywhere in county.</p>
<p><b>Sec. 30-2. - Duties of council.</b></p> <p>(a) For conducting city elections, whether general or special, the council shall appoint a presiding judge to preside and conduct the election at each voting place. The council shall designate the place for holding the polls. The election shall be conducted in every respect in accordance with the provisions of this chapter and the state election laws.</p> <p>(b) The giving of such notice of any election as is prescribed by the laws of the state shall be sufficient.</p>	<p>Charter</p> <p>Election Code §32.005</p> <p>Joint Election Contract</p>
<p><b>Sec. 30-3. - Returns.</b></p> <p>In all municipal elections, the returns of such election, properly signed and certified as correct by the judges and clerks thereof, shall be made up immediately after such vote is cast, and shall show the vote cast for each candidate, or shall show the vote cast for and against each proposition, where propositions are submitted to the voters in the particular election, and shall be sealed and immediately delivered after such election to the mayor and city secretary; and the council shall, within five (5) days after the election is held, examine and count the returns of such election and canvass the same and declare the result thereof, and when the election is held for the election of city officials, shall issue proper certificates to the successful candidates, signed by the mayor.</p>	<p>Charter</p> <p>Joint Election Contract</p> <p>Technology has eliminated the need to seal, open, and examine.</p>
<p><b>Sec. 30-4. - Qualifications of electors.</b></p> <p>All qualified electors of the state, who are eighteen (18) years of age or older and who comply with registration requirements of the state election code and who reside in an election precinct within the city on election day, shall have the right to vote in that precinct and that precinct only.</p>	<p>Election Code §11.001</p>

<p><b>Sec. 30-5. - General rules as to voters, hours, etc.</b></p> <p>(a) None but qualified voters of the city shall be permitted to vote in any city election. Such qualified voters shall have voting registration certificates as required by the general election law.</p> <p>(b) The general manner of holding such city elections shall be governed by all lawful provisions of this chapter, of the city Charter, and the laws of the state where applicable.</p>	<p>Election Code §11.001</p> <p>Charter</p> <p>Repetitive</p> <p>Not necessary</p>
<p><b>Sec. 30-6. - Filing for office.</b></p> <p>Any person having the qualifications set forth for councilman under section 3.02 of the city Charter shall have the right to file an application in writing, signed by such candidate and accompanied by his loyalty affidavit as prescribed by V.T.C.A., Election Code § 141.031, and filed in accordance with V.T.C.A., Election Code § 143.007, with the office of the city secretary not later than 5:00 p.m. on the forty-fifth day before the election day, shall entitle such applicant to a place on the official ballot. An application may not be filed earlier than the thirtieth day before the date of the filing deadline.</p>	<p>Charter</p> <p>Election Code §143.007</p>
<p><b>Sec. 30-7. - Official ballot.</b></p> <p>The names of all candidates for office except such as may have withdrawn, died or became ineligible, shall be printed on the official ballots without party designations in order determined in a drawing of lots conducted by the city council. All official ballots shall be printed at least twenty (20) days prior to the date of any general or special election, and early voting shall be governed by the general election laws of the state.</p>	<p>Charter</p> <p>Election Code §52.003</p>
<p><b>Sec. 30-8. - Election by majority.</b></p> <p>At any regular or special municipal election the candidates for the offices, up to the number to be elected to any one office, who shall have received a majority of votes cast in such election, shall be declared elected. If no candidate gains a majority of the vote or if a tie vote makes it impossible to determine the winning candidate, the council shall cause to be held a runoff election between the two (2) candidates with the most votes or between the two (2) candidates who have tied not earlier than the twentieth day nor later than the thirtieth day after the date the final canvass of the main election is completed. A runoff election required to be held as a result of an election held on the first Saturday in May shall be held on the next to the last or last Saturday in May.</p>	<p>Charter</p>

<p><b>Sec. 30-9. - Effect of informalities.</b></p> <p>No informalities in conducting a municipal election shall invalidate the same if it be conducted fairly and in substantial compliance with the constitution and laws of the state and the Charter and ordinances of the city.</p>	Rendered moot by case law.
<p><b>Sec. 30-10. - Officers must have paid all city obligations.</b></p> <p>No one shall serve as judge, clerk or officer in a primary election unless he has paid all obligations due the city by him, and is qualified to vote in such primary election.</p>	Charter

# City Council Agenda Item

City of Lake Jackson

**Meeting Date: 10/16/2017**

**Subject: AUTHORIZE CITY MANAGER TO ENTER INTO CONTRACT WITH JOHN D. MERCER & ASSOCIATES, INC.**

**Submitted by: Athelstan Sanchez**

**Expenditure Account:**

**Action Requested: Authorize the City Manager to enter into a contractual agreement with John D. Mercer & Associates, Inc. to execute engineering, surveying, and drafting services to analyze and design drainage improvements of willow dr., blossom, and daisy streets' conveyances and outfall structures in an amount not to exceed \$70,900: 2016 Bond Project. Terminate Contract # 16-3778-001 with Damian & Associates, Inc.**

**Alternatives:**

## **Summary of Subject:**

Please see attached " Willow\_Blossom\_Proposal\_20171010\_SIGNED " file for Damian & Associates, Inc. (D&A) proposal and " CIP38DR\_Willow\_Blossom\_2016Bond .pdf " for what was included in the budget for this project, and "Contract Agreement (Damian).pdf" for contract with Damian & Associates.

D&A came to the realization that they would not be able to get this project down in a reasonable time frame and rather than not able to deliver promised apportioned end-product at specified times, they have asked to end this contract in the better interest of the city. Hence requesting Council to terminate such contract and to award a contract to John D. Mercer & Associates, Inc. (J&D) for the continuation of engineering services to complete this project 120 calendar days after receiving the notice to proceed: February 2018. With that said, recommend that D&A not be held liable for damages more than \$70,900. This is the cost to bring this project to fruition. Recommend that such damages be worked out and relay to D&A at another time.

It is the plan for J&D to come up with the most economical and best design and deliver a set of construction plans for drainage improvements that should alleviate street flooding from occurring at a 10-yr storm event. However, if this is proven not feasible, J&D will design for a 5-year event upon approval from the City.

The attached pictures show that these areas are indeed prone to flooding from a more than frequent 5 to 10 year storm events:

\* daisy\_20aug15.pdf (10 to 25 year storm occurred on 20<sup>th</sup> Aug 2016 producing 2.41 inches / hr = 4.82 inches in 2 hours .

\* Willow\_Daisy\_04Sep03.pdf (5 to 10yr storm occurred on 4<sup>th</sup> Sep 2003 / do not have a good handle on precipitation)

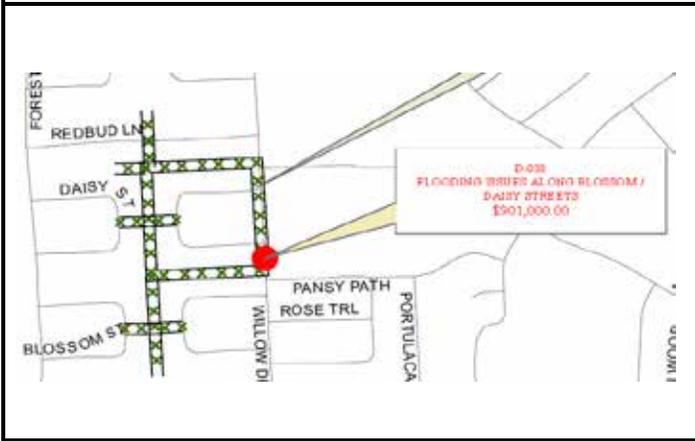
# GENERAL PROJECT FUND CIP PROJECT DETAILS

38 DR	Willow / Blossom Drainage	GO
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<b>Project Type</b>	Drainage
<b>Strategic Plan</b>	Maintain Infrastructure

Financial Plan		Projected					Total
	Prior Years	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	
Debt	No						
Design	0	200,000					
Construct	0	600,000					
Other	0						

**Description :**  
Analyze, design, and construct drainage structures within areas shown in exhibit below



Estimated Project Cost:	Original	Revised
Design	180,000	200,000
Construct	493,000	600,000
Other	-	0
<b>Total</b>	<b>673,000</b>	<b>800,000</b>

Base CCI	258	Increase	1.08
Current CCI	277.35		

**Assigned:** City Engineer

**Funding:** General Projects Fund

**Justification**

Alleviate flooding problems made known to the City by residents along Blossom St. In addition will resolve similar flooding issues but at a larger magnitude reoccurring along Daisy St. Both residential areas when flooded have water above the curbs and in areas along Daisy water have been seen far up along the driveways very near to respective homes.

