

**TAKE NOTICE THAT A REGULAR MEETING
OF THE BOARD OF COMMISSIONERS
OF THE CITY OF PHARR, TEXAS
WILL BE HELD AT CITY HALL, COMMISSIONERS' ROOM,
118 S. CAGE BLVD., 2ND FLOOR, PHARR, TEXAS
COMMENCING AT 4:00 PM ON
MONDAY, AUGUST 3, 2020**

The City of Pharr has called this meeting as allowed pursuant to Texas law, city charter, and city ordinances. The governing body may recess from day to day when it does not complete consideration of a particularly long subject as authorized by law. All persons desiring to address the governing body must register with the presiding city clerk prior to the scheduled meeting.

In accordance with social distancing guidelines, the City Commission meeting will not be open to the public, except for individuals who have elected to appear in person for Public Testimony and Public Hearing. The meeting will be via Videoconference and streamed live at www.pharr-tx.gov

1. CALL TO ORDER:

A) Roll call and possible action on the excusing of any absent member of the governing board.

B) Pledge of Allegiance/Invocation.

2. PUBLIC TESTIMONY: (Ordinance No. O-2019-45). A person intending on addressing the governing body may speak at a scheduled meeting of the governing body following registration with the presiding clerk and prior to the scheduled meeting. A registered speaker may speak only on items on the agenda and may not exceed 1.5 minutes when addressing the board regarding an agenda item. A registered speaker may not donate time to another speaker. A sign-in form for public testimony shall be promulgated by the presiding clerk and be made available at the city clerk's office. A person may sign up for public testimony beginning at the time the agenda is posted for the meeting. A person may not sign up later than one hour before the posted meeting is scheduled to begin. No registered speaker may be allowed to speak regarding an item once the public testimony portion of the agenda has ended.

3. PUBLIC HEARINGS:

A) PUBLIC HEARING ON DEVELOPMENT SERVICES CASES: (Ordinance No. O-2019-31). A registered speaker during the public hearing may not exceed 1.5 minutes when addressing the board. A sign-in form for participation in public a hearing shall be promulgated by the city clerk and be made available at the city clerk's office. The public hearing sign-in form shall include the person or entity's name, address, telephone number, other contact information, organization if applicable, and other notices, authorizations, and acknowledgements as may be allowed by law from time to time. No registered speaker may be allowed to address the governing body once the public hearing has closed.

4. CITY MANAGER'S REPORTS: *(City Manager's Administrative Reports and discussion, if any, with governing body. The City Manager may also assign a designated spokesperson for any particular listed topic)*

- A) Submission of Certified Totals for Tax Assessed Values 2020.
- B) Submission of Financial Quarterly Report for period ending June 2020.
- C) City Engineer's Report.

5. CONSENT AGENDA: *(All items listed under consent Agenda are considered to be routine and non-controversial by the Governing Body and will be enacted by one motion. Any Commissioner may remove items from the consent agenda by making such request prior to a motion and vote on the Consent Agenda)*

- A) Approval of Minutes for July 20, 2020 Regular Called Meeting. (ADMINISTRATION)
- B) Consideration and action authorizing City Manager to advertise for bids for the rehabilitation of the Expressway 83 Elevated Water Storage Tank (Project No. 1920-01-528-C010-092) (ENGINEERING)
- C) Consideration and action on Development Services Cases:
 - 1. Imperium Event Center, LLC. is requesting renewal of the Conditional Use Permit and Late Hours Permit to allow the sale of alcoholic beverages for on-premise consumption in a General Business District (C). The property is legally described as being Lot 1, Vacating Plat of La Quinta Subdivision Lots 52-55, Pharr, Hidalgo County, Texas. The property's physical address is 5952 South Cage Boulevard. **CUP#190540**
 - 2. Shatt3r House is requesting renewal of the Conditional Use Permit and Late Hours Permit to allow the sale of alcoholic beverages for on-premise consumption in a Business District (C-2). The property is legally described as being a 0.085-acre tract of land, more or less, out of Lot 10, Block 1, J.T. Doster Subdivision, Pharr, Hidalgo County, Texas. The property's physical address is 115 East Park Avenue. **CUP#190533**

REGULAR AGENDA - OPEN SESSION:

6. ORDINANCES AND RESOLUTIONS:

- A) Consideration and action, if any, on Ordinance amending Chapter 126, Traffic and Vehicles, Article IV, Operation of Vehicles Generally, by adding new Section 126-150, traversing flooded streets with vehicle. **(Adoption on 1st Reading)** (ADMINISTRATION)

AGENDA REGULAR MEETING
August 3, 2020

B) Consideration and action, if any, on Ordinance amending Ordinance No. O-2008-36 creating a temporary sixty (60) day exemption from permit fees for repair and reconstruction of structures damaged due to Hurricane Hanna.

(Adoption on 1st Reading) (ADMINISTRATION)

C) Consideration and action, if any, on Ordinance authorizing the issuance, sale and delivery of City of Pharr, Texas Waterworks and Sewer System Revenue Bonds, Series 2020A in the aggregate principal amount of \$18,150,000 providing for the payment of the bonds from a lien on and pledge of the net revenues of the City's waterworks and sewer system to the payment of the principal of and interest on such bonds; providing for the terms and conditions of such bonds; resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of the bonds; and making other provisions regarding such bonds and matters incident thereto. ***(Adoption on 1st Reading)*** (FINANCE)

D) Consideration and action, if any, on Ordinance authorizing the issuance, sale and delivery of City of Pharr, Texas Waterworks and Sewer System Revenue Bonds, Series 2020B in the aggregate principal amount of \$13,880,000 providing for the payment of the bonds from a lien on and pledge of the net revenues of the City's waterworks and sewer system to the payment of the principal of and interest on such bonds; providing for the terms and conditions of such bonds; resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of the bonds; and making other provisions regarding such bonds and matters incident thereto. ***(Adoption on 1st Reading)*** (FINANCE)

E) Consideration and action, if any, on Resolution adopting the Annual Action Plan 2020 to U.S. Department of Housing and Urban Development (HUD). (GMCD)

F) Consideration and action, if any, on Resolution appointing/re-appointing two (2) members of the Bridge Board. (BRIDGE)

G) Consideration and action, if any, on Resolution authorizing submission of grant application for the Edward Byrne Memorial Justice Assistance Grant (JAG) Program Fiscal Year (FY) 2020 for supporting law enforcement, crime prevention and criminal justice programs. (CFDA #16.738) (POLICE)

H) Consideration and action, if any, on Resolution authorizing submission of grant application for the Help Open People's Eyes (HOPE) COVID-19 Response Project to Department of Justice (DOJ) for OT and Personal Protective Equipment. (Grant Number: 2020-VD-BX-0307) (POLICE)

I) Consideration and action, if any, on Resolution authorizing submission of grant application for the Help Open People's Eyes (HOPE) COVID-19 Response Project from of the Office of Governor for the Coronavirus Emergency Supplemental Funding (CESF) Program FY2020 (Grant Number: 4131901) (POLICE)

7. ADMINISTRATIVE:

A) Consideration and action, if any, on Order Extending the Declaration of Disaster for the City of Pharr, Texas. (ADMINISTRATION)

B) Consideration and action, if any, on Change No. 1 and final acceptance of Single Machine Repaving Project Year 5 with Cutler Repaving, Inc. and release of final payment and retainage in the amount of \$270,914.76. (Project #1920-40-510-C006-105) (ENGINEERING)

C) Update on City Wide Drainage Master Plan. (ENGINEERING)

8. PURCHASING:

A) Consideration and action, if any, on the purchase of replacement cameras in the Police Department from DHS Security d/b/a 3Sixty Integrated through Buyboard #574-18. (Project No. 1920-01-518-P027-001) (IT)

B) Consideration and action, if any, on emergency purchase of pumps and related accessories from Xylem Pump Rental & Sales through the Houston Galveston Area Council Cooperative Purchasing Program in the amount of \$314,960.35.(Project #1920-01-517-P026-001) (PUBLIC WORKS)

C) Consideration and action, if any, on the purchase of three (3) 2021 Chevrolet 1500 Silverado 4x2 Crew Cab SWB CC10543 thru BuyBoard Contract # 601-19 for the Parks and Recreation Department. (Project No. 1920-01-522-P028-003) (PARKS)

9. CONTRACTS/AGREEMENTS:

A) Consideration and action, if any, authorizing staff to lease three (3) track dozers from Doggett Equipment for a period of six (6) months in the amount of \$126,998.64 for use as part of the City wide drainage channel improvement project.(Project No. 1920-01-517-S043-001) (PUBLIC WORKS)

B) Consideration and action, if any, on agreement with Pyro Shows of Texas for two (2) live fireworks displays in the City of Pharr for Veterans Day on November 11, 2020. (EVENTS CENTER)

AGENDA REGULAR MEETING
August 3, 2020

C) Consideration and action, if any, on renewal of Lease Agreement with Texas Alcoholic Beverage Commission (TABC). (BRIDGE)

D) Consideration and action, if any, on soliciting a scope and fee proposal from the approved list of Water/Wastewater Engineering Service Pool and authorizing City Manager to negotiate and enter into an agreement for Professional Engineering Services for the design of various Water and Wastewater Treatment Plant Improvements.(Project No. 1920-60-583-S014-001 Rotation List) (ENGINEERING)

E) Consideration and action, if any, on soliciting a scope and fee proposal from the approved list of Water/Wastewater Engineering Service Pool and authorizing City Manager to negotiate and enter into an agreement for Professional Engineering Services for an Engineering assessment of the Wastewater Collection System of Palo Verde Subdivision Unit No. 1. (Project #1920-60-583-S014-001 Rotation List) (ENGINEERING)

F) Consideration and action, if any, authorizing City Manager to extend the Supply Contract with DPC Industries, Inc. for the Purchase and Delivery of Chlorine & Calcium Hypo-Chlorite. (Project #1819-60-582-SP013-011) (PURCHASING)

10. CLOSED SESSION: *In accordance with Chapter 551 of the Texas Gov't. Code, the Pharr Board of Commissioners hereby gives notice that it may meet in a closed (non-public) executive session to discuss the items listed on the public portion of the meeting agenda in accordance with the following below:*

Pursuant to Section 551.071, the Board may convene in a closed, non-public meeting with its attorney and discuss any matters related to **legal advice on pending or contemplated litigation, settlement offer, and/or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter.** The City and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

Pursuant to Section 551.072, the Board may convene in a closed, non-public meeting to discuss any matters related to **real property and deliberate the purchase, exchange, lease, or value of real property as such would be detrimental to negotiations between the City and a third party in an open meeting.** The City and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

Pursuant to Section 551.074, the Board may convene in a closed, non-public meeting to discuss any matters related to **appointment, employment, evaluation, reassignment, duties and discipline or dismissal of a public officer or employee and to hear any complaints or charges against an officer or employee.** The City and its attorney may also discuss such issues with the appropriate staff including members so as to obtain necessary and relevant information so

AGENDA REGULAR MEETING
August 3, 2020

that such discussion is informative and developed.

Pursuant to Section 551.076, the Board may convene in a closed, non-public meeting to discuss any matters on the **deployment, or specific occasions for implementation, of security personnel or devices**. The City and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

Pursuant to Section 551.084, the Board may convene in a closed, non-public meeting to discuss any matters involving an **investigation and may exclude a witness from hearing during the examination of another witness in the investigation**. The City and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

Pursuant to Section 551.087, the Board may convene in a closed, non-public meeting to discuss any matters regarding **economic development issues**. The City and its attorney may also discuss such issues with the appropriate staff so as to obtain necessary and relevant information so that such discussion is informative and developed.

11. RECONVENE: *into Regular Session and consider action, if necessary, on any items(s) discussed in closed session.*

12. ADJOURNMENT:

NOTICE OF ASSISTANCE AT THE PUBLIC MEETING

City Hall 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 Clerk's Office at 956/402-4100 ext. 1003/1007 or FAX 956/702-5313 or E-mail hilda.pedraza@pharr-tx.gov or imelda.barrera@pharr-tx.gov for further information. Braille is not available.

I, the undersigned authority, do hereby certify that the above notice of said Regular Meeting of the City Commission of the City of Pharr was posted on the bulletin board at City Hall and on the City's web page at www.pharr-tx.gov. This Notice was posted on the 31st day of July 2020 at 3:30 p.m. and will remain posted continuously for at least 72 hours preceding the scheduled time of said Meeting, in compliance with Chapter 551 of the Government Code, Vernon's Texas Codes, Annotated (Open Meetings Act).



WITNESS MY HAND AND SEAL, this 31st day of July 2020.


HILDA PEDRAZA, TRMC, CMC
CITY CLERK

I certify that the attached notice and agenda of items to be considered by the City Commission was removed from the bulletin board of City Hall on the _____ day of _____, 20____ by,

Title: _____



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 3.A.

DATE SUBMITTED: July 29, 2020

MEETING DATE: August 3, 2020

FROM: Hilda Pedraza, City Clerk

DEPARTMENT: Administration

DIRECTOR:

Agenda Item: Public Hearing on Development Services Cases

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue:

Financial Consideration:

Staff Recommendation:

Alternatives:

ROUTING:

Hilda Pedraza

Created/Initiated - 7/29/2020



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 4.A.

DATE SUBMITTED: July 28, 2020

MEETING DATE: August 3, 2020

FROM: Karla Saavedra, Finance Director

DEPARTMENT: Finance

DIRECTOR:

Agenda Item: Submission of Certified Totals for Tax Assessed Values 2020.

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: Hidalgo County finalized City of Pharr Property Assessment Value for Tax Year 2020 on July, 17, 2020.

Total Net Taxable Value for 2020 is: \$3,461,037,867 which represents an increase of 8.61% compared to last year.

Refer to attached report.

Financial Consideration:

Staff Recommendation: This for presentation only.

Alternatives:

ROUTING:

Karla Saavedra

Created/Initiated - 7/28/2020

Karla Saavedra

Approved - 7/28/2020

Patricia Rigney

Approved - 7/29/2020

City Management Office

Final Approval - 7/31/2020

2020 CERTIFIED TOTALS

Property Count: 28,341

CPR - CITY OF PHARR
Grand Totals

7/17/2020 10:19:17PM

Land		Value			
Homesite:		290,147,296			
Non Homesite:		1,072,787,674			
Ag Market:		159,973,367			
Timber Market:		0	Total Land	(+)	1,522,908,337
Improvement		Value			
Homesite:		705,016,734			
Non Homesite:		1,758,585,226	Total Improvements	(+)	2,463,601,960
Non Real		Count	Value		
Personal Property:	2,245		475,651,967		
Mineral Property:	516		2,812,461		
Autos:	0		0	Total Non Real	(+)
			Market Value	=	478,464,428
					4,464,974,725
Ag	Non Exempt	Exempt			
Total Productivity Market:	159,973,367	0			
Ag Use:	1,106,264	0	Productivity Loss	(-)	158,867,103
Timber Use:	0	0	Appraised Value	=	4,306,107,622
Productivity Loss:	158,867,103	0	Homestead Cap	(-)	41,129,594
			Assessed Value	=	4,264,978,028
			Total Exemptions Amount (Breakdown on Next Page)	(-)	803,940,161
			Net Taxable	=	3,461,037,867

Freeze	Assessed	Taxable	Actual Tax	Ceiling	Count		
DP	30,385,726	29,235,219	161,164.23	166,708.41	444		
DPS	218,053	218,053	1,251.39	1,251.39	3		
OV65	290,095,797	237,109,366	1,276,609.79	1,321,933.94	4,166		
Total	320,699,576	266,562,638	1,439,025.41	1,489,893.74	4,613	Freeze Taxable	(-) 266,562,638
Tax Rate	0.717600						
						Freeze Adjusted Taxable	= 3,194,475,229

APPROXIMATE LEVY = (FREEZE ADJUSTED TAXABLE * (TAX RATE / 100)) + ACTUAL TAX
24,362,579.65 = 3,194,475,229 * (0.717600 / 100) + 1,439,025.41

Tax Increment Finance Value: 0
Tax Increment Finance Levy: 0.00

2020 CERTIFIED TOTALS

Property Count: 28,341

CPR - CITY OF PHARR
Grand Totals

7/17/2020

10:20:19PM

Exemption Breakdown

Exemption	Count	Local	State	Total
DP	451	0	0	0
DPS	3	0	0	0
DV1	82	0	808,826	808,826
DV1S	2	0	10,000	10,000
DV2	39	0	409,500	409,500
DV2S	2	0	15,000	15,000
DV3	47	0	510,628	510,628
DV3S	1	0	10,000	10,000
DV4	117	0	1,388,760	1,388,760
DV4S	18	0	216,000	216,000
DVHS	133	0	15,949,947	15,949,947
DVHSS	12	0	1,338,919	1,338,919
EX	28	0	7,775,215	7,775,215
EX-XJ	1	0	626,087	626,087
EX-XU	2	0	548,774	548,774
EX-XV	618	0	690,441,250	690,441,250
EX366	172	0	24,743	24,743
FR	27	41,436,156	0	41,436,156
HT	1	102,078	0	102,078
OV65	4,114	40,038,778	0	40,038,778
OV65S	224	2,200,000	0	2,200,000
PC	1	89,500	0	89,500
Totals		83,866,512	720,073,649	803,940,161

2020 CERTIFIED TOTALS

Property Count: 27,984

CPR - CITY OF PHARR
ARB Approved Totals

7/17/2020 10:20:19PM

State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A	SINGLE FAMILY RESIDENCE	17,543		\$37,579,137	\$1,546,395,753	\$1,449,816,519
B	MULTIFAMILY RESIDENCE	908		\$11,430,702	\$249,970,637	\$249,754,867
C1	VACANT LOTS AND LAND TRACTS	2,165		\$0	\$136,332,027	\$136,296,027
C2	COLONIA LOTS AND LAND TRACTS	1		\$0	\$149,310	\$149,310
D1	QUALIFIED OPEN-SPACE LAND	222	2,777.9436	\$0	\$158,444,275	\$1,100,423
D2	IMPROVEMENTS ON QUALIFIED OP	10		\$1,271	\$63,639	\$63,639
E	RURAL LAND, NON QUALIFIED OPE	51	187.6350	\$70,597	\$12,552,089	\$12,150,254
F1	COMMERCIAL REAL PROPERTY	1,514		\$40,958,826	\$1,050,457,530	\$1,050,297,452
F2	INDUSTRIAL AND MANUFACTURIN	15		\$17,069	\$11,199,302	\$11,199,302
G1	OIL AND GAS	342		\$0	\$2,691,733	\$2,691,733
J1	WATER SYSTEMS	1		\$0	\$2,162	\$2,162
J2	GAS DISTRIBUTION SYSTEM	7		\$0	\$2,479,818	\$2,479,818
J3	ELECTRIC COMPANY (INCLUDING C	33		\$0	\$49,601,220	\$49,601,220
J4	TELEPHONE COMPANY (INCLUDI	10		\$0	\$4,401,087	\$4,401,087
J5	RAILROAD	4		\$0	\$86,960	\$86,960
J6	PIPELAND COMPANY	4		\$0	\$224,640	\$224,640
J7	CABLE TELEVISION COMPANY	2		\$0	\$7,524,460	\$7,524,460
L1	COMMERCIAL PERSONAL PROPE	1,947		\$718,494	\$356,055,653	\$315,498,917
L2	INDUSTRIAL AND MANUFACTURIN	76		\$0	\$10,437,794	\$9,468,874
M1	TANGIBLE OTHER PERSONAL, MOB	2,213		\$2,160,186	\$46,471,566	\$40,879,429
O	RESIDENTIAL INVENTORY	165		\$578,600	\$7,052,681	\$7,052,681
S	SPECIAL INVENTORY TAX	106		\$0	\$40,363,642	\$40,363,642
X	TOTALLY EXEMPT PROPERTY	821		\$6,564,364	\$699,416,069	\$0
Totals			2,965.5786	\$100,079,246	\$4,392,374,047	\$3,391,103,416

2020 CERTIFIED TOTALS

Property Count: 357

CPR - CITY OF PHARR
Under ARB Review Totals

7/17/2020 10:20:19PM

State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A	SINGLE FAMILY RESIDENCE	227		\$252,294	\$26,136,710	\$24,993,734
B	MULTIFAMILY RESIDENCE	23		\$87,338	\$5,754,086	\$5,754,086
C1	VACANT LOTS AND LAND TRACTS	31		\$0	\$4,144,829	\$4,144,829
D1	QUALIFIED OPEN-SPACE LAND	3	22.4300	\$0	\$1,529,092	\$5,841
F1	COMMERCIAL REAL PROPERTY	53		\$222	\$30,946,055	\$30,946,055
L1	COMMERCIAL PERSONAL PROPE	25		\$0	\$4,077,055	\$4,077,055
M1	TANGIBLE OTHER PERSONAL, MOB	1		\$12,851	\$12,851	\$12,851
	Totals		22.4300	\$352,705	\$72,600,678	\$69,934,451

2020 CERTIFIED TOTALS

Property Count: 28,341

CPR - CITY OF PHARR
Grand Totals

7/17/2020 10:20:19PM

State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A	SINGLE FAMILY RESIDENCE	17,770		\$37,831,431	\$1,572,532,463	\$1,474,810,253
B	MULTIFAMILY RESIDENCE	931		\$11,518,040	\$255,724,723	\$255,508,953
C1	VACANT LOTS AND LAND TRACTS	2,196		\$0	\$140,476,856	\$140,440,856
C2	COLONIA LOTS AND LAND TRACTS	1		\$0	\$149,310	\$149,310
D1	QUALIFIED OPEN-SPACE LAND	225	2,800.3736	\$0	\$159,973,367	\$1,106,264
D2	IMPROVEMENTS ON QUALIFIED OP	10		\$1,271	\$63,639	\$63,639
E	RURAL LAND, NON QUALIFIED OPE	51	187.6350	\$70,597	\$12,552,089	\$12,150,254
F1	COMMERCIAL REAL PROPERTY	1,567		\$40,959,048	\$1,081,403,585	\$1,081,243,507
F2	INDUSTRIAL AND MANUFACTURIN	15		\$17,069	\$11,199,302	\$11,199,302
G1	OIL AND GAS	342		\$0	\$2,691,733	\$2,691,733
J1	WATER SYSTEMS	1		\$0	\$2,162	\$2,162
J2	GAS DISTRIBUTION SYSTEM	7		\$0	\$2,479,818	\$2,479,818
J3	ELECTRIC COMPANY (INCLUDING C	33		\$0	\$49,601,220	\$49,601,220
J4	TELEPHONE COMPANY (INCLUDI	10		\$0	\$4,401,087	\$4,401,087
J5	RAILROAD	4		\$0	\$86,960	\$86,960
J6	PIPELAND COMPANY	4		\$0	\$224,640	\$224,640
J7	CABLE TELEVISION COMPANY	2		\$0	\$7,524,460	\$7,524,460
L1	COMMERCIAL PERSONAL PROPE	1,972		\$718,494	\$360,132,708	\$319,575,972
L2	INDUSTRIAL AND MANUFACTURIN	76		\$0	\$10,437,794	\$9,468,874
M1	TANGIBLE OTHER PERSONAL, MOB	2,214		\$2,173,037	\$46,484,417	\$40,892,280
O	RESIDENTIAL INVENTORY	165		\$578,600	\$7,052,681	\$7,052,681
S	SPECIAL INVENTORY TAX	106		\$0	\$40,363,642	\$40,363,642
X	TOTALLY EXEMPT PROPERTY	821		\$6,564,364	\$699,416,069	\$0
Totals			2,988.0086	\$100,431,951	\$4,464,974,725	\$3,461,037,867

2020 CERTIFIED TOTALS

Property Count: 27,984

CPR - CITY OF PHARR
ARB Approved Totals

7/17/2020 10:20:19PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A1	REAL, RESIDENTIAL, SINGLE-FAMIL	15,655		\$36,808,488	\$1,471,744,470	\$1,380,305,757
A2	REAL, RESIDENTIAL, MOBILE HOME	1,940		\$770,649	\$74,651,283	\$69,510,762
B1	REAL, RESIDENTIAL, DUPLEXES	858		\$11,359,954	\$233,095,216	\$232,906,393
B2	REAL, RESIDENTIAL, APARTMENTS	66		\$70,748	\$16,875,421	\$16,848,474
C1	REAL PROPERTY: VACANT LOTS AN	2,140		\$0	\$128,974,690	\$128,938,690
C2	REAL PROPERTY: COLONIA LOTS A	1		\$0	\$149,310	\$149,310
C3	REAL, VACANT PLATTED RURAL OR I	25		\$0	\$7,357,337	\$7,357,337
D1	REAL PROPERTY: QUALIFIED OPEN-	222	2,777.9436	\$0	\$158,444,275	\$1,100,423
D2	RE PROPERTY FARMLAND RANCH I	10		\$1,271	\$63,639	\$63,639
E1	REAL, FARM/RANCH, HOUSE	39		\$70,597	\$6,754,057	\$6,352,222
E2	REAL, FARM/RANCH, MOBILE HOME	2		\$0	\$126,333	\$126,333
E3	REAL, FARM/RANCH, OTHER IMPROV	12		\$0	\$5,671,699	\$5,671,699
F1	REAL, Commercial	1,514		\$40,958,826	\$1,050,457,530	\$1,050,297,452
F2	REAL, Industrial	15		\$17,069	\$11,199,302	\$11,199,302
G1	OIL AND GAS	342		\$0	\$2,691,733	\$2,691,733
J1	REAL & TANGIBLE PERSONAL, UTIL	1		\$0	\$2,162	\$2,162
J2	REAL & TANGIBLE PERSONAL, UTIL	7		\$0	\$2,479,818	\$2,479,818
J3	REAL & TANGIBLE PERSONAL, UTIL	33		\$0	\$49,601,220	\$49,601,220
J4	REAL & TANGIBLE PERSONAL, UTIL	10		\$0	\$4,401,087	\$4,401,087
J5	REAL & TANGIBLE PERSONAL, UTIL	4		\$0	\$86,960	\$86,960
J6	REAL & TANGIBLE PERSONAL, UTIL	4		\$0	\$224,640	\$224,640
J7	REAL & TANGIBLE PERSONAL, UTIL	2		\$0	\$7,524,460	\$7,524,460
K1	FARM/RANCH PERS	1		\$0	\$7,140	\$7,140
L1	TANGIBLE, PERSONAL PROPERTY, C	1,947		\$718,494	\$356,048,513	\$315,491,777
L2	TANGIBLE, PERSONAL PROPERTY, I	76		\$0	\$10,437,794	\$9,468,874
M1	TANGIBLE OTHER PERSONAL, MOBI	1,914		\$2,148,402	\$45,107,052	\$39,795,179
M3	TANGIBLE OTHER PERSONAL	299		\$11,784	\$1,364,514	\$1,084,250
O1	INVENTORY, VACANT RES LAND	156		\$0	\$5,610,784	\$5,610,784
O2	INVENTORY, IMPROVED RES	9		\$578,600	\$1,441,897	\$1,441,897
S	SPECIAL INVENTORY	106		\$0	\$40,363,642	\$40,363,642
X	FULL EXEMPTIONS	821		\$6,564,364	\$699,416,069	\$0
Totals			2,777.9436	\$100,079,246	\$4,392,374,047	\$3,391,103,416

2020 CERTIFIED TOTALS

Property Count: 357

CPR - CITY OF PHARR
Under ARB Review Totals

7/17/2020 10:20:19PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A1	REAL, RESIDENTIAL, SINGLE-FAMIL	221		\$252,294	\$25,889,061	\$24,767,567
A2	REAL, RESIDENTIAL, MOBILE HOME	7		\$0	\$247,649	\$226,167
B1	REAL, RESIDENTIAL, DUPLEXES	19		\$87,338	\$4,897,594	\$4,897,594
B2	REAL, RESIDENTIAL, APARTMENTS	4		\$0	\$856,492	\$856,492
C1	REAL PROPERTY: VACANT LOTS AN	23		\$0	\$2,736,778	\$2,736,778
C3	REAL, VACANT PLATTED RURAL OR I	8		\$0	\$1,408,051	\$1,408,051
D1	REAL PROPERTY: QUALIFIED OPEN-	3	22.4300	\$0	\$1,529,092	\$5,841
F1	REAL, Commercial	53		\$222	\$30,946,055	\$30,946,055
L1	TANGIBLE, PERSONAL PROPERTY, C	25		\$0	\$4,077,055	\$4,077,055
M1	TANGIBLE OTHER PERSONAL, MOBI	1		\$12,851	\$12,851	\$12,851
Totals			22.4300	\$352,705	\$72,600,678	\$69,934,451

2020 CERTIFIED TOTALS

Property Count: 28,341

CPR - CITY OF PHARR
Grand Totals

7/17/2020 10:20:19PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value	Market Value	Taxable Value
A1	REAL, RESIDENTIAL, SINGLE-FAMIL	15,876		\$37,060,782	\$1,497,633,531	\$1,405,073,324
A2	REAL, RESIDENTIAL, MOBILE HOME	1,947		\$770,649	\$74,898,932	\$69,736,929
B1	REAL, RESIDENTIAL, DUPLEXES	877		\$11,447,292	\$237,992,810	\$237,803,987
B2	REAL, RESIDENTIAL, APARTMENTS	70		\$70,748	\$17,731,913	\$17,704,966
C1	REAL PROPERTY: VACANT LOTS AN	2,163		\$0	\$131,711,468	\$131,675,468
C2	REAL PROPERTY: COLONIA LOTS A	1		\$0	\$149,310	\$149,310
C3	REAL, VACANT PLATTED RURAL OR I	33		\$0	\$8,765,388	\$8,765,388
D1	REAL PROPERTY: QUALIFIED OPEN-	225	2,800.3736	\$0	\$159,973,367	\$1,106,264
D2	RE PROPERTY FARMLAND RANCH I	10		\$1,271	\$63,639	\$63,639
E1	REAL, FARM/RANCH, HOUSE	39		\$70,597	\$6,754,057	\$6,352,222
E2	REAL, FARM/RANCH, MOBILE HOME	2		\$0	\$126,333	\$126,333
E3	REAL, FARM/RANCH, OTHER IMPROV	12		\$0	\$5,671,699	\$5,671,699
F1	REAL, Commercial	1,567		\$40,959,048	\$1,081,403,585	\$1,081,243,507
F2	REAL, Industrial	15		\$17,069	\$11,199,302	\$11,199,302
G1	OIL AND GAS	342		\$0	\$2,691,733	\$2,691,733
J1	REAL & TANGIBLE PERSONAL, UTIL	1		\$0	\$2,162	\$2,162
J2	REAL & TANGIBLE PERSONAL, UTIL	7		\$0	\$2,479,818	\$2,479,818
J3	REAL & TANGIBLE PERSONAL, UTIL	33		\$0	\$49,601,220	\$49,601,220
J4	REAL & TANGIBLE PERSONAL, UTIL	10		\$0	\$4,401,087	\$4,401,087
J5	REAL & TANGIBLE PERSONAL, UTIL	4		\$0	\$86,960	\$86,960
J6	REAL & TANGIBLE PERSONAL, UTIL	4		\$0	\$224,640	\$224,640
J7	REAL & TANGIBLE PERSONAL, UTIL	2		\$0	\$7,524,460	\$7,524,460
K1	FARM/RANCH PERS	1		\$0	\$7,140	\$7,140
L1	TANGIBLE, PERSONAL PROPERTY, C	1,972		\$718,494	\$360,125,568	\$319,568,832
L2	TANGIBLE, PERSONAL PROPERTY, I	76		\$0	\$10,437,794	\$9,468,874
M1	TANGIBLE OTHER PERSONAL, MOBI	1,915		\$2,161,253	\$45,119,903	\$39,808,030
M3	TANGIBLE OTHER PERSONAL	299		\$11,784	\$1,364,514	\$1,084,250
O1	INVENTORY, VACANT RES LAND	156		\$0	\$5,610,784	\$5,610,784
O2	INVENTORY, IMPROVED RES	9		\$578,600	\$1,441,897	\$1,441,897
S	SPECIAL INVENTORY	106		\$0	\$40,363,642	\$40,363,642
X	FULL EXEMPTIONS	821		\$6,564,364	\$699,416,069	\$0
Totals			2,800.3736	\$100,431,951	\$4,464,974,725	\$3,461,037,867

2020 CERTIFIED TOTALS

Property Count: 28,341

CPR - CITY OF PHARR
Effective Rate Assumption

7/17/2020 10:20:19PM

New Value

TOTAL NEW VALUE MARKET:	\$100,431,951
TOTAL NEW VALUE TAXABLE:	\$92,021,882

New Exemptions

Exemption	Description	Count		
EX-XV	Other Exemptions (including public property, r	15	2019 Market Value	\$2,045,188
EX366	HB366 Exempt	51	2019 Market Value	\$4,177
ABSOLUTE EXEMPTIONS VALUE LOSS				\$2,049,365

Exemption	Description	Count	Exemption Amount
DP	Disability	7	\$0
DV1	Disabled Veterans 10% - 29%	5	\$53,000
DV2	Disabled Veterans 30% - 49%	2	\$24,000
DV2S	Disabled Veterans Surviving Spouse 30% - 49%	1	\$7,500
DV3	Disabled Veterans 50% - 69%	4	\$40,000
DV4	Disabled Veterans 70% - 100%	10	\$120,000
DV4S	Disabled Veterans Surviving Spouse 70% - 100	1	\$12,000
DVHS	Disabled Veteran Homestead	9	\$1,219,362
DVHSS	Disabled Veteran Homestead Surviving Spouse	1	\$109,289
OV65	Over 65	301	\$2,930,000
OV65S	OV65 Surviving Spouse	15	\$150,000
PARTIAL EXEMPTIONS VALUE LOSS		356	\$4,665,151
NEW EXEMPTIONS VALUE LOSS			\$6,714,516

Increased Exemptions

Exemption	Description	Count	Increased Exemption Amount
INCREASED EXEMPTIONS VALUE LOSS			
TOTAL EXEMPTIONS VALUE LOSS			\$6,714,516

New Ag / Timber Exemptions**New Annexations****New Deannexations****Average Homestead Value****Category A and E**

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
10,273	\$94,511	\$3,978	\$90,533
Category A Only			