**Supplemental Information:**

Activities	Quantities	Cost	Future
Surveying	10.00%	\$50,000	\$60,000
Drafting/Mapping:	2.30%	\$20,000	\$20,000
Engineering:	15.00%	\$80,000	\$90,000
H&H Analysis:	5.00%	\$30,000	\$30,000
R&R 8" Conc. Pavement (S.Y.):	245	\$20,000	\$30,000
R&R Side Walks: (L.F.):	200	\$5,000	\$10,000
R&R 10" Water Line (L.F.):	40	\$5,000	\$10,000
2 x Wet Connect (EA)	2	\$3,000	\$10,000
Add 1 x 10' x 5' RCB @ Willow Crossing (L.F.)	78	\$160,000	\$180,000
Add 1 x 36" HDPE West Side Willow (L.F.)	138	\$30,000	\$40,000
Excavate/Reshape Ditches (C.Y.)	1172.03	\$20,000	\$30,000
Slope Pave Ditches (S.Y.)	3088.872	\$160,000	\$180,000
Contingency	20.00%	\$90,000	\$100,000
	Subtotal	<b>\$493,000</b>	<b>\$590,000</b>
	Total	<b>\$673,000</b>	<b>\$790,000</b>

Glossary: R&R = Remove & Replace / H&H = Hydrologic & Hydraulics

**Impact of capital investment on operating budget:**

**Estimated Useful Life of Capital Investment:**

**CONTRACT FOR ENGINEERING SERVICES TO ANALYZE AND DESIGN  
DRAINAGE IMPROVEMENTS FOR THE  
WILLOW DRIVE, BLOSSOM STREET, AND DAISY STREET AREAS**

THE STATE OF TEXAS           §  
  §           **KNOW ALL MEN BY THESE PRESENTS**  
COUNTY OF BRAZORIA       §

THIS AGREEMENT is made by and between the **CITY OF LAKE JACKSON, TEXAS**, hereinafter jointly referred to as the "CITY," and **DAMIAN & ASSOCIATES, INC.** hereinafter referred to as "ENGINEER."

In consideration of the covenants and agreements herein contained, the parties hereto do mutually agree as follows:

1.    **TERMS OF AGREEMENT**

- 1.1.   This contract is subject to and incorporates, as if fully set forth herein, the terms and conditions of the document attached hereto and marked **Exhibit A** entitled "Terms and Conditions." All activities and transactions contemplated by this contract will be governed by this Agreement and its exhibits.
- 1.2.   This contract shall begin upon execution of this contract.
- 1.3.   Engineer will complete the services agreed to within three months of execution of this Agreement. Any delays caused by the City will not be included in the three month calculation.

2.    **SERVICES**

- 2.1    The services covered by this contract shall be performed by Engineer as provided in this agreement and as stated in the "Scope of Services," which is attached hereto as **Exhibit B** and incorporated herein for all purposes. The work may be generally described as analyzing and designing drainage improvements for Willow Drive, Blossom Street, and Daisy Street.

3.    **PAYMENTS**

- 3.1.   For the services described under **Exhibit B**, the City agrees to pay the Engineer a total fee not to exceed of \$118,018.40. The costs shall be divided as follows:

Surveying	\$44,385.40
Inspection with CCTV	\$12,323.62
Modeling of Existing Conditions	\$23,767.01
Design Improvements	\$19,267.58
Plan Preparation	\$18,274.78

- 3.2. Invoices will be submitted to the City of Lake Jackson in accordance with Exhibit A. All books, records, accounts of Engineer shall be open for inspection by the City or the City's authorized representative at all reasonable times.

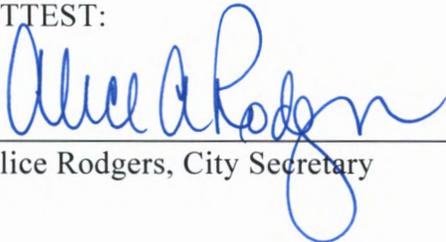
#### 4. MISCELLANEOUS PROVISIONS

- 4.1. **Venue:** Venue for any lawsuit involving this agreement shall be in Brazoria County, Texas.
- 4.2. **Choice of Law:** This contract is governed by the laws of the State of Texas.
- 4.3. **Entire Contract:** This agreement constitutes the entire agreement between City and Engineer, and all negotiations and all understandings between the Parties are merged herein. The terms and conditions of this contract specifically replace and supersede any prior discussions, terms, documents, correspondence, conversations, or other written or oral understanding not contained herein or specifically adopted by reference.
- 4.4. **Partial Invalidity:** If any term, provision, covenant, or condition of this contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.
- 4.5. **Survival:** Any provisions which by their terms survive the termination of this contract shall bind its legal representatives, heirs, and assigns as set forth herein.
- 4.6. **Assignment:** Engineer shall not assign, transfer, or encumber any right or interest in this contract, in whole or in part, without prior written approval of City.
- 4.7. **Notices:** Each formal notice required by the terms of this contract shall be in writing and sent by facsimile, telex, courier or by registered or certified mail.
- 4.8. **Benefits:** This contract shall bind, and the benefits thereof shall inure to the respective parties hereto, their heirs, legal representative, executors, administrators, successors, and assigns.
- 4.9. **Amendments:** This contract can be supplemented and/or amended only by a dated written document executed by both parties.
- 4.10. **Gender:** Words of any gender used in this contract shall be held and construed to include any other gender and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

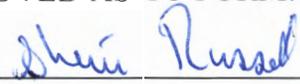
- 4.11. **Exhibits:** All exhibits described in this contract are attached hereto and incorporated herein by reference for all purposes. Exhibits attached this contract are:
- 4.11.1. Exhibit A - Terms and Conditions
  - 4.11.2. Exhibit B - Scope of Services
  - 4.11.3. Exhibit C – Conflicts of Interest
- 4.12. **Multiple Copies:** This contract may be executed in multiple counterparts each of which constitutes an original.
- 4.13. **Article and Section Headings:** The Article and Section headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this contract.
- 4.14. **Misspelled Words:** Misspelling of one or more words in this contract shall not void this contract. Such misspelled words shall be read so as to have the meaning apparently intended by the parties.

**CITY OF LAKE JACKSON, TEXAS**

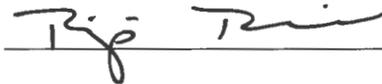
BY:   
 William P. Yenne, City Manager

ATTEST:  
  
 Alice Rodgers, City Secretary

Date Signed: 11/15/14

APPROVED AS TO FORM:  
  
 Sherri Russell, City Attorney

**DAMIAN & ASSOCIATES, INC.**  
 ("Engineer")

By:   
 Print Name: PHILLIP DAMIAN  
 Print Title: PRESIDENT

# EXHIBIT A

## TERMS AND CONDITIONS

1. **City representative.** The **Director of Engineering** for the City, and such other and additional persons as City may designate, shall be City's representative(s) and shall act for City in all matters concerning the project, including transmittal of instructions, receiving information, and interpreting and defining City policies and decisions with respect to the materials, equipment, elements, and systems of the project. City shall not be bound by the actions or representations of any other employee(s) or agent(s) of City.
2. **Submitting invoices.**
  - (a) In the event invoices are submitted or otherwise used pursuant to this contract or project, the billing party shall present invoices in the following form and content:
    - (1) Each invoice must reference the City of Lake Jackson contract or project number;
    - (2) No more than one invoice will be submitted per every thirty (30) days;
    - (3) Each invoice must have a billing number which reflects in sequence the number of invoices that have been previously submitted on the contract or project; and
    - (4) Other information required by the City.
3. **Changes in services.** City may from time to time request changes in the scope of the services of Engineer to be performed hereunder. Such changes, including any increase or decrease in the amount of Engineer's compensation, which are mutually agreed upon by and between City and Engineer shall be incorporated in written amendments to the contract. Such amendments may require approval of other agencies, departments, or governmental bodies.
4. **Personnel.**
  - (a) Engineer represents that he has, or will secure at his expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of City.
  - (b) All the services required hereunder will be performed by Engineer or under his supervision, and all personnel engaged in the work shall be authorized or permitted under state and local law to perform such services.
  - (c) No person who is serving sentence in a penal or correctional institution shall be employed on work under this contract.
5. **Compliance with Laws.** Engineer shall comply with all applicable laws, ordinances, and codes of the state, federal, and local governments and shall commit no trespass on any public or private property in performing any of the work embraced by this contract.

6. **Subcontracting.** None of the services covered by this contract shall be subcontracted without the prior written consent of City. Engineer shall be as fully responsible to City for the acts and omissions of his subcontractors, and of persons, whether directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him. Engineer shall insert in each subcontract appropriate provisions requiring compliance with the labor standards provisions of this contract.
7. **Assignment.** Engineer shall not assign, sublet, or transfer its interests in this contract (whether by assignment or novation) without the prior written approval of City; provided, however, that claims for money due, or to become due, Engineer from City under this contract may be assigned to a bank, trust company, other financial institution, or to a Trustee in Bankruptcy, without such approval. Notice of any such assignment or transfer shall be furnished promptly to City.
8. **Successors.** City and Engineer each binds itself, its successors, executors, administrators, and assigns, to the other party in respect to all covenants of this contract, unless otherwise excepted herein.
9. **No interests by parties.**
  - (a) **Members of City.** No member of the governing body of City, and no other officer, employee, or agent of City who exercises any functions or responsibility in connection with the carrying out of the project to which this contract pertains, shall have any personal interest, direct or indirect, in this contract.
  - (b) **Other local public officials.** No member of the governing body of the locality in which the project to which this contract pertains is located and no other public official of such locality who exercises any functions or responsibilities in the review or approval of the carrying out of the project shall have any personal interest, direct or indirect, in this contract.
  - (c) **Engineer.** Engineer covenants that he presently has no interest and shall not acquire any interest, direct or indirect, in the above described project, or any parcels therein, or any other interest which would conflict in any manner or degree with any of the performance of the service hereunder. Engineer further covenants that in the performance of this contract no person having any such interest shall be employed.
10. **Findings confidential.** All of the reports, drawings, maps, documentation, data, and other information prepared or assembled by Engineer under this contract are confidential, and Engineer agrees that they shall not be made available to any individual or organization without the prior written approval of City.
11. **Insurance.**
  - (a) **Types; amounts.** Engineer shall provide continuous enforcement of adequate insurance covering all employees employed by Engineer and shall keep in full force and effect during the term of this contract insurance in the following types and minimum amounts:

<u>TYPE</u>	<u>AMOUNT</u>
Comprehensive, General Liability, including contractual liability, premises/operations, and personal injury liability	<u>Bodily Injury:</u> \$250,000 per person \$500,000 aggregate  <u>Property Damage:</u> \$100,000 per occurrence \$100,000 aggregate
Workers' Compensation Employer's Liability	Statutory \$100,000
Comprehensive Automobile Liability, including owned, unowned and hired car coverage	<u>Bodily Injury:</u> \$250,000 per person \$500,000 aggregate  <u>Property Damage:</u> \$100,000 per occurrence \$100,000 aggregate
Professional Liability	\$500,000

- (b) Engineer shall attempt by reasonable diligence and in good faith to maintain and keep in force and effect liability insurance providing Engineer with professional liability coverage in a minimum sum of \$500,000.00 during the term of this contract and for a period of seven (7) years thereafter, either through an existing carrier or a carrier of comparable financial statute and reputation.
- (c) All parties to this contract understand and agree that the inability of Engineer to obtain such coverage, after having exercised reasonable diligence and its good faith effort to do so, will not result in a violation or breach of this contract by Engineer, but shall result in Engineer's obligation to indemnify City as provided in the indemnification provision contained herein.
- (d) All insurance policies, **except workers' compensation and professional liability**, shall name City and its officers, officials, and employees as additional insured if otherwise allowed by law. All insurance policies shall be subject to the examination and approval of City for adequacy as to form and content, form of protection, and insurance company. Engineer shall furnish to the risk manager of City certificates or copies of the policies, plainly and clearly evidencing such insurance, within thirty (30) days after execution of the contract and thereafter new certificates or policies prior to the expiration date of any prior certificate or policy.
- (e) Engineer understands that it is his sole responsibility to provide this necessary information and that failure to timely comply with the requirements of this section shall be a cause for termination of the contract or for the application of the indemnity provision contained herein should City choose not to terminate the contract.
- (f) Engineer shall maintain said insurance with insurance underwriters authorized to do business in the State of Texas satisfactory to City. All policies or certificates required herein shall also state that such insurance shall not be canceled or changed in limits by endorsement without a minimum of ten (10) days' advance notice in writing to City.

- (g) If requested by the City, Engineer shall provide the City with information and documents on the insurance maintained by any subcontractors to Engineer.

## **12. Indemnity.**

**IF THE ENGINEER FAILS TO PROVIDE INSURANCE IN ACCORDANCE WITH THE INSURANCE PROVISIONS OF THIS CONTRACT, THE ENGINEER AGREES TO ASSUME FULL RESPONSIBILITY AND LIABILITY FOR THE WORK PERFORMED UNDER THIS CONTRACT AND HEREBY AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND THE CITY OF LAKE JACKSON, ITS OFFICERS, AND EMPLOYEES FROM ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER ARISING FROM THE PERSONAL INJURY OR DEATH OF THE ENGINEER OR AN OFFICER, AGENT, OR EMPLOYEE OF THE ENGINEER CAUSED BY OR ALLEGED TO BE CAUSED BY, OR ARISING OUT OF OR ALLEGED TO ARISE OUT OF, THE NEGLIGENCE OF THE ENGINEER OR AN OFFICER, AGENT, OR EMPLOYEE OF THE ENGINEER IN CONNECTION WITH THIS CONTRACT OR THE ACTIVITIES TO BE PERFORMED HEREUNDER. THE ENGINEER SHALL FURTHER INDEMNIFY AND HOLD HARMLESS THE CITY OF LAKE JACKSON, ITS OFFICERS, AND EMPLOYEES FROM ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION OF EVERY KIND AND CHARACTER ARISING FROM THE ACTIONS OF THE ENGINEER OR AGENTS OR EMPLOYEES OF THE ENGINEER CAUSED BY OR ALLEGED TO BE CAUSED BY, OR ARISING OUT OF OR ALLEGED TO ARISE OUT OF, THE NEGLIGENCE OF THE ENGINEER OR AN OFFICER, AGENT, OR EMPLOYEE OF THE ENGINEER IN CONNECTION WITH THIS CONTRACT OR THE ACTIVITIES TO BE PERFORMED HEREUNDER.**

**13. Waiver of Subrogation.** The Engineer further agrees to waive any and all claims and suits covered by this indemnity provision and agrees that any insurance carrier involved shall not be entitled to subrogation under any circumstances against the city, its officers, agents, or employees. **Workers' compensation and employer's liability insurance policies will provide a waiver of subrogation in favor of the City.**

**14. Engineer as independent contractor.** In the performance of the professional services required by this contract, Engineer is and shall be deemed to be an "independent contractor," not an agent, servant, or employee of City. Likewise, employees of Engineer are not the agents, servants, or employees of City. It is mutually agreed that nothing contained herein shall be deemed or construed to constitute a partnership or joint venture between Engineer and City.

**15. Offset of Other Debts Against City.** Engineer agrees that City is entitled to counterclaim and offset against any debt, claim, demand, or account owed by City to Engineer, pursuant to this contract, for any debt owed to City, other than for arrearage of taxes. City may withhold from payment under this contract an amount equal to the total amount of debts owed to City by Engineer. City may apply the amount withheld to the debts owed to City by Engineer until said debts are paid in full.

## **16. Termination of Contract.**

- (a) For cause. If, through any cause, Engineer shall fail to fulfill in timely and proper manner his obligations under this contract, or if Engineer shall violate any of the covenants, agreements, or stipulations of this contract, City shall thereupon have the right to terminate this contract by giving written notice to Engineer of such termination and specifying the effective date thereof, at least five

- (b) (5) days before the effective date of such termination. In the event of termination for cause, all finished or unfinished documents, drawings, data, studies, and reports prepared by Engineer under this contract or prepared by any subcontractor of Engineer shall be the sole property of City, but Engineer shall be entitled to receive equitable compensation for any satisfactory work completed on such documents, drawings, data, studies, and reports.
- (c) Offset for damages. Notwithstanding the above, Engineer shall not be relieved of liability to City for damages sustained by City by virtue of any breach to the contract by Engineer, and City may withhold any payments to Engineer for the purpose of offset until such time as the exact amount of damage due to City from Engineer is determined.
- (c) For convenience of City. City may terminate this contract at any time and for any or no reason by a notice in writing from City to Engineer. Written notice shall be deemed to have been duly served if delivered in person, or sent by registered or certified mail, to the last business address of Engineer known to City.
- (d) Compensation for services performed. If the contract is terminated by City as provided herein, Engineer shall be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of Engineer covered by this contract, less payments of compensation previously made; provided, however, that if less than sixty percent (60%) of the services covered by the contract have been performed upon the effective date of such termination, Engineer shall be reimbursed (in addition to the above payment) for that portion of the actual out-of-pocket expenses (not otherwise reimbursed under the contract) incurred by Engineer during the contract period which are directly attributable to the uncompleted portion of the services covered by this contract. If this contract is terminated due to the fault of Engineer, paragraph (a), hereof relative to termination, shall apply.
- (e) In the event this contract is terminated for any reason, all finished or unfinished documents, drawings, data, studies, and reports prepared by Engineer under this contract or prepared by any subcontractor of Engineer shall be the sole property of City, but Engineer shall be entitled to receive equitable compensation for any satisfactory work completed on such documents, drawings, data, studies, and reports as provided in (d).