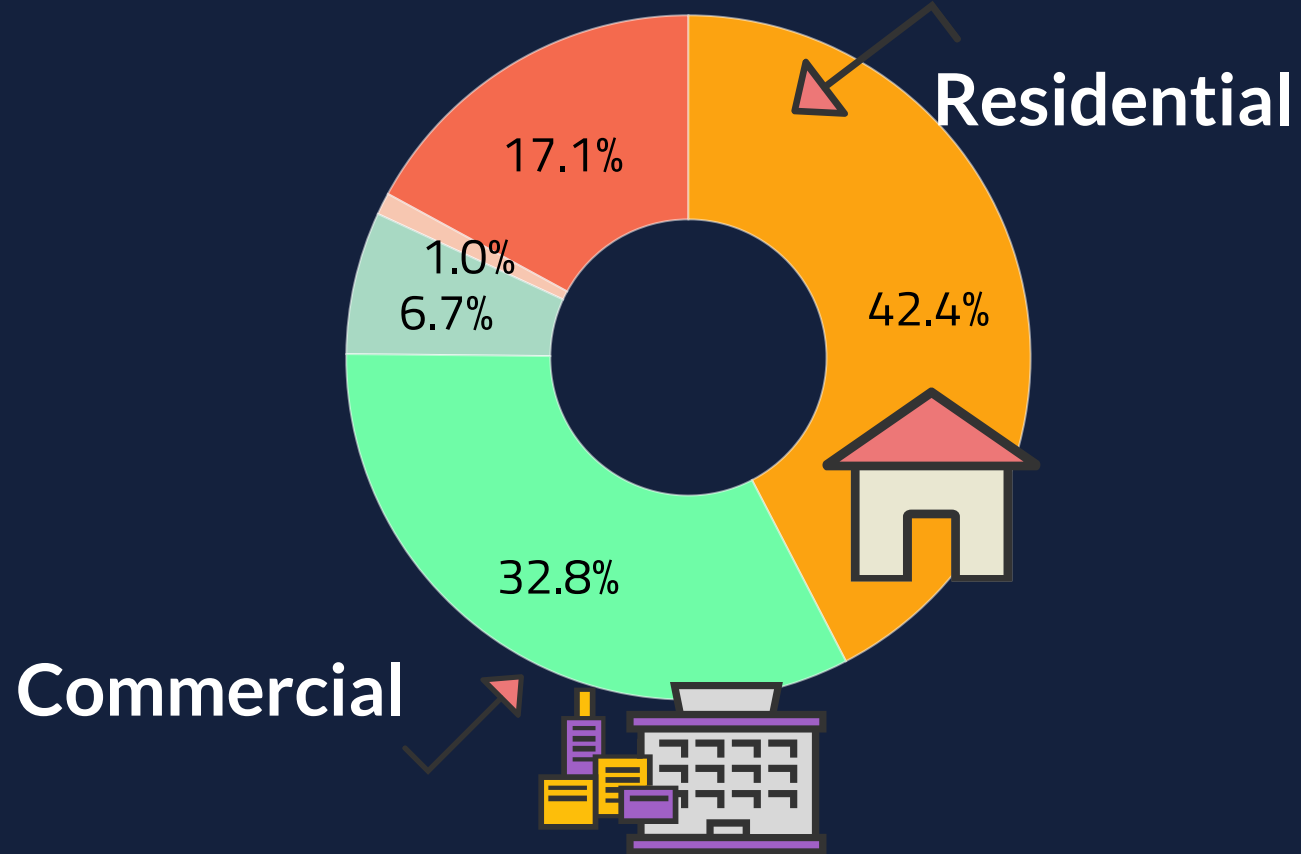
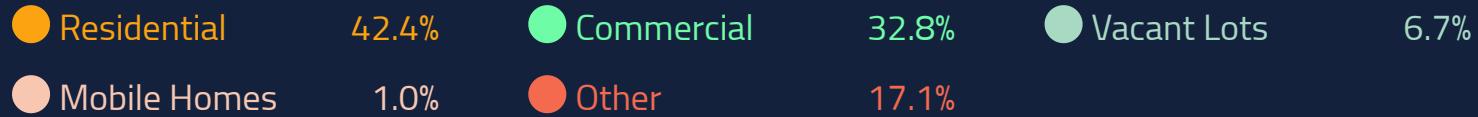
Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
10,252	\$94,319	\$3,960	\$90,359

2020 CERTIFIED TOTALSCPR - CITY OF PHARR
Lower Value Used

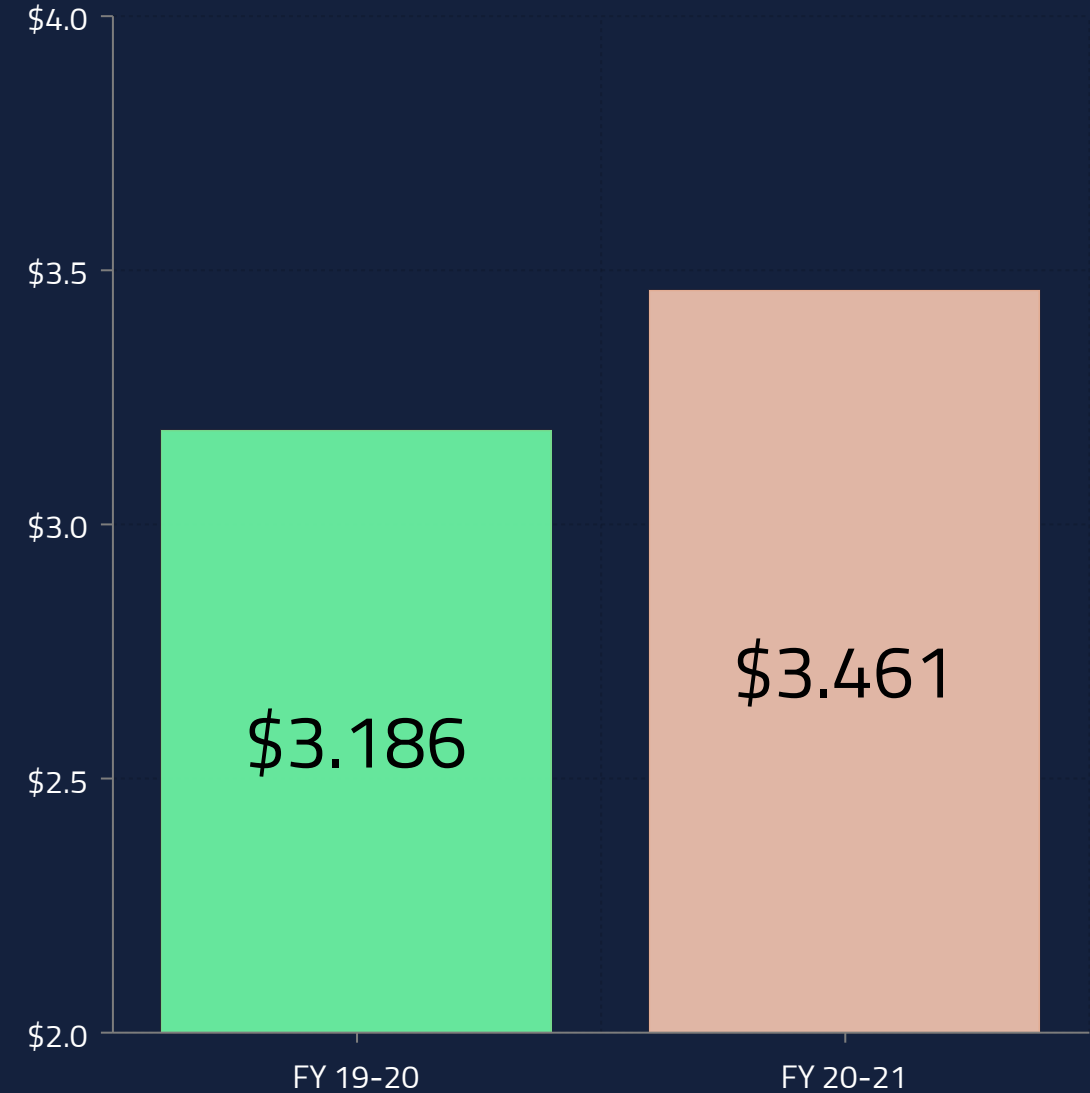
Count of Protested Properties	Total Market Value	Total Value Used
357	\$72,600,678.00	\$54,669,065

8.61%

Increase in Property Tax Value



City of Pharr Net Taxable Values In Billions





AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 4.B.

DATE SUBMITTED: July 29, 2020

MEETING DATE: August 3, 2020

FROM: Karla Saavedra, Finance Director

DEPARTMENT: Finance

DIRECTOR:

Agenda Item: Submission of Financial Quarterly Report for period ending June 2020.

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: As part of City Fiscal Transparency, city financial reports are prepared on a quarterly basis in order to maintain informed our citizens and city commission.

This report is preliminary and unaudited and prepared by Finance Department.

This report is quarter ending June 2020.

Financial Consideration:

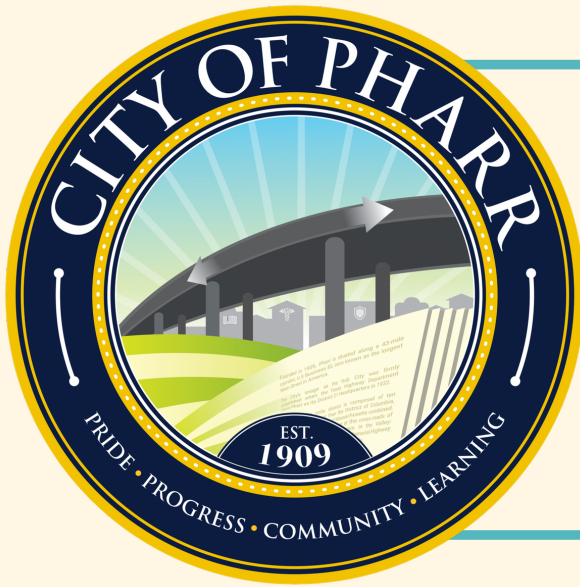
Staff Recommendation:

Alternatives:

ROUTING:

Karla Saavedra
City Management Office

Created/Initiated - 7/29/2020
Final Approval - 7/31/2020



CITY OF PHARR

3rd Quarterly Financial Report FY 2019-2020

Prepared by Karla Saavedra, CGFO



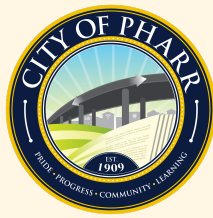
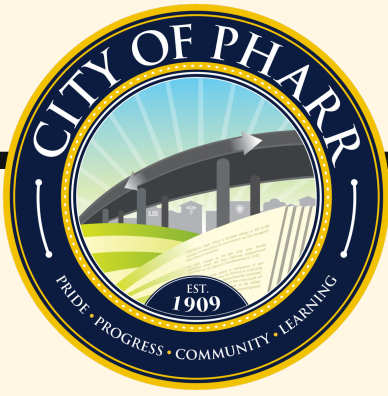


Table of Contents

• General Fund			
◦ General Fund Financial Snapshot	-----	1	
◦ Hidalgo County Property Tax Collection Report	-----	2	
◦ Sales Tax Snapshot	-----	3	
◦ Court Fees Snapshot	-----	4	
◦ General Fund Budget vs Actual Usage	-----	5	
• Other Funds			
◦ Business-Type Funds Financial Snapshot	-----	6	
◦ Utility Fund Fiscal Facts	-----	7	& 8
◦ Bridge Fund Fiscal Facts	-----	9	& 10
◦ Golf Fund Fiscal Funds	-----	11	
◦ Event Center Fiscal Facts	-----	12	
◦ PEDC Fiscal Facts	-----	13	
• Long-Term Debt Obligations	-----	14	& 15
• Construction in Progress	-----	16	



August 3, 2020

Mayor

City Commission

Citizens of Pharr

This Quarterly Financial Report was compiled for the purpose of updating the City's elected officials and executive staff on the overall fiscal health of the City.

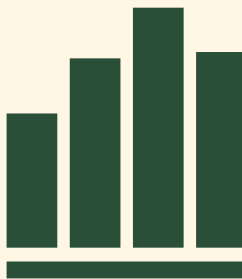
All City data is not included in this report, only the selected major activities whose drastic changes could adversely affect the City's ability to meet its obligations to vendors, staff and citizens.

This is the Finance Department's effort to provide timely, reliable, and transparent fiscal information so that decision makers will have up to date to base their decisions on.

Should you have any questions concerning this matter, please feel free to contact me at (956) 402-4150 ext. 1907 or via email at karla.saavedra@pharr-tx.gov.

Karla Saavedra,
CGFO

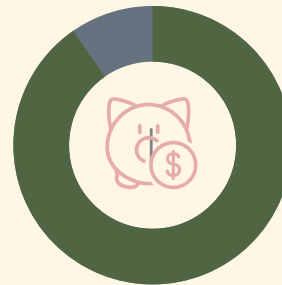
General Fund



General Fund Financial Snapshot for period ending June, 2020

1

ASSETS	(In Millions)
Cash	\$6.00
Restricted Cash	2.23
Investments	12.21
Inventory	1.06
Receivables	11.76
Total Assets	\$33.26
LIABILITIES	
Accounts Payable	\$1.70
Escrows	2.56
Total Liabilities	\$4.26
FUND BALANCE	\$29.00



\$29.00

Unrestricted and Unassigned
FB available including **\$12.21**
in Contingency Cash

REVENUES

	(In Millions)
Property Taxes	\$17.47
Sales Taxes	11.41
Franchise	1.76
Licenses and Permits	.65
Fees and Charges	4.00
Fines	.38
Other	1.22
Total Revenues	\$36.89

EXPENDITURES

General Government	\$9.28
Public Safety	17.66
Highways and Streets	2.75
Health and Welfare	1.87
Culture and Recreation	4.82
Debt Service	1.46
TOTAL EXPENDITURES	\$37.84
Expenditures over Revenue	-\$.95
Transfers In	\$5.98
Transfers Out	(2.24)
Debt Proceeds	1.95
Other Financing Sources/(Uses)	\$5.69
Change in Fund Balance	\$4.74
Fund Balance Beginning	24.26
FUND BALANCE ENDING	\$29.00



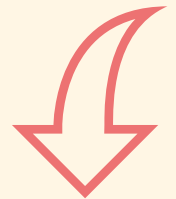


CURRENT LEVY PROPERTY TAX

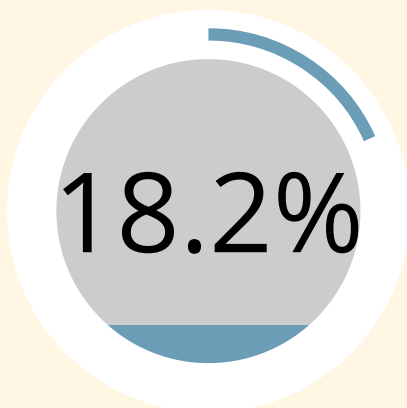
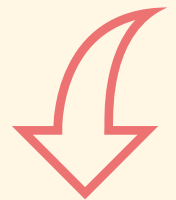
COLLECTED

Tax Roll Year	ORIGINAL TAX LEVY	COLLECTED TO DATE	OUTSTANDING
2019 Roll	\$22,493,509	\$21,212,619	\$1,280,890
2018 & Prior	\$2,556,148	\$509,025	\$2,047,123

- -.38% decrease in Current collections



- -2.09% decrease in Delinquent collections

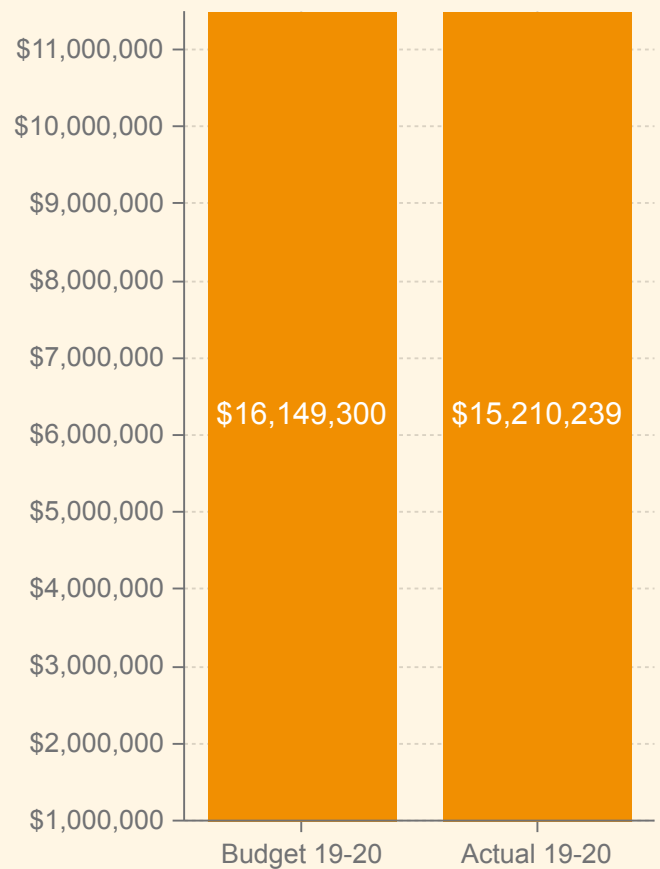
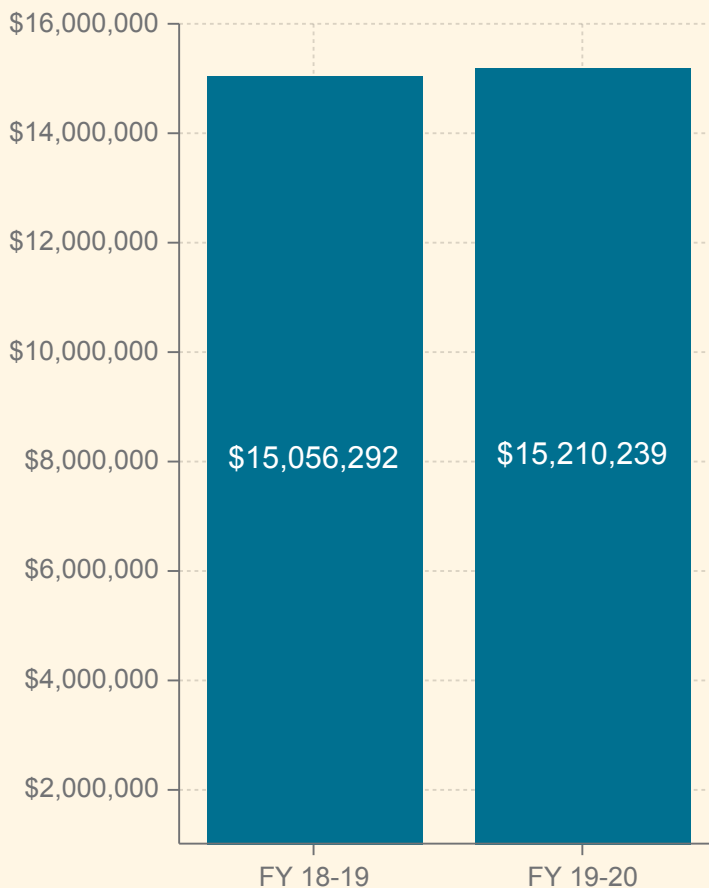


DELINQUENT LEVY PROPERTY TAX

COLLECTED

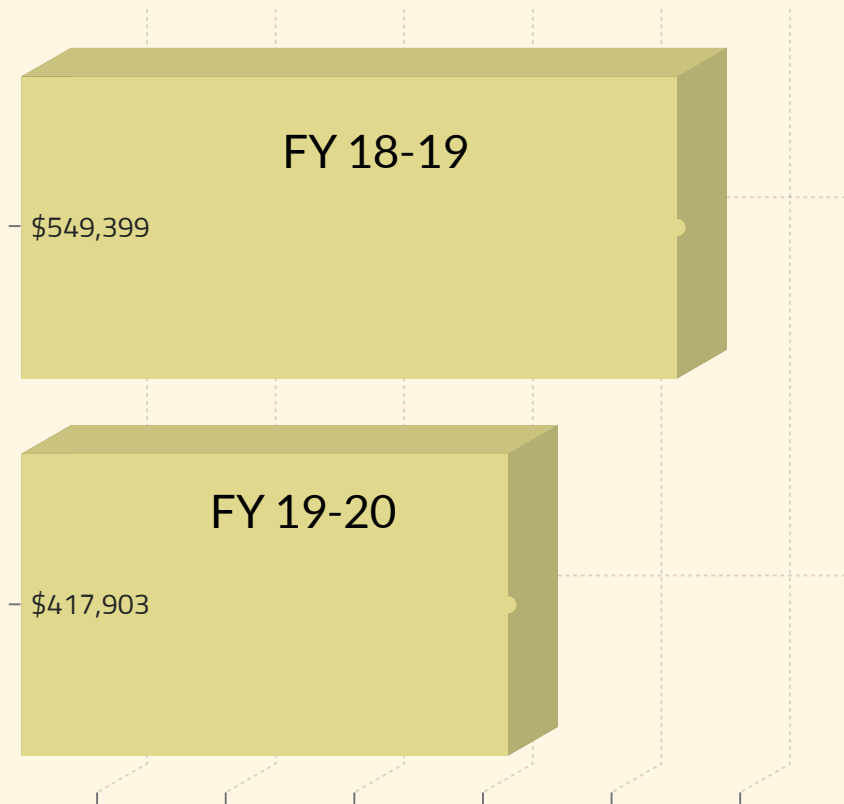


1.02% YTD Increase in
Cash Sales
Collections

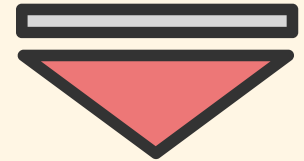


-\$939,061 Less than Budgeted





-23.93%
Decrease compared to
FY 2018-2019



-50%

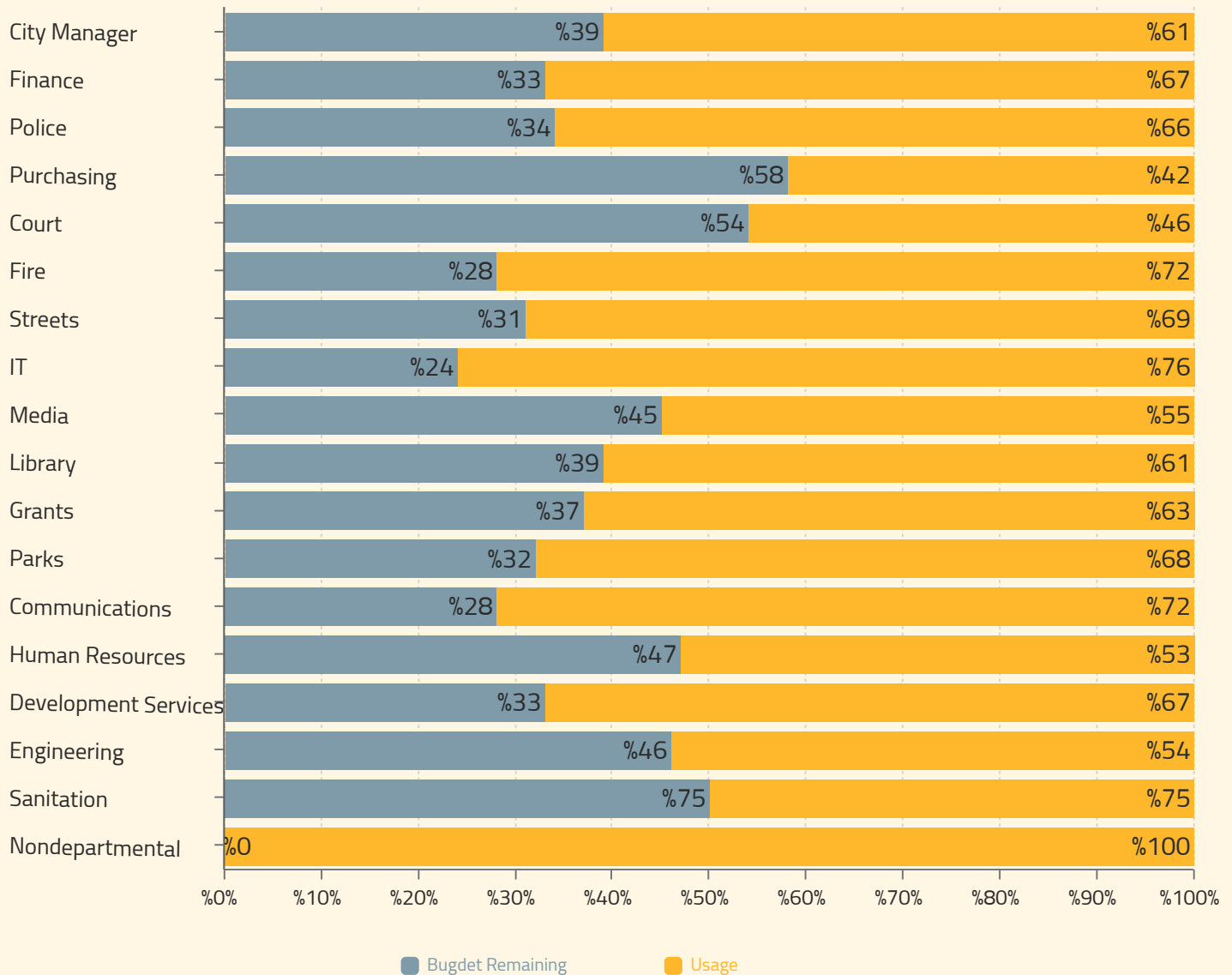
Overall Decrease in last two
fiscal years.

General Fund- Budget Usage as of June 2020

5

75%

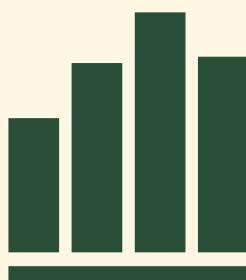
Benchmark for Budget use as of June 2020



GENERAL FUND AVAILABLE RESOURCES

\$6.31 Short-Term available resources

Other Funds



Business-Type Funds Financial Snapshot for period ending June 30, 2020

6

(In Millions)

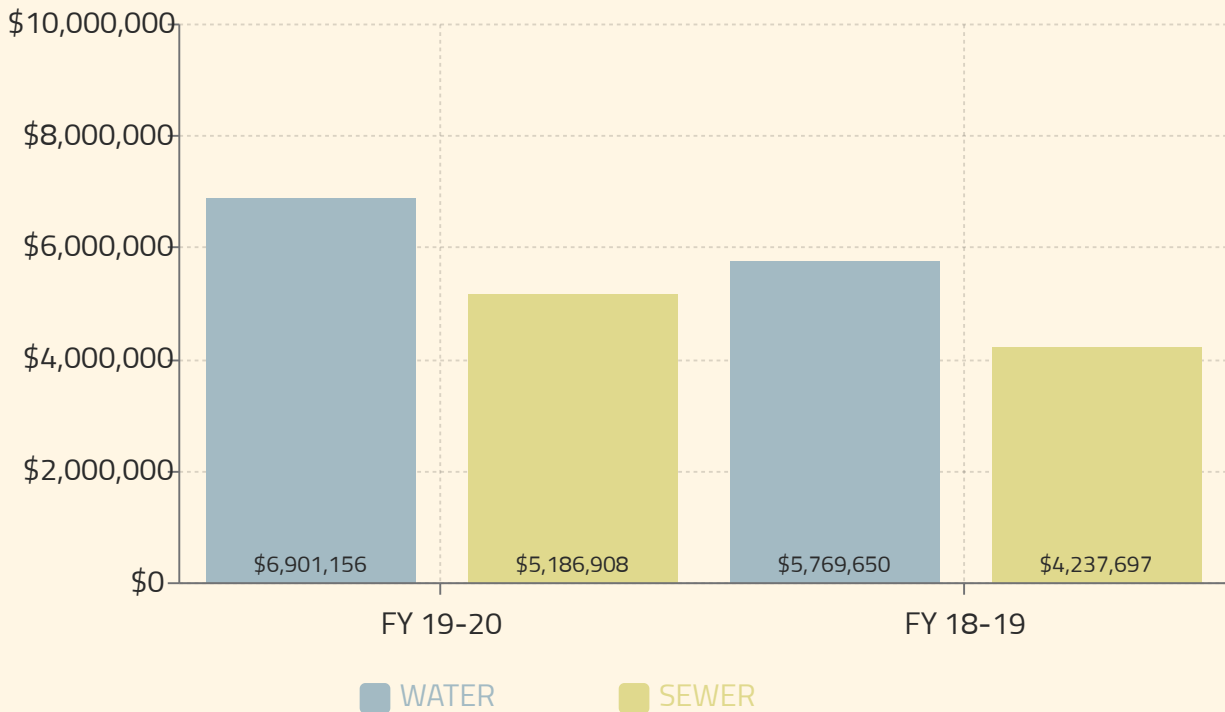
<u>CURRENT ASSETS</u>	Utility	Toll Bridge	Golf	Event Center
Cash	\$5.27	\$1.56	\$.626	\$.156
Restricted Cash	10.62	7.60	.024	-
Inventory	.19	-	.025	.004
Receivables	7.42	.34	.018	.269
Total Current Assets	\$23.50	\$9.50	\$.693	\$.429
<u>CAPITAL ASSETS</u> (net of depreciation)				
Water Rights	\$3.45	-	-	-
Land	0.81	.82	1.00	0.79
Buildings	10.33	1.28	.30	2.29
Improvements	.53	.13	1.80	.09
Machinery and Equipment	2.80	2.52	.22	.01
Infrastructure	95.16	11.78	.02	-
Construction in Progress	13.34	4.54	-	-
Total Capital Assets	126.42	21.07	3.34	3.18
<u>CURRENT LIABILITIES</u>				
Accounts Payable	\$5.63	.780	.155	.097
<u>LT-LIABILITIES</u>				
Lease Payable	1.49	1.49	.26	-
Bonds Payable	37.94	2.10	-	-
Total LT- Liabilities	\$45.06	\$4.37	\$.411	.097
NET POSITION	\$104.86	\$26.20	\$3.62	\$3.51

	Utility 	Toll Bridge	Golf 	Event Center
Operating Income / (Loss)	\$6.82	\$7.11	-\$2.784	-\$2.948

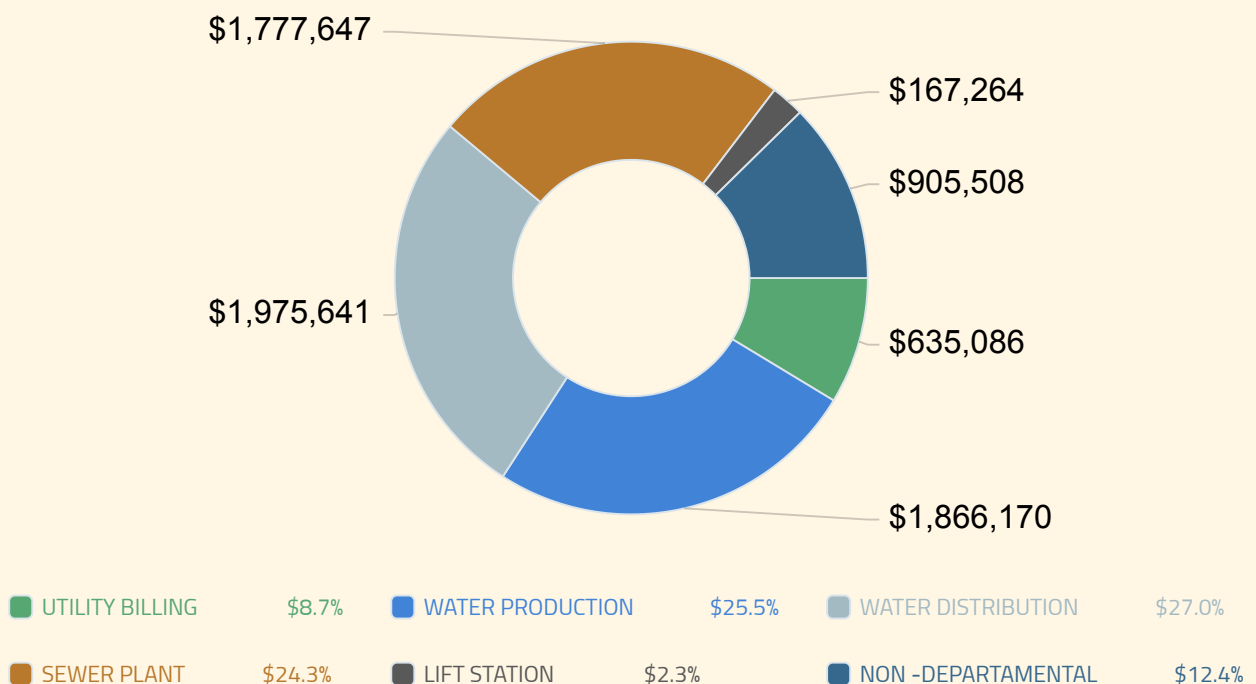
Utility Fund Fiscal Facts as of June 2020

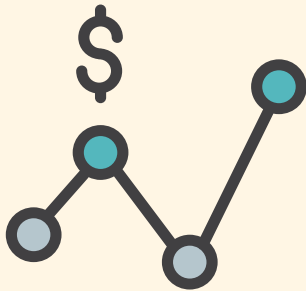
7

Revenues show **20% POSITIVE** variance from last FY 2019 due to new adopted Water and Sewer Rates.



Expenses





DEBT COVERAGE RATIO

Debt Coverage Ratio is a measurement of the cash flow available to pay current debt obligations. The ratio states net operating income as a multiple of debt obligations within one year, including interest and principal payments.