## **EXHIBIT B**

### **SCOPE OF SERVICES**

Engineer will perform a physical survey and inspection of the watershed for the Willow-Blossom-Daisy area to develop an accurate topographic surface of the runoff area and existing storm water infrastructure. If approved by the City Engineer, Engineer will use CCTV to inspect the Hyacinth Street subsurface. Engineer will then develop a model in AutoCAD Civil 3D Storm and Sanitary Analysis to replicate the extent of flooding observed and general behavior of the system with rainfall inputs of similar intensity-duration to those which have been known to cause over-capacity in the past. Finally, Engineer will propose solutions that can be modeled and that are meant to eliminate the past flooding conditions for at least a two-year storm. Engineer will strive to provide designs that eliminate flooding from 5 – and 10-year storm events. After the City chooses the solution, Engineer will prepare a full set of pre-construction bid plans.

Specific deliverables and details can be found in the proposal submitted by Engineer, dated November, 1, 2016.

# CONFLICT OF INTEREST QUESTIONNAIRE

# FORM CIQ

## For vendor doing business with the City of Lake Jackson

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This form is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a relationship as defined by Section 176.001(1-a) with a City of Lake Jackson employee or officer and the vendor meets requirements under Section 176.006(a).

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

**If there is no relationship, write your business name in Box 1, write N/A in Box 3, and sign the form.**

<b>OFFICE USE ONLY</b>
Date Received  <i>11-11-14 ME</i>

1 Name of vendor.

DAMIAN & ASSOCIATES, INC.

2  Check this box if you are filing an update to a previously filed form. (You must file an updated form with the City Secretary within 7 days of discovering that the original form is incomplete or inaccurate.)

3 Name of City of Lake Jackson officer or employee with whom the vendor has a family, business, or employment relationship.

N/A

Name of Officer

This section (item 3 including subparts A, B, C, & D) must be completed for each officer with whom the vendor has an employment, family or other business relationship. Attach additional pages if necessary.

A. Is the City of Lake Jackson officer or employee receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes       No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the City of Lake Jackson officer or employee AND the taxable income is not received from the City of Lake Jackson?

Yes       No

C. Does the City of Lake Jackson officer or employee serve as an officer or director, or hold an ownership interest of one percent or more, in the vendor's company?

Yes       No

D. Describe each employment, family, or business relationship the vendor has with the City of Lake Jackson officer or employee.

DAMIAN & ASSOCIATES, INC.

*By: [Signature]*  
Vendor Signature

11/11/2014

Date

# CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.  
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

## OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:  
2016-135706

Date Filed:  
11/11/2016

Date Acknowledged:

**1 Name of business entity filing form, and the city, state and country of the business entity's place of business.**

Damian & Associates, Inc.  
Freeport, TX United States

**2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.**

City of Lake Jackson, Texas

**3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.**

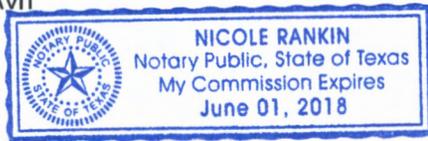
16-3778-001  
Surveying and Engineering

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

**5 Check only if there is NO Interested Party.**



**6 AFFIDAVIT**



I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

*DAMIAN & ASSOCIATES, INC.*

*By: [Signature]*

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said Phillip Damian, this the 11<sup>th</sup> day of November, 2016, to certify which, witness my hand and seal of office.

*[Signature]*

Signature of officer administering oath

*Nicole Rankin*

Printed name of officer administering oath

Title of officer administering oath



City of Lake Jackson  
Engineering Department  
25 Oak Drive  
Lake Jackson, TX 77566

November 1, 2016

Attn: Athelstan Sanchez, Assistant City Engineer

**Subject: Proposal for Engineering, Surveying and Drafting Services to Analyze Design Drainage Improvements of Willow Dr., Blossom St., and Daisy St. Conveyances and Outfall Structures 2016 Bond Project # 17-01-1920**

Damian & Associates, Inc. is pleased to provide this Scope, Time and Materials-based proposal for the following services pertaining to the Willow-Blossom-Daisy Drainage project. All described quantities and procedures are based on discussions that occurred on May 27 and October 17, 2016 in meetings between City of Lake Jackson Engineering representatives and D&A staff. D&A also conducted an independent site investigation on October 24, 2016 to validate the methodologies and extent of the proposed surveying and engineering scope.

**Description**

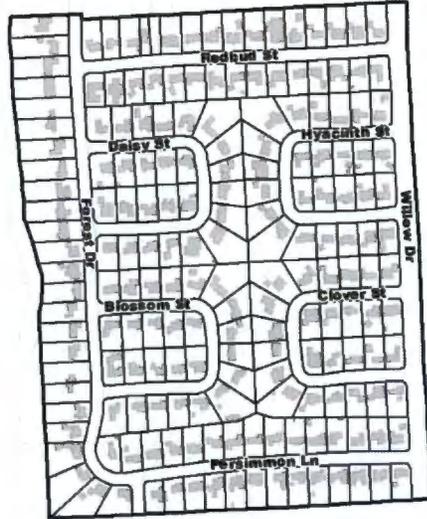
The project area contains an approximate 85-acre watershed which discharges to a known over-capacity stormwater system. The primary means of conveyance across the drainage area includes curb and gutter (similar to TxDOT Type I) leading to a central network of swales which discharge to a stormwater collector pipe along the west side of Willow Drive, then to a paved Willow Dr. Baptist Church Ditch (along the south sides of Willow Drive Baptist Church / Brazos Christian School) and Friedrich Ditch (along the east side of the School) and ending at Oyster Creek. Portions of Redbud, Persimmon and Clover discharge away from the project area to separate stormwater collection systems.

During rainfall events of significant intensity-duration, the system has been observed to surcharge into Daisy St and the northern and easternmost portions of Blossom St, overflowing into the adjacent yards and threatening to flood nearby homes.

The intent of this project, therefore, is to design drainage structures or other improvements to the existing stormwater collection system to alleviate flooding problems along Blossom, Daisy and Willow Drive.



**Project Area**



**Generalized Existing Drainage**





### Scope of Services

The project is comprised of several tasks to be conducted in sequence, the first of which is to perform physical survey of the project area for the purpose of developing an accurate topographic surface of the runoff area and existing stormwater infrastructure. Next, a model will be developed in AutoCAD Civil 3D Storm and Sanitary Analysis which replicates the extent of flooding observed and general behavior of the system with rainfall inputs of similar intensity-duration to those which have been known to cause over-capacity in the past. Lastly, solutions will be presented which when added to the stormwater model are observed to improve the performance of the existing stormwater system. All potential system improvements will be presented to the City, and when the most desirable improvement or combination is decided upon, D&A will prepare a full set of pre-construction bid plans.

### Survey & Inspection

D&A proposes to perform cross-sections of roads and swales at every parcel, or roughly every 100-ft, as well as finish floor elevations of all residences within the project area.