Net Revenues as of June 30, 2020

\$5.97 Million*

Maximum Debt Payment as of June 30, 2020

\$4.89 Million



ACTIVE ACCOUNTS

21,574

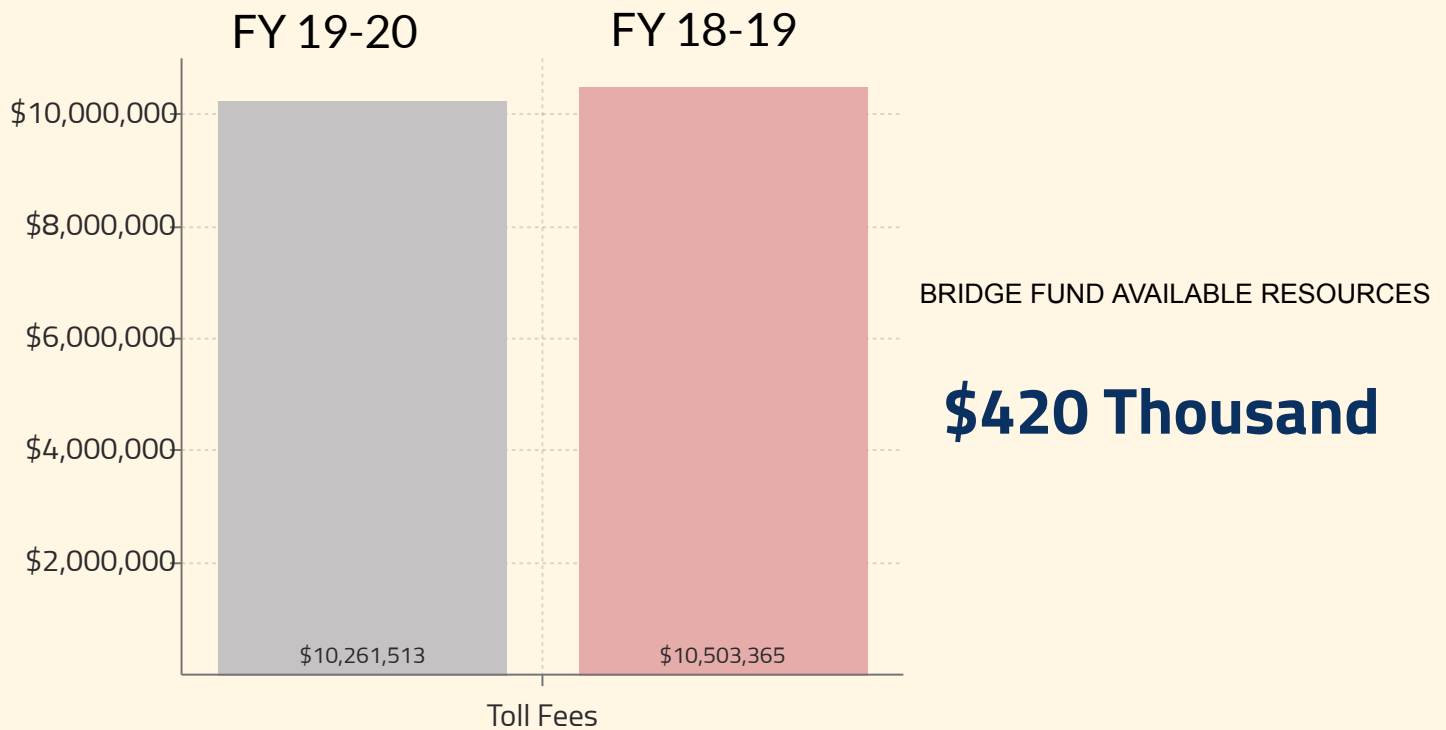
June 2020

*Includes Transfer Out to General Fund for this calculation

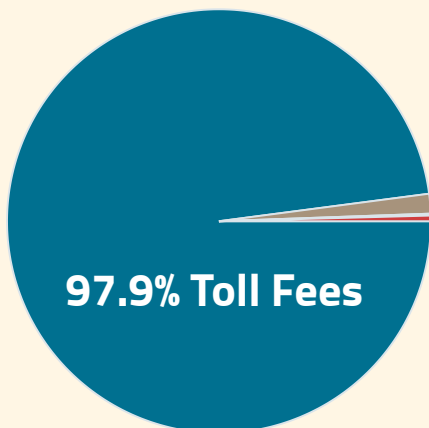
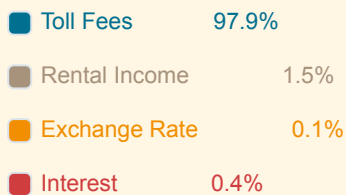
Bridge Fund Fiscal Facts as of June 2020

9

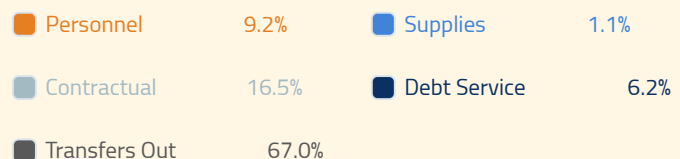
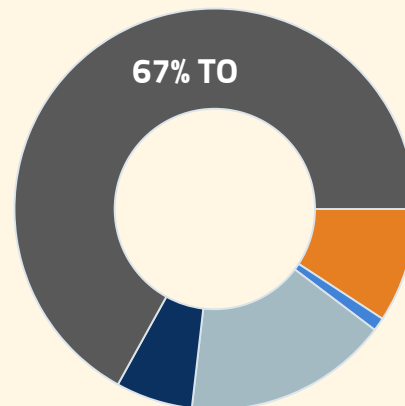
Toll Fees revenues have **DECREASED -2%** compared to last FY

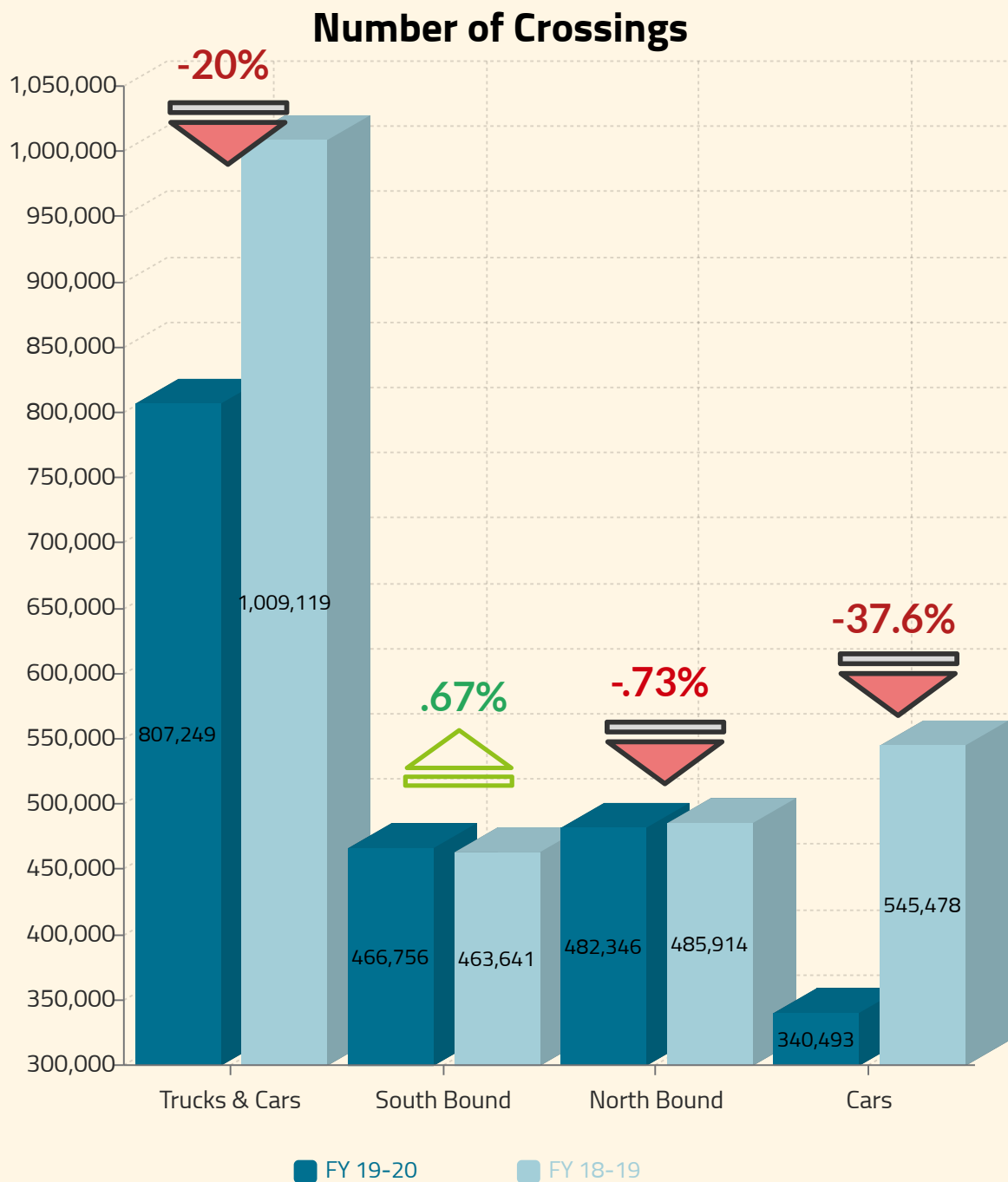


Revenues



Expenses

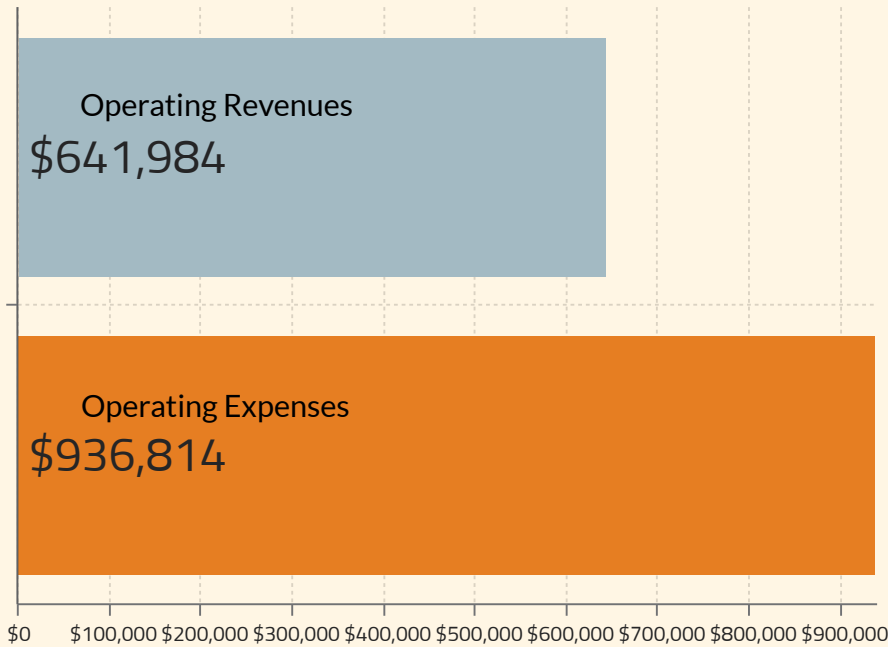




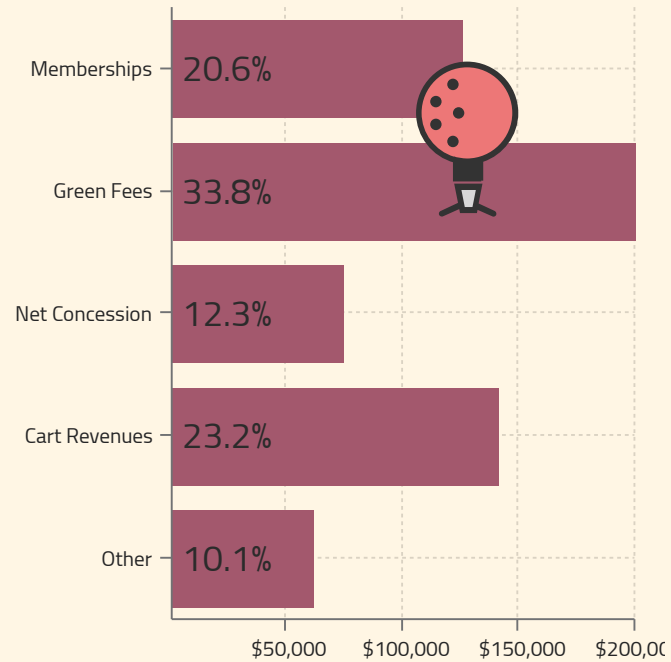
GOLF Fiscal Facts as of June 2020

11

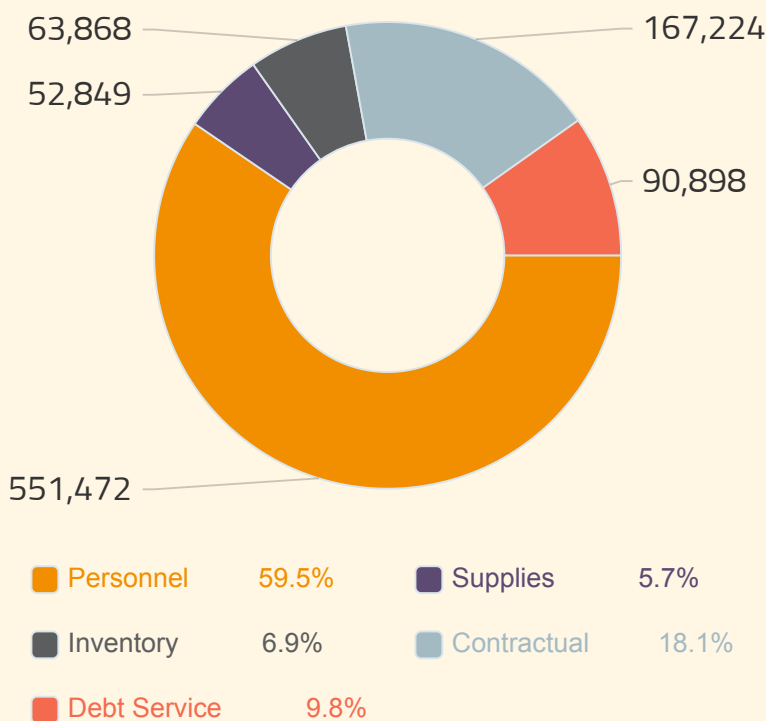
Operating Revenues and Expenses



Operating Revenue Distribution



Expenses

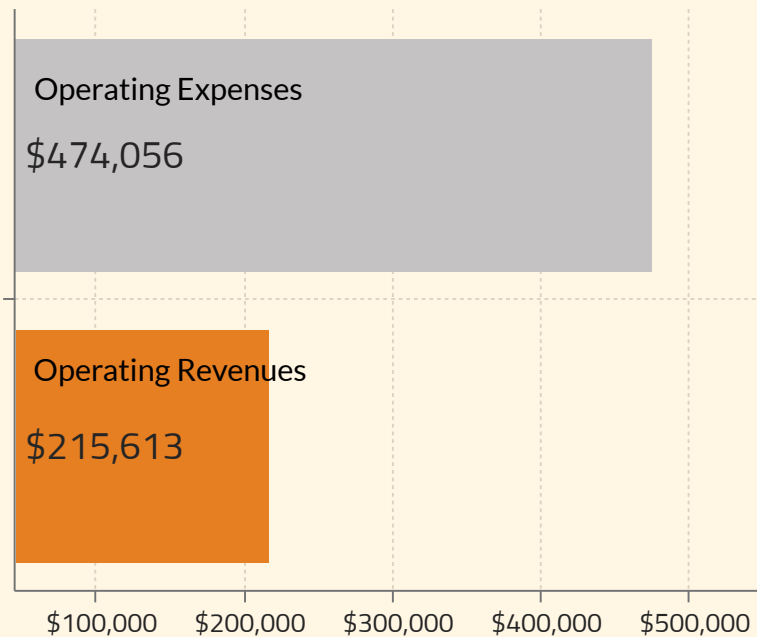


AS OF JUNE 2020,

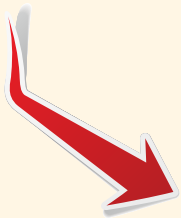
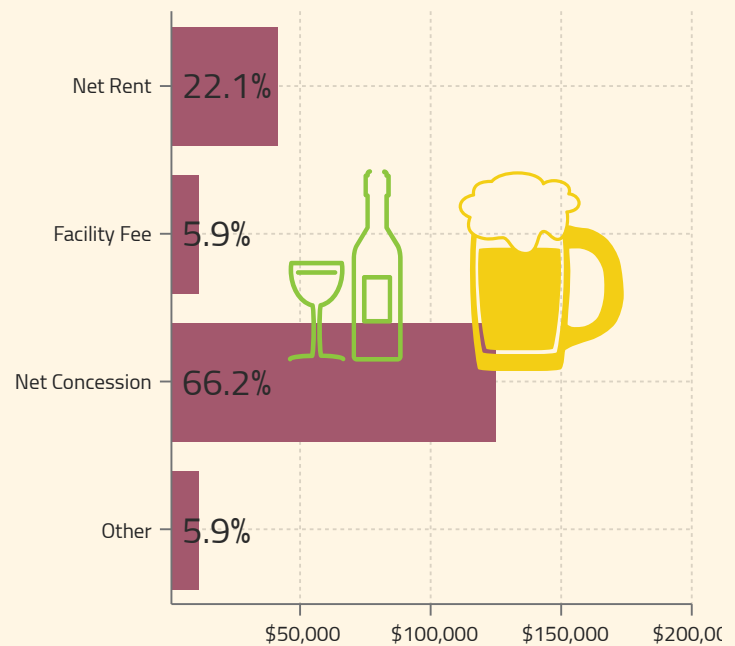
\$294,830

**Transferred from
General Fund to
Break Even**

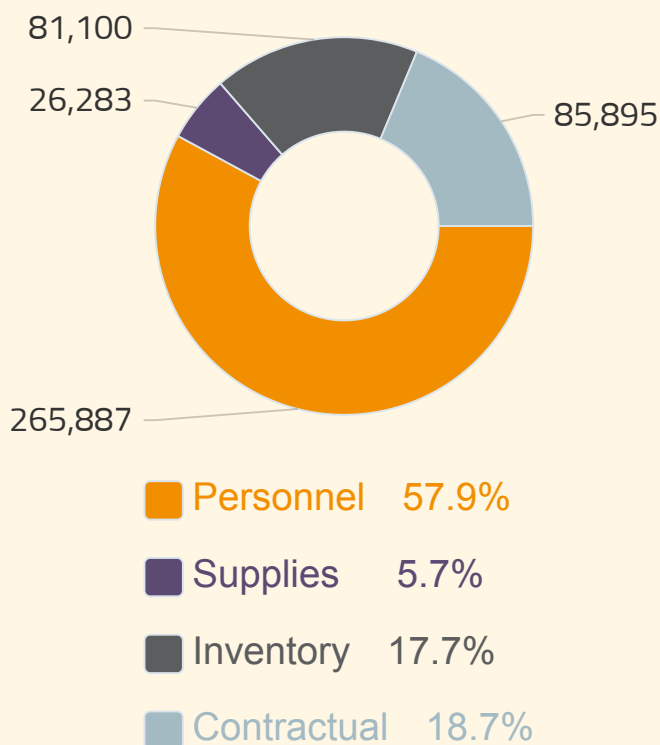
Operating Revenues and Expenses



Operating Revenue Distribution



Expenses



AS OF JUNE 2020,

\$258,443

**Transferred from
General Fund to
Break Even**



PEDC FUND AVAILABLE
RESOURCES

\$3.4 Million

NOTES RECEIVABLE

\$.98

MILLION



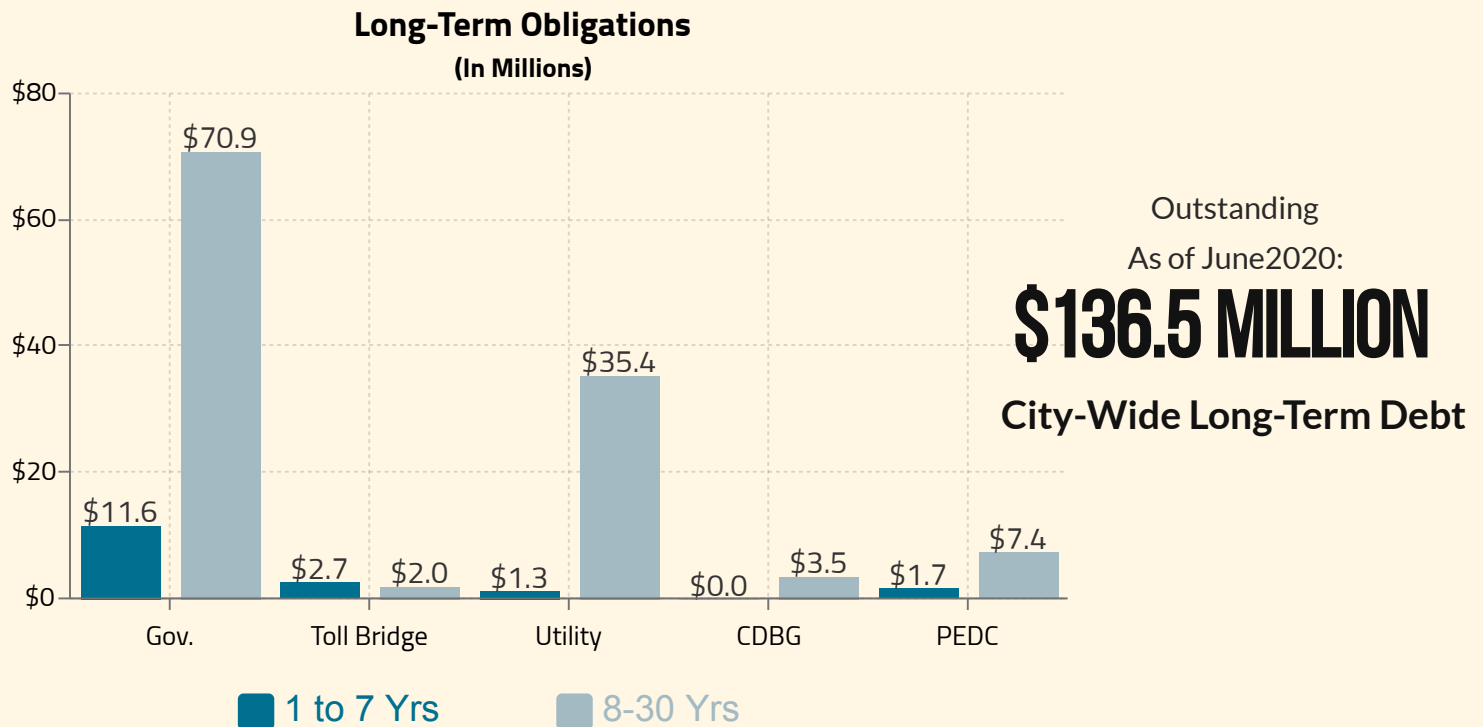
\$3.1

Million Land
Available for Sale



\$9 Million

OUTSTANDING IN DEBT
UNDER PHARR ECONOMIC
DEVELOPMENT CORPORATION



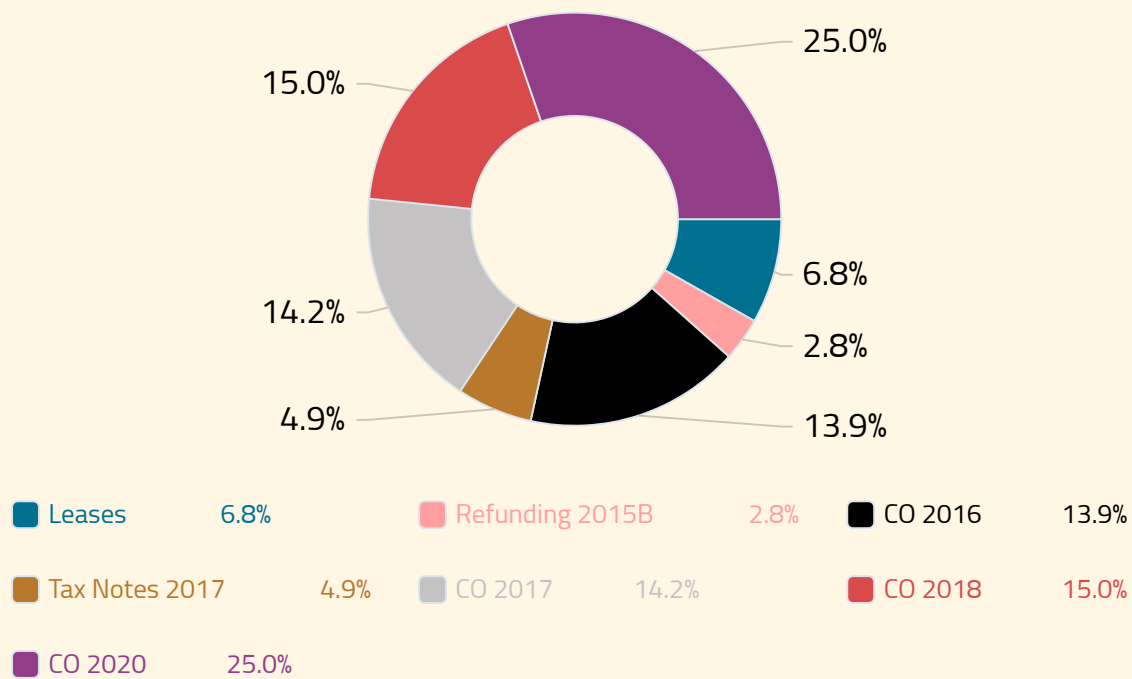
\$25
Million

Issued in Certificates of Obligations
through Private Placement for North
Aquatic Facility in **January 2020**.

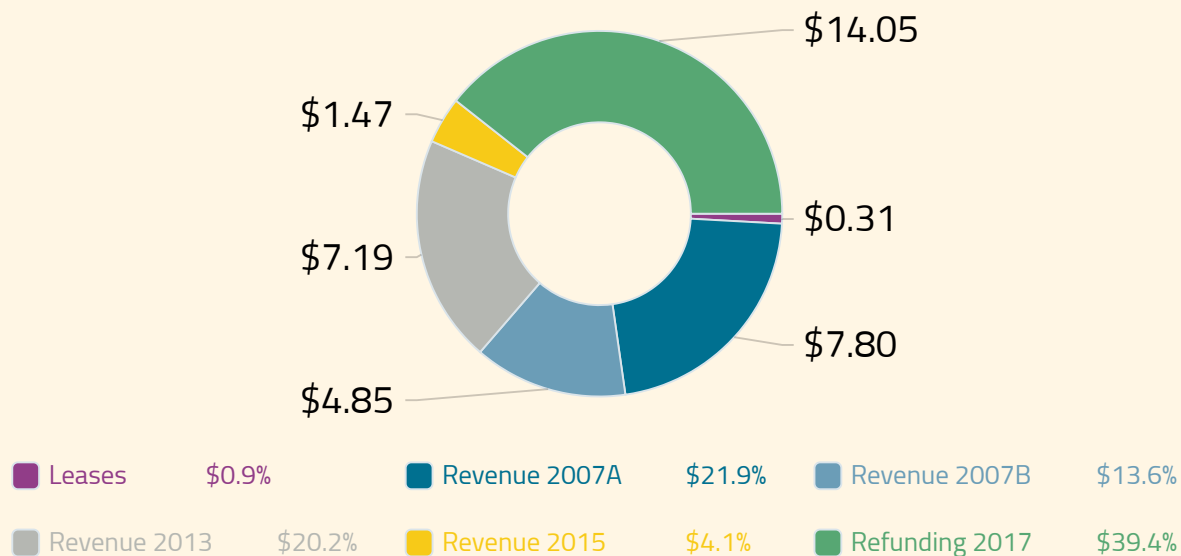
\$3.7
Million

Issued in Capital Leases for Capital
Equipment in **March 2020**.

Governmental (In Millions)



Utility Fund (In Millions)



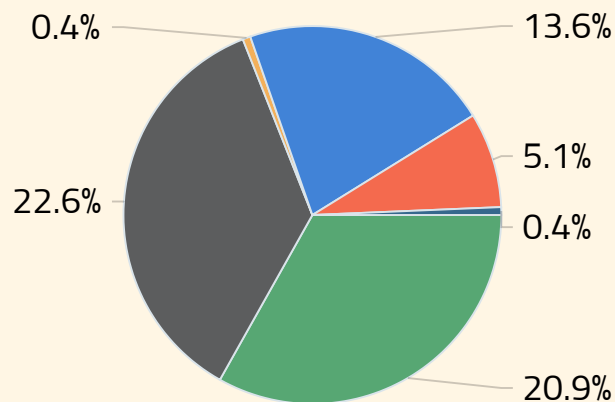
Governmental (In Millions)

Construction Category	Balance March 31, 2020	Expenses this Quarter	Completions this Quarter	Balance June 30, 2020
Parks	\$18.27	\$2.61	-	\$20.88
Streets	22.00	.59	-	22.59
City Hall-1st Floor	-	.42	-	.42
Public Safety	.25	.17	-	0.42
Total Governmental	\$40.52	\$3.79	\$-	\$44.31

Business-Type (In Millions)

Construction Category	Balance March 31, 2020	Expenses this Quarter	Completions this Quarter	Balance June 30, 2020
Utility Projects	\$12.73	\$.82	-	\$13.55
Bridge	3.96	1.18	-	5.14
Total Business-Type	\$16.69	\$2.00	-	\$18.69
GRAND TOTAL	\$57.21	\$5.79	\$-	\$63.00

Construction Distribution





AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 4.C.

DATE SUBMITTED: July 29, 2020

MEETING DATE: August 3, 2020

FROM: Omar Anzaldua, City Engineer

DEPARTMENT: Engineering

DIRECTOR:

Agenda Item: City Engineer's Report.

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: City Engineer's Report

Financial Consideration:

Staff Recommendation:

Alternatives:

ROUTING:

Omar Anzaldua

Omar Anzaldua

City Management Office

Created/Initiated - 7/29/2020

Approved - 7/31/2020

Final Approval - 7/31/2020

Design Phase

- ☐ **PSJA Tri-City Pedestrian Safety Improvements Projects - Phase I**
- ☐ **Pharr Pedestrian Connections**
- ☐ **Hi-Line Road Improvements From Jackson Rd to Veterans Rd (I-Road)**
- ☐ **Anaya Road Improvements From US 281 (Cage Blvd) to Veterans Rd (I-Road)**
- ☐ **559 FY 16 DAP-Pharr-Reynosa Intl. Br. (Dock Expansion, Cold Inspection Facility, & Ag Training Center & Lab)**

Construction Phase

- ☐ **Renovations of Jose "Pepe" Salinas Civic Center**
- ☐ **Utility Relocation for Hike & Bike Tunnel under Veterans**
- ☐ **City of Pharr Downtown Park**
- ☐ **Pharr Bridge Office Expansion**
- ☐ **Aquatic Facility**

DESIGN PHASE

Project Name:	PSJA Tri-City Pedestrian Safety Improvements Project
Design Engineer:	City of Pharr Engineering Department.
Description:	Construction of approximately 27,784 square yards of concrete sidewalks within the Cities of Pharr, San Juan & Alamo to make linkages to surrounding cities, schools, neighborhoods, public parks by extending sidewalks and closing gaps in service.
Status:	Coordinating with TXDOT to finalize the Advance Funding Agreement. Survey for the Project is approximately 100% Complete. Design is 95% Complete. Project was submitted to TXDOT for review
Project Name:	Pharr Pedestrian Connections
Design Engineer:	City of Pharr Engineering Department.
Description:	The Project will provide pedestrians in the City of Pharr with facility improvements that will address the needs of seniors and persons with disabilities
Status:	Staff has begun the design
Project Name:	Hi-Line Road Improvements From Jackson to Veterans
Design Engineer:	S&B Infrastructure, Ltd.
Description:	Approximately 2.3 miles of roadway improvements from Jackson Rd to Veterans Rd.
Status:	City received AFA. Staff Coordinating a design kickoff meeting.

DESIGN PHASE

Project Name:	Anaya Rd. Improvements From US 281 (Cage Blvd.) to Veterans Rd. (I-Road)
Design Engineer:	S&B Infrastructure, Ltd.
Description:	Approximately 1.03 miles of roadway improvements from US 281 (Cage Blvd.) to Veterans Rd. (I-Road)
Status:	Project On-Hold
Project Name:	559 FY 16 DAP- Pharr Reyonsa Intl. Br. (Dock Expansion, Cold Inspection Facility, and Ag Training Center and Lab)
Design Engineer:	Half Associates
Description:	Construcion of a dry Dock Expansion, Cold Inspection Facility, and Ag Training Center and Lab
Status:	City is waiting for AFA from TXDOT. Design is 100% Complete

CONSTRUCTION PHASE

Project Name:	Renovations of Jose "Pepe" Salinas Civic Center		
Architect	Diseño		
Contractor	Davila Construction		
Contract Amount	\$3,200,000	Contract Time (Days)	210
Notice to Proceed	9/24/2018	Contract Time Used:	321.90%
Description: Renovations of an approximately 16,000 s.f. facility and construction of a new Parks Administration Building			
Status: Substantial completion has been achieved.			
Pictures: Pending punchlist items.			
			
			

CONSTRUCTION PHASE

Project Name:	Utility Relocation for Hike & Bike Tunnel under Veterans.		
Engineer	Garcia Infrastructure Consultants, LLC (GiC)		
Contractor	Ferguson Service Systems, Inc.		
Contract Amount	\$304,645	Contract Time (Days)	210
Notice to Proceed	7/30/2018	Contract Time Used:	348.57%

Description: Construction of a new grinder pump station to eliminate a sanitary sewer utility conflict that resulted from the proposed Hike and Bike Tunnel under I-Road.

Status: Coordinating with Hidalgo County on the pouring the driveway. Lift Station is in operation

Pictures:



CONSTRUCTION PHASE

Project Name:	City Hall Remodeling		
Engineer	City of Pharr		
Contractor	NM Contracting		
Contract Amount to Date	\$2,349,203	Contract Time (Days)	207
Notice to Proceed	7/23/2020	Contract Time Used:	3.86%
Description: A complete interior renovation of the first floor of City Hall.			
Status: Construction is ongoing.			
Pictures: Demolition currently existing interior structures.			

CONSTRUCTION PHASE

Project Name:	Pharr Bridge Office Expansion		
Engineer	The Warren Group Architects Inc.		
Contractor	International Consulting Engineers (ICE)		
Contract Amount to Date	\$1,316,952	Contract Time (Days)	240
Notice to Proceed	6/3/2019	Contract Time Used:	176.67%

Description:

Status: Construction is ongoing

Pictures: Signage on canopy has been installed. Interior renovations are ongoing.



CONSTRUCTION PHASE

Project Name:	Aquatic Facility (Project No. 1819-35-510-C011-051)		
Architect	The Warren Group Architects		
Contractor	D. Wilson Construction		
Contract Amount to Date	\$23,165,208.00	Contract Time (Days)	550
Notice to Proceed	11/1/2019	Contract Time Used:	49.64%
Description: The project is a fully enclosed olympic natatorium and diving pool with support facilities. Building area is approximatley 70,400 S.F.			
Status: Construction is ongoing.			
Pictures: Developers have begun work on trusses and compaction of lifts around dive pool.			

CONSTRUCTION PHASE

Project Name:	Jones Box Park Phase 2 West Expansion (Project No. 1920-01-528-C003-210)		
Engineer:	R. Guitierrez Engineering Corporation		
Contractor:	Vensor Contractors, LLC		
Contract Amount to Date	\$299,214.24	Contract Time (Days)	170
Notice to Proceed	2/6/2020	Contract Time Used:	103.53%

Description: This project will consist of utility improvements.

Status: Construction is ongoing.

Pictures: Change order will be required for additional time. Awaiting for discharge permit to tie into HCDD No. 1 drainage ditch.