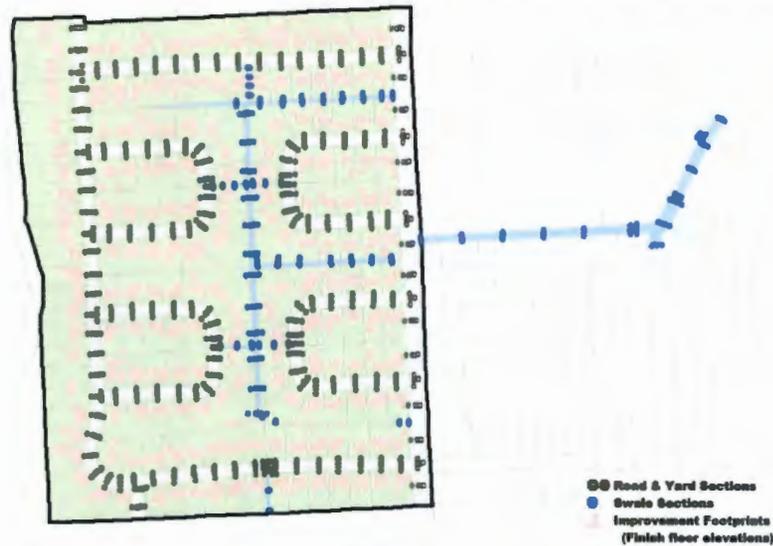
- Sections at roads should include surveyed elevations at the crown, both gutters at the curb face, at a location in each opposite yard where the grade breaks toward the road (roughly at the first seam of the driveway apron) and at natural ground nearest the building structures.
- Sections at swales and ditches should include elevations at the flow line, bottom and top of cross slopes, and at the bordering fence lines.
- Sections of the paved Willow Dr. Baptist Church and Friedrich Ditches are proposed at every other parcel along the south and east sides of the ditches, or roughly every 200-ft, due to the uniformity of cross section and slope.
- Finish floor elevations should be surveyed at the garage of residences where the garage is attached and the foundation is monolithic, or at the front door of residences where the garage is detached.

All cross-section survey shall be performed using a Total Station and shall tie to the City's established control elevations. Finish floors shall be measured using an optical level.

For all other areas - i.e. the side and back yards of all residential parcels - D&A proposes to integrate the City's 1-ft LiDAR contours with the high-resolution cross-sections described above. These contours should be sufficient to characterize the sheet flow to points of concentration within the curbs and swales, and it avoids the time-consuming and costly tasks of sending landowner notifications, gaining access permissions and setting exponentially more controls due to line-of-sight obstructions of houses and privacy fences.



**Proposed Surface Survey**



In addition, D&A proposes to survey, measure and inspect all subsurface stormwater infrastructure facilities and components that are a part of or attached to the primary conveyance system described above. Specifically:

- Surveying location, elevation and dimension of all inlets, boxes, culverts, headwalls, storm drains, piping and pertinent road crossing(s) structures, including pertinent storm sewers along Willow Drive.
- Lamping, photographing and/or video recording the storm sewer pipe for the purpose of identifying any existing under-performing components or defects such as root or groundwater infiltration, sedimentation or debris blockage, or joint or gasket misalignment or gaps.

D&A notes one exception involving the  $\pm$  850-ft HDPE 24" pipe which follows the southern portion of Hyacinth St (see "Generalized Existing Drainage" above) and which is known to have at least four 45° bends with no intermediate cleanouts or other structures at changes in alignment. Additionally, the tie-in from this pipe to the RCP along Willow Dr occurs at a point approximately 10'-20' upstream from the manhole. These considerations limit the effectiveness of lamping and the accessibility and maneuverability of a crawler-mounted CCTV inspection. Therefore, two alternatives are proposed with regard to this line, with costs separately itemized from the proposed inspection of the remainder of the system:



- Option 1 is a Subcontracted CCTV inspection with City Public Works' assistance in performing at least two (2) point excavations to allow a crawler and camera access at the 45° bends via penetrations through the top of the pipe. The City may also install stub-outs attached to the saddle repairs to afford easier future inspection and cleaning.
- Option 2 is a flow test with the Fire Department's assistance to infer whether a blockage exists which affects the flow capacity of the pipe.

In an effort to avoid excessive or unnecessary labor, locating and surveying property corners and/or 811 utilities will not be a focus of the surface and infrastructure survey. Once the system is successfully modeled and potential areas for renovation or other construction are identified, surveyors will be deployed to locate only the corners of properties adjacent to the affected easements or rights-of-way. D&A will reference maps of City utilities in designing proposed construction, however it shall be the responsibility of the Contractor to verify all utilities in the work areas.

### **Modeling**

#### **Existing Conditions**

D&A shall construct a Civil 3D model using the results of the survey described above, and said model shall replicate with reasonable accuracy the performance and limitations of the existing system.

The City possesses photographic documentation of the locations most susceptible to flooding and the extents of such inundation during recent significant rainfall events. The frequency of these storms can be deduced by referencing NOAA Station WBAN: 12976 at the Texas Gulf Coast Regional Airport and the hourly precipitation recorded in the local climatological data inventory for the documented storm event date ranges (post-2005).

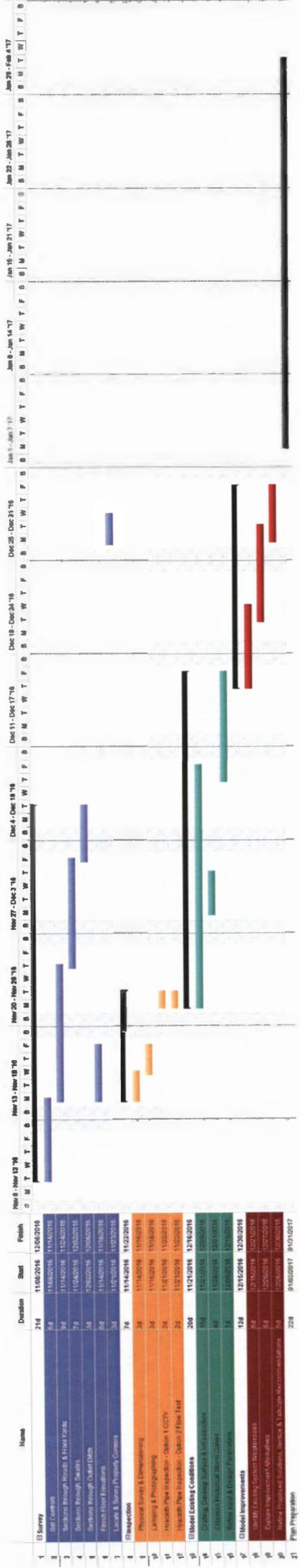
D&A shall confer with City Engineering throughout the development of the model to ensure all constraints, coefficients and other design criteria are accurate and representative of the existing system.

#### **Improvements & Design Storm Events**

D&A shall propose as many solutions, designs or improvements as are practicable which can be modeled independently and/or in combination to eliminate the observed flooding conditions when subjected to storms of known historical frequency and no less significant than a 2-year storm. Designs which successfully attenuate a modeled 5- or 10-year frequency storm across the entire drainage area are preferred.



Solutions may include cleaning, rehabilitating, regrading or expanding existing facilities, replacing pipe, inlets or other drainage elements, or installing new facilities, swales or detention. Design options shall be evaluated by a number of factors, including cost of construction and maintenance, effectiveness in utilizing available capacity and distributing system loads, and the highest frequency-intensity-duration event of serviceable performance. D&A shall prepare tabulated comparisons of any proposed solutions at the City's request.



Task ID	Task Name	Start	Finish
1	Survey	11/08/2016	11/08/2016
2	Site Control	11/14/2016	11/14/2016
3	Site Work	11/14/2016	11/14/2016
4	Site Work	11/14/2016	11/14/2016
5	Site Work	11/14/2016	11/14/2016
6	Site Work	11/14/2016	11/14/2016
7	Site Work	11/14/2016	11/14/2016
8	Site Work	11/14/2016	11/14/2016
9	Site Work	11/14/2016	11/14/2016
10	Site Work	11/14/2016	11/14/2016
11	Site Work	11/14/2016	11/14/2016
12	Site Work	11/14/2016	11/14/2016
13	Site Work	11/14/2016	11/14/2016
14	Site Work	11/14/2016	11/14/2016
15	Site Work	11/14/2016	11/14/2016
16	Site Work	11/14/2016	11/14/2016
17	Site Work	11/14/2016	11/14/2016
18	Site Work	11/14/2016	11/14/2016
19	Site Work	11/14/2016	11/14/2016
20	Site Work	11/14/2016	11/14/2016
21	Site Work	11/14/2016	11/14/2016

21 Final Preparation



**Engineer’s Project Packages Deliverables**

- Existing condition drawings showing storm sewers, swales / ditches, crossing structure(s), and etc.
- Drainage Area Map drawing to include drainage areas, hydrological models layout(s), and Hydraulic / Hydrologic tabulations
- Design and detail construction drawings for:
  - (1) installation and / or addition of proposed drainage structures,
  - (2) utility line relocation and retie-in as required,
  - (3) excavation of ditches and/or ditch slope paving / modifications as required,
  - (4) street pavement repairs, structure head wall, and structure handrail (if applicable) modifications and/or installation at each street crossing or where applicable,
  - (5) sidewalk modifications
- Provide 1 set hard copy reproducible and e-file (with model space referencing NAD 83 datum and paper / layout spaces adhering to proper layering scheme). Construction drawings shall include cover sheet, construction notes, vicinity map, plan and profile sheets, construction details, bench marks' locations sheet, and pollution prevention plan
- Provide an itemized bid schedule / quantities sheets and take offs
- Documentation of photos and/or videos as by-products from the survey and CCTV inspections

**Engineering Fee and Time of Completion**

The below cost estimates are calculated using (1) the unit rates included in the D&A City of Lake Jackson Service Fee Schedule effective May 25, 2016 and attached to this proposal and (2) the working timeframes estimated in the Schedule above.

D&A will commence work on this project within one (1) day of receiving authorized notice to proceed and plans to complete services three (3) months thereafter, pending changes according to the City Engineer’s review and comments.

	Duration	Cost
<b>Survey</b>		
3-Person Crew, Senior Survey Tech, daily mileage, daily Total Station and Data Collector		
Set Controls	5 days	\$ 6,421.10
Survey Roads & Front Yards	9 days	\$ 12,764.28
Survey Swales	7 ½ days	\$ 10,605.90
Survey Outlet Ditch	3 days	\$ 4,389.36
Survey Finish Floors	5 days	\$ 6,169.20
Locate & Survey Property Corners	3 days	\$ 4,035.56
<b>Subtotal Survey</b>		<b>\$ 44,385.40</b>



**Inspection**

Subsurface & Inlet Survey	3 days	\$ 3,930.56
Subsurface Lamping & Photographing	3 days	\$ 3,930.56
Hyacinth Subsurface OPTION 1 CCTV (Private Contractor costs only)	1 day	\$ 4,462.50
Hyacinth Subsurface OPTION 2 Flow Test (Private Contractor costs only)	1 day	\$ 1,920.00
<b>Subtotal Inspection (Includes Option 1 only)</b>		<b>\$ 12,323.62</b>

**Model Existing Conditions**

CADD Operator, Professional Engineer

Drafting, Develop Surface & Infrastructure	15 days	\$ 12,460.08
Establish Historical Storm Curves	4 days	\$ 3,230.72
Refine Input & Design Parameters	7 days	\$ 8,076.21
<b>Subtotal Model Development</b>		<b>\$ 23,767.01</b>

**Design Improvements**

Identify Existing System Weaknesses	5 days	\$ 5,768.72
Explore Improvement Alternatives	6 days	\$ 6,922.46
Refine Solutions, Itemize & Tabulate Recommendations	5 days	\$ 6,576.40
<b>Subtotal Design Improvement</b>		<b>\$ 19,267.58</b>

**Plan Preparation**

22 days \$ 18,274.78

**Bid Total** \$ 118,018.40

DAMIAN & ASSOCIATES, INC.

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Johnson  
Date: 2016.11.02 15:21:21  
-05'00'

David Johnson, PE, Chief Operations Officer

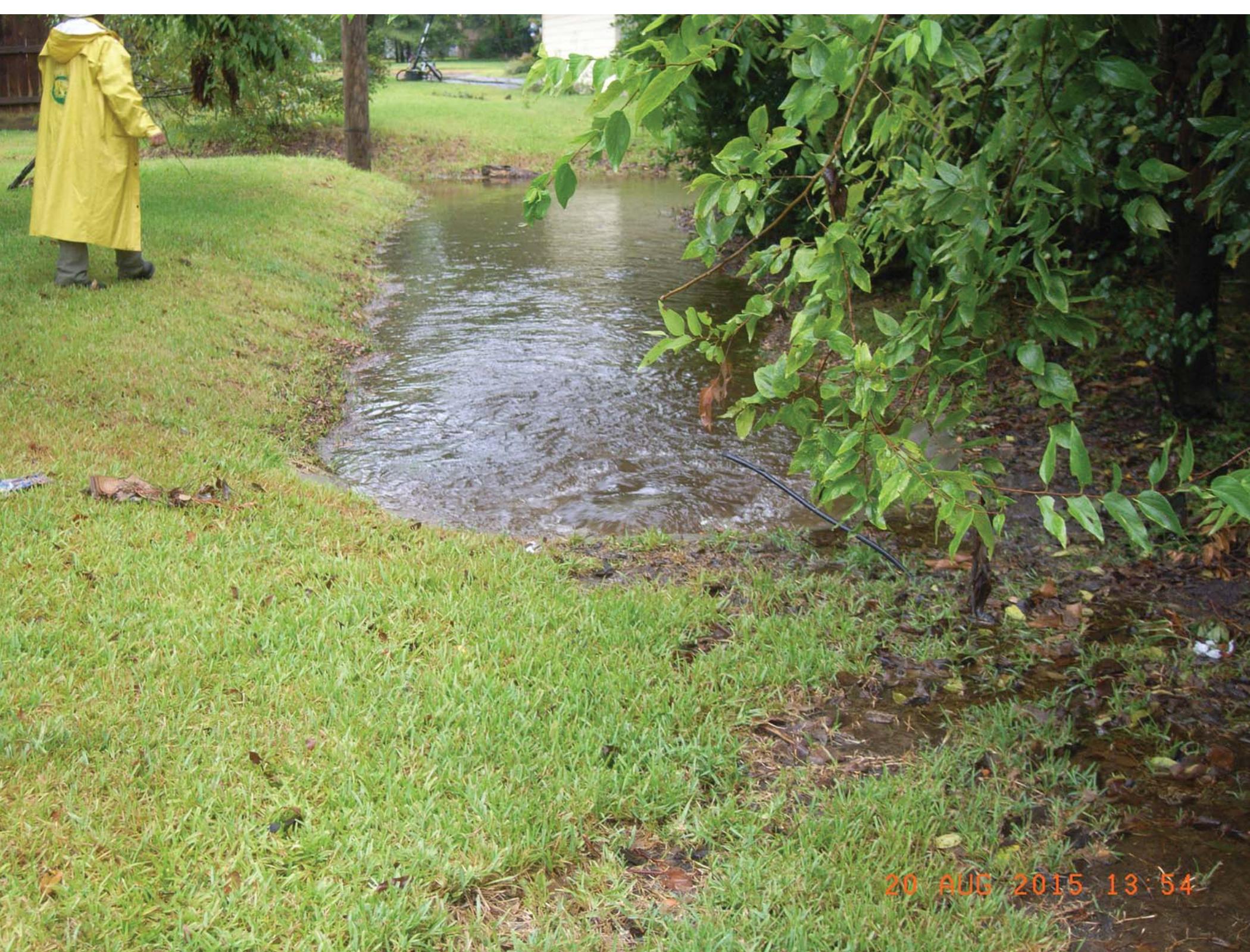
November 1, 2016



20 AUG 2015 13:50



20 AUG 2015 13:53



20 AUG 2015 13:54

# *JOHN D. MERCER & ASSOCIATES, INC.*

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*John D. Mercer, P.E., President*

*Consulting Engineers*

October 10, 2017

City of Lake Jackson  
Attn: Athelston Sanchez, P.E.  
25 Oak Drive  
Lake Jackson, TX 77566

RE: Proposal for Engineering Services  
Continuation of Drainage Improvements for the Willow Dr., Blossom St., and Daisy St.  
Drainage Areas Project

Dear Sir:

John D. Mercer & Associates, Inc. is pleased to present this proposal to the City for the design of drainage improvements in the Lake Forest Subdivision in the City of Lake Jackson. The proposed improvements are intended to alleviate flooding along Daisy Street and Blossom Street, and prevent over topping of drainage conveyances for the 10-year rainfall event. If designing for the 10-year is proven not feasible, then design will be for the 5-year event upon approval from the City.

The proposal scope of services will include, but not be limited to the following:

1. Collection of field information as required to adequately determine existing conditions, design improvements and prepare construction documents.
2. Perform analysis of proposed alternative improvements as required to determine the most economical method of achieving the most effective improvement to the drainage.
3. Prepare drainage area mapping with hydrology.
4. Prepare hydraulic tabulations of proposed alternative designs on 24" x 36" sheet.
5. Prepare construction ready plans of the selected improvements.
6. Prepare a "take-off" of construction bid quantities.
7. Prepare a cost estimate of the proposed improvements.
8. Prepare an estimated project time for completion.
9. Assist the City with the bidding process to include providing answers to bidders' questions.
10. Provide completed plan sheets in printed format and in digital format as City may require.
11. Review work product with City staff at appropriate intervals.
12. Provide layout controls for construction.