CONSTRUCTION PHASE

Project Name:	Hike & Bike Phase 2 Utility Relocation (Project No. 1920-61-528-C004-289)		
Engineer:	Javier Hinojosa Engineering		
Contractor:	RDH Site and Concrete, LLC		
Contract Amount to Date	\$332,830.00	Contract Time (Days)	180
Notice to Proceed	3/2/2020	Contract Time Used:	83.89%

Description: This project will consist of utility relocation.

Status: Construction is on going.

Pictures: Alley off of S. Veterans Blvd. with utilities have been completed.



CONSTRUCTION PHASE

Project Name:	Single Machine Repaving Year 5 Project (Project		
Engineer:	City of Pharr Engineering Department		
Contractor:	Cutler Repaving Inc.		
Contract Amount to Date	\$4,244,522.93	Contract Time (Days)	180
Notice to Proceed	3/2/2020	Contract Time Used:	83.89%
Description: This project will consist of milling and repaving streets from the northern, central and southern regions of the City of Pharr.			
Status: Complete			
Pictures: All streets on proposed list and additional have been completed.			
			
			



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 5.A.

DATE SUBMITTED: July 31, 2020

MEETING DATE: August 3, 2020

FROM: Hilda Pedraza, City Clerk

DEPARTMENT: Administration

DIRECTOR: Edward Wylie

Agenda Item: Approval of Minutes for July 20, 2020 Regular Called Meeting.

Classification: Consent

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue:

Financial Consideration:

Staff Recommendation: Staff recommends approval.

Alternatives:

ROUTING:

Hilda Pedraza
City Management Office

Created/Initiated - 7/31/2020
Final Approval - 7/31/2020

**MINUTES
BOARD OF COMMISSIONERS
REGULAR CALLED MEETING
MONDAY, JULY 20, 2020
118 SOUTH CAGE 2nd FLOOR**

The Board of Commissioners of the City of Pharr, Texas, met in a Regular Called Meeting on Monday, July 20, 2020 and following is the record of attendance.

BOARD OF COMMISSIONERS PRESENT: Mayor Ambrosio Hernandez
Mayor Pro Tem Roberto “Bobby” Carrillo
Comm. Daniel Chavez
Comm. Ricardo Medina

**BOARD OF COMMISSIONERS PRESENT
VIA VIDEOCONFERENCE:** Comm. Itza Flores

BOARD OF COMMISSIONERS ABSENT: Comm. Eleazar Guajardo
Comm. Ramiro Caballero

STAFF PRESENT: Edward Wylie, Interim City Manager
Anali Alanis, Assistant City Manager
Hilda Pedraza, ACM/City Clerk
Omar Anzaldua, City Engineer
Karla Saavedra, Finance Director
Veronica Ramirez, HR Director
Gary Rodriguez, Events Center Director
Criselda Rincon, Municipal Court Judge
Andrew Harvey Jr., Police Chief
Leonardo Perez, Fire Chief
Melanie Cano, Development Services Dir.
Pilar Rodriguez, Interim Public Works Dir.
Sergio Alanis, Parks & Rec. Director
Raul Garza, CDBG Director
Adolfo Garcia, Library Director
Jose Pena, I.T. Director
Luis Bazan, Bridge Director
Victor Perez, PEDC Director
Ignacio Amezcua, Purchasing Director
Daniel Ramirez, Communications Director
Karina Lopez, Interim Chamber President

CITY ATTORNEY Patricia Rigney, City Attorney

ITEM 1. CALL TO ORDER

**A) ROLL CALL AND POSSIBLE ACTION ON THE EXCUSING OF ANY ABSENT
MEMBER OF THE GOVERNING BOARD**

MINUTES: REGULAR CALLED MEETING
July 20, 2020

Mayor Hernandez called the meeting to order at 4:01 p.m. Roll call established a quorum.

Comm. Carrillo **moved** to excuse the absent members. Comm. Chavez seconded the motion and when put to a vote, it carried unanimously.

B) PLEDGE OF ALLEGIANCE/INVOCATION.

Anali Alanis, Assistant City Manager, led in the pledge of allegiance and said the invocation.

ITEM 2. PUBLIC TESTIMONY

Carlos Ramirez spoke against agenda item 5.D.5 and voiced his concerns regarding the traffic.

Miranda Ramirez spoke against agenda item 5.D.5 and voiced her concerns regarding the traffic.

There being no further comments, the public testimony was closed.

ITEM 3. PUBLIC HEARINGS

A) PUBLIC HEARING ON DEVELOPMENT SERVICES CASES

Ramiro and Deyanira Robles spoke against agenda item 5.D.5. Mrs. Robles expressed her concern with the increase of traffic by stating it would be difficult and dangerous to get in and out of their subdivision.

Robert Hernandez spoke against agenda item 5.D.5 and expressed concerns with traffic congestion. He stated the business would increase existing traffic issues from other surrounding schools in the area.

ITEM 4. CITY MANAGER'S REPORTS

A) SUBMISSION OF SALES TAX COLLECTION REPORT FOR JULY 2020

Ed Wylie, Interim City Manager, introduced the item. He reported the City of Pharr had an increase of 4.3% for the month and an increase of 1.98% for the year.

B) SUBMISSION OF PROPERTY TAX COLLECTION REPORT FOR JUNE 2020

Ed Wylie, Interim City Manager, introduced the item and reported the City of Pharr had a decrease of .38% collection rate, showing a decrease of 2.09% from last year.

ITEM 5. CONSENT AGENDA

A) APPROVAL OF MINUTES FOR JULY 6, 2020 REGULAR CALLED MEETING AND JULY 13, 2020 SPECIAL CALLED MEETING (ADMINISTRATION)

B) CONSIDERATION AND ACTION AUTHORIZING CITY MANAGER TO ADVERTISE FOR REQUEST FOR PROPOSALS FOR CITY WIDE ELECTRICAL ON-CALL SERVICES (PROJECT NO. 1920-01-528-S041-001) (ENGINEERING)

C) CONSIDERATION AND ACTION AUTHORIZING CITY MANAGER TO ADVERTISE FOR REQUEST FOR PROPOSALS FOR CITY WIDE HVAC ON-CALL SERVICES (PROJECT NO. 1920-01-528-S042-001) (ENGINEERING)

D) CONSIDERATION AND ACTION ON DEVELOPMENT SERVICES CASES:

1. RUDY'S TEXAS BAR-B-Q, L.L.C./CARLOS TORRES, D/B/A RUDY'S COUNTRY STORE BAR-B-Q, REQUESTED RENEWAL OF THE CONDITIONAL USE PERMIT TO ALLOW THE SALE OF ALCOHOLIC BEVERAGES FOR ON-PREMISE CONSUMPTION IN A LIMITED INDUSTRIAL DISTRICT (L-I). THE PROPERTY IS LEGALLY DESCRIBED AS BEING LOT 1, LOS HOTELES SUBDIVISION, PHARR, HIDALGO COUNTY, TEXAS. THE PROPERTY'S PHYSICAL ADDRESS IS 209 WEST NOLANA LOOP. CUP#040644
2. EDINBURG RAM, LLC, D/B/A KHAN'S GRILL, REQUESTED RENEWAL OF THE CONDITIONAL USE PERMIT AND LATE HOURS PERMIT TO ALLOW THE SALE OF ALCOHOLIC BEVERAGES FOR ON-PREMISE CONSUMPTION IN A GENERAL BUSINESS DISTRICT (C).THE PROPERTY IS LEGALLY DESCRIBED AS BEING LOT 6A, JACKSON RIDGE COURT SUBDIVISION PHASE III – AMENDED PLAT, PHARR, HIDALGO COUNTY, TEXAS.THE PROPERTY'S PHYSICAL ADDRESS IS 1005 SOUTH JACKSON ROAD. CUP#180644
3. KHANH NGUYEN, D/B/A SNOW BITE, REQUESTED RENEWAL OF THE CONDITIONAL USE PERMIT AND LATE HOURS PERMIT TO ALLOW THE SALE OF ALCOHOLIC BEVERAGES FOR ON-PREMISE CONSUMPTION IN A GENERAL BUSINESS DISTRICT (C). THE PROPERTY IS LEGALLY DESCRIBED AS BEING 0.078-ACRE TRACT OF LAND, MORE OR LESS, OUT OF LOT 4A, REPLAT OF VACATED CAR-MEL SUBDIVISION, VACATED EL CENTRO MALL NO. 3 & 4 SUBDIVISION PHARR, HIDALGO COUNTY, TEXAS. THE PROPERTY'S PHYSICAL ADDRESS IS 500 NORTH JACKSON ROAD, SUITE L-2. CUP#190536

MINUTES: REGULAR CALLED MEETING
July 20, 2020

4. ANGELA OLIVA REQUESTED A CHANGE OF ZONE FROM SINGLE-FAMILY RESIDENTIAL DISTRICT (R-1) TO NEIGHBORHOOD COMMERCIAL DISTRICT (N-C). THE PROPERTY IS LEGALLY DESCRIBED AS BEING LOTS 12 AND 13, FORD'S SUBDIVISION, PHARR, HIDALGO COUNTY, TEXAS. THE PROPERTY'S PHYSICAL ADDRESS IS 410 WEST SAM HOUSTON AVENUE. COZ#200628
5. LITTLE EXPLORERS DEVELOPMENT & LEARNING CENTER, LLC. REQUESTED A CHANGE OF ZONE FROM AGRICULTURAL AND/OR OPEN SPACE DISTRICT (A-O) AND SINGLE-FAMILY RESIDENTIAL DISTRICT (R-1) TO GENERAL BUSINESS DISTRICT (C). THE PROPERTY IS LEGALLY DESCRIBED AS BEING A 2.499-ACRE TRACT OF LAND, MORE OR LESS, OUT OF LOT 5, BLOCK 8, A.J. MCCOLL SUBDIVISION AND BEING A 0.458-ACRE TRACT OF LAND, MORE OR LESS, OUT OF LOT 1, C.D. SUBDIVISION, PHARR, HIDALGO COUNTY, TEXAS. THE PROPERTY IS PHYSICALLY LOCATED 2301 SOUTH JACKSON ROAD. COZ#200629

Ed Wylie, Interim City Manager, introduced the item and recommended approval of consent agenda.

Comm. Carrillo **moved** to approve as recommended. Comm. Chavez seconded the motion and when put to a vote, it carried unanimously.

Ordinance Nos. O-2020-21 and O-2020-22 are filed with the City Clerk's Office.

REGULAR AGENDA - OPEN SESSION

ITEM 6. ORDINANCES AND RESOLUTIONS

- A) **CONSIDERATION AND ACTION, IF ANY, ON ORDINANCE AMENDING ORDINANCE NO. O-2007-06 AND ADOPTING A NEW AND UPDATED ORDINANCE KNOWN AS "SUBSTANDARD STRUCTURES" (3RD AND FINAL READING) (DEVELOPMENT SERVICES)**

Ed Wylie, Interim City Manager, introduced the item and recommended approval.

Comm. Carrillo **moved** to approve as recommended. Comm. Medina seconded the motion and when put to a vote, it carried unanimously.

Ordinance No. O-2020-23 is filed with the City Clerk's Office.

- B) **CONSIDERATION AND ACTION, IF ANY, ON ORDINANCE APPROVING A NEGOTIATED RESOLUTION BETWEEN THE CITY OF PHARR AND TEXAS GAS SERVICE REGARDING THE COMPANY'S APRIL 30, 2020 COST OF SERVICE ADJUSTMENT (COSA) FILING (ADOPTION ON 1ST READING) (ADMINISTRATION)**

MINUTES: REGULAR CALLED MEETING
July 20, 2020

Ed Wylie, Interim City Manager, introduced the item.

Patricia Rigney, City Attorney, briefly explained Texas Gas Service filed for a rate increase of \$1.9 million and stated several cities hired a firm to review and negotiate a settlement. She stated an agreement was reached and the rate was reduced to \$1.8 million across the board. She further stated Texas Gas Service would be issuing a refund to some customers over the next couple of months and recommended approval.

Comm. Carrillo **moved** to approve. Comm. Medina seconded the motion and when put to a vote, it carried unanimously.

Ordinance No. O-2020-24 is filed with the City Clerk's Office.

C) CONSIDERATION AND ACTION, IF ANY, ON ORDINANCE AMENDING ORDINANCE NO. O-2019-40 FOR BUDGET AMENDMENTS TO THE FISCAL YEAR 2019-2020 BUDGET (ADOPTION ON 1ST READING) (FINANCE)

Ed Wylie, Interim City Manager, introduced the item. He stated this was the first budget amendment to reduce budget in the amount of \$2,927,800 and explained the adjustments were on the revenue side due to businesses affected by COVID-19. He further stated the City increased the budget to hire additional personnel, purchase of radio system equipment and 380 incentive agreements.

Comm. Carrillo **moved** to approve as recommended. Comm. Chavez seconded the motion and when put to a vote, it carried unanimously.

Ordinance No. O-2020-25 is filed with the City Clerk's Office.

D) CONSIDERATION AND ACTION, IF ANY, ON RESOLUTION APPOINTING/REAPPOINTMENT TWO (2) ALTERNATE MEMBERS TO THE BOARD OF ADJUSTMENT (ADMINISTRATION)

Ed Wylie, Interim City Manager, introduced the item and stated the two alternate members wished to be reappointed.

Comm. Medina **moved** to reappoint Rogelio Torres and Ramiro Gutierrez to the Board of Adjustment. Comm. Carrillo seconded the motion and when put to a vote, it carried unanimously.

Resolution No. R-2020-34 is filed with the City Clerk's Office.

E) CONSIDERATION AND ACTION, IF ANY, ON RESOLUTION APPOINTING/REAPPOINTING ONE (1) REGULAR MEMBER TO THE PLANNING AND ZONING COMMISSION (ADMINISTRATION)

Ed Wylie, Interim City Manager, introduced the item and stated member wished to be reappointed.

Comm. Carrillo **moved** to approve to reappoint Jonathan Larraga to the Planning and Zoning Commission. Comm. Chavez seconded the motion and when put to a vote, it carried unanimously.

Resolution No. R-2020-35 is filed with the City Clerk's Office.

F) CONSIDERATION AND ACTION, IF ANY, ON RESOLUTION ENTERING INTO AN AGREEMENT WITH TEXAS DEPARTMENT OF TRANSPORTATION FOR CLOSURE OF US 281 FROM OLD BUSINESS 83 TO KELLY AVE. FOR VARIOUS DOWNTOWN LIGHT IMPROVEMENTS ON TUESDAY, JULY 21, 2020 FROM 6:00 A.M. TO WEDNESDAY JULY 22, 2020 6:00 P.M. (ENGINEERING)

Ed Wylie, Interim City Manager, introduced the item and recommended approval.

Comm. Medina **moved** to approve as recommended. Comm. Carrillo seconded the motion and when put to a vote, it carried unanimously.

Resolution No. R-2020-36 is filed with the City Clerk's Office.

G) CONSIDERATION AND ACTION, IF ANY, ON RESOLUTION APPROVING THE CERTIFICATE OF FORMATION AND BYLAWS OF THE HIDALGO COUNTY REGIONAL FOREIGN TRADE ZONE (HCRFTZ) (ADMINISTRATION)

Ed Wylie, Interim City Manager, introduced the item and stated this was for the adoption of the bylaws to create the Hidalgo County Regional Foreign Trade Zone. He stated this was a combination of cities to include Edinburg, Pharr, Donna, Weslaco, and the County of Hidalgo to enhance the foreign trade and economic development in the County. He further recommended approval.

Comm. Carrillo **moved** to approve as recommended. Comm. Chavez seconded the motion and when put to a vote, it carried unanimously.

Resolution No. R-2020-37 is filed with the City Clerk's Office.

ITEM 7. ADMINISTRATIVE

A) DISCUSSION AND POSSIBLE ACTION REGARDING DOWNTOWN DECORATIVE LIGHTS (ENGINEERING)

Ed Wylie, Interim City Manager, introduced the item and stated item would be discussed in closed session.

ITEM 8. PURCHASING

A) CONSIDERATION AND ACTION, IF ANY, ON THE PURCHASE OF FIVE (5) PORTABLE DYNAMIC MESSAGE BOARDS FOR THE PUBLIC WORKS DEPARTMENT FROM BUYERS BARRICADES THROUGH BUY BOARD PRICING IN THE AMOUNT OF \$78,250 UTILIZING CARES FUNDING. (PROJECT NO. 1920-01-517-P024-001) (PUBLIC WORKS)

Ed Wylie, Interim City Manager, introduced the item and recommended approval.

Comm. Carrillo moved to approve as recommended. Comm. Medina seconded the motion and when put to a vote, it carried unanimously.

B) CONSIDERATION AND ACTION, IF ANY, ON THE PURCHASE OF COMMISSION CHAMBERS MEDIA CONTROL ROOM AUDIO/VIDEO UPGRADE FOR THE MEDIA DEPARTMENT FROM DESIGNS THAT COMPUTE DBA VISIONALITY THROUGH TEXAS DIR COOP PRICING IN THE AMOUNT OF \$62,459.39 UTILIZING CARES FUNDING (PROJECT NO. 1920-01-518-P025-001) (IT)

Ed Wylie, Interim City Manager, introduced the item and recommended approval.

Comm. Medina moved to approve as recommended. Comm. Chavez seconded the motion and when put to a vote, it carried unanimously.

ITEM 9. CONTRACTS/AGREEMENTS

A) CONSIDERATION AND ACTION, IF ANY, AUTHORIZING CITY MANAGER TO EXTEND THE SERVICE CONTRACT WITH PAVEMENT MARKINGS, INC. FOR CITY-WIDE PAVEMENT MARKING SERVICES (PROJECT #1718-01-517-C006-147) (PURCHASING)

Ed Wylie, Interim City Manager, introduced the item and recommended a one-year extension with no increase to the original pricing.

MINUTES: REGULAR CALLED MEETING
July 20, 2020

Comm. Carrillo **moved** to approve as recommended. Comm. Chavez seconded the motion and when put to a vote, it carried unanimously.

At this time, Mayor Hernandez, stated they would deviate and go into closed session. There was no objection.

ITEM 11. CLOSED SESSION: IN ACCORDANCE WITH CHAPTER 551 OF THE TEXAS GOV'T. CODE, THE PHARR BOARD OF COMMISSIONERS HEREBY GIVES NOTICE THAT IT MAY MEET IN A CLOSED (NON-PUBLIC) EXECUTIVE SESSION TO DISCUSS THE ITEMS LISTED ON THE PUBLIC PORTION OF THE MEETING AGENDA IN ACCORDANCE WITH THE FOLLOWING BELOW

The time being 4:31 p.m., Mayor Hernandez stated the commission would be entering into closed session in accordance with Chapter 551 of the Texas Govt. Code to discuss agenda items listed in the public portion of the agenda and Pursuant to Sections 551.071, 551.072, 551.074, 551.076, 551.084 and 551.087.

ITEM 12. RECONVENE

The time being 4:48 p.m., Mayor Hernandez stated the commission would be resuming the open meeting.

ITEM 7. ADMINISTRATIVE

A) DISCUSSION AND POSSIBLE ACTION REGARDING DOWNTOWN DECORATIVE LIGHTS (ENGINEERING)

Ed Wylie, Interim City Manager, introduced the item and stated no action would be taken.

ITEM 10. LEGAL

A) CONSULTATION, AND ACTION, IF ANY, WITH CITY ATTORNEY REGARDING SETTLEMENT OF GABRIEL CABRERA VS. CITY OF PHARR, NO. 7:17-CV-00369 AND GABRIEL CABRERA VS. CITY OF PHARR, NO. C-0217-18-G (ON APPEAL CAUSE NO. 13-18-00559-CV) (LEGAL)

Ed Wylie, Interim City Manager, introduced the item and recommended approval as discussed in closed session.

Comm. Carrillo **moved** to approve as recommended. Comm. Medina seconded the motion and when put to a vote, it carried unanimously.

ITEM 13. ADJOURNMENT

There being no other business to come before the board, Comm. Carrillo **moved** to adjourn. Comm. Medina seconded the motion and when put to a vote, the motion carried unanimously. Meeting adjourned at 4:49 p.m.

CITY OF PHARR

AMBROSIO HERNANDEZ
MAYOR

**STATE OF TEXAS
COUNTY OF HIDALGO
CITY OF PHARR**

ON THIS THE 20th DAY OF JULY 2020 the Board of Commissioners of the City of Pharr, Texas convened in a **REGULAR CALLED MEETING** at the Commissioner's Room located at 118 S. Cage, 2nd Floor, Pharr, Texas. The meeting being open to the public and notice of said meeting, giving the date, place, subject, hereof, having been posted in accordance with Chapter 551, Texas Government Code (Open Meetings Act) and there being present a quorum, I, **HILDA PEDRAZA, CITY CLERK**, of the City of Pharr, Texas, certify that this is a true and correct copy of the minutes.

ATTEST:

HILDA PEDRAZA, CITY CLERK

APPROVED:



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 5.B.

DATE SUBMITTED: July 29, 2020

MEETING DATE: August 3, 2020

FROM: Omar Anzaldua, City Engineer

DEPARTMENT: Engineering

DIRECTOR: Omar Anzaldua

Agenda Item: Consideration and action authorizing City Manager to advertise for bids for the rehabilitation of the Expressway 83 Elevated Water Storage Tank (Project No. 1920-01-528-C010-092)

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason: N/A

Issue:

This request is to advertise for bids for the rehabilitation of the Expressway 83 Elevated Water Storage Tank.

Financial Consideration: Engineer's Opinion of Probable Cost \$550,000

Staff Recommendation: Staff recommends approval.

Alternatives: None

ROUTING:

Omar Anzaldua

Created/Initiated - 7/29/2020

Omar Anzaldua

Approved - 7/29/2020

Ignacio Amezcua

Approved - 7/29/2020

Karla Saavedra

Approved - 7/31/2020

City Management Office

Final Approval - 7/31/2020



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 5.C.

DATE SUBMITTED: July 29, 2020

MEETING DATE: August 3, 2020

FROM: Hilda Pedraza, City Clerk

DEPARTMENT: Administration

DIRECTOR:

Agenda Item: Consideration and action on Development Services Cases:

Classification: Public Hearing

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue:

Financial Consideration:

Staff Recommendation:

Alternatives:

ROUTING:

Hilda Pedraza

Created/Initiated - 7/29/2020



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 5.C.1.

DATE SUBMITTED: July 29, 2020

MEETING DATE: August 3, 2020

FROM: Iris Mata, Secretary

DEPARTMENT: Development Services

DIRECTOR: Melanie Cano

Agenda Item: Imperium Event Center, LLC. is requesting renewal of the Conditional Use Permit and Late Hours Permit to allow the sale of alcoholic beverages for on-premise consumption in a General Business District (C). The property is legally described as being Lot 1, Vacating Plat of La Quinta Subdivision Lots 52-55, Pharr, Hidalgo County, Texas. The property's physical address is 5952 South Cage Boulevard. **CUP#190540**

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: Imperium Event Center, LLC. is requesting renewal of the Conditional Use Permit and Late Hours Permit to allow the sale of alcoholic beverages for on-premise consumption in a General Business District (C). **CUP#190540**

Financial Consideration:

Staff Recommendation: Development Services recommends approval of the renewal of the Conditional Use Permit and Late Hours Permit to allow the sale of alcoholic beverages for on-premise consumption in a General Business District (C) subject to applicant and site being in compliance with all City Ordinances and City Department requirements.

Alternatives:

ROUTING:

Iris Mata
Rita Galvan
Melanie Cano
City Management Office

Created/Initiated - 7/29/2020
Approved - 7/29/2020
Approved - 7/31/2020
Final Approval - 7/31/2020



Pharr



MAYOR Ambrosio Hernandez, MD

COMMISSIONERS Eleazar Guajardo | Roberto "Bobby" Carrillo | Ramiro Caballero, MD | Daniel Chavez | Ricardo Medina | Itza Flores

Executive Summary Letter

August 3, 2020

Conditional Use Permit **Renewal** for ABC –

Imperium Event Center, LLC.

Background:

Imperium Event Center, LLC. is requesting renewal of the Conditional Use Permit and Late Hours Permit to allow the sale of alcoholic beverage for on-premise consumption. This request constitutes the 1st renewal for Imperium Event Center, LLC.

The property is located at 5952 South Cage Boulevard. It is zoned General Business District (C) and is in conformance with the Future Land Use Plan. All required inspections have been conducted and have passed.

Recommendations:

Staff recommends **approval** of the renewal of the Conditional Use Permit and Late Hours Permit to allow the sale of alcoholic beverage for on-premise consumption subject to the site and applicant being in compliance with all City Ordinances and City Department requirements.



MEMORANDUM

DATE: MONDAY, AUGUST 03, 2020
TO: MAYOR AND CITY COMMISSION
FROM: MELANIE CANO, DIRECTOR OF DEVELOPMENT SERVICES
THROUGH: EDWARD WYLIE, INTERIM CITY MANAGER

SUBJECT: CONDITIONAL USE PERMIT AND LATE HOURS RENEWAL FOR ABC FILE NO. CUP#190540 (IMPERIUM EVENT CENTER, LLC.)
--

GENERAL INFORMATION:

APPLICANT: Imperium Event Center, LLC. is requesting renewal of the Conditional Use Permit and Late Hours Permit to allow the sale of alcoholic beverages for on-premise consumption in a General Business District (C).

LEGAL DESCRIPTION: The property is legally described as being Lot 1, Vacating Plat of La Quinta Subdivision Lots 52-55, Pharr, Hidalgo County, Texas.

LOCATION: The property's physical address is 5952 South Cage Boulevard.

ZONING: The property is currently zoned General Business District (C). The surrounding area is zoned General Business District (C) to the north, south and east and Single-Family Residential District (R-1) to the west. The area is generally designated for commercial use in the Land Use Plan.

COMMENTS:

POLICE CHIEF:	Recommends approval of the Conditional Use Permit.
FIRE DEPARTMENT:	Recommends approval of the Conditional Use Permit.
CODE COMPLIANCE DIVISION:	Recommends approval of the Conditional Use Permit.

HEALTH DIVISION:

Recommends approval of
the Conditional Use Permit.

PLANNING DIVISION:

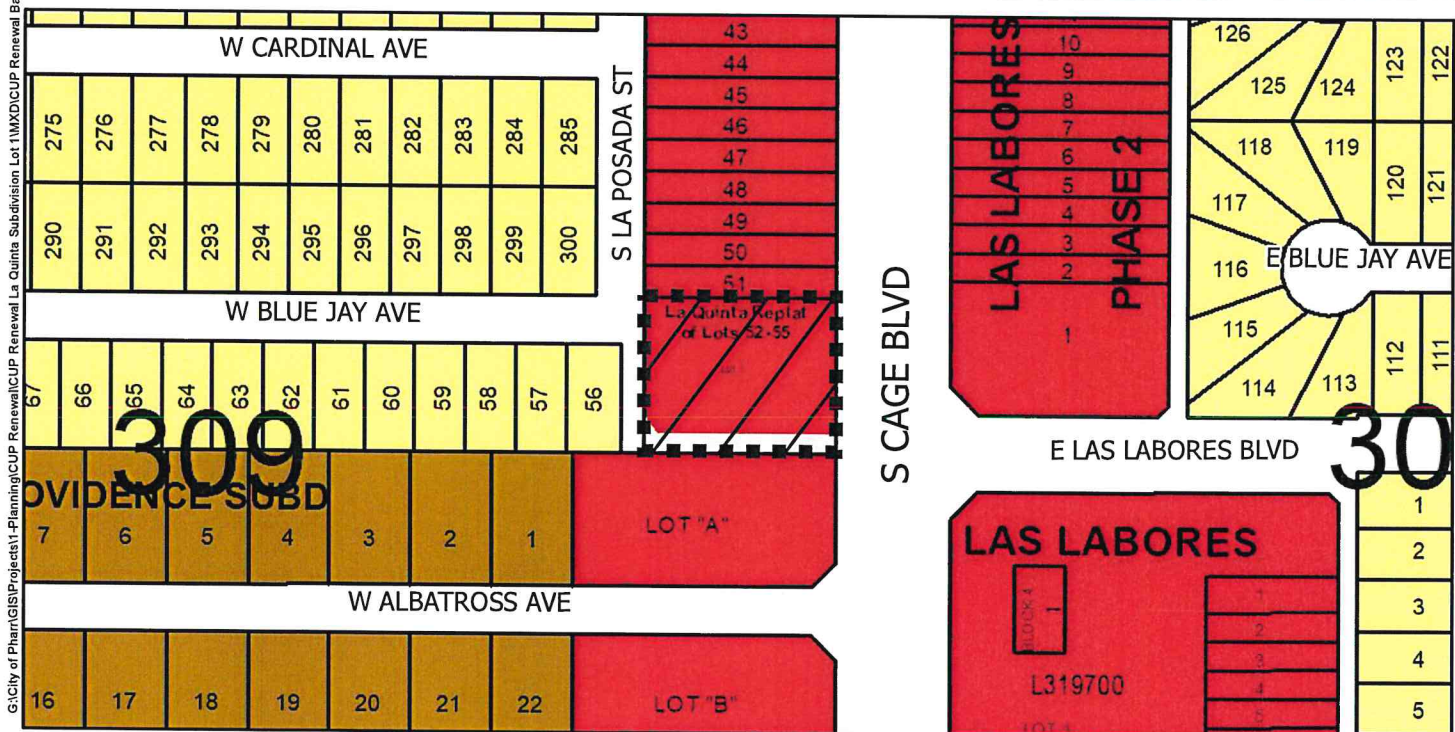
Recommends approval of
the Conditional Use Permit.

**DEVELOPMENT
SERVICES**

RECOMMENDATIONS:

Development Services recommends approval of the renewal of the Conditional Use Permit and Late Hours Permit to allow the sale of alcoholic beverages for on-premise consumption in a General Business District (C) subject to applicant and site being in compliance with all City Ordinances and City Department requirements.

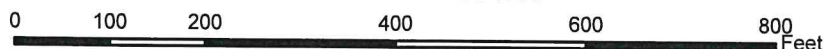
Conditional Use Permit Renewal
 Lot 1, Vacating Plat of La Quinta Subdivision Lots 52-55
 Eduardo Pena



- | | | | |
|---------------------------------------|-------------------|-------------------------|--------------------------|
| Agricultural Open Space | Townhouse | Drainage Easement | PSJA ISD |
| Single Family | HUD Code | Heavy Commercial | Hidalgo ISD |
| Single Family Small Lot | Rail Road R.O.W | Heavy Industrial | Valley View ISD |
| Residential Multi-Family | Government Owned | Limited Industrial | Planned Unit Development |
| Residential Multi-Family High Density | General Business | Neighborhood Commercial | |
| Mobile Home | Business District | Office Professional | |

City of Pharr, Texas
 Engineering Department
 956.702.5355

Scale: 1 inch = 200 feet



Date: 7/29/2020



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 5.C.2.

DATE SUBMITTED: July 29, 2020

MEETING DATE: August 3, 2020

FROM: Iris Mata, Secretary

DEPARTMENT: Development Services

DIRECTOR: Melanie Cano

Agenda Item: Shatt3r House is requesting renewal of the Conditional Use Permit and Late Hours Permit to allow the sale of alcoholic beverages for on-premise consumption in a Business District (C-2). The property is legally described as being a 0.085-acre tract of land, more or less, out of Lot 10, Block 1, J.T. Doster Subdivision, Pharr, Hidalgo County, Texas. The property's physical address is 115 East Park Avenue. **CUP#190533**

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: Shatt3r House is requesting renewal of the Conditional Use Permit and Late Hours Permit to allow the sale of alcoholic beverages for on-premise consumption in a Business District (C-2). **CUP#190533**

Financial Consideration:

Staff Recommendation: Development Services recommends approval of the renewal of the Conditional Use Permit and Late Hours Permit to allow the sale of alcoholic beverages for on-premise consumption in a General Business District (C) subject to applicant and site being in compliance with all City Ordinances and City Department requirements.

Alternatives:

ROUTING:

Iris Mata
Rita Galvan
Melanie Cano
City Management Office

Created/Initiated - 7/29/2020
Approved - 7/29/2020
Approved - 7/31/2020
Final Approval - 7/31/2020



Pharr



MAYOR Ambrosio Hernandez, MD

COMMISSIONERS Eleazar Guajardo | Roberto "Bobby" Carrillo | Ramiro Caballero, MD | Daniel Chavez | Ricardo Medina | Itza Flores

Executive Summary Letter

August 3, 2020

Conditional Use Permit **Renewal** for ABC –

Shatt3r House

Background:

Shatt3r House is requesting renewal of the Conditional Use Permit and Late Hours Permit to allow the sale of alcoholic beverage for on-premise consumption. This request constitutes the 1st renewal for Shatt3r House.

The property is located at 115 East Park Avenue. It is zoned Business District (C-2) and is in conformance with the Future Land Use Plan. All required inspections have been conducted and have passed.

Recommendations:

Staff recommends **approval** of the renewal of the Conditional Use Permit and Late Hours Permit to allow the sale of alcoholic beverage for on-premise consumption subject to the site and applicant being in compliance with all City Ordinances and City Department requirements.

P:\Admin\MY FILES\ CUPs\ ABC\Tacos & Mariscos El Sinaloense_2019



MEMORANDUM

DATE: MONDAY, AUGUST 03, 2020
TO: MAYOR AND CITY COMMISSION
FROM: MELANIE CANO, DIRECTOR OF DEVELOPMENT SERVICES
THROUGH: EDWARD WYLIE, INTERIM CITY MANAGER

SUBJECT: CONDITIONAL USE PERMIT AND LATE HOURS RENEWAL FOR ABC FILE NO. CUP#190533 (SHATT3R HOUSE)
--

GENERAL INFORMATION:

APPLICANT: Shatt3r House is requesting renewal of the Conditional Use Permit and Late Hours Permit to allow the sale of alcoholic beverages for on-premise consumption in a Business District (C-2).

LEGAL DESCRIPTION: The property is legally described as being a 0.085-acre tract of land, more or less, out of Lot 10, Block 1, J.T. Doster Subdivision, Pharr, Hidalgo County, Texas.

LOCATION: The property's physical address is 115 East Park Avenue.

ZONING: The property is currently zoned Business District (C-2). The surrounding area is zoned Business District (C-2) to the north, south, east and west. This area is generally designated for commercial use in the Land Use Plan.

COMMENTS: **POLICE CHIEF:** Recommends approval of the Conditional Use Permit.

FIRE DEPARTMENT: Recommends approval of

FIRE DEPARTMENT: Recommends approval of the Conditional Use Permit

CODE COMPLIANCE DIVISION: Recommends approval of the Conditional Use Permit

HEALTH DIVISION: Recommends approval of the Conditional Use Permit

PLANNING DIVISION: Recommends approval of the Conditional Use Permit.

DEVELOPMENT SERVICES

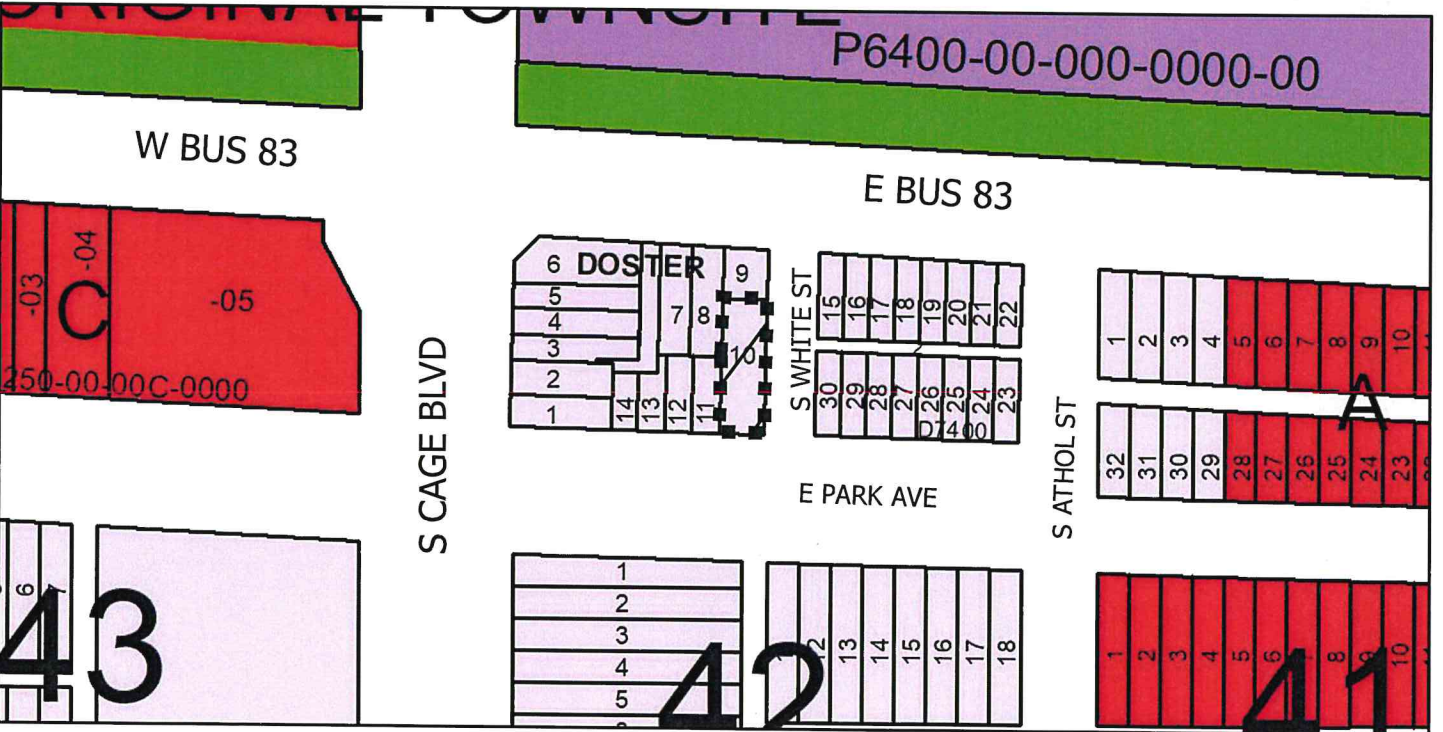
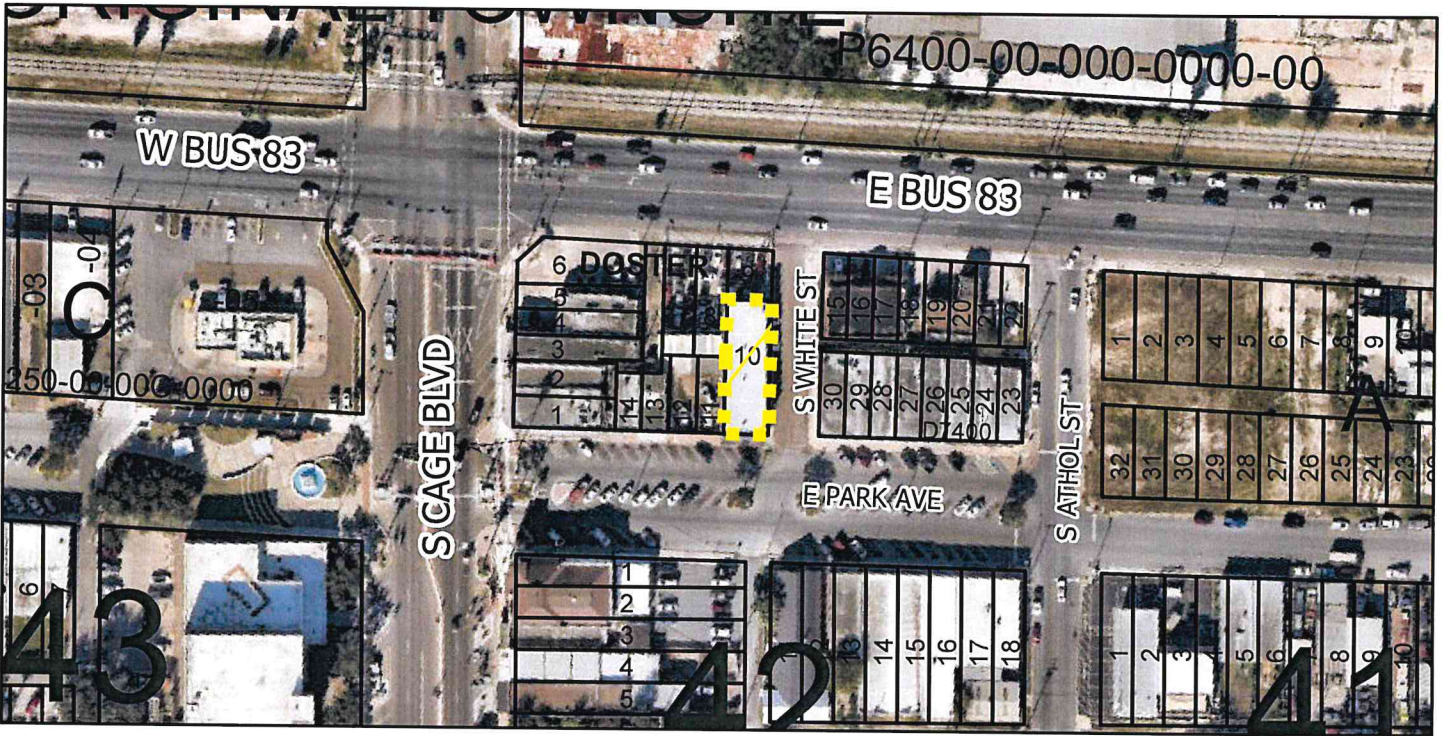
RECOMMENDATIONS:

Development Services recommends approval of the renewal of the Conditional Use Permit and Late Hours Permit to allow the sale of alcoholic beverages for on-premise consumption in a Business District (C-2) subject to applicant and site being in compliance with all City Ordinances and City Department requirements.

Conditional Use Permit Renewal
 0.085ac out of Lot 10, Block 1, J.T. Doster Subdivision
 Stephanie B. Palacios/ Shatt3r House



G:\City of Pharr\GIS\Projects\1-Planning\CUP Renewal\CUP Renewal 0.085ac out of Lot 10, Block 1, J.T. Doster Subdivision\MXD\CUP Renewal 0.085ac out of Lot 10, Block 1, J.T. Doster Subdivision.mxd



- | | | | |
|---------------------------------------|-------------------|-------------------------|--------------------------|
| Agricultural Open Space | Townhouse | Drainage Easement | PSJA ISD |
| Single Family | HUD Code | Heavy Commercial | Hidalgo ISD |
| Single Family Small Lot | Rail Road R.O.W | Heavy Industrial | Valley View ISD |
| Residential Multi-Family | Government Owned | Limited Industrial | Planned Unit Development |
| Residential Multi-Family High Density | General Business | Neighborhood Commercial | |
| Mobile Home | Business District | Office Professional | |

City of Pharr, Texas
 Engineering Department
 956.702.5355

Scale: 1 inch = 150 feet



Date: 5/27/2020



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 6.A.

DATE SUBMITTED: July 28, 2020

MEETING DATE: August 3, 2020

FROM: Patricia Rigney, City Attorney

DEPARTMENT: Administration

DIRECTOR: Patricia Rigney

Agenda Item: Consideration and action, if any, on Ordinance amending Chapter 126, Traffic and Vehicles, Article IV, Operation of Vehicles Generally, by adding new Section 126-150, traversing flooded streets with vehicle. ***(Adoption on 1st Reading)***

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: Due to the recent rains and flooding the City has identified the need for an ordinance addressing vehicles traveling through flooded streets and the damage to surrounding properties as a result of the wake caused by the vehicles.

Financial Consideration:

Staff Recommendation: Recommend approval of amendment to Ordinance.

Alternatives:

ROUTING:

Patricia Rigney
City Management Office

Created/Initiated - 7/28/2020
Final Approval - 7/31/2020

ORDINANCE NO. O-2020-

**AN ORDINANCE OF THE CITY OF PHARR, TEXAS AMENDING
CHAPTER 126, TRAFFIC AND VEHICLES, ARTICLE IV,
OPERATION OF VEHICLES GENERALLY, BY ADDING NEW SECTION 126-150,
TRAVERSING FLOODED STREET WITH VEHICLE**

WHEREAS, in accordance with Article I, Section 3 of the Pharr City Charter, the enumeration of powers granted and authorized by the charter shall not be held or deemed exclusive, but shall be in addition to the powers appropriate for the exercise necessary of local self-government, and shall all powers granted by law, constitution, and ordinance;

WHEREAS, pursuant to Texas Local Government Code section 51.001, the City has authority to adopt ordinances that are for the good government, peace, or order of the municipality or for the trade and commerce of the municipality and that are necessary to carry out powers granted to the City; and

WHEREAS, pursuant to the Texas Constitution, article XI, section 5, and Texas Local Government Code section 51.072, the City, as a home-rule municipality, has full power of local self-government;

WHEREAS, flooding is a significant concern for many Pharr residents, and despite the City's continuous flood mitigation efforts over the past several years, heavy rainfall periodically results in flooded street conditions throughout the City; and

WHEREAS, operating vehicles through flooded streets and at unreasonable speeds and creating a wake on flooded streets increases the risks of personal injury and damage to properties adjoining such flooded streets; and

WHEREAS, prohibiting such activity is in furtherance of the City's ongoing flood hazard mitigation efforts to reduce damage to homes and personal property from flooding, and will enhance the City's continued participation in the Community Rating System and National Flood Insurance Program.

***NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS
OF THE CITY OF PHARR, TEXAS, THAT:***

SECTION 1. AUTHORITY; AREA

The City of Pharr hereby adopts and enacts this Ordinance that shall be enforceable within the municipality's municipal boundaries and extra territorial jurisdiction. This Ordinance and provisions herewith shall be included in the Pharr Code of Ordinances Chapter 126 Article IV Sec126-150 Traversing Flooded Streets With Vehicle.

As matters related to the public's health, safety, and welfare is of the utmost concern, the City of Pharr shall be authorized to enforce, through its City Attorney, this

Ordinance as may be allowed by law herein.

SECTION 2. ADMINISTRATIVE AUTHORITY

It shall be the duty of the City Police Department to enforce the provisions of this Ordinance. It shall also be the duty of the Public Works Director or his designee to place and maintain any and all traffic control signs, signals and devices within city Right of Way (ROW) when and as required under this ordinance. (V.T.C.A. Transportation Code 542.202(a)(1)).

SECTION 3. SECTION 126-150: TRAVERSING FLOODED STREET WITH VEHICLE

(a) It shall be unlawful for any person to traverse a flooded street in an automobile, truck, boat, or other vehicle or vessel at such speed as to create a wake therein that may or is likely to cause personal injury or damage or increased flooding to the property or premises adjoining such flooded street or streets.

(b) It shall be an affirmative defense to prosecution under this section that the person was performing a rescue operation or was protecting the public order and safety.

SECTION 4: PENALTIES FOR VIOLATIONS

Each violation of this ordinance shall be punishable by a fine not to exceed \$500.00. Every violation of this Ordinance may occur, shall be considered a unique and separate criminal offense.

SECTION 5: NOTICE SHALL BE PLACED IN CONSPICUOUS PLACE.

All or part of the provisions of this ordinance may be placed in an area to be viewed by the public at or near the meeting site.

SECTION 6: CUMULATIVE CLAUSE; REPEALING CLAUSE

This ordinance shall be cumulative of all ordinances dealing with the same subject and any provision in conflict with this ordinance is hereby repealed and the provisions of this Ordinance supersedes. The invalidity of any section, clause, sentence or provision of this ordinance shall not affect the validity of any other part thereof.

SECTION 7: PROPER NOTICE AND MEETING. It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

SECTION 8: EFFECTIVE DATE; PUBLICATION.

The fact that the City is presently experiencing flooding and there is an urgent need to reduce damage to homes and personal property from flooding creates an emergency. The requirement that this Ordinance is to be read on three (3) separate meetings is hereby waived and dispensed with and this Ordinance shall take effect and be in full force immediately after approval and passage. Publication, if necessary, may also be in caption form as allowed under Section 9 of the Pharr City Charter.

PASSED AND APPROVED ON FIRST AND FINAL READING BY THE BOARD OF CITY COMMISSIONERS OF THE CITY OF PHARR, TEXAS, on this the 3rd day of August 2020.

CITY OF PHARR

AMBROSIO HERNANDEZ
MAYOR

ATTEST:

HILDA PEDRAZA, CITY CLERK

APPROVED AS TO FORM:

PATRICIA A. RIGNEY, CITY ATTORNEY



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 6.B.

DATE SUBMITTED: July 28, 2020

MEETING DATE: August 3, 2020

FROM: Patricia Rigney, City Attorney

DEPARTMENT: Administration

DIRECTOR: Patricia Rigney

Agenda Item: Consideration and action, if any, on Ordinance amending Ordinance No. O-2008-36 creating a temporary sixty (60) day exemption from permit fees for repair and reconstruction of structures damaged due to Hurricane Hanna. ***(Adoption on 1st Reading)***

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: Due to recent rains and flooding and damage to property as a result of Hurricane Hanna, the City has identified the need to create a temporary sixty (60) day exemption from permit fees for construction, repair and remodeling of structures damaged as a result of Hurricane Hanna. This will allow residential and commercial owners the ability to remediate their property in a timelier fashion.

Financial Consideration:

Staff Recommendation: Recommend approval of the Temporary Sixty (60) day Exemption.

Alternatives:

ROUTING:

Patricia Rigney
City Management Office

Created/Initiated - 7/28/2020
Final Approval - 7/31/2020

ORDINANCE NO: O-2020-__

AN ORDINANCE AMENDING O-2008-36 CREATING A TEMPORARY SIXTY (60) DAY EXEMPTION FROM PERMIT FEES FOR CONSTRUCTION, REPAIR, AND REMODELING OF STRUCTURES PROXIMATELY RESULTING FROM HEAVY RAIN EVENTS FROM JULY 25-31, 2020; SUSPENSION OF APPLICABLE FEES AS CONTAINED IN THE PHARR CODE OF ORDINANCES AND RELATED ORDINANCES; PUBLIC AWARENESS; INCLUSION IN PHARR CODE OF ORDINANCES; REPEALING CONFLICTING ORDINANCES AND EFFECTIVE DATE

WHEREAS, widespread damage has been reported throughout the Rio Grande Valley Counties after heavy rains and flooding swept through South Texas as a result of Hurricane Hanna. The City of Pharr unfortunately was no exception and was not spared from the damage; and

WHEREAS, acts of God including, but not limited to, weather and natural disasters threaten the safety of communities with little or no warning; and

WHEREAS, the City of Pharr and its residents and businesses sustained damage to property that necessitates repair and/or demolishing;

WHEREAS, in the interest of helping the residents and business owners of Pharr that were affected by recent heavy rains and flooding, the City of Pharr hereby takes the following action to alleviate its residents and businesses via a partial and temporary exemption from permit fees for residents and business owners who are obtaining permits to repair or demolish their damaged homes and businesses. This is not intended for new construction or new additions to existing structures and will be valid for applications submitted for the next 60 days once approved herein.

NOW, THEREFORE BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF PHARR, THAT

SECTION 1: IMPLEMENTATION OF FEE EXEMPTION:

A) The City of Pharr hereby acts to alleviate and lessen the impact of the recent heavy rain event that have been detrimental to the public health, safety, and welfare of the residents and other persons located within the City of Pharr by directing all City of Pharr personnel and representatives to exempt qualified applicants from the permit fees for the following:

- 1.) roofing;
- 2.) flooring;
- 3.) a/c; and
- 4.) Interior remodeling (which would include, but is not limited to,

sheetrock, baseboards, electrical wiring, electrical receptacles and insulation).

- B) The provisions contained herein are not intended for new construction or new additions to existing structures and will be valid for approved applications submitted not later than sixty (60) days following the effective date of this ordinance.
- C) The City, through its personnel staff and cable network, shall enlighten the community and initiate public awareness so that all interested persons may utilize the City's attempts to spur the reconstruction and improvement of affected structures.

SECTION 2: REPEALER CLAUSE:

This Ordinance shall be cumulative of all other ordinances dealing with the same subject and any provision of any ordinance in direct conflict with any provision of this ordinance is hereby repealed and the provisions of this Ordinance shall supersede any provisions in conflict herewith; all provisions of any other ordinance not in conflict herewith shall remain in full force and effect.

SECTION 3: SAVINGS CLAUSE:

Except as hereby amended, any policies, procedures, and directives of the City of Pharr, Texas, not in conflict with this ordinance shall remain in full force and effect, unimpaired hereby.

SECTION 4: EMERGENCY CLAUSE:

The importance of the subject matter hereof creates an emergency and an imperative public necessity requiring suspension of the rule that ordinances be read on three separate days, and such rule is hereby suspended and said requirement is dispensed with by a vote of not less than a majority of all the members of the Board of Commissioners.

SECTION 5: SEVERABILITY CLAUSE:

The invalidity of any section, clause, sentence or provision of this ordinance shall not affect the validity of any other part thereof. The effects of this ordinance shall at all times be in compliance with state, federal, and other guidelines as directed.

SECTION 6: EFFECTIVE DATE; PUBLICATION:

This ordinance shall take effect immediately upon passage by a vote of not less than a majority of all the members of the Board of Commissioners and executed by

the Mayor and City Clerk. This ordinance may be published, after passage, in one issue of the official paper.

SECTION 7: SUNSET PROVISION

This ordinance shall no longer be in effect or apply and shall be repealed in its entirety sixty (60) days from its passage, unless such date of repeal is further extended by the City Commission prior to its repeal.

PASSED AND APPROVED BY THE BOARD OF CITY COMMISSIONERS OF THE CITY OF PHARR, TEXAS, on this the 3rd day of August 2020.

CITY OF PHARR

AMBROSIO HERNANDEZ
MAYOR

ATTEST:

HILDA PEDRAZA, CITY CLERK

APPROVED AS TO FORM:

PATRICIA A. RIGNEY, CITY ATTORNEY



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 6.C.

DATE SUBMITTED: July 28, 2020

MEETING DATE: August 3, 2020

FROM: Karla Saavedra, Finance Director

DEPARTMENT: Finance

DIRECTOR:

Agenda Item: Consideration and action, if any, on Ordinance authorizing the issuance, sale and delivery of City of Pharr, Texas Waterworks and Sewer System Revenue Bonds, Series 2020A in the aggregate principal amount of \$18,150,000 providing for the payment of the bonds from a lien on and pledge of the net revenues of the City's waterworks and sewer system to the payment of the principal of and interest on such bonds; providing for the terms and conditions of such bonds; resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of the bonds; and making other provisions regarding such bonds and matters incident thereto. *(Adoption on 1st Reading)*

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: As approved by Texas Water Development Board; Waterworks and Sewer System Revenue Bonds Series 2020A will be issued to fund water infrastructure projects.

Closing date is expected to be September 8, 2020.

Financial Consideration: \$18,150,000 in Water Revenue Bond proceeds

Staff Recommendation:

Alternatives:

ROUTING:

Karla Saavedra

Karla Saavedra

Patricia Rigney

Created/Initiated - 7/28/2020

Approved - 7/28/2020

Approved - 7/29/2020

City Management Office

Final Approval - 7/31/2020

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF CITY OF PHARR, TEXAS WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2020A IN THE AGGREGATE PRINCIPAL AMOUNT OF \$18,150,000 PROVIDING FOR THE PAYMENT OF THE BONDS FROM A LIEN ON AND PLEDGE OF THE NET REVENUES OF THE CITY'S WATERWORKS AND SEWER SYSTEM TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; PROVIDING FOR THE TERMS AND CONDITIONS OF SUCH BONDS; RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF THE BONDS; AND MAKING OTHER PROVISIONS REGARDING SUCH BONDS AND MATTERS INCIDENT THERETO

STATE OF TEXAS §
COUNTY OF HIDALGO §
CITY OF PHARR §

WHEREAS, the City of Pharr, Texas (the "City" or "Issuer") has heretofore issued, sold, and delivered, and there are currently outstanding, pursuant to applicable laws, the following series or issues of obligations which are payable from a first lien on and pledge of the Net Revenues (as hereinafter defined) of the City's combined Waterworks and Sewer System (the "Previously Issued Parity Bonds"):

The City of Pharr, Texas Waterworks and Sewer System Revenue Bonds, Series 2007-A, dated August 3, 2007, maturing in the years 2008 through and including 2027, now outstanding in the aggregate principal amount of \$7,800,000 (the "Series 2007-A Bonds");

The City of Pharr, Texas Waterworks and Sewer System Revenue Bonds, Series 2007-B, dated December 4, 2007, maturing in the years 2008 through and including 2027, now outstanding in the aggregate principal amount of \$4,850,000 (the "Series 2007-B Bonds");

The City of Pharr, Texas Waterworks and Sewer System Revenue Bonds, Series 2013, dated July 16, 2013, maturing in the years 2014 through and including 2042, now outstanding in the aggregate principal amount of \$7,195,000 (the "Series 2013 Bonds");

The City of Pharr, Texas Waterworks and Sewer System Revenue Bonds, Series 2015, dated August 1, 2015, maturing in the years 2016 through and including 2035, now outstanding in the aggregate principal amount of \$1,473,000 (the "Series 2015 Bonds")

WHEREAS, the City may, subject to complying with certain conditions, issue Additional Bonds, payable from a first lien on and pledge of the Net Revenues on parity with the City's outstanding Previously Issued Bonds as hereinafter defined;

WHEREAS, the City Commission of the City deems it in the best interests of the City to issue revenue bonds as authorized under Sections 1502.051 through 1502.074 of the Texas Government Code, and to use the proceeds thereof to provide funds to pay contractual obligations

to pay the planning, design, and construction of certain wastewater system improvements and (ii) to pay costs of issuance, in accordance with Sections 1502.051 through 1502.070 of the Texas Government Code and to pay the costs of issuance related to the issuance of these bonds;

WHEREAS, the Texas Water Development Board has approved a maximum loan to the City in the maximum amount of \$18,150,000 upon the terms and conditions as outlined in the Texas Water Development Board's Resolution adopted on June 25, 2020;

WHEREAS, the City Commission hereby finds and determines that all of the Bonds herein authorized to be issued and the deposits to certain accounts can and should be payable from and secured by a first lien on and pledge of the Net Revenues of the System;

WHEREAS, the bonds hereinafter authorized are to be issued and delivered pursuant to Sections 1502.051 through 1502.070, Texas Government Code, as amended, and other applicable laws of the State of Texas;

WHEREAS, it is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF PHARR, TEXAS THAT:

Section 1. DEFINITIONS. For all purposes of this Ordinance, except as otherwise expressly provided or unless the context otherwise requires, terms have the meanings assigned to them in this section.

"Additional Bonds" has the meaning assigned thereto in section 18 of this ordinance.

"Annual Debt Service Requirements" means, as of the date of calculation, the principal of and interest on all Parity Bonds coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the City during such fiscal year for which the annual debt service is being calculated, or be payable in respect of any required purchase of such Debt by the City) in such Fiscal Year, and, for such purposes, any one or more of the following rules shall apply at the election of the City:

(1) Balloon Debt. If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the City) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein and throughout this Ordinance as "Balloon Debt"), and a designated financial officer shall deliver to the City a certificate providing for the retirement of (and the instrument creating such Balloon Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Debt shall permit the

accumulation of a sinking fund for), such Balloon Debt according to a fixed schedule stated in such certificate ending on or before the Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other debt service charges on) such Balloon Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (2) shall apply only to Balloon Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such Debt on or before the times required by such schedule; and provided further that this clause (2) shall not apply where the City has elected to apply the rule set forth in clause (1) above;

(2) Prepaid Debt. Principal of and interest on the Bonds, and Parity Bonds, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal or interest are payable from funds on deposit or set aside irrevocably in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such Debt; and

(3) Variable Rate. As to any Parity Bonds that bear interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the City, either (A) an interest rate equal to the average rate borne by such Parity Bonds (or by comparable debt in the event that such Parity Bonds have not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, or (B) an interest rate equal to the 30-year Revenue Bond Index (as most recently published in The Bond Buyer), shall be presumed to apply for all future dates, unless such index is no longer published in The Bond Buyer, in which case an index of revenue bonds with maturities of at least 20 years which is published in a financial newspaper or journal with national circulation may be used for this purpose (if two Series of Parity Bonds which bear interest at variable interest rate, or one or more maturities within a Series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Parity Bonds taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Parity Bonds);

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

“Average Annual Debt Service Requirements” means that average amount which, at the time of computation, will be required to pay the Annual Debt Service Requirements when due (either at Stated Maturity or mandatory redemption) and derived by dividing the total of such Annual Debt Service Requirements by the number of Fiscal Years then remaining before Stated Maturity of such Parity Bonds. For the purposes of this definition, a fractional period of a Fiscal Year shall be treated as an entire Fiscal Year. Capitalized interest payments provided from bond proceeds, accrued interest on any Debt, and interest earnings thereon shall be excluded in making such computation.

“Bonds” means the bonds issued hereunder.

“Cede & Co.” means the designated nominee and its successors and assigns of The Depository Trust Company, New York.

“City” and “Issuer” mean the City of Pharr, Texas, and where appropriate, the City Commission.

“Debt” means:

(1) all indebtedness payable from Pledged Revenues and/or Net Revenues incurred or assumed by the City for borrowed money and all other financing obligations of the System payable from Pledged Revenues and/or Net Revenues that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet; and

(2) all other indebtedness payable from Pledged Revenues and/or Net Revenues (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction or improvement of property or capitalized lease obligations pertaining to the System that is guaranteed, directly or indirectly, in any manner by the City, or that is in effect guaranteed, directly or indirectly, by the City through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise.

For the purpose of determining Debt, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements of the System in prior Fiscal Years.

“Depository” means one or more official depository banks of the City.

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

“DTC Participant” means securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Fiscal Year” means the twelve-month accounting period used by the City in connection with the operation of the System, currently ending on September 30 of each year, which may be any twelve consecutive month period established by the City, but in no event may the Fiscal Year be changed more than one time in any three calendar year period.

“Funded Debt” means all Parity Bonds created or assumed by the City that mature by their terms (in the absence of the exercise of any earlier right of demand), or that are renewable at the option of the City to a date, more than one year after the original creation or assumption of such Debt by the City.

“Gross Revenues” mean all revenues, income and receipts of every nature derived or received by the City from the operation and ownership of the System.

“Holder” means the registered owner, whose name appears in the Security Register, for any Parity Bond.

“Interest and Sinking Fund” means the special Fund created, established and maintained by the provisions of Sections 12 and 13 of this Ordinance.

“Junior Lien Bonds” means (i) any bonds, notes, warrants, certificates of obligation or other Debt issued by the City that are payable, in whole or in part, from and equally and ratably secured by a lien on and pledge of the Net Revenues, such pledge being subordinate and inferior to the lien on and pledge of the Net Revenues that are or will be pledged to the payment of any Parity Bonds and (ii) obligations hereafter issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured, in whole or in part, by a lien on and pledge of the Net Revenues on a parity with the Junior Lien Bonds.

“MSRB” means the Municipal Securities Rulemaking Board.

“Maintenance and Operating Expenses” means the reasonable and necessary expenses of operation and maintenance of the System as required by Section 1502.056, Texas Government Code, as amended, including all salaries, labor, materials, repairs and extensions necessary to render efficient service (but only such repairs and extensions as, in the judgment of the governing body of the City, are necessary to keep the System in operation and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or conditions which would otherwise impair the Parity Bonds), and all payments under contracts now or hereafter defined as operating expenses by the Legislature of Texas. Depreciation shall never be considered as a Maintenance and Operation Expense.

“Maturity” means, when used with respect to any Debt, the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

“Maximum Annual Debt Service Requirements” means the greatest requirements of Annual Debt Service Requirements (taking into account all mandatory principal redemption requirements) scheduled to occur in any future Fiscal Year or in the then current Fiscal Year for the particular obligations for which such calculation is made. Capitalized interest payments

provided from Debt proceeds, accrued interest on any Debt, and interest earnings thereon shall be excluded in making such computation.

“Net Revenues” mean all Gross Revenues remaining after deducting the Maintenance and Operating Expenses.

“Ordinance” means this ordinance.

“Outstanding”, when used with respect to Parity Bonds, means, as of the date of determination, all Parity Bonds theretofore delivered under this Ordinance and any ordinance authorizing Additional Bonds, except:

(1) Parity Bonds theretofore cancelled and delivered to the City or delivered to the Paying Agent/Registrar for cancellation;

(2) Parity Bonds deemed paid pursuant to the provisions of Section 36 of this Ordinance or any comparable section of any ordinance authorizing Additional Bonds;

(3) Parity Bonds upon transfer of or in exchange for and in lieu of which other Parity Bonds have been authenticated and delivered pursuant to this Ordinance and any ordinance authorizing Additional Bonds; and

(4) Parity Bonds under which the obligations of the City have been released, discharged or extinguished in accordance with the terms thereof.

“Paying Agent/Registrar” shall have the meaning set forth in Section 8(a) hereof.

“Parity Bonds” means the Previously Issued Parity Bonds, the Bonds and any Additional Bonds hereafter issued by the City or obligations issued to refund any of the foregoing (as determined within the sole discretion of the City Commission in accordance with applicable law) if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured by a first lien on and pledge of the Pledged Revenues.

“Permitted Investments” means any security or obligation or combination thereof permitted under the Public Funds Investments Act, Chapter 2256, Texas Government Code, as amended.

“Pledged Revenues” means (1) the Net Revenues, plus (2) any additional revenues, income, receipts, or other resources, including, without limitation, any grants, donations or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter are pledged by the City to the payment of the Parity Bonds, and excluding those revenues excluded from Gross Revenues.

“Rating Agency” means any nationally recognized securities rating agency which has assigned, at the request of the City, a rating to the Parity Bonds.

“Record Date” as used in connection with any Bond, shall mean the close of business on the fifteenth business day of the month next preceding each Interest Payment Date.

“Required Reserve Amount” means the amount required to be maintained in the Parity Bonds Reserve Fund pursuant to the provisions of Section 14 of this Ordinance.

“Required Reserve Fund Deposits” means the deposits and credits, if any, required to be made to the Reserve Fund pursuant to the provisions of Section 14 of this Ordinance.

“SEC” means the United States Securities and Exchange Commission.

“Stated Maturity” means the annual principal payments of the Parity Bonds payable on the respective dates set forth in the ordinances which authorize the issuance of such Parity Bonds.

“System” means the City's combined waterworks and sewer system, which includes all properties, facilities, plants, improvements, equipment, interests and rights currently owned, operated and maintained by the City for the supply, treatment, transmission and distribution of treated potable water, for the collection and treatment of wastewater, and for water reuse, together with all future extensions, improvements, purchases, repairs, replacements and additions thereto, whether situated within or without the limits of the City, and all water (in any form) owned by the City.

“Term Bonds” means those Parity Bonds so designated in the ordinances authorizing such bonds which shall be subject to retirement by operation of a mandatory redemption account.

“Term of Issue” means with respect to any Balloon Debt, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or (ii) twenty-five years.

“TWDB” shall mean the Texas Water Development Board.

Section 2. FINDINGS. The City hereby finds and determines that the recitations contained in the preamble hereto are true and correct and incorporates the said recitals in the preamble as if set forth in full at this place.

Section 3. AUTHORIZATION; DESIGNATION; PURPOSES. The Bonds shall be designated as the "City of Pharr, Texas Waterworks and Sewer System Revenue Bonds, Series 2020A" and shall be issued in fully registered form in the total authorized aggregate principal amount of Eighteen Million One Hundred Fifty Thousand Dollars (\$18,150,000) (i) to provide funds to pay contractual obligations to pay the planning, design, and construction of certain wastewater system improvements and (ii) to pay costs of issuance, in accordance with Sections 1502.051 through 1502.070 of the Texas Government Code.

Section 4. DATE AND INTEREST PAYMENT DATES; INITIAL BONDS; DEFINITIVE BONDS; DENOMINATIONS (a) The Bonds shall be dated August 3, 2020, and shall bear interest at the rates set forth in this Section 4 of this Ordinance from the date of delivery, or the most recent interest payment date to which such interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, payable on March 1, 2021, and semiannually thereafter on March 1 and September 1 of each year thereafter until maturity.

(b) The Initial Bond(s) herein authorized shall be issued either (i) as a single fully registered Bond in the total principal amount of \$18,150,000 with principal and interest payments to become due and payable as provided in this Section 4 and numbered T-1, or (ii) as separate, fully registered Bonds for each year of stated maturity in the applicable principal amounts and denominations and to be numbered consecutively from T-1 and upward (the "Initial Bond(s)"), and, in either case, the Initial Bond(s) shall be registered in the name of the TWDB or the designee(s) thereof, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF INITIAL BOND set forth in Exhibit "A" hereof. The Initial Bond(s) submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced. The Initial Bond(s) issued and delivered pursuant to this Ordinance are not required to be, and shall not be, authenticated by the Paying Agent/ Registrar, but on each substitute bond issued in exchange for any Initial Bond or in exchange for any Bond issued under this Ordinance, the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF DEFINITIVE BONDS set forth in Exhibit "B".

(c) The Initial Bond(s) shall be submitted to the office of the Attorney General of the State of Texas for approval, certified and registered by the office of the Comptroller of Public Accounts and delivered to and delivered to the Paying Agent/Registrar. The Paying Agent/Registrar, pursuant to written instructions from the City, or the designee(s) thereof, and in accordance with Section 8 hereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefore Definitive Bonds (as hereinafter defined) of authorized denominations, stated maturities, principal amounts and bearing applicable interest rates, for transfer and delivery to the holders named at the addresses identified therefor; all pursuant to and in accordance with Section 7 hereof and such written instructions from the TWDB, or the designee(s) thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require. The Initial Bond(s) submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced.

(d) The definitive bonds (the "Definitive Bonds") shall be numbered consecutively from R-1, upward and shall mature and bear interest at the rates set forth in the Maturity Schedule and may be transferred and exchanged as set out in this Ordinance, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF DEFINITIVE BONDS set forth in Exhibit "B" hereof. Each substitute Bond issued in exchange for any Initial Bonds or Bonds issued under this Ordinance, shall require that the Paying Agent/Registrar execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF BONDS.

(e) The Bonds shall mature on September 1, in each of the years and in the principal amounts set out in the following schedule:

MATURITY SCHEDULE
\$18,150,000

Year of Maturity	Principal Amount (\$)	Interest Rate (%)
2021	200,000	-

2022	220,000	-
2023	220,000	-
2024	120,000	-
2025	125,000	-
2026	120,000	-
2027	115,000	-
2028	775,000	-
2029	775,000	-
2030	775,000	-
2031	775,000	-
2032	775,000	-
2033	770,000	-
2034	770,000	-
2035	770,000	-
2036	770,000	-
2037	770,000	-
2038	770,000	-
2039	770,000	-
2040	770,000	0.030
2041	775,000	0.070
2042	775,000	0.100
2043	775,000	0.130
2044	775,000	0.150
2045	775,000	0.170
2046	780,000	0.190
2047	780,000	0.200
2048	780,000	0.210
2049	780,000	0.220

Section 5. SALE OF THE BONDS. The Initial Bonds are hereby sold and shall be delivered to the Texas Water Development Board for cash at the price of par and upon the terms and conditions set forth in the resolution of the TWDB dated the date of the TWDB meeting a copy of which is attached as Exhibit "C" in the form and substance presented to the City at this meeting. It is hereby officially found, determined, and declared that the terms of this sale are the

most advantageous reasonably obtainable. The Bonds shall initially be registered in the name of the Texas Water Development Board.

In order that the City shall satisfy in a timely manner all of its obligations under this Ordinance, and the agreement executed in connection with the sale of the Bonds the Mayor, the City Clerk and all other appropriate officers and agents of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance and delivery of the Bonds, including, without limitation, executing and delivering on behalf of the City all certificates, consents, receipts, requests, notices and other documents as may be reasonably necessary to satisfy the City's obligations under this Ordinance, and the agreement executed in connection with the sale of the Bonds and to direct the transfer and application of funds of the City consistent with the provisions of this Ordinance. The Mayor is authorized to execute an agreement with the TWDB setting forth the terms and uses of all grant funds to be made available by TWDB.

While TWDB is the owner of the Bonds, the principal or redemption price of the Bonds shall be payable by wire transfer without exchange or collection charges. Otherwise, principal or redemption price of the Bonds shall be payable 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, upon their presentation and surrender, as they respectively become due and payable, at the principal trust office of the Paying Agent/Registrar. As long as TWDB is the owner of the Bonds, the interest on each Bond shall be payable by wire transfer without exchange or collection charges dated as of the Interest Payment Date. Otherwise, interest on each Bond shall be payable in any coin or currency of the United States of America mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Bond Register.

Section 6. DELIVERY OF BONDS; USE OF PROCEEDS. (a) Pursuant to Section 5 hereof, the City shall deliver the Bonds to the TWDB upon receipt of the Purchase Price.

(b) Proceeds of Sale. Promptly after the delivery of the Bonds, the proceeds from the sale and delivery of the Bonds shall be allocated as follows:

- (i) Escrow Account. At Closing, proceeds in the amount of \$18,150,000 from the sale of the Bonds to the TWDB shall be deposited in the City of Pharr, Texas Waterworks and Sewer System Revenue Bonds, Series 2020A, Texas Water Development Board L1001077 and LF1001119 Escrow Accounts, subject to being withdrawn only with the approval of the Executive Administrator of the TWDB or another designated representative under the terms of the Escrow Agreement between the City and the Escrow Agent in accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257, attached hereto as Exhibit "D".
- (ii) Costs of Issuance. Proceeds in an amount equal to the costs of issuance of the Bonds shall be applied to pay such costs as the City may arrange.
- (iii) Unused Proceeds. Unused proceeds, which are those funds unspent after the original approved project is completed, shall be used for enhancements to the

original project that are explicitly approved by the Executive Administrator. If no enhancements are authorized by the Executive Administrator, the City shall submit a final accounting and disposition of any unused funds.

- (iv) Surplus Proceeds. The City shall use any loan proceeds from the Bonds that are determined to be surplus funds remaining after completion of the project and completion of a final accounting in a manner as approved by the Executive Administrator.

Section 7. OPTIONAL REDEMPTION.

(a) The City reserves the right to call the Bonds for early redemption on any date beginning on or after the first interest payment date which is ten (10) years from the dated date of the Bonds, at a redemption price of par, together with all accrued interest to the date fixed for redemption. If less than all of the Bonds of a particular maturity are redeemed, the particular Bonds or portions thereof to be redeemed shall be selected at random and by lot by the Paying Agent/Registrar on behalf of the City.

(b) Bonds may be redeemed only in integral multiples of \$1,000 of principal amount. If a Bond subject to redemption is in a denomination larger than \$1,000, a portion of such Bond may be redeemed, but only in integral multiples of \$1,000. In selecting portions of Bonds for redemption, the Registrar shall treat each Bond as representing that number of Bonds of \$1,000 denomination which is obtained by dividing the principal amount of such Bond by \$1,000. Upon surrender of any Bond for redemption in part, the Registrar, in accordance with Section 7 hereof, shall authenticate and deliver in exchange therefor a Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Section 8. CHARACTERISTICS OF THE BONDS. (a) Registration, Transfer, and Exchange; Authentication. UBM Bank, N.A., Austin, Texas is hereby appointed as the registrar and paying agent for the Bonds (the "Paying Agent/Registrar") pursuant to the terms and provisions of the Paying Agent/Registrar Agreement, a substantial copy of which is attached hereto as Exhibit "E" which is hereby authorized, approved and incorporated hereto by reference by the City and which the appropriate officials of the City are hereby authorized to execute. The officers of the City are each hereby authorized to execute, attest and affix the City's seal to the Paying Agent/Registrar Agreement, the terms and provisions of which are hereby approved.

The City shall keep or cause to be kept at the designated corporate trust office of the Paying Agent/Registrar books or records for the registration of the transfer and exchange 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 registrations of transfers and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Bonds shall be made within three business days after request and presentation thereof. The City 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. Except as provided in (c) below, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Paying Agent/Registrar's Authentication 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 paid Bonds surrendered for transfer and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing transfer and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the preparation, execution and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to the Texas Government Code, Chapter 1201, the duty of transfer and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the transferred and exchanged Bond shall be valid, incontestable and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller of Public Accounts.

(b) *Substitute Paying Agent/Registrar.* 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 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 and to the extent permitted by law, (i) act in the capacity of Paying Agent/Registrar or (ii) change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. 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 bank, trust company, financial institution or other agency 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, first-class 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.

(c) *Book-Entry-Only System for Bonds.* The Bonds issued in exchange for the Bonds initially issued to the purchaser(s) specified in Section 4 herein shall be initially issued in the form of a separate single fully registered Bond for each maturity thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsection (e) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities, to facilitate the clearance and settlement of securities transaction among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer 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 DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of the Bonds, as shown on the Registration Books, of any notice with respect to the Bonds or (iii) the payment to any DTC Participant or any other person, other than a registered owner of the Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bonds, for the purpose of registering transfers with respect to such Bonds and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Bond evidencing the obligation of the Issuer 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 being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(d) *Successor Securities Depository; Transfers Outside Book-Entry-Only Systems.* In the event that the Issuer determines to discontinue the use of the Book-Entry-Only System through DTC, or DTC determines to discontinue providing its services with respect to the Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance. Whenever a successor securities depository has been appointed pursuant to this paragraph, the terms DTC and DTC Participant as used in this Ordinance shall refer to such successor securities depository and its participants, respectively.

(e) *Payments to Cede & Co.* 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 for DTC,

all payments with respect to principal of 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 of the Issuer to DTC.

(f) *DTC Letter of Representation.* The officers of the Issuer are herein authorized for and on behalf of the Issuer and as officers of the Issuer to enter into one or more amendments to the Blanket Letters of Representation with DTC as deemed necessary to establish and maintain the Book-Entry-Only System with respect to the Bonds.

Section 9. EXECUTION OF BONDS; SEAL. The Bonds shall be signed by the Mayor and countersigned by the City Clerk of the City Commission, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of such officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds. If any officer of the City whose signature shall be on the Bonds, or on any certification required in connection with the Bonds, shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds or certification required in connection with the Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

Section 10. PLEDGE OF PLEDGED REVENUES. The Pledged Revenues are hereby irrevocably pledged, on parity, to the payment and security of the Parity Bonds, including the establishment and maintenance of the special funds created, established and maintained for the payment and security thereof, all as hereinafter provided; and it is hereby ordained that the Parity Bonds, and the interest thereon, shall constitute a lien on and pledge of the Pledged Revenues and be valid and binding without any physical delivery thereof or further act by the City, and the lien created hereby on the Pledged Revenues for the payment and security of the Parity Bonds, including the establishment and maintenance of the special funds created, established and maintained for the payment and security thereof, and the amounts payable from such funds shall be superior to the lien on and pledge of the Net Revenues securing payment of any Subordinate Lien Obligations issued by the City.

Section 11. DEPOSITS TO REVENUE FUND. There has been created and established on the books of the City, and accounted for separate and apart from all other funds of the City, a special fund entitled the "City of Pharr, Texas, Waterworks and Sewer System Revenue Fund" (the "Revenue Fund"). All Gross Revenues of the System shall be credited to the Revenue Fund immediately upon receipt and all Maintenance and Operation Expenses of the System shall be paid from such Gross Revenues as a first charge against same.

Section 12. FLOW OF FUNDS. All gross revenues deposited and credited to the Revenue Fund are hereby pledged and appropriated to the extent required, for the following uses and in the order of priority shown:

- First, to the Maintenance and Operation Expenses;
- Second, to the Interest and Sinking Fund in equal monthly installments made on or before the day prior to the 1st day of each month hereafter, as will be

sufficient to pay the interest scheduled to come due on the Parity Bonds on the next interest payment date; and such amounts, in equal monthly installments, as will be sufficient to pay the next maturing principal of the Parity Bonds;

- Third, to make deposits to the Parity Bonds Reserve Fund as provided in Section 14;
- Fourth, to the "Waterworks and Sewer System Junior Lien Revenue Bonds Interest and Sinking Fund" (the "Junior Lien Interest and Sinking Fund") and to the "Waterworks and Sewer System Junior Lien Revenue Bonds Reserve Fund" (the "Junior Lien Reserve Fund") when and in the amounts required by the ordinances authorizing the issuance of the Junior Lien Bonds and any bonds which the City has reserved the right to issue on a parity and equal dignity with the Junior Lien Bonds;
- Fifth, to the Improvement and Contingency Fund, when and in the amounts required by ordinances of the City authorizing the issuance of obligations secured by the Net Revenues of the System;

Any Net Revenues remaining after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other lawful purpose.

Section 13. PARITY BONDS INTEREST AND SINKING FUND; REQUIREMENTS.

(a) For the sole purpose of paying the principal of and interest on the Previously Issued Parity Bonds, the Bonds and the Additional Bonds, as the same come due, there has been created and established on the books of the City a separate fund entitled the "City of Pharr, Texas, Waterworks and Sewer System Parity Bonds Interest and Sinking Fund" (hereinafter called the "Interest and Sinking Fund"). The City covenants that while any Parity Bonds are outstanding, funds will be deposited to the Interest and Sinking Fund as required under Section 12, hereof.

(b) The required monthly deposits and credits to the Parity Bonds Interest and Sinking Fund shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in and credited to the Parity Bonds Interest and Sinking Fund is equal to the amount required to fully pay and discharge all outstanding Parity Bonds (principal, premium, if any, and interest) or (ii) no Parity Bonds remain outstanding. For the purpose of determining whether sufficient funds are on deposit in or credited to the Parity Bonds Interest and Sinking Fund, to satisfy the requirements of paragraphs (i) or (ii), to fully pay and discharge all outstanding Parity Bonds, all amounts on deposit in and credited to the Parity Bonds Reserve Fund shall be deemed to be on deposit in and credited to the Parity Bonds Interest and Sinking Fund.

(c) Accrued interest and capitalized interest, if any, received at Closing from the purchaser of any Parity Bonds shall be taken into consideration and reduce the amount of the deposits and credits hereinabove required in the Parity Bonds Interest and Sinking Fund.

(d) While any of the Parity Bonds are outstanding, the City shall transfer to the respective paying agent/registrars therefor, from funds on deposit in and credited to the Parity Bonds Interest

and Sinking Fund, and, if necessary, funds on deposit in the Parity Bonds Reserve Fund, amounts sufficient to fully pay and discharge promptly the interest on and principal of the Parity Bonds as shall become due on each interest or principal payment date, or date of redemption of the Parity Bonds. Such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with each respective paying agent/registrar for the Parity Bonds not later than the business day next preceding the date such payment is shall only be used to pay the principal of and interest on such Parity Bonds. The Paying Agent/Registrar shall destroy all Parity Bonds paid in full and furnish the City with an appropriate certificate of cancellation or destruction.

Section 14. PARITY BONDS RESERVE FUND REQUIREMENTS.

As a debt service reserve fund for the Parity Bonds, the City has created the Parity Bonds Reserve Fund (the "Reserve Fund"). The City covenants to maintain in the Reserve Fund, at all times, an amount no less than the Average Annual Debt Service Requirements of the outstanding Parity Bonds (the "Required Reserve Amount"). The Reserve Fund currently shows a balance of \$ _____. The Required Reserve Amount required under the City's Parity Bond Ordinances for parity bonds outstanding prior to issuance of the Bonds and the Series 2020B Bonds, issued concurrently with the Bonds, is \$ _____. The Required Reserve Amount after the issuance of the Bonds and the Series 2020B Bonds will be \$ _____. The City covenants, that over the initial sixty (60) months following the delivery of the Bonds, to deposit to the Reserve Fund, in equal monthly installments, an equal amount of money until the Reserve Fund contains therein the Required Reserve Amount resulting from issuance of the Bonds.

When and so long as the money and investments in the Reserve Fund are not less than the Required Reserve Amount, no deposits need be made to the credit of the Reserve Fund. When and if the Reserve Fund contains less than the Required Reserve Amount due to any increase in the Required Reserve Amount as a result of the issuance of any Additional Bonds, any increase in the Required Reserve Amount may be funded from Net Revenues, or from proceeds of any Additional Bonds, or any other available source or combination of sources. Except for the Bonds, all or any part of the Required Reserve Amount not funded initially and immediately after the delivery of any installment or issue of any Additional Bonds shall be funded within not more than five years from the dated of such delivery, by deposits of Net Revenues in equal monthly installments on or before the 25th of each month thereafter ("Required Reserve Fund Deposits"). If and when the Reserve Fund at any time contains less than the Required Reserve Amount due to any cause or condition, other than the issuance of Additional Bonds, then, subject and subordinate to making the required deposits to the credit of the Interest and Sinking Fund, such deficiency shall be made up as soon as possible from the next available Net Revenues, or from any other sources available for such purpose by depositing to the credit of the Reserve Fund, monthly on or before the 25th of each month thereafter, a sum equal to 1/10th of the deficiency amount, until the Reserve Fund is restored to the Required Reserve Amount. Principal amounts of any Parity Bonds which must be redeemed pursuant to any applicable mandatory redemption requirements shall be deemed to be maturing amounts of principal for the purpose of calculating principal and interest requirements on such bonds. The City specifically covenants that when and so long as the Reserve Fund contains the Required Reserve Amount, the City shall cause all interest and income derived from the deposit or investment of the Reserve Fund to be deposited to the Interest and Sinking Fund.

Section 15. IMPROVEMENT AND CONTINGENCY FUND. There has been established and maintained on the books of the City, and accounted for separate and apart from all other funds of the City, a separate fund entitled “City of Pharr Waterworks and Sewer System Improvement and Contingency Fund” (the “Improvement and Contingency Fund”). The Improvement and Contingency Fund shall be used for the purpose of paying the costs of improvements, enlargements, extensions, additions, replacements, or other capital expenditures related to the System, or for paying the costs of unexpected or extraordinary repairs or replacements of the System for which System funds are not available, or for paying unexpected or extraordinary expenses of operation and maintenance of the System for which System funds are not otherwise available, or for any other lawful purpose.

Section 16. IMPROVEMENT AND CONTINGENCY FUND REQUIREMENTS. Subject and subordinate to making the required deposits to the credit of the Parity Bonds Interest and Sinking Fund, the Parity Bonds Reserve Fund, the Junior Lien Bonds Sinking Fund and the Junior Lien Bonds Reserve Fund, the City shall deposit to the credit of the Improvement and Contingency Fund, all remaining surplus Net Revenues in the System Fund to be used for authorized purposes.

Section 17. PAYMENT OF THE BONDS. On or before one day prior to each September 1 and March 1, while any of the Bonds are outstanding and unpaid, the City shall make available to the paying agent therefor, out of the Interest and Sinking Fund and the Reserve Fund, if necessary, money sufficient to pay such interest on and such principal of the Bonds, as shall become due on such dates, respectively, at maturity or by redemption prior to maturity. At the direction of the City, the appropriate paying agent shall either deliver paid Bonds to the City or destroy all paid Bonds, and furnish the City with an appropriate certificate of cancellation or destruction.

Section 18. ISSUANCE OF ADDITIONAL BONDS ON A PARITY WITH THE BONDS. (a) The City shall have the right and power at any time and from time to time and in one or more series or issues, to authorize, issue, and deliver Additional Bonds, in accordance with law, and this Ordinance, in any amounts, for any lawful purpose, including the refunding of any Bonds, or other obligations. Such Additional Bonds, if and when authorized, issued and delivered in accordance with this Ordinance, shall be secured by and made payable equally and ratably on a parity with the Bonds, and all other outstanding Parity Bonds, from an irrevocable first lien on and pledge of the Net Revenues.

(b) The principal of all Additional Bonds must be scheduled to be paid or mature on September 1 or March 1 of the years in which such principal and interest is scheduled to be paid or mature.

Section 19. CONDITIONS FOR ISSUANCE OF ADDITIONAL BONDS. Additional Bonds shall be issued only in accordance with this Ordinance, and no installment, series or issue of Additional Bonds shall be issued or delivered unless the following requirements are satisfied:

(a) The Mayor and the City Clerk of the City sign a written certificate to the effect that the City is not in default as to any covenant, condition, or obligation in connection with all outstanding Bonds, and Additional Bonds, and the ordinances authorizing same, and that the Interest and Sinking Fund and the Reserve Fund each contains the amount then required to be therein.

(b) An independent certified public accountant (“CPA”), or independent firm of CPA’s, acting by and through a CPA, signs a written certificate to the effect that, in his or its opinion, during either the next preceding Fiscal Year, or any 12 consecutive calendar month period ending not more than 90 days prior to adoption of the Ordinance authorizing the issuance of the then proposed Additional Bonds, the Net Revenues were at least 1.25 times an amount equal to the maximum annual principal and interest requirements of all bonds of any nature or lien which are scheduled to be outstanding after the delivery of the then proposed Additional Bonds.

(c) Provision shall be made in the Ordinance authorizing their issuance for immediately increasing the Parity Bonds Reserve Fund to the Required Reserve Amount as required by Section 14 hereof with the proceeds of the Additional Bonds, or other available source or combination of sources including Net Revenues, or both.

(d) that all calculations of Maximum Annual Debt Service Requirements made pursuant to this Section are made as of and from the date of the Additional Bonds then proposed to be issued.

(e) All calculations of maximum annual principal and interest requirements of any bonds made in connection with the issuance of any then proposed Additional Bonds shall be made as of the date of such Additional Bonds; and also in making calculations for such purpose, and for any other purpose under this Ordinance, principal amounts of any Bonds which must be redeemed prior to maturity pursuant to any applicable mandatory redemption requirements shall be deemed to be maturing amounts of principal of such bonds.

The City reserves the right to issue Additional Bonds to refund all or any part of the outstanding Parity Bonds or any other obligations of the City payable, in whole or in part, from the Pledged Revenues, pursuant to any law then available, upon such terms and conditions as the City Commission may deem to be in the best interest of the City, its inhabitants and other customers of the System, and, unless all of the then outstanding Parity Bonds are refunded, the conditions precedent prescribed for the issuance of Additional Bonds and the representations and certifications required in Section 18 and this Section 19 shall be satisfied and shall give effect to the Maximum Annual Debt Service Requirements of the proposed refunding Additional Bonds (but shall not give effect to the Maximum Annual Debt Service Requirements of the obligations being refunded following their cancellation or provision being made for their payment); provided, however, if as a result of such refunding, the Annual Debt Service Requirements are not increased in any Fiscal Year, the City shall not be required to satisfy the requirements of Section 18(b) as a requirement for the issuance of such refunding Additional Bonds.

Section 20. DEFICIENCIES - EXCESS PLEDGED OR NET REVENUES. (a) If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits and credits to the Interest and Sinking Fund and the Reserve Fund, then such deficiency shall be cured as soon as possible from the next available unallocated Pledged Revenues, or from any other sources available for such purpose, and such deposits and credits shall be in addition to the amounts otherwise required to be deposited and credited to these Funds.

(b) Subject to making the deposits and credits required by this Ordinance, or any ordinances authorizing the issuance of Additional Bonds, or the payments and credits required by

the provisions of the ordinances authorizing the issuance of Junior Lien Bonds, the excess Net Revenues may be used for any lawful purpose.

Section 21. INVESTMENT OF FUNDS; VALUATION; TRANSFER OF INVESTMENT INCOME.

(a) Money in the Revenue Fund and the Interest and Sinking Fund, may, at the option of the City, be invested in Permitted Investments under the Public Funds Investment Act; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any fund will be available at the proper time or times. All such deposited funds shall be secured as required under the Public Funds Collateral Act, Chapter 2257, Government Code. All such investments shall be valued in terms of current market value no less frequently than the last business day of the City's Fiscal Year, except that any direct obligations of the United States of America - State and Local Government Series shall be continuously valued at their par value or principal face amount. Any obligation in which money is so invested shall be kept and held at the Depository, except as otherwise permitted by the laws applicable to the City. For purposes of maximizing investment returns, money in such funds may be invested, together with money in other funds or with other money of the City, in common investments of the kind described above, or in a common pool of such investments held by the City or its designated agent, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such fund are held by or on behalf of each such fund. If necessary, such investments shall be promptly sold to prevent any default.

(b) All interest and income derived from such investments shall be credited to the Revenue Fund semi-annually.

Section 22. PAYMENT OF PARITY BONDS. While any of the Parity Bonds are outstanding, the City shall transfer to the respective paying agent/registrar therefor, from funds on deposit in and credited to the Interest and Sinking Fund, and, if necessary, funds on deposit in the respective reserve funds established for the benefit of respective Parity Bonds, amounts sufficient to fully pay and discharge promptly the interest on and principal of the Parity Bonds as shall become due on each interest or principal payment date, or date of redemption of the Parity Bonds; such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with each respective paying agent/registrar for the Parity Bonds not later than the business day next preceding the date such payment is due on the Parity Bonds; provided that funds withdrawn from a reserve fund established for a particular issue or series of Parity Bonds shall only be used to pay the principal of and interest on such Parity Bonds. The Paying Agent/Registrar shall destroy all paid Parity Bonds and furnish the City with an appropriate certificate of cancellation or destruction.

Section 23. RATES AND CHARGES. For the benefit of the Holders of the Parity Bonds and in addition to all provisions and covenants in the laws of the State of Texas and in this Ordinance, the City hereby expressly stipulates and agrees, while any of the Parity Bonds are outstanding, to establish and maintain rates and charges for facilities and services afforded by the System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Gross Revenues in each Fiscal Year reasonably anticipated to be sufficient:

- A. to pay Maintenance and Operating Expenses;
- B. to produce Pledged Revenues at least equal to the greater of 1.25 times the Average Annual Debt Service Requirements of the Parity Bonds or 1.10 times the Maximum Annual Debt Service Requirements of all outstanding obligations payable from a lien on and pledge of the Net Revenues of the System;
- C. to produce Pledged Revenues in amounts sufficient to enable the City to make the deposits and credits, if any, from Pledged Revenues to the Interest and Sinking Fund and Reserve Fund, including required deposits for any issue or series of Parity Bonds, and other amounts payable under Section 13 hereof;
- D. to produce Pledged Revenues, together with any other lawfully available funds (including the proceeds of Debt which the City expects will be utilized to pay all or part of the principal of and/or interest on any obligations described in this subsection D, sufficient to pay the principal of and interest on any Junior Lien Bonds issued by the City and the amounts required to be deposited in any reserve or contingency fund created for the payment and security of the Parity Bonds and Junior Lien Bonds and any other obligations or evidences of indebtedness issued or incurred that are payable from, in whole or in part, a subordinate lien on and pledge of the Pledged Revenues; and
- E. to pay any other Debt payable from the Pledged Revenues and/or secured by a lien on the Pledged Revenues.

Should the annual audit report required by Section 25 hereof reflect that the Pledged Revenues for the Fiscal Year covered thereby were less than necessary to meet the requirements of this Section, the City Commission will review the operations of the System and the rates and charges for services provided, and the City Commission will make the necessary adjustments or revisions, if any, in order that the Pledged Revenues for the succeeding year will be sufficient to satisfy the foregoing coverage requirements.

Section 24. GENERAL COVENANTS. The City further covenants and agrees that in accordance with and to the extent required or permitted by law:

(a) Performance. It will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in any ordinance authorizing the issuance of Parity Bonds, including this Ordinance, 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 such ordinances and obligations; and it will, at the times and in the manner prescribed, deposit and credit or cause to be deposited and credited the amounts required to be deposited and credited to the Interest and Sinking Fund and every reserve fund established for the benefit of any issue or series of Additional Bonds.

(b) City's 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 Bonds; that all action on its part for the creation and issuance of the Bonds has been duly and effectively taken, and that the Bonds in the hands of the Holders thereof are and will be valid and enforceable

special obligations of the City in accordance with their terms.

(c) Title. It has or will obtain lawful title to the lands, buildings, structures and facilities constituting the System, that it warrants that it will defend the title to all the aforesaid lands, buildings, structures and facilities, and every part thereof, for the benefit of the Holders of the Parity Bonds, against the claims and demands of all persons whomsoever, that it is lawfully qualified to pledge the Pledged Revenues to the payment of the Parity Bonds in the manner prescribed herein, and has lawfully exercised such rights.

(d) Liens. It will from time to time and before the same become delinquent pay and discharge all taxes, assessments and governmental charges, if any, which shall be lawfully imposed upon it, or the System; it will pay all lawful claims for rents, royalties, labor, materials and supplies which if unpaid might by law become a lien or charge thereon, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and it will not create or suffer to be created any mechanic's, laborer's, materialman's or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided, however, that no such tax, assessment or charge, and that no such claims which might be used as the basis of a mechanic's, laborer's, materialman's or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the City.

(e) Operation of System; No Free Service. It will, while the Parity Bonds are outstanding and unpaid, continuously and efficiently operate the System, and shall 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 make use of the services and facilities of the System, payment of the reasonable value shall be made by the City out of funds from sources other than the Gross Revenues of the System, unless made from surplus or excess Pledged Revenues as permitted in Section 9.

(f) Mandatory Connection to Service. The City shall cause all owners of property, capable of receiving water or wastewater service as a result of the improvements to be undertaken with the proceeds of the Bonds, to connect their properties to the City' water and wastewater system as soon as possible as practicable after completion of the improvements. In this connection, the City shall exercise its authority pursuant to Section 17.934 of the Texas Water Code to impose any incentives or penalties available under law.

(g) Further Encumbrance. While the Parity Bonds are outstanding and unpaid, it will not additionally encumber the Pledged Revenues in any manner, except as permitted in this Ordinance in connection with Additional Bonds, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants and agreements of this Ordinance; but the right of the City to issue or incur obligations payable from a subordinate lien on the Pledged Revenues is specifically recognized and retained.

(h) Sale or Disposal of Property. While the Parity Bonds are outstanding and unpaid, it will not sell, convey, mortgage, encumber, lease or in any manner transfer title to, or otherwise dispose of the System, or any significant or substantial part thereof; provided that whenever the City deems it necessary to dispose of any other property, machinery, fixtures or equipment, it may

sell or otherwise dispose of such property, machinery, fixtures or equipment when it has made arrangements to replace the same or provide substitutes therefor, unless it is determined that no such replacement or substitute is necessary; and, provided further, that the City retains the right to sell, convey, mortgage, encumber, lease or otherwise dispose of any significant or substantial part of the System if (i) the City's consulting engineer delivers a certificate to the City Commission to the effect that, following such action by the City, the System is expected to produce Gross Revenues in amounts sufficient in each Fiscal Year while any of the Parity Bonds are to be outstanding to comply with the obligations of the City contained in this Ordinance and in the ordinances authorizing the issuance of Additional Bonds; (ii) the City Commission makes a finding and determination to the same effect as the certificate of the City Manager set forth in (i) above and (iii) each national rating service then maintaining a rating on any Parity Bond delivers a letter to the City to the effect that such sale, conveyance, mortgage, encumbrance, lease or other disposition will not cause the rating agency to withdraw or lower the unenhanced rating on any Parity Bonds then in effect. Proceeds from any sale hereunder not used to replace or provide for substitution of such property sold, shall be used for improvements to the System or to purchase or redeem Parity Bonds.

(i) Insurance. (1) It shall cause to be insured such parts of the System as would usually be insured by municipal corporations operating like properties, with a responsible insurance company or companies, against risks, accidents or casualties against which and to the extent insurance is usually carried by municipal corporations operating like properties, including, to the extent reasonably obtainable, fire and extended coverage insurance, insurance against damage by floods, and use and occupancy insurance. The amount of coverage shall never be less than sufficient to protect the TWDB's interest in the project. Public liability and property damage insurance shall also be carried unless the City Attorney of the City gives a written opinion to the effect that the City is not liable for claims which would be protected by such insurance. At any time while any contractor engaged in construction work shall be fully responsible therefor, the City shall not be required to carry insurance on the work being constructed if the contractor is required to carry appropriate insurance. All such policies shall be open to the inspection of the Holders and their representatives at all reasonable times. Upon the occurrence of any loss or damage covered by insurance from one or more of said causes, the City shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the City. The proceeds of insurance covering such property are hereby pledged as security for the Parity Bonds and, together with any other funds necessary and available for such purpose, shall be used forthwith by the City for repairing the property damaged or replacing the property destroyed; provided, however, that if said insurance proceeds and other funds are insufficient for such purpose, then said insurance proceeds pertaining to the System shall be used promptly as follows:

(i) for the redemption prior to maturity of the Parity Bonds, ratably in the proportion that the Outstanding principal of each series of Parity Bonds bears to the total Outstanding principal of all Parity Bonds, provided that if on any such occasion the principal of any such series is not subject to redemption, it shall not be regarded as Outstanding in making the foregoing computation; or

(ii) if none of the Outstanding Parity Bonds is subject to redemption, then for the purchase on the open market and retirement of said Parity Bonds in the same proportion as prescribed in the foregoing clause (i), to the extent practicable; provided that the purchase

price for any Parity Bond shall not exceed the redemption price of such Parity Bond on the first date upon which it becomes subject to redemption; or

(iii) to the extent that the foregoing clauses (i) and (ii) cannot be complied with at the time, the insurance proceeds, or the remainder thereof, shall be deposited in a special and separate trust fund, at an official depository of the City, to be designated the Insurance Account. The Insurance Account shall be held until such time as the foregoing clauses (i) and/or (ii) can be complied with, or until other funds become available which, together with the Insurance Account, will be sufficient to make the repairs or replacements originally required, whichever of said events occurs first.

(2) The foregoing provisions of (1) above notwithstanding, the City shall have authority to enter into coinsurance or similar plans where risk of loss is shared in whole or in part by the City.

(3) The annual audit hereinafter required shall contain a section commenting on whether or not the City has complied with the requirements of this Section with respect to the maintenance of insurance, and listing all policies carried, and whether or not all insurance premiums upon the insurance policies to which reference is hereinbefore made have been paid.

(4) The payment of premiums for all insurance policies required under the provisions hereof and the costs associated with the maintenance of any self-insurance program shall be considered Maintenance and Operating Expenses. Nothing in this Ordinance shall 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.

(j) Governmental Agencies. 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, and which have been obtained from any governmental agency; and the City's consulting engineer 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.

(k) No Competition. It will not grant any franchise or permit for the acquisition, construction or operation of any competing facilities which might be used as a substitute for the System's facilities, and, to the extent that it legally may, the City will prohibit any such competing facilities.

Section 25. RULES; REGULATIONS AND CONDITIONS OF TEXAS WATER DEVELOPMENT BOARD. In compliance with the published rules and regulations of the Texas Water Development Board, and the grant conditions imposed under the TWDB Resolution No. 20-058, the City agrees and covenants as follows:

(a) Proceeds from the sale of the Bonds shall not be used by the City when sampling, testing, removing or disposing of contaminated soils and/or media at the project site. To the extent permitted by law, the City shall indemnify, hold harmless and protect the TWDB from any and all

claims, causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the City, its contractors, consultants, agents, officials and employees as a result of activities relating to the project;

(b) The City shall submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with TWDB outlay report guidelines;

(c) All laborers and mechanics employed by contractors and subcontractors for projects shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality in accordance with the Davis-Bacon Act, and the U.S. Department of Labor's implementing regulations. The City, all contractors, and all sub-contractors shall ensure that all project contracts mandate compliance with Davis-Bacon. All contracts and subcontracts for the construction of the project carried out in whole or in part with financial assistance made available as provided herein shall insert in full in any contract in excess of \$2,000 the contracts clauses as provided by the TWDB;

(d) The City shall provide the TWDB with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282, as amended by Pub. L. 110-252. The City shall obtain a Data Universal Numbering System (DUNS) Number and shall register with System for Award Management (SAM), and maintain current registration at all times during which the Bonds are outstanding;

(e) All loan proceeds will be timely and expeditiously used, as required by 40 CFR § 35.3135(d), and also shall provide that the City will adhere to the approved project schedule;

(f) The City will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by 31 TAC § 375.3, 33 U.S.C. § 1388, and related State Revolving Fund Policy Guidelines;

(g) The City will comply with the requirements set forth in 33 U.S.C. § 1382 et seq. related to maintaining project accounts containing financial assistance for planning, design, acquisition, or construction, as applicable, in accordance with generally accepted accounting principles (GAAP). These standards and principles also apply to the reporting of underlying infrastructure assets;

(h) The City shall submit, prior to the release of funds, a schedule of the useful life of the project components prepared by an engineer as well as a certification by the applicant that the average weighted maturity of the obligations purchased by the TWDB does not exceed 120% of the average projected useful life of the project, as determined by the schedule;

(i) At closing, the City shall pay an origination fee approved by the Executive Administrator of the TWDB pursuant 31 TAC Chapter 375;

(j) Prior to release of funds for professional consultants including, but not limited to, the engineer, financial advisor, and bond counsel, as appropriate, the City must provide documentation that it has met all applicable state procurement requirements as well as all federal

procurement requirements under the Disadvantaged Business Enterprises program;

(k) Prior to release of funds for professional services related to architecture or engineering, including but not limited to contracts for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or other architectural and engineering services as defined in 40 U.S.C. § 1102(2)(A)(C), the City must provide documentation that it has met all applicable federal procurement requirements as more specifically set forth in 40 U.S.C. § 1101 et seq. and 33 U.S.C. § 1382(b){14}.

(l) That upon completion of the project to be financed with the proceeds of the Bonds, the proper officials of the City shall cause to be prepared and submitted to the TWDB the following documentation:

(i) a final accounting of the total costs of the project and the expenditure of funds therefor; and

(ii) a copy of the construction plans for the project as built and completed.

(iii) In addition to other information required by the TWDB, said final accounting shall identify all funds utilized or represented to be available in the City's application, from whatever source derived.

(m) Prior to closing, the City shall adopt and implement the water conservation program approved by the TWDB.

(n) That the City will notify the Executive Administrator, prior to taking any actions, of any intent to alter its legal status in any manner, including, but not limited to, conversion to a conservation or reclamation district or the sale-transfer-merger with another retail public utility.

(o) That the City will not convey or transfer its Bonds held by TWDB to another entity without the prior written approval of the conveyance and assumption by the TWDB.

(p) That the City will comply with all conditions as specified in the final environmental finding of the Executive Administrator, including the standard emergency discovery conditions for threatened and endangered species and cultural resources.

(q) Neither the City nor a related party to the City will acquire any of the TWDB's Source Series Bonds in an amount related to the amount of the Bonds.

Section 26. RECORDS AND ACCOUNTS - ANNUAL AUDIT. The City covenants and agrees that so long as any of the Parity Bonds remain Outstanding, the City will keep and maintain a separate and complete system of records and accounts pertaining to the operations of the System in which full, complete, true, proper, and correct entries shall be made of all dealings, transactions, business and affairs relating thereto, or which in any way affect or pertain to the System or the Gross Revenues or the Net Revenues thereof, as provided by generally accepted accounting practices (GAAP), consistently applied, and by Chapter 1502, Texas Government Code, as amended, or other applicable law. The Holders of the Parity Bonds or any duly authorized agent or agents of such Holders shall have the right to inspect the System and all properties comprising

the same. The City further agrees that, following the close of each Fiscal Year, the City will cause an audit report of such records and accounts to be made by an Accountant. Copies of each annual audit shall be made available for public inspection during normal business hours at the City's principal office and the City Clerk's office and may be furnished to, upon written request, any Holder upon payment of the reasonable copying and mailing charges. Expenses incurred in making the annual audit of the operations of the System shall be considered as Maintenance and Operating Expenses.

Section 27. COVENANTS TO MAINTAIN TAX EXEMPT STATUS.

(a) General Tax Covenant. The City intends that the interest on the Bonds shall be excludable from gross income for purposes of federal income taxation pursuant to Sections 103 and 141 through 150 of the Code and applicable Regulations. The City covenants and agrees not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Bonds to be includable in gross income, as defined in section 61 of the Code, of the holders thereof for purposes of federal income taxation. In particular, the City covenants and agrees to comply with each requirement of this Section; provided, however, that the City shall not be required to comply with any particular requirement of this Section if the City has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or if the City has received a Counsel's Opinion to the effect that compliance with some other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section. In the event the provisions of the Code are amended, or new regulations or rulings are promulgated or issued thereunder, such that requirements in addition to those stated herein become applicable to the Bonds, the City covenants to comply with such additional requirements to the extent necessary to prevent any adverse effect on the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(b) Use of Proceeds. The City covenants and agrees that its use of the Sales Proceeds of the Bonds will at all times satisfy the following requirements:

(i) Proceeds from the sale of the Bonds shall, promptly upon receipt by the City, be applied as follows:

(a) Net Premium. Net Premium, if any, will be allocated to underwriter's discount and to costs of issuance;

(b) Costs of Issuance. An amount equal to the costs of issuance of the Bonds shall be applied to pay such costs as the City may arrange.

(c) Escrow Account. The remaining proceeds from the sale of the Bonds, together with any investment earnings on such proceeds, to the extent required, shall be deposited to the Escrow Account to be used to pay for the costs of the project.

(ii) Private Business Use. Except as permitted by section 141 of the Code and the Regulations, the City shall at all times prior to the last stated maturity of the Bonds:

(a) not use or permit the use of Gross Proceeds of the Bonds or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(b) not directly or indirectly impose or accept any charge or other payment by any person who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds other than ad valorem taxes or interest earned on Investments acquired with such Gross Proceeds pending application for their intended purposes.

(iii) Private Loan Use. Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(iv) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code, and the Regulations, the City shall not directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of the Bonds.

(v) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code.

(vi) Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(vii) No-Arbitrage Covenant. The City shall certify, through an authorized officer, employee or agent, that based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the City reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of section 148(a) of the Code and applicable regulations thereunder. Moreover, the City covenants and agrees that it will make such use of the proceeds of the Bonds (including interest or other investment income derived from Bond proceeds), regulate investments of proceeds of the Bonds and take such other and

further action as may be required so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code and applicable regulations thereunder.

(viii) Arbitrage Rebate. The City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the “gross proceeds” of the Bonds (within the meaning of Section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the City will (i) obtain information and maintain records regarding the receipt, investment and expenditure of the gross proceeds of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds and to identify the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issues of the City or moneys which do not represent gross proceeds of any bonds of the City, (ii) calculate, at such times as are required by applicable regulations, the amount earned from the investment of the gross proceeds of the Bonds which is required to be rebated to the federal government and (iii) pay, at such times and in such manner as required by applicable regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(ix) Elections. The City hereby directs and authorizes the City Judge, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as he may deem necessary or appropriate in connection with the Bonds, in the Bond as to Tax Exemption or similar or other appropriate certificate, form or document.

Section 28. DISPOSITION OF PROJECT. The Issuer covenants that the project financed with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the project comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 29. INTEREST EARNINGS ON BOND PROCEEDS; APPROPRIATION TO PAY INTEREST. Interest earnings, if any, derived from the investment of proceeds from the sale of the Bonds shall be deposited in 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 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.

Section 30. UNDERTAKING TO PROVIDE INFORMATION. (a) This Section constitutes the written undertaking for the benefit of the holders of the Bonds required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR part 240, §240. 15c2-12) (the “Rule”). Capitalized terms used in this Section and not otherwise defined in this Ordinance shall have the meanings assigned such terms in subsection (d) hereof. Under Texas law, the Issuer must keep its fiscal records in accordance with generally accepted accounting principles, must have its financial accounts and records audited by a certified public accountant and must file each audit report with the State Comptroller within 180 days after the close of the Issuer’s fiscal year. The Issuer’s fiscal records and audit reports are available for public inspection during the regular business hours, and the Issuer is required to provide a copy of the Issuer’s audit reports to any bondholder or any member of the public within a reasonable time on request upon payment of charges prescribed by the Texas General Services Commission.

(b) The Issuer, as an “obligated person” within the meaning of the Rule, undertakes to provide the following information as provided in this Section:

- (1) Audited Financial Statements, if any; and
- (2) Certain Specified Event Notices.

(c) (1) The Issuer shall provide the Audited Financial Statements by March 31st of each year while any Bonds are Outstanding to the MSRB. 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.

(2) The Issuer shall provide a Specified Event Notice in a timely manner *not in excess of ten business days* after the occurrence of the event. Each Specified Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.

(d) The following are the definitions of the capitalized terms used in this section not otherwise defined in this Ordinance.

(1) “Audited Financial Statements” means the Issuer's annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State.

(2) “Certain Specified Event” means any of the following events with respect to the Bonds:

- (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, 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 tax-exempt status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
- (xiii) 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 of 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
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (xv) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

For these purposes, any event described in (xii) above 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.

(3) “Specified Event Notice” means electronic notice of a Certain Specified Event.

(e) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer’s information.

(f) Any failure by the Issuer to perform in accordance with this Section shall not constitute an event of default under this Ordinance.

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR IN TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, 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.

(g) The SEC has adopted amendments to the Rule which approve the establishment by the MSRB of the Electronic Municipal Market Access (“EMMA”) which, as of its implementation effective date of July 1, 2009, is the sole national municipal securities information repository. On and after July 1, 2009, all information and documentation filing required to be made by the City will be made with the MSRB in electronic format only in accordance with MSRB guidelines. Access to such filings is provided, without charge to the general public, by the MSRB.

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

(i) The City has agreed to update information and to provide notices of certain specified events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although the registered and beneficial owners of Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

(j) 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 registered and beneficial owners 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 registered 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 continuing disclosure agreement, it has agreed to include an explanation, in narrative form, of the reasons for the amendment.

(k) During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

Section 31. ISSUANCE OF JUNIOR LIEN BONDS. The City hereby reserves the right to issue, at any time, obligations including, but not limited to, Junior Lien Bonds, payable from and equally and ratably secured, in whole or in part, by a lien on and pledge of the Net Revenues, subordinate and inferior in rank and dignity to the lien on and pledge of such Net Revenues securing the payment of the Parity Bonds, as may be authorized by the laws of the State of Texas and elsewhere in this Ordinance.

Section 32. LIMITED OBLIGATIONS OF THE CITY. The Parity Bonds are limited, special obligations of the City payable from and equally and ratably secured solely by a first lien on and pledge of the Pledged Revenues, and the Holders thereof shall never have the right to demand payment of the principal or interest on the Parity Bonds from any funds raised or to be raised through taxation by the City.

Section 33. SECURITY FOR FUNDS. All money on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

Section 34. REMEDIES IN EVENT OF DEFAULT; SECURITY INTEREST. In addition to all the rights and remedies provided by the laws of the State of Texas, it is specifically covenanted and agreed particularly that in the event the City (i) defaults in the payment of the principal, premium, if any, or interest on the Bonds, (ii) defaults in the deposits and credits required to be made to the Interest and Sinking Fund, or (iii) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance, the following remedies shall be available:

(a) the Holders of any of the Bonds shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition or obligation prescribed in this Ordinance.

(b) no delay or omission to exercise any right or power accruing upon any 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 and power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies, and the specification of such remedy shall not be deemed to be exclusive.

(d) Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of Pledged Revenues granted by the City under Section 9 of this Ordinance, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are

outstanding and unpaid such that the pledge of the Pledged Revenues granted by the City under this Ordinance is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

(e) The TWDB may exercise all remedies available to it in law or equity, and any provision of the Bonds that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect.

Section 35. DEFEASANCE. The City may defease the provisions of this Ordinance and discharge its obligations to the Registered Owners of any or all of the Bonds to pay the principal of and interest thereon in any manner permitted by law, including by depositing with the Paying Agent/Registrar or with the State Treasurer of the State of Texas either: (a) cash in an amount equal to the principal amount of such Bonds plus interest thereon to the date of maturity, or (b) pursuant to an escrow or trust agreement, cash and/or direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States; 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 issuer 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; and 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 issuer 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, in principal amounts and maturities and bearing interest at rates sufficient to provide for the timely payment of the principal amount of the Bonds plus interest thereon to the date of maturity. Upon such deposit, such Bonds shall no longer be regarded to be Outstanding or unpaid. Any surplus amounts not required to accomplish such defeasance shall be returned to the City.

Section 36. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) Replacement Bonds. 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 Bonds. Application for replacement of damaged, mutilated, lost, stolen or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Bond, the registered owner applying 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 registered owner 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 registered owner shall surrender to the Paying Agent/Registrar

for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. 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) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered 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) Authority for Issuing Replacement Bonds. In accordance with Chapter 1201, Texas Government Code, this Section of 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 Section 7(a) of this Ordinance for Bonds issued in exchange for other Bonds.

Section 37. AMENDMENT OF ORDINANCE. (a) The holders of the Parity Bonds aggregating a majority in principal amount 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 holders of all of the effected 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 holders of less than all of the Parity Bonds then outstanding;
- (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 of general circulation in The City of New York, New York or in the State of Texas, 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 for inspection

by all registered owners of Parity Bonds at the designated trust office of the registrar for the Parity Bonds. Such publication is not required, however, if notice in writing is given to each registered owner of the Parity Bonds.

(c) Whenever at any time not less than thirty 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 holders of at least a majority 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 City Commission 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 holders 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 registered 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 holders 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 holder 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 registered owners of at least a majority 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 holding of Parity Bonds issued in registered form without coupons and the amounts and numbers of such Parity Bonds and the date of their holding same shall be proved by the Registration Books of the Paying Agent/Registrar. For purposes of this Section, the holder of a Parity Bond in such registered form shall be the owner thereof as shown on such Registration Books. 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, including subsection (b), the City by action of the City Commission 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 bondholders 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 holders of the Parity Bonds;

(3) To make any changes or amendments requested by any Rating Agency, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the City, materially adversely affect the interests of the owners of the outstanding Parity Bonds;

(4) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the outstanding Parity Bonds, in order, to the extent permitted by law, to facilitate the economic and practical utilization of credit agreements with respect to the Parity Bonds including, without limitation, supplementing the definition of "Annual Debt Service Requirements" to address the amortization of payments due and owing under a credit agreement;

(5) 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.

Notice of any such amendment may be published or given by the City in the manner described in subsection (b) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory ordinance and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory ordinance.

Section 38. CUSTODY, APPROVAL AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION, AND CUSIP NUMBERS. Upon registration of the Bonds said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to the initial Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the City's Bond Counsel (with an appropriate certificate pertaining thereto executed by facsimile signature of the City Clerk of the City), and the assigned CUSIP numbers may, at the option of the City, be printed on or attached to the Bonds issued and delivered under this Ordinance, but such additions or attachments shall not have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds.

Section 39. UNAVAILABILITY OF AUTHORIZED PUBLICATION. If, because of the temporary or permanent suspension of any newspaper, journal or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the City shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

Section 40. NO RECOURSE AGAINST CITY OFFICIALS. No recourse shall be had for the payment of principal of or interest on any Parity Bonds or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Parity Bonds.

Section 41. FURTHER ACTIONS. The officers and employees of the City are hereby 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 corporate 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, the initial sale and delivery of the Bonds, and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Bonds, the Mayor, the Mayor Pro-Tem, the City Manager or Assistant City Manager, the City Attorney and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved 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 and (ii) obtain the approval of the Bonds by the Texas Attorney General's office.

In case any officer of the City 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.

Section 42. INTERPRETATIONS. All terms defined herein and all pronouns used in this Ordinance shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Ordinance and the Table of Contents of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the lien on and pledge of the Pledged Revenues to secure the payment of the Bonds.

Section 43. INCONSISTENT PROVISIONS. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

Section 44. INTERESTED PARTIES. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City and the registered owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City and the registered owners of the Bonds.

Section 45. INCORPORATION OF RECITALS. The City hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City hereby incorporates such recitals as a part of this Ordinance.

Section 46. SEVERABILITY. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 47. REPEALER. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 48. NOTICE. Any notice, demand, direction, request, or other instrument authorized or required by this Order to be given to or filed with the City shall be sent by first class mail, postage prepaid, to the address specified below or, to such other address as may be designated in writing by the parties:

Attention: City Manager
City of Pharr, Texas
118 S. Cage Blvd.
Pharr, Texas 78577

Section 49. OPEN MEETING. It is hereby found, determined and declared that a sufficient Written notice of the date, hour, place and subject of the meeting of the City at which this Order was adopted was posted at a place convenient and readily accessible at all times to the general public at the administrative offices of the City for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that these meetings have been open to the public as required by law at all times during Which this Order and the subject matter thereof has been discussed, considered and formally acted upon. The City further ratifies, approves and confirms such written notices and the contents and posting thereof.

PASSED AND APPROVED ON THIS _____.

CITY OF PHARR, TEXAS

Mayor

ATTEST:

City Clerk

(CITY SEAL)

EXHIBIT A

FORM OF INITIAL BOND(S)

UNITED STATES OF AMERICA
STATE OF TEXAS

REGISTERED
T-1

REGISTERED
PRINCIPAL AMOUNT
\$18,150,000

CITY OF PHARR, TEXAS
WATERWORKS AND SEWER SYSTEM REVENUE BOND,
SERIES 2020A

DATED DATE:
August 3, 2020

MATURITY DATE:
September 1, as shown below

INTEREST RATE:
As shown below

REGISTERED OWNER: TEXAS WATER DEVELOPMENT BOARD

PRINCIPAL AMOUNT: EIGHTEEN MILLION ONE HUNDRED FIFTY THOUSAND
DOLLARS

MATURITY SCHEDULE

Year of Maturity	Principal Amount (\$)	Interest Rate (%)
2021	200,000	-
2022	220,000	-
2023	220,000	-
2024	120,000	-
2025	125,000	-
2026	120,000	-
2027	115,000	-
2028	775,000	-
2029	775,000	-
2030	775,000	-
2031	775,000	-
2032	775,000	-
2033	770,000	-
2034	770,000	-

2035	770,000	-
2036	770,000	-
2037	770,000	-
2038	770,000	-
2039	770,000	-
2040	770,000	0.030
2041	775,000	0.070
2042	775,000	0.100
2043	775,000	0.130
2044	775,000	0.150
2045	775,000	0.170
2046	780,000	0.190
2047	780,000	0.200
2048	780,000	0.210
2049	780,000	0.220

THE CITY OF PHARR, TEXAS (the "City"), for value received, promises to pay to the Registered Owner set forth above, or registered assigns, on the maturity date specified above (or on earlier redemption as herein provided), upon presentation and surrender of this Bond at the principal trust office of UMB Bank, N.A., Austin, Texas, or its successor (the "Paying Agent/Registrar"), the principal amount identified above (or so much thereof as shall not have been paid or deemed to have been paid upon prior redemption) payable 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, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year composed of twelve 30-day months, from the delivery date or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable semi-annually on September 1 and March 1 each year, beginning March 1, 2021 until maturity or earlier redemption of this Bond, by check mailed by the Paying Agent/Registrar to the Registered Owner of record as of the fifteenth day of the month immediately preceding the applicable interest payment date, as shown on the registration books kept by the Paying Agent/Registrar. As long as Texas Water Development Board is the owner of the Bonds, principal of and the interest on each Bond shall be payable by wire transfer dated as of each Interest Payment Date at no cost to the Texas Water Development Board. Any accrued interest payable upon redemption of this Bond shall be paid only upon presentation and surrender of this Bond at the principal trust office of the Paying Agent/Registrar if the redemption date is not a regular interest payment 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 days after the Special Record Date shall be sent at least five business days prior to the Special Record Date by United States mail, Paying Agent/Registrar 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 Business Day prior to the mailing of such notice.

IF THE DATE for any payment due on the Bonds shall be a Saturday, Sunday, or legal holiday, or a day on which banking institutions in the City where the principal trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date of such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; 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 DULY AUTHORIZED SERIES OF BONDS dated August 3, 2020, aggregating Eighteen Million One Hundred Fifty Thousand Dollars (\$18,150,000) (i) to provide funds to pay contractual obligations to pay the planning, design, and construction of certain wastewater system improvements and (ii) to pay costs of issuance, in accordance with Sections 1502.051 through 1502.070 of the Texas Government Code and an ordinance adopted by the City Commission (the "Ordinance").

THE CITY RESERVES THE RIGHT to call the Bonds for early redemption on any date beginning on or after the first interest payment date which is ten (10) years from the dated date of the Bonds, at a redemption price of par, together with all accrued interest to the date fixed for redemption. If less than all of the Bonds of a particular maturity are redeemed, the particular Bonds or portions thereof to be redeemed shall be selected at random and by lot by the Paying Agent/Registrar on behalf of the City.

NOT LESS THAN THIRTY (30) DAYS prior to an optional redemption date, notice of such redemption shall be sent by the Paying Agent/Registrar by U.S. mail, first-class, postage prepaid, in the name of the City to each registered owner of a Bond to be redeemed in whole or in part at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same, the amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the Bonds or portions thereof called for redemption shall terminate on 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 \$1,000, 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.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the trust office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly

executed by the registered owner or his authorized representative, subject to the terms and conditions of the Ordinance. This Bond is not transferable unless the prior written consent of Financial Security Assurance Inc. to such transfer has been obtained.

THE PAYING AGENT/REGISTRAR IS NOT REQUIRED to accept for transfer or exchange any Bond called for redemption in whole or in part during the 45-day period immediately prior to the date fixed for redemption; provided, however, that such limitation shall not apply to the transfer or exchange by the Registered Owner of the unredeemed portion of any Bond called for redemption in part.

THE CITY has reserved the right, subject to the restrictions stated, and adopted by reference in the Ordinance, to issue Additional Bonds which may be made payable from, and secured by, a first lien on and pledge of the "Pledged Revenues" equally and ratably on a parity with the Bonds and all other outstanding Parity Bonds.

THE BONDS are issuable in the form of fully registered Bonds without coupons in the denominations of \$1,000 or any integral multiple of \$1,000 for any one maturity. The Registered Owner of any Bond may surrender the same in exchange for any equal aggregate principal amount of Bonds of the same maturity and for any other authorized denominations. Such exchanges shall be without expense to the Registered Owner hereof, but any taxes, fees or other governmental charges required to be paid with respect to the same shall be paid by the Registered Owner requesting such exchange as a condition precedent to the exercise of such privilege.

THIS BOND, and the other Bonds of the series of which it is a part and the City's Previously Issued Parity Bonds and the interest thereon are secured by and payable from a first lien on and pledge of the Pledged Revenues of the City's Waterworks and Sewer System as described in the Ordinance.

THE CITY HAS RESERVED the right to amend the Ordinance with the approval of the holders of 51% of all outstanding Bonds subject to the restrictions stated in the Ordinance.

THE REGISTERED OWNER OF THIS BOND ACKNOWLEDGES all of the terms and provisions of the Ordinance and agrees to be bound by such terms and conditions.

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 revenues.

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 Clerk, and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

CITY OF PHARR, TEXAS

Mayor

City Clerk

(SEAL)

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 of Public Accounts
of the State of Texas

(SEAL)

EXHIBIT B

FORM OF DEFINITIVE BONDS:

UNITED STATES OF AMERICA
STATE OF TEXAS

REGISTERED
R-

REGISTERED
PRINCIPAL AMOUNT
\$ _____

CITY OF PHARR, TEXAS
WATERWORKS AND SEWER SYSTEM REVENUE BOND
SERIES 2020A

DATED DATE: MATURITY DATE: INTEREST RATE: CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

THE CITY OF PHARR, TEXAS (the "City"), for value received, promises to pay to the Registered Owner set forth above, or registered assigns, on the maturity date specified above (or on earlier redemption as herein provided), upon presentation and surrender of this Bond at the principal trust office of UMB Bank, N.A., Austin, Texas, or its successor (the "Paying Agent/Registrar"), the principal amount identified above (or so much thereof as shall not have been paid or deemed to have been paid upon prior redemption) payable 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, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year composed of twelve 30-day months, from the delivery date or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable semi-annually on September 1 and March 1 each year, beginning March 1, 2021 until maturity or earlier redemption of this Bond, by check mailed by the Paying Agent/Registrar to the Registered Owner of record as of the fifteenth day of the month immediately preceding the applicable interest payment date, as shown on the registration books kept by the Paying Agent/Registrar. As long as Texas Water Development Board is the owner of the Bonds, principal of and the interest on each Bond shall be payable by wire transfer dated as of each Interest Payment Date at no cost to the Texas Water Development Board. Any accrued interest payable upon redemption of this Bond shall be paid only upon presentation and surrender of this Bond at the principal trust office of the Paying Agent/Registrar if the redemption date is not a regular interest payment 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 days after the Special Record Date shall be sent at least five business days prior to the Special Record Date by United States mail, Paying Agent/Registrar 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 Business Day prior to the mailing of such notice.

IF THE DATE for any payment due on the Bonds shall be a Saturday, Sunday, or legal holiday, or a day on which banking institutions in the City where the principal trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date of such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; 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 DULY AUTHORIZED SERIES OF BONDS dated August 3, 2020, aggregating Eighteen Million One Hundred Fifty Thousand Dollars (\$18,150,000) (i) to provide funds to pay contractual obligations to pay the planning, design, and construction of certain wastewater system improvements and (ii) to pay costs of issuance, in accordance with Sections 1502.051 through 1502.070 of the Texas Government Code and an ordinance adopted by the City Commission (the "Ordinance").

THE CITY RESERVES THE RIGHT to call the Bonds for early redemption on any date beginning on or after the first interest payment date which is ten (10) years from the dated date of the Bonds, at a redemption price of par, together with all accrued interest to the date fixed for redemption. If less than all of the Bonds of a particular maturity are redeemed, the particular Bonds or portions thereof to be redeemed shall be selected at random and by lot by the Paying Agent/Registrar on behalf of the City.

NOT LESS THAN THIRTY (30) DAYS prior to an optional redemption date, notice of such redemption shall be sent by the Paying Agent/Registrar by U.S. mail, first-class, postage prepaid, in the name of the City to each registered owner of a Bond to be redeemed in whole or in part at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same, the amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the Bonds or portions thereof called for redemption shall terminate on 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 \$1,000, 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.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the trust office of the Paying Agent/Registrar , duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Ordinance. This Bond is not transferable unless the prior written consent of Financial Security Assurance Inc. to such transfer has been obtained.

THE PAYING AGENT/REGISTRAR IS NOT REQUIRED to accept for transfer or exchange any Bond called for redemption in whole or in part during the 45-day period immediately prior to the date fixed for redemption; provided, however, that such limitation shall not apply to the transfer or exchange by the Registered Owner of the unredeemed portion of any Bond called for redemption in part.

THE CITY has reserved the right, subject to the restrictions stated, and adopted by reference in the Ordinance, to issue Additional Bonds which may be made payable from, and secured by, a first lien on and pledge of the "Pledged Revenues" equally and ratably on a parity with the Bonds and all other outstanding Parity Bonds.

THE BONDS are issuable in the form of fully registered Bonds without coupons in the denominations of \$1,000 or any integral multiple of \$1,000 for any one maturity. The Registered Owner of any Bond may surrender the same in exchange for any equal aggregate principal amount of Bonds of the same maturity and for any other authorized denominations. Such exchanges shall be without expense to the Registered Owner hereof, but any taxes, fees or other governmental charges required to be paid with respect to the same shall be paid by the Registered Owner requesting such exchange as a condition precedent to the exercise of such privilege.

THIS BOND, and the other Bonds of the series of which it is a part and the City's Previously Issued Parity Bonds and the interest thereon are secured by and payable from a first lien on and pledge of the Pledged Revenues of the City's Waterworks and Sewer System as described in the Ordinance.

THE CITY HAS RESERVED the right to amend the Ordinance with the approval of the holders of 51% of all outstanding Bonds subject to the restrictions stated in the Ordinance.

THE REGISTERED OWNER OF THIS BOND ACKNOWLEDGES all of the terms and provisions of the Ordinance and agrees to be bound by such terms and conditions.

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 revenues.

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 Clerk, and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

CITY OF PHARR, TEXAS

Mayor

City Clerk

(SEAL)

Form of Paying Agent/Registrar Authentication Certificate

AUTHENTICATION CERTIFICATE

It is hereby certified that this bond has been delivered pursuant to the Ordinance described in the text of this bond, in exchange for or in replacement of a bond, bonds or a portion of a bond or bonds of an issue of bonds which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Date of Authentication

as Paying Agent/Registrar

By: _____
Authorized Signature

Form of Assignment

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ (Please print or type name, address, and zip code of Transferee) _____ (Please insert Social Security or Taxpayer Identification Number of Transferee) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer such bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature

Guaranteed: _____

Registered Owner

NOTICE: Signature must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.	NOTICE: The Signature above must correspond to same name of the registered owner as show on the face of this bond in every particular, without alteration, enlargement, or change whatsoever.
--	---

EXHIBIT C

TWDB RESOLUTION

EXHIBIT D
ESCROW AGREEMENT

EXHIBIT E

PAYING AGENT/REGISTRAR AGREEMENT



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 6.D.

DATE SUBMITTED: July 28, 2020

MEETING DATE: August 3, 2020

FROM: Karla Saavedra, Finance Director

DEPARTMENT: Finance

DIRECTOR:

Agenda Item: Consideration and action, if any, on Ordinance authorizing the issuance, sale and delivery of City of Pharr, Texas Waterworks and Sewer System Revenue Bonds, Series 2020B in the aggregate principal amount of \$13,880,000 providing for the payment of the bonds from a lien on and pledge of the net revenues of the City's waterworks and sewer system to the payment of the principal of and interest on such bonds; providing for the terms and conditions of such bonds; resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of the bonds; and making other provisions regarding such bonds and matters incident thereto. *(Adoption on 1st Reading)*

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: As approved by Texas Water Development Board; Waterworks and Sewer System Revenue Bonds Series 2020B will be issued to fund water infrastructure projects.

Closing date is expected to be September 8, 2020.

Financial Consideration: \$13,880,000 in Revenue Bond Proceeds

Staff Recommendation:

Alternatives:

ROUTING:

Karla Saavedra

Karla Saavedra

Patricia Rigney

City Management Office

Created/Initiated - 7/28/2020

Approved - 7/28/2020

Approved - 7/29/2020

Final Approval - 7/31/2020

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF CITY OF PHARR, TEXAS WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2020B IN THE AGGREGATE PRINCIPAL AMOUNT OF \$13,880,000 PROVIDING FOR THE PAYMENT OF THE BONDS FROM A LIEN ON AND PLEDGE OF THE NET REVENUES OF THE CITY'S WATERWORKS AND SEWER SYSTEM TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; PROVIDING FOR THE TERMS AND CONDITIONS OF SUCH BONDS; RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF THE BONDS; AND MAKING OTHER PROVISIONS REGARDING SUCH BONDS AND MATTERS INCIDENT THERETO

STATE OF TEXAS §
COUNTY OF HIDALGO §
CITY OF PHARR §

WHEREAS, the City of Pharr, Texas (the "City" or "Issuer") has heretofore issued, sold, and delivered, and there are currently outstanding, pursuant to applicable laws, the following series or issues of obligations which are payable from a first lien on and pledge of the Net Revenues (as hereinafter defined) of the City's combined Waterworks and Sewer System (the "Previously Issued Parity Bonds"):

The City of Pharr, Texas Waterworks and Sewer System Revenue Bonds, Series 2007-A, dated August 3, 2007, maturing in the years 2008 through and including 2027, now outstanding in the aggregate principal amount of \$7,800,000 (the "Series 2007-A Bonds");

The City of Pharr, Texas Waterworks and Sewer System Revenue Bonds, Series 2007-B, dated December 4, 2007, maturing in the years 2008 through and including 2027, now outstanding in the aggregate principal amount of \$4,850,000 (the "Series 2007-B Bonds");

The City of Pharr, Texas Waterworks and Sewer System Revenue Bonds, Series 2013, dated July 16, 2013, maturing in the years 2014 through and including 2042, now outstanding in the aggregate principal amount of \$7,195,000 (the "Series 2013 Bonds");

The City of Pharr, Texas Waterworks and Sewer System Revenue Bonds, Series 2015, dated August 1, 2015, maturing in the years 2016 through and including 2035, now outstanding in the aggregate principal amount of \$1,473,000 (the "Series 2015 Bonds")

WHEREAS, the City may, subject to complying with certain conditions, issue Additional Bonds, payable from a first lien on and pledge of the Net Revenues on parity with the City's outstanding Previously Issued Bonds as hereinafter defined;

WHEREAS, the City Commission of the City deems it in the best interests of the City to issue revenue bonds as authorized under Sections 1502.051 through 1502.074 of the Texas Government Code, and to use the proceeds thereof to provide funds to pay contractual obligations

to pay the planning, acquisition, design, and construction of certain water system improvements and (ii) to pay costs of issuance, in accordance with Sections 1502.051 through 1502.070 of the Texas Government Code and to pay the costs of issuance related to the issuance of these bonds;

WHEREAS, the Texas Water Development Board has approved a maximum loan to the City in the maximum amount of \$13,880,000 upon the terms and conditions as outlined in the Texas Water Development Board's Resolution adopted on June 25, 2020;

WHEREAS, the City Commission hereby finds and determines that all of the Bonds herein authorized to be issued and the deposits to certain accounts can and should be payable from and secured by a first lien on and pledge of the Net Revenues of the System;

WHEREAS, the bonds hereinafter authorized are to be issued and delivered pursuant to Sections 1502.051 through 1502.070, Texas Government Code, as amended, and other applicable laws of the State of Texas;

WHEREAS, it is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF PHARR, TEXAS THAT:

Section 1. DEFINITIONS. For all purposes of this Ordinance, except as otherwise expressly provided or unless the context otherwise requires, terms have the meanings assigned to them in this section.

"Additional Bonds" has the meaning assigned thereto in section 18 of this ordinance.

"Annual Debt Service Requirements" means, as of the date of calculation, the principal of and interest on all Parity Bonds coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the City during such fiscal year for which the annual debt service is being calculated, or be payable in respect of any required purchase of such Debt by the City) in such Fiscal Year, and, for such purposes, any one or more of the following rules shall apply at the election of the City:

(1) Balloon Debt. If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the City) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein and throughout this Ordinance as "Balloon Debt"), and a designated financial officer shall deliver to the City a certificate providing for the retirement of (and the instrument creating such Balloon Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Debt shall permit the

accumulation of a sinking fund for), such Balloon Debt according to a fixed schedule stated in such certificate ending on or before the Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other debt service charges on) such Balloon Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (2) shall apply only to Balloon Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such Debt on or before the times required by such schedule; and provided further that this clause (2) shall not apply where the City has elected to apply the rule set forth in clause (1) above;

(2) Prepaid Debt. Principal of and interest on the Bonds, and Parity Bonds, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal or interest are payable from funds on deposit or set aside irrevocably in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such Debt; and

(3) Variable Rate. As to any Parity Bonds that bear interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the City, either (A) an interest rate equal to the average rate borne by such Parity Bonds (or by comparable debt in the event that such Parity Bonds have not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, or (B) an interest rate equal to the 30-year Revenue Bond Index (as most recently published in The Bond Buyer), shall be presumed to apply for all future dates, unless such index is no longer published in The Bond Buyer, in which case an index of revenue bonds with maturities of at least 20 years which is published in a financial newspaper or journal with national circulation may be used for this purpose (if two Series of Parity Bonds which bear interest at variable interest rate, or one or more maturities within a Series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Parity Bonds taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Parity Bonds);

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

“Average Annual Debt Service Requirements” means that average amount which, at the time of computation, will be required to pay the Annual Debt Service Requirements when due (either at Stated Maturity or mandatory redemption) and derived by dividing the total of such Annual Debt Service Requirements by the number of Fiscal Years then remaining before Stated Maturity of such Parity Bonds. For the purposes of this definition, a fractional period of a Fiscal Year shall be treated as an entire Fiscal Year. Capitalized interest payments provided from bond proceeds, accrued interest on any Debt, and interest earnings thereon shall be excluded in making such computation.

“Bonds” means the bonds issued hereunder.

“Cede & Co.” means the designated nominee and its successors and assigns of The Depository Trust Company, New York.

“City” and “Issuer” mean the City of Pharr, Texas, and where appropriate, the City Commission.

“Debt” means:

(1) all indebtedness payable from Pledged Revenues and/or Net Revenues incurred or assumed by the City for borrowed money and all other financing obligations of the System payable from Pledged Revenues and/or Net Revenues that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet; and

(2) all other indebtedness payable from Pledged Revenues and/or Net Revenues (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction or improvement of property or capitalized lease obligations pertaining to the System that is guaranteed, directly or indirectly, in any manner by the City, or that is in effect guaranteed, directly or indirectly, by the City through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise.

For the purpose of determining Debt, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements of the System in prior Fiscal Years.

“Depository” means one or more official depository banks of the City.

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

“DTC Participant” means securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Fiscal Year” means the twelve-month accounting period used by the City in connection with the operation of the System, currently ending on September 30 of each year, which may be any twelve consecutive month period established by the City, but in no event may the Fiscal Year be changed more than one time in any three calendar year period.

“Funded Debt” means all Parity Bonds created or assumed by the City that mature by their terms (in the absence of the exercise of any earlier right of demand), or that are renewable at the option of the City to a date, more than one year after the original creation or assumption of such Debt by the City.

“Gross Revenues” mean all revenues, income and receipts of every nature derived or received by the City from the operation and ownership of the System.

“Holder” means the registered owner, whose name appears in the Security Register, for any Parity Bond.

“Interest and Sinking Fund” means the special Fund created, established and maintained by the provisions of Sections 12 and 13 of this Ordinance.

“Junior Lien Bonds” means (i) any bonds, notes, warrants, certificates of obligation or other Debt issued by the City that are payable, in whole or in part, from and equally and ratably secured by a lien on and pledge of the Net Revenues, such pledge being subordinate and inferior to the lien on and pledge of the Net Revenues that are or will be pledged to the payment of any Parity Bonds and (ii) obligations hereafter issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured, in whole or in part, by a lien on and pledge of the Net Revenues on a parity with the Junior Lien Bonds.

“MSRB” means the Municipal Securities Rulemaking Board.

“Maintenance and Operating Expenses” means the reasonable and necessary expenses of operation and maintenance of the System as required by Section 1502.056, Texas Government Code, as amended, including all salaries, labor, materials, repairs and extensions necessary to render efficient service (but only such repairs and extensions as, in the judgment of the governing body of the City, are necessary to keep the System in operation and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or conditions which would otherwise impair the Parity Bonds), and all payments under contracts now or hereafter defined as operating expenses by the Legislature of Texas. Depreciation shall never be considered as a Maintenance and Operation Expense.

“Maturity” means, when used with respect to any Debt, the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

“Maximum Annual Debt Service Requirements” means the greatest requirements of Annual Debt Service Requirements (taking into account all mandatory principal redemption requirements) scheduled to occur in any future Fiscal Year or in the then current Fiscal Year for the particular obligations for which such calculation is made. Capitalized interest payments

provided from Debt proceeds, accrued interest on any Debt, and interest earnings thereon shall be excluded in making such computation.

“Net Revenues” mean all Gross Revenues remaining after deducting the Maintenance and Operating Expenses.

“Ordinance” means this ordinance.

“Outstanding”, when used with respect to Parity Bonds, means, as of the date of determination, all Parity Bonds theretofore delivered under this Ordinance and any ordinance authorizing Additional Bonds, except:

(1) Parity Bonds theretofore cancelled and delivered to the City or delivered to the Paying Agent/Registrar for cancellation;

(2) Parity Bonds deemed paid pursuant to the provisions of Section 36 of this Ordinance or any comparable section of any ordinance authorizing Additional Bonds;

(3) Parity Bonds upon transfer of or in exchange for and in lieu of which other Parity Bonds have been authenticated and delivered pursuant to this Ordinance and any ordinance authorizing Additional Bonds; and

(4) Parity Bonds under which the obligations of the City have been released, discharged or extinguished in accordance with the terms thereof.

“Paying Agent/Registrar” shall have the meaning set forth in Section 8(a) hereof.

“Parity Bonds” means the Previously Issued Parity Bonds, the Bonds and any Additional Bonds hereafter issued by the City or obligations issued to refund any of the foregoing (as determined within the sole discretion of the City Commission in accordance with applicable law) if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured by a first lien on and pledge of the Pledged Revenues.

“Permitted Investments” means any security or obligation or combination thereof permitted under the Public Funds Investments Act, Chapter 2256, Texas Government Code, as amended.

“Pledged Revenues” means (1) the Net Revenues, plus (2) any additional revenues, income, receipts, or other resources, including, without limitation, any grants, donations or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter are pledged by the City to the payment of the Parity Bonds, and excluding those revenues excluded from Gross Revenues.

“Rating Agency” means any nationally recognized securities rating agency which has assigned, at the request of the City, a rating to the Parity Bonds.

“Record Date” as used in connection with any Bond, shall mean the close of business on the fifteenth business day of the month next preceding each Interest Payment Date.

“Required Reserve Amount” means the amount required to be maintained in the Parity Bonds Reserve Fund pursuant to the provisions of Section 14 of this Ordinance.

“Required Reserve Fund Deposits” means the deposits and credits, if any, required to be made to the Reserve Fund pursuant to the provisions of Section 14 of this Ordinance.

“SEC” means the United States Securities and Exchange Commission.

“Stated Maturity” means the annual principal payments of the Parity Bonds payable on the respective dates set forth in the ordinances which authorize the issuance of such Parity Bonds.

“System” means the City's combined waterworks and sewer system, which includes all properties, facilities, plants, improvements, equipment, interests and rights currently owned, operated and maintained by the City for the supply, treatment, transmission and distribution of treated potable water, for the collection and treatment of water, and for water reuse, together with all future extensions, improvements, purchases, repairs, replacements and additions thereto, whether situated within or without the limits of the City, and all water (in any form) owned by the City.

“Term Bonds” means those Parity Bonds so designated in the ordinances authorizing such bonds which shall be subject to retirement by operation of a mandatory redemption account.

“Term of Issue” means with respect to any Balloon Debt, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or (ii) twenty-five years.

“TWDB” shall mean the Texas Water Development Board.

Section 2. FINDINGS. The City hereby finds and determines that the recitations contained in the preamble hereto are true and correct and incorporates the said recitals in the preamble as if set forth in full at this place.

Section 3. AUTHORIZATION; DESIGNATION; PURPOSES. The Bonds shall be designated as the "City of Pharr, Texas Waterworks and Sewer System Revenue Bonds, Series 2020B" and shall be issued in fully registered form in the total authorized aggregate principal amount of Thirteen Million Eight Hundred Eighty Thousand Dollars (\$13,880,000) (i) to provide funds to pay contractual obligations to pay the planning, acquisition, design, and construction of certain water system improvements and (ii) to pay costs of issuance, in accordance with Sections 1502.051 through 1502.070 of the Texas Government Code.

Section 4. DATE AND INTEREST PAYMENT DATES; INITIAL BONDS; DEFINITIVE BONDS; DENOMINATIONS (a) The Bonds shall be dated August 3, 2020, and shall bear interest at the rates set forth in this Section 4 of this Ordinance from the date of delivery, or the most recent interest payment date to which such interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, payable on March 1, 2021, and semiannually thereafter on March 1 and September 1 of each year thereafter until maturity.

(b) The Initial Bond(s) herein authorized shall be issued either (i) as a single fully registered Bond in the total principal amount of \$13,880,000 with principal and interest payments to become due and payable as provided in this Section 4 and numbered T-1, or (ii) as separate, fully registered Bonds for each year of stated maturity in the applicable principal amounts and denominations and to be numbered consecutively from T-1 and upward (the "Initial Bond(s)"), and, in either case, the Initial Bond(s) shall be registered in the name of the TWDB or the designee(s) thereof, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF INITIAL BOND set forth in Exhibit "A" hereof. The Initial Bond(s) submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced. The Initial Bond(s) issued and delivered pursuant to this Ordinance are not required to be, and shall not be, authenticated by the Paying Agent/ Registrar, but on each substitute bond issued in exchange for any Initial Bond or in exchange for any Bond issued under this Ordinance, the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF DEFINITIVE BONDS set forth in Exhibit "B".

(c) The Initial Bond(s) shall be submitted to the office of the Attorney General of the State of Texas for approval, certified and registered by the office of the Comptroller of Public Accounts and delivered to and delivered to the Paying Agent/Registrar. The Paying Agent/Registrar, pursuant to written instructions from the City, or the designee(s) thereof, and in accordance with Section 8 hereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefore Definitive Bonds (as hereinafter defined) of authorized denominations, stated maturities, principal amounts and bearing applicable interest rates, for transfer and delivery to the holders named at the addresses identified therefor; all pursuant to and in accordance with Section 7 hereof and such written instructions from the TWDB, or the designee(s) thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require. The Initial Bond(s) submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced.

(d) The definitive bonds (the "Definitive Bonds") shall be numbered consecutively from R-1, upward and shall mature and bear interest at the rates set forth in the Maturity Schedule and may be transferred and exchanged as set out in this Ordinance, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF DEFINITIVE BONDS set forth in Exhibit "B" hereof. Each substitute Bond issued in exchange for any Initial Bonds or Bonds issued under this Ordinance, shall require that the Paying Agent/Registrar execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF BONDS.

(e) The Bonds shall mature on September 1, in each of the years and in the principal amounts set out in the following schedule:

MATURITY SCHEDULE
\$13,880,000

Year of Maturity	Principal Amount (\$)	Interest Rate (%)
2021	200,000	-

2022	220,000	-
2023	220,000	-
2024	125,000	-
2025	120,000	-
2026	120,000	-
2027	115,000	-
2028	580,000	-
2029	580,000	-
2030	580,000	-
2031	580,000	-
2032	575,000	-
2033	575,000	-
2034	575,000	-
2035	575,000	-
2036	575,000	-
2037	575,000	-
2038	575,000	0.040
2039	580,000	0.090
2040	580,000	0.130
2041	580,000	0.170
2042	580,000	0.200
2043	580,000	0.230
2044	580,000	0.250
2045	585,000	0.270
2046	585,000	0.290
2047	585,000	0.300
2048	590,000	0.310
2049	590,000	0.320

Section 5. SALE OF THE BONDS. The Initial Bonds are hereby sold and shall be delivered to the Texas Water Development Board for cash at the price of par and upon the terms and conditions set forth in the resolution of the TWDB dated the date of the TWDB meeting a copy of which is attached as Exhibit "C" in the form and substance presented to the City at this meeting. It is hereby officially found, determined, and declared that the terms of this sale are the

most advantageous reasonably obtainable. The Bonds shall initially be registered in the name of the Texas Water Development Board.

In order that the City shall satisfy in a timely manner all of its obligations under this Ordinance, and the agreement executed in connection with the sale of the Bonds the Mayor, the City Clerk and all other appropriate officers and agents of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance and delivery of the Bonds, including, without limitation, executing and delivering on behalf of the City all certificates, consents, receipts, requests, notices and other documents as may be reasonably necessary to satisfy the City's obligations under this Ordinance, and the agreement executed in connection with the sale of the Bonds and to direct the transfer and application of funds of the City consistent with the provisions of this Ordinance. The Mayor is authorized to execute an agreement with the TWDB setting forth the terms and uses of all grant funds to be made available by TWDB.

While TWDB is the owner of the Bonds, the principal or redemption price of the Bonds shall be payable by wire transfer without exchange or collection charges. Otherwise, principal or redemption price of the Bonds shall be payable 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, upon their presentation and surrender, as they respectively become due and payable, at the principal trust office of the Paying Agent/Registrar. As long as TWDB is the owner of the Bonds, the interest on each Bond shall be payable by wire transfer without exchange or collection charges dated as of the Interest Payment Date. Otherwise, interest on each Bond shall be payable in any coin or currency of the United States of America mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Bond Register.

Section 6. DELIVERY OF BONDS; USE OF PROCEEDS. (a) Pursuant to Section 5 hereof, the City shall deliver the Bonds to the TWDB upon receipt of the Purchase Price.

(b) Proceeds of Sale. Promptly after the delivery of the Bonds, the proceeds from the sale and delivery of the Bonds shall be allocated as follows:

- (i) Escrow Account. At Closing, proceeds in the amount of \$13,880,000 from the sale of the Bonds to the TWDB shall be deposited in the City of Pharr, Texas Waterworks and Sewer System Revenue Bonds, Series 2020B, Texas Water Development Board L1001077 and LF1001119 Escrow Accounts, subject to being withdrawn only with the approval of the Executive Administrator of the TWDB or another designated representative under the terms of the Escrow Agreement between the City and the Escrow Agent in accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257, attached hereto as Exhibit "D".
- (ii) Costs of Issuance. Proceeds in an amount equal to the costs of issuance of the Bonds shall be applied to pay such costs as the City may arrange.
- (iii) Unused Proceeds. Unused proceeds, which are those funds unspent after the original approved project is completed, shall be used for enhancements to the

original project that are explicitly approved by the Executive Administrator. If no enhancements are authorized by the Executive Administrator, the City shall submit a final accounting and disposition of any unused funds.

- (iv) Surplus Proceeds. The City shall use any loan proceeds from the Bonds that are determined to be surplus funds remaining after completion of the project and completion of a final accounting in a manner as approved by the Executive Administrator.

Section 7. OPTIONAL REDEMPTION.

(a) The City reserves the right to call the Bonds for early redemption on any date beginning on or after the first interest payment date which is ten (10) years from the dated date of the Bonds, at a redemption price of par, together with all accrued interest to the date fixed for redemption. If less than all of the Bonds of a particular maturity are redeemed, the particular Bonds or portions thereof to be redeemed shall be selected at random and by lot by the Paying Agent/Registrar on behalf of the City.

(b) Bonds may be redeemed only in integral multiples of \$1,000 of principal amount. If a Bond subject to redemption is in a denomination larger than \$1,000, a portion of such Bond may be redeemed, but only in integral multiples of \$1,000. In selecting portions of Bonds for redemption, the Registrar shall treat each Bond as representing that number of Bonds of \$1,000 denomination which is obtained by dividing the principal amount of such Bond by \$1,000. Upon surrender of any Bond for redemption in part, the Registrar, in accordance with Section 7 hereof, shall authenticate and deliver in exchange therefor a Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Section 8. CHARACTERISTICS OF THE BONDS. (a) Registration, Transfer, and Exchange; Authentication. UMB Bank, N.A., Austin, Texas is hereby appointed as the registrar and paying agent for the Bonds (the "Paying Agent/Registrar") pursuant to the terms and provisions of the Paying Agent/Registrar Agreement, a substantial copy of which is attached hereto as Exhibit "E" which is hereby authorized, approved and incorporated hereto by reference by the City and which the appropriate officials of the City are hereby authorized to execute. The officers of the City are each hereby authorized to execute, attest and affix the City's seal to the Paying Agent/Registrar Agreement, the terms and provisions of which are hereby approved.

The City shall keep or cause to be kept at the designated corporate trust office of the Paying Agent/Registrar books or records for the registration of the transfer and exchange 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 registrations of transfers and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Bonds shall be made within three business days after request and presentation thereof. The City 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. Except as provided in (c) below, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Paying Agent/Registrar's Authentication 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 paid Bonds surrendered for transfer and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing transfer and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the preparation, execution and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to the Texas Government Code, Chapter 1201, the duty of transfer and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the transferred and exchanged Bond shall be valid, incontestable and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller of Public Accounts.

(b) *Substitute Paying Agent/Registrar.* 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 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 and to the extent permitted by law, (i) act in the capacity of Paying Agent/Registrar or (ii) change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. 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 bank, trust company, financial institution or other agency 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, first-class 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.

(c) *Book-Entry-Only System for Bonds.* The Bonds issued in exchange for the Bonds initially issued to the purchaser(s) specified in Section 4 herein shall be initially issued in the form of a separate single fully registered Bond for each maturity thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsection (e) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities, to facilitate the clearance and settlement of securities transaction among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer 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 DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of the Bonds, as shown on the Registration Books, of any notice with respect to the Bonds or (iii) the payment to any DTC Participant or any other person, other than a registered owner of the Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bonds, for the purpose of registering transfers with respect to such Bonds and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Bond evidencing the obligation of the Issuer 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 being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(d) *Successor Securities Depository; Transfers Outside Book-Entry-Only Systems.* In the event that the Issuer determines to discontinue the use of the Book-Entry-Only System through DTC, or DTC determines to discontinue providing its services with respect to the Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance. Whenever a successor securities depository has been appointed pursuant to this paragraph, the terms DTC and DTC Participant as used in this Ordinance shall refer to such successor securities depository and its participants, respectively.

(e) *Payments to Cede & Co.* 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 for DTC,

all payments with respect to principal of 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 of the Issuer to DTC.

(f) *DTC Letter of Representation.* The officers of the Issuer are herein authorized for and on behalf of the Issuer and as officers of the Issuer to enter into one or more amendments to the Blanket Letters of Representation with DTC as deemed necessary to establish and maintain the Book-Entry-Only System with respect to the Bonds.

Section 9. EXECUTION OF BONDS; SEAL. The Bonds shall be signed by the Mayor and countersigned by the City Clerk of the City Commission, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of such officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds. If any officer of the City whose signature shall be on the Bonds, or on any certification required in connection with the Bonds, shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds or certification required in connection with the Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

Section 10. PLEDGE OF PLEDGED REVENUES. The Pledged Revenues are hereby irrevocably pledged, on parity, to the payment and security of the Parity Bonds, including the establishment and maintenance of the special funds created, established and maintained for the payment and security thereof, all as hereinafter provided; and it is hereby ordained that the Parity Bonds, and the interest thereon, shall constitute a lien on and pledge of the Pledged Revenues and be valid and binding without any physical delivery thereof or further act by the City, and the lien created hereby on the Pledged Revenues for the payment and security of the Parity Bonds, including the establishment and maintenance of the special funds created, established and maintained for the payment and security thereof, and the amounts payable from such funds shall be superior to the lien on and pledge of the Net Revenues securing payment of any Subordinate Lien Obligations issued by the City.

Section 11. DEPOSITS TO REVENUE FUND. There has been created and established on the books of the City, and accounted for separate and apart from all other funds of the City, a special fund entitled the "City of Pharr, Texas, Waterworks and Sewer System Revenue Fund" (the "Revenue Fund"). All Gross Revenues of the System shall be credited to the Revenue Fund immediately upon receipt and all Maintenance and Operation Expenses of the System shall be paid from such Gross Revenues as a first charge against same.

Section 12. FLOW OF FUNDS. All gross revenues deposited and credited to the Revenue Fund are hereby pledged and appropriated to the extent required, for the following uses and in the order of priority shown:

- First, to the Maintenance and Operation Expenses;
- Second, to the Interest and Sinking Fund in equal monthly installments made on or before the day prior to the 1st day of each month hereafter, as will be

sufficient to pay the interest scheduled to come due on the Parity Bonds on the next interest payment date; and such amounts, in equal monthly installments, as will be sufficient to pay the next maturing principal of the Parity Bonds;

- Third, to make deposits to the Parity Bonds Reserve Fund as provided in Section 14;
- Fourth, to the “Waterworks and Sewer System Junior Lien Revenue Bonds Interest and Sinking Fund” (the “Junior Lien Interest and Sinking Fund”) and to the “Waterworks and Sewer System Junior Lien Revenue Bonds Reserve Fund” (the “Junior Lien Reserve Fund”) when and in the amounts required by the ordinances authorizing the issuance of the Junior Lien Bonds and any bonds which the City has reserved the right to issue on a parity and equal dignity with the Junior Lien Bonds;
- Fifth, to the Improvement and Contingency Fund, when and in the amounts required by ordinances of the City authorizing the issuance of obligations secured by the Net Revenues of the System;

Any Net Revenues remaining after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other lawful purpose.

Section 13. PARITY BONDS INTEREST AND SINKING FUND; REQUIREMENTS.

(a) For the sole purpose of paying the principal of and interest on the Previously Issued Parity Bonds, the Bonds and the Additional Bonds, as the same come due, there has been created and established on the books of the City a separate fund entitled the "City of Pharr, Texas, Waterworks and Sewer System Parity Bonds Interest and Sinking Fund" (hereinafter called the "Interest and Sinking Fund"). The City covenants that while any Parity Bonds are outstanding, funds will be deposited to the Interest and Sinking Fund as required under Section 12, hereof.

(b) The required monthly deposits and credits to the Parity Bonds Interest and Sinking Fund shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in and credited to the Parity Bonds Interest and Sinking Fund is equal to the amount required to fully pay and discharge all outstanding Parity Bonds (principal, premium, if any, and interest) or (ii) no Parity Bonds remain outstanding. For the purpose of determining whether sufficient funds are on deposit in or credited to the Parity Bonds Interest and Sinking Fund, to satisfy the requirements of paragraphs (i) or (ii), to fully pay and discharge all outstanding Parity Bonds, all amounts on deposit in and credited to the Parity Bonds Reserve Fund shall be deemed to be on deposit in and credited to the Parity Bonds Interest and Sinking Fund.

(c) Accrued interest and capitalized interest, if any, received at Closing from the purchaser of any Parity Bonds shall be taken into consideration and reduce the amount of the deposits and credits hereinabove required in the Parity Bonds Interest and Sinking Fund.

(d) While any of the Parity Bonds are outstanding, the City shall transfer to the respective paying agent/registrars therefor, from funds on deposit in and credited to the Parity Bonds Interest

and Sinking Fund, and, if necessary, funds on deposit in the Parity Bonds Reserve Fund, amounts sufficient to fully pay and discharge promptly the interest on and principal of the Parity Bonds as shall become due on each interest or principal payment date, or date of redemption of the Parity Bonds. Such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with each respective paying agent/registrar for the Parity Bonds not later than the business day next preceding the date such payment is shall only be used to pay the principal of and interest on such Parity Bonds. The Paying Agent/Registrar shall destroy all Parity Bonds paid in full and furnish the City with an appropriate certificate of cancellation or destruction.

Section 14. PARITY BONDS RESERVE FUND REQUIREMENTS.

As a debt service reserve fund for the Parity Bonds, the City has created the Parity Bonds Reserve Fund (the "Reserve Fund"). The City covenants to maintain in the Reserve Fund, at all times, an amount no less than the Average Annual Debt Service Requirements of the outstanding Parity Bonds (the "Required Reserve Amount"). The Reserve Fund currently shows a balance of \$ _____. The Required Reserve Amount required under the City's Parity Bond Ordinances for parity bonds outstanding prior to issuance of the Bonds and Series 2020A Bonds, issued concurrently with the Bonds, is \$ _____. The Required Reserve Amount after the issuance of the Bonds and Series 2020A Bonds will be \$ _____. The City covenants, that over the initial sixty (60) months following the delivery of the Bonds, to deposit to the Reserve Fund, in equal monthly installments, an equal amount of money until the Reserve Fund contains therein the Required Reserve Amount resulting from issuance of the Bonds.

When and so long as the money and investments in the Reserve Fund are not less than the Required Reserve Amount, no deposits need be made to the credit of the Reserve Fund. When and if the Reserve Fund contains less than the Required Reserve Amount due to any increase in the Required Reserve Amount as a result of the issuance of any Additional Bonds, any increase in the Required Reserve Amount may be funded from Net Revenues, or from proceeds of any Additional Bonds, or any other available source or combination of sources. Except for the Bonds, all or any part of the Required Reserve Amount not funded initially and immediately after the delivery of any installment or issue of any Additional Bonds shall be funded within not more than five years from the dated of such delivery, by deposits of Net Revenues in equal monthly installments on or before the 25th of each month thereafter ("Required Reserve Fund Deposits"). If and when the Reserve Fund at any time contains less than the Required Reserve Amount due to any cause or condition, other than the issuance of Additional Bonds, then, subject and subordinate to making the required deposits to the credit of the Interest and Sinking Fund, such deficiency shall be made up as soon as possible from the next available Net Revenues, or from any other sources available for such purpose by depositing to the credit of the Reserve Fund, monthly on or before the 25th of each month thereafter, a sum equal to 1/10th of the deficiency amount, until the Reserve Fund is restored to the Required Reserve Amount. Principal amounts of any Parity Bonds which must be redeemed pursuant to any applicable mandatory redemption requirements shall be deemed to be maturing amounts of principal for the purpose of calculating principal and interest requirements on such bonds. The City specifically covenants that when and so long as the Reserve Fund contains the Required Reserve Amount, the City shall cause all interest and income derived from the deposit or investment of the Reserve Fund to be deposited to the Interest and Sinking Fund.

Section 15. IMPROVEMENT AND CONTINGENCY FUND. There has been established and maintained on the books of the City, and accounted for separate and apart from all other funds of the City, a separate fund entitled “City of Pharr Waterworks and Sewer System Improvement and Contingency Fund” (the “Improvement and Contingency Fund”). The Improvement and Contingency Fund shall be used for the purpose of paying the costs of improvements, enlargements, extensions, additions, replacements, or other capital expenditures related to the System, or for paying the costs of unexpected or extraordinary repairs or replacements of the System for which System funds are not available, or for paying unexpected or extraordinary expenses of operation and maintenance of the System for which System funds are not otherwise available, or for any other lawful purpose.

Section 16. IMPROVEMENT AND CONTINGENCY FUND REQUIREMENTS. Subject and subordinate to making the required deposits to the credit of the Parity Bonds Interest and Sinking Fund, the Parity Bonds Reserve Fund, the Junior Lien Bonds Sinking Fund and the Junior Lien Bonds Reserve Fund, the City shall deposit to the credit of the Improvement and Contingency Fund, all remaining surplus Net Revenues in the System Fund to be used for authorized purposes.

Section 17. PAYMENT OF THE BONDS. On or before one day prior to each September 1 and March 1, while any of the Bonds are outstanding and unpaid, the City shall make available to the paying agent therefor, out of the Interest and Sinking Fund and the Reserve Fund, if necessary, money sufficient to pay such interest on and such principal of the Bonds, as shall become due on such dates, respectively, at maturity or by redemption prior to maturity. At the direction of the City, the appropriate paying agent shall either deliver paid Bonds to the City or destroy all paid Bonds, and furnish the City with an appropriate certificate of cancellation or destruction.

Section 18. ISSUANCE OF ADDITIONAL BONDS ON A PARITY WITH THE BONDS. (a) The City shall have the right and power at any time and from time to time and in one or more series or issues, to authorize, issue, and deliver Additional Bonds, in accordance with law, and this Ordinance, in any amounts, for any lawful purpose, including the refunding of any Bonds, or other obligations. Such Additional Bonds, if and when authorized, issued and delivered in accordance with this Ordinance, shall be secured by and made payable equally and ratably on a parity with the Bonds, and all other outstanding Parity Bonds, from an irrevocable first lien on and pledge of the Net Revenues.

(b) The principal of all Additional Bonds must be scheduled to be paid or mature on September 1 or March 1 of the years in which such principal and interest is scheduled to be paid or mature.

Section 19. CONDITIONS FOR ISSUANCE OF ADDITIONAL BONDS. Additional Bonds shall be issued only in accordance with this Ordinance, and no installment, series or issue of Additional Bonds shall be issued or delivered unless the following requirements are satisfied:

(a) The Mayor and the City Clerk of the City sign a written certificate to the effect that the City is not in default as to any covenant, condition, or obligation in connection with all outstanding Bonds, and Additional Bonds, and the ordinances authorizing same, and that the Interest and Sinking Fund and the Reserve Fund each contains the amount then required to be therein.

(b) An independent certified public accountant (“CPA”), or independent firm of CPA’s, acting by and through a CPA, signs a written certificate to the effect that, in his or its opinion, during either the next preceding Fiscal Year, or any 12 consecutive calendar month period ending not more than 90 days prior to adoption of the Ordinance authorizing the issuance of the then proposed Additional Bonds, the Net Revenues were at least 1.25 times an amount equal to the maximum annual principal and interest requirements of all bonds of any nature or lien which are scheduled to be outstanding after the delivery of the then proposed Additional Bonds.

(c) Provision shall be made in the Ordinance authorizing their issuance for immediately increasing the Parity Bonds Reserve Fund to the Required Reserve Amount as required by Section 14 hereof with the proceeds of the Additional Bonds, or other available source or combination of sources including Net Revenues, or both.

(d) that all calculations of Maximum Annual Debt Service Requirements made pursuant to this Section are made as of and from the date of the Additional Bonds then proposed to be issued.

(e) All calculations of maximum annual principal and interest requirements of any bonds made in connection with the issuance of any then proposed Additional Bonds shall be made as of the date of such Additional Bonds; and also in making calculations for such purpose, and for any other purpose under this Ordinance, principal amounts of any Bonds which must be redeemed prior to maturity pursuant to any applicable mandatory redemption requirements shall be deemed to be maturing amounts of principal of such bonds.

The City reserves the right to issue Additional Bonds to refund all or any part of the outstanding Parity Bonds or any other obligations of the City payable, in whole or in part, from the Pledged Revenues, pursuant to any law then available, upon such terms and conditions as the City Commission may deem to be in the best interest of the City, its inhabitants and other customers of the System, and, unless all of the then outstanding Parity Bonds are refunded, the conditions precedent prescribed for the issuance of Additional Bonds and the representations and certifications required in Section 18 and this Section 19 shall be satisfied and shall give effect to the Maximum Annual Debt Service Requirements of the proposed refunding Additional Bonds (but shall not give effect to the Maximum Annual Debt Service Requirements of the obligations being refunded following their cancellation or provision being made for their payment); provided, however, if as a result of such refunding, the Annual Debt Service Requirements are not increased in any Fiscal Year, the City shall not be required to satisfy the requirements of Section 18(b) as a requirement for the issuance of such refunding Additional Bonds.

Section 20. DEFICIENCIES - EXCESS PLEDGED OR NET REVENUES. (a) If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits and credits to the Interest and Sinking Fund and the Reserve Fund, then such deficiency shall be cured as soon as possible from the next available unallocated Pledged Revenues, or from any other sources available for such purpose, and such deposits and credits shall be in addition to the amounts otherwise required to be deposited and credited to these Funds.

(b) Subject to making the deposits and credits required by this Ordinance, or any ordinances authorizing the issuance of Additional Bonds, or the payments and credits required by

the provisions of the ordinances authorizing the issuance of Junior Lien Bonds, the excess Net Revenues may be used for any lawful purpose.

Section 21. INVESTMENT OF FUNDS; VALUATION; TRANSFER OF INVESTMENT INCOME.

(a) Money in the Revenue Fund and the Interest and Sinking Fund, may, at the option of the City, be invested in Permitted Investments under the Public Funds Investment Act; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any fund will be available at the proper time or times. All such deposited funds shall be secured as required under the Public Funds Collateral Act, Chapter 2257, Government Code. All such investments shall be valued in terms of current market value no less frequently than the last business day of the City's Fiscal Year, except that any direct obligations of the United States of America - State and Local Government Series shall be continuously valued at their par value or principal face amount. Any obligation in which money is so invested shall be kept and held at the Depository, except as otherwise permitted by the laws applicable to the City. For purposes of maximizing investment returns, money in such funds may be invested, together with money in other funds or with other money of the City, in common investments of the kind described above, or in a common pool of such investments held by the City or its designated agent, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such fund are held by or on behalf of each such fund. If necessary, such investments shall be promptly sold to prevent any default.

(b) All interest and income derived from such investments shall be credited to the Revenue Fund semi-annually.

Section 22. PAYMENT OF PARITY BONDS. While any of the Parity Bonds are outstanding, the City shall transfer to the respective paying agent/registrar therefor, from funds on deposit in and credited to the Interest and Sinking Fund, and, if necessary, funds on deposit in the respective reserve funds established for the benefit of respective Parity Bonds, amounts sufficient to fully pay and discharge promptly the interest on and principal of the Parity Bonds as shall become due on each interest or principal payment date, or date of redemption of the Parity Bonds; such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with each respective paying agent/registrar for the Parity Bonds not later than the business day next preceding the date such payment is due on the Parity Bonds; provided that funds withdrawn from a reserve fund established for a particular issue or series of Parity Bonds shall only be used to pay the principal of and interest on such Parity Bonds. The Paying Agent/Registrar shall destroy all paid Parity Bonds and furnish the City with an appropriate certificate of cancellation or destruction.

Section 23. RATES AND CHARGES. For the benefit of the Holders of the Parity Bonds and in addition to all provisions and covenants in the laws of the State of Texas and in this Ordinance, the City hereby expressly stipulates and agrees, while any of the Parity Bonds are outstanding, to establish and maintain rates and charges for facilities and services afforded by the System that are reasonably expected, on the basis of available information and experience and with due allowance for contingencies, to produce Gross Revenues in each Fiscal Year reasonably anticipated to be sufficient:

- A. to pay Maintenance and Operating Expenses;
- B. to produce Pledged Revenues at least equal to the greater of 1.25 times the Average Annual Debt Service Requirements of the Parity Bonds or 1.10 times the Maximum Annual Debt Service Requirements of all outstanding obligations payable from a lien on and pledge of the Net Revenues of the System;
- C. to produce Pledged Revenues in amounts sufficient to enable the City to make the deposits and credits, if any, from Pledged Revenues to the Interest and Sinking Fund and Reserve Fund, including required deposits for any issue or series of Parity Bonds, and other amounts payable under Section 13 hereof;
- D. to produce Pledged Revenues, together with any other lawfully available funds (including the proceeds of