The above scope of services is offered to the City for a total cost not to exceed \$70,900. Payment for services will be monthly, based on the estimated percentage of the total work effort completed through the end of each month.

S:\Proposals\2017\Lake Jackson Drainage\Proposal\Letter of Interest.docx

If services are required during the bidding and award of the project or during project construction, such services as may be authorized by the City will be invoiced on an hourly basis in accordance with the attached schedule of hourly rates for various personnel.

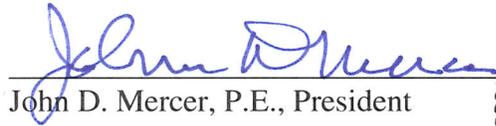
Should John D. Mercer & Associates, Inc. be selected for this project we can have a 95% set of completed plans to the City for review within 120 calendar days beginning one (1) business day of receiving an authorized notice to proceed. I look forward to working with the City to complete this much needed project.

Breakdown of engineering fees:

Field Surveying	\$16,600
Hydrology & Hydraulic Analysis	\$18,000
Design Improvements	\$10,600
Plan Preparation	\$23,000
Construction Control Layout	\$ 2,700
(NOT TO EXCEED)	<u>\$70,900</u>

Sincerely,

JOHN D. MERCER & ASSOCIATES, INC.

  
John D. Mercer, P.E., President



JDM/lm

Attachment

**JOHN D. MERCER & ASSOCIATES, INC.**

Consulting Engineers  
118 E. Main St., Edna, Texas 77957

**SCHEDULE OF HOURLY CHARGES BY  
PERSONNEL CLASSIFICATION  
EFFECTIVE November 1, 2016**

The per diem and miscellaneous expense charges for Engineering, Drafting, Surveying, and Planning Services are based on the following hourly or daily rates:

Engineering, Planning:

Principal of Firm (PE5).....	\$180.00/hr.
Associate Engineer, Planner IV (PE4).....	\$156.00/hr.
Associate Engineer, Planner III (PE3).....	\$130.00/hr.
Associate Engineer, Planner II (PE2).....	\$118.00/hr.
Associate Engineer, Planner I (PE1).....	\$113.00/hr.
Engineer, Planner III (EIT3).....	\$103.00/hr.
Engineer, Planner II (EIT2).....	\$92.00/hr.
Engineer, Planner I (EIT1).....	\$83.00/hr.
Engineer Tech IV (ET4).....	\$103.00/hr.
Engineer Tech III (ET3).....	\$91.00/hr.
Engineer Tech II (ET2).....	\$76.00/hr.
Engineer Tech I (ET1).....	\$70.00/hr.
Construction Observer II.....	\$81.00/hr.
Construction Observer I.....	\$68.00/hr.
Administrative Assistant.....	\$52.00/hr.

Drafting, CADD:

CADD Operator III.....	\$68.00/hr.
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Survey:

Professional Surveyor.....	\$151.00/hr.
Director of Survey Parties.....	\$119.00/hr.
Field Crew (2 man).....	\$146.00/hr.
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GPS & Field Crew (1 man).....	\$139.00/hr.
GPS & Field Crew (2 man).....	\$216.00/hr.
GPS & Field Crew (3 man).....	\$233.00/hr.

Expenses:

Transportation - current IRS mileage rate  
Reproduction work - prevailing commercial rates  
Subcontractors, Consultants, etc. - cost plus 10% handling  
All other expenses - cost plus 10% handling

Charges are due and payable within twenty (20) days after receipt of the invoice. Late payments may be charged an interest rate of 1.0% per month of the unpaid balance.



Scale: 1" = 100'

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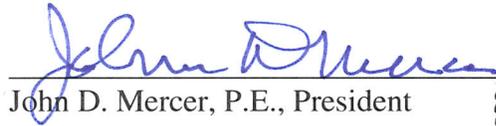
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# City Council Agenda Item

City of Lake Jackson

**Meeting Date:** 10/16/2017

**Subject:** STATUS OF DRAINAGE IN THE  
PARKWOOD S/D NEAR MOSS, CHESTNUT,  
AND PALM LANE

**Submitted by:** Athelstan Sanchez

**Expenditure Account:**

**Action Requested:**  
**Alternatives:**

**Summary of Subject:**

Phase I:

Yet to reschedule another time to do a presentation on Phase 1 to council.

Phase II;

FNI is on track working on the Hydrology & Hydraulic for this Phase. Will be delivering gage data taken along Oyster Creek during the 2016 May-June Brazos River Overflow and similar obtained during recent TS Harvey and Brazos River Overflow. Will also deliver "Mammoth Lake bathymetry" and clarify information of a list of data FNI submitted.

Phase III:

Will touch base with Clute's Public Works Director sometime next week to discuss FNI's proposed survey plan so can give feedback to FNI for them to update scope and fee to our Cities in October. Thereafter work on getting a contract, between the Cities of Clute & Lake Jackson and FNI, for this Phase.

See attached "LJN16461\_20171011\_OnePageReport.pdf" file for the status report from FNI.

<b>CLIENT NAME:</b>	City of Lake Jackson, TX	<b>DATE:</b>	10/11/2017
<b>PROJECT NAME:</b>	Lake Jackson Drainage Study	<b>PROJECT NO.:</b>	LJN16461
<b>TO:</b>	Athelstan Sanchez	<b>PERIOD COVERED:</b>	October
<b>FROM:</b>	Ashley Poe	<b>CC:</b>	

## PROJECT UPDATES

### *Phase 2*

- Work has continued on the H&H task.
- FNI submitted a list of data clarification requests to the City on 10/06/2017.

## UPCOMING ACTIVITIES

### *Phase 2*

- Complete the hydraulic model and QC.
- Meet with the City after the H&H results are finalized to discuss locations where alternatives will be developed.

## PROJECT SCHEDULE AND UPCOMING DELIVERABLES

### *Phase 2*

- H&H task is in progress.

### *Phase 3*

- FNI is waiting to receive feedback on the survey for Phase 3. As soon as it is received, we can provide an updated scope and fee to the City.

## OUTSTANDING ISSUES OR INFO NEEDS

- FNI is waiting to receive the following data from the City:
  - Gage data for the Brazos River Overflow event
  - Mammoth Lake bathymetry
  - Hurricane Harvey rain gage data
  - Responses to data clarification requests
  - Feedback on Phase 3 survey

# ENGINEERING DEPARTMENT

25 Oak Drive  
Lake Jackson, Texas 77566

## Project Updates:

October 16, 2017

### Downtown Revitalization – South Parking Place Phase (Carriage Square)

Project #15-04-1976

Engineer: Baker & Lawson

Contractor: Matula & Matula

*(previous update)*

*The first pour is complete and concrete test results are expected September 27<sup>th</sup>. The second pour is scheduled for September 29<sup>th</sup>. The second pour will complete the street pavement replacement scheduled for Phase 1. The pavers and curbs will be installed as soon as the concrete tests show that the concrete is strong enough to support vehicles.*

**The pavement tests are showing that the concrete is gaining strength properly. The first pour is ready for traffic with the second pour expected to be strong enough by the end of the week. The contractors fell short of completing the Phase 1 pavement with two pours, so a third pour is scheduled for this week with pavers and curb placement next week.**

Anticipated Start Date: June 1, 2017

Anticipated Completion Date: To Be Determined

Bid Amount:

Change Order:

### North Sanitary Sewer System Extension from North Water Plant to Existing Wastewater Treatment Plant and Lift Station No. 25 Force Main Pipe Replacement Installation to WWTP

Project # 15-06-334

Engineer: Ince Engineering

Contractor: Matula & Matula

*(previous update)*

*The recent flood stopped this project cold, but it has once again started moving forward. CenterPoint has installed the meter for the lift station under the high line crossing SH 288. A start-up of the pumps is being scheduled for next week. We are currently working with TDCJ to repair the fences that were damaged at Jackson Oaks I & II during the sand bag efforts. Once we have started this project we will approach the Warden about fencing the solar panel and sewer meter.*

**The pump start-up went well, so the contractor has substantially completed the project. We will start the fence replacement work at the Jackson Oaks subdivisions this week, so a meeting with the warden to get permission to fence the solar panel will be set as soon as possible.**

Anticipated Start Date: December 26, 2016

Anticipated Completion Date:

Bid Amount: \$4,014,801.09

Change Order:

### Plantation Drive West Bound Bridge

Project # 16-08-1405

Engineer: LJA Engineering

Contractor:

*(previous update)*

*Our recent visit from Mr. Harvey put a damper on the plans to submit the final package for bids before this meeting.*

*In the best interest of the City we will defer submitting the plans for bids so staff has adequate time to review the package properly. The final package will be reviewed, and the bid package is expected to be released before the next council meeting.*

**LJA has the final review of the plans and bid documents. With minimal revisions, we expect to have the paperwork back very soon.**

Anticipated Start Date:  
Bid Amount: \$95,000.00 (LJA)

Anticipated Completion Date:  
Change Order:

**Brazos Canal Structure Mitigation Improvements**

**Project # 16-09-1435**

**Contractor: Matula & Matula**

*(previous update)*

*The local TxDOT office has released the project. Now we need the official release from the Houston office.*

The ineffectual and inept TxDOT bureaucracy is staying the course. Our next step is to use strong arm tactics with political persuasion from our mayor through our local representative.

Anticipated Start Date:  
Bid Amount: \$35,712.80

Anticipated Completion Date:  
Change Order:

**Traffic Signal at Oak Drive and Circle Way**

**Project # 16-10-1684-A**

**Oak Drive & Circle Way Intersection Right Turn Channelization Improvements**

**Project # 16-10-1684-B**

**Engineer: Brown & Gay**

**Contractor (A): Statewide Traffic Signal**

**Contractor (B): Tex-Con Services**

*(previous update)*

*As you have seen, the pavement work is coming along rapidly, and work will now begin on the sidewalks around the two turning lanes that have already been started. CenterPoint did not come through in time to relocate the switch pole and allow the contractors to keep up their pace. We will try to explain to CenterPoint supervisors that their lack of diligence is stopping yet another Lake Jackson infrastructure project.*

The project has moved forward as far as it can without CenterPoint removing and relocating the switch pole. The contractor has no other choice but to shift their focus to another project and return when the pole has been relocated.

Anticipated Start Date: January 16, 2017  
Bid Amount: \$53,439.00 (B&G)

Anticipated Completion Date: December 2017  
Change Order:

**2016 Bond Project Willow, Blossom & Daisy Improvements (CIP 38DR)**

**Project # 17-01-1920**

**Engineer: Damian & Associates**

**Contractor:**

Progress Report:

	Proposal Schedule			Actual Status
	Duration	Start	Finish	
<b><u>Survey</u></b>				
Set Controls	5 days	11/08	11/14	Complete
Survey Roads & Front Yards	9 days	11/14	11/24	Complete

**PROJECT TEMPORARILY AT A STAND STILL**

THE ENGINEER CONCLUDED THAT HE HAS NOT BEEN AND WILL NOT BE ABLE TO DEVOTE AMPLE TIME ON THIS PROJECT DUE TO BEING PREOCCUPIED WITH OTHER DEMANDING JOB SO WANTS TO GIVE UP AT LEAST THE ENGINEERING ANALYSIS AND DESIGN PORTION OF THIS PROJECT.

MY OPTIONS TO GET THIS PROJECT MOVING NO LATER THAN 6<sup>TH</sup> SEPTEMBER, 2017:

- Assume that role and work with the firm's drafting department to bring this project to fruition and bid out before the ending of calendar year 2017
- Solicit another engineering firm to pick up the torch and get this project bid out before the ending of calendar year 2017

Survey Swales  
 Survey Outlet Ditch  
 Survey Finish Floors  
 Locate & Survey Property  
Inspection  
 Subsurface & Inlet Surveys  
 Subsurface Lamping & PH  
 Hyacinth Subsurface OPT  
 Hyacinth Subsurface OPT

**Model Existing Conditions**

Drafting, Develop Surface & Infrastructure	15 days	11/21	12/09	Complete
Establish Historical Storm Curves	4 days	11/28	12/01	Complete
Refine Input & Design Parameters	<del>7 days</del>	<del>12/08</del>	07/19	In Progress

**Design Improvements**

Identify Existing System Weaknesses	5 days	12/15	12/21	Complete
Explore Improvement Alternatives	<del>6 days</del>	<del>12/20</del>	07/19	In Progress
Refine Solutions, Make Recommendations	<del>5 days</del>	07/20	08/02	Pending
Plan Preparation	<del>22 days</del>	08/03	08/31	Pending

Anticipated Start Date: November 8, 2106

Anticipated Completion Date: August 2017

Bid Amount: \$118,018.40

Change Order:

~~2010 Infrastructure Improvements: S. Yaupon & Magnolia Linings (Slope Paving) Project # 15-08-724~~

The above project has been modified and is now:

**Drainage Improvements West of SH 332, South Yaupon Ditch Upsize/Replace Structures & Slope Paving (2010**

**Bond Projects)**

**Project # 17-03-1993**

Engineer: John D. Mercer & Associates, Inc.

Contractor:

*(previous update)*

*The design and construction drawings have been completed and delivered by the consultant along with project bid estimates. City staff will begin last review and final determination of project modifications for further bid processing. Due to staff head work schedule this time of the year, it is anticipated for the task to be complete by mid-July.*

Still hoping to stay within this timeline.

Start Date: December 27, 2016

Anticipated Completion Date: **August 2017**

Bid Amount: \$65,900

Change Order:

**2016 Street Bond Program – Area N & Woodland Park Design, Misc Street & Utility System Reconstruction**

Engineer: Baker & Lawson

**Project # 17-06-0253**

Contractor:

*(previous update)*

*Various determinations came about from the progress meetings that needed closer research of the utilities status of the various streets. The drainage pattern of Lotus Ct (originally not included) was dovetailed into the pavement grading plan of the surface pavements of Lotus and the Oleander pavement connection limits were revised for proper tie in transitions. The design moves forward with the end still on schedule.*

The Engineer has addressed all of staff's concerns, and is adding some last-minute details. The final plans are expected this week so we can give them a close look, and move the project forward.

Anticipated Start Date: March 1, 2017  
Bid Amount: \$181,700 (B&L)

Anticipated Completion Date: September 30, 2017  
Change Orders:

**Lake Jackson Wilderness Golf Course Irrigation Pumps & Related Equipment Replacement & Rehabilitation**

**Contractor: Weisinger, Inc.**

**Project # 17-07-0898**

*(previous update)*

*The contracts have been sent out for signatures. The next step will be for the contractor to order the pumps. This would put the start of pump exchanges in late September.*

**Although this project has become far less pressing for the golf course, it continues to move forward. The contractor has submitted the pump design specifications, and it has been approved to be ordered. Recent weather events have pushed the project back as you might expect. The pumps should be ready by mid-November.**

Anticipated Start Date:  
Bid Amount:

Anticipated Completion Date:  
Change Orders:

**Pecan Lake Outfall**

**Project # 17-08-0983**

**Contractor: Matula & Matula**

*(previous update)*

*The pipe has not been completed yet. The contractor has not moved in, and will not have a need to until the material is ready.*

The contractors P.O. of the fiberglass pipe has gone out to the manufacturer this week and has a 3-week lead time for shipping. This arrival will be timed with the proposed installation. The wet weather factors on the current yard conditions in the work site will dictate when the most advantageous move in will take place.

Anticipated Start Date:  
Bid Amount: \$24,511.50

Anticipated Completion Date:  
Change Orders:

**Concrete Pavement Spot Repairs on This Way**

**Project # 17-09-1124**

**Contractor: Matula & Matula**

*(previous update)*

*This project has been released to the contractors, and the concrete testing lab is now providing an estimate for their services. A high strength/early cure concrete will be used to allow a faster release of the paving due to the proximity to the traffic light.*

Move-in into this project is being timed with the South Parking Place pavement preparation and placement schedules so as to have available work force and equipment in the vicinity. Using this as guide and current project development, this could begin happening in 3- 4 weeks.

Anticipated Start Date:  
Bid Amount: \$32,413.50

Anticipated Completion Date:  
Change Orders:

**Wastewater Replacement for the Lift Station No. 6 Sub-Basin 6B, Phase 1**

**Project # 17-10-1285**

**Engineer: Kimley-Horn & Associates**

**Contractor:**

*(previous update)*

*The contracts have been executed and the design phase is underway.*

**The first meeting with Kimley-Horn took place Monday, October 9<sup>th</sup>. We discussed Phase I of the project, which included the line on Plantation and the lines on Shady Oaks. We discussed re-alignment of the lines to possibly minimize conflicts with trees and pavements.**

**Next meeting is scheduled for November to review cut sheets.**

Anticipated Start Date:

Anticipated Completion Date:

Bid Amount:

Change Orders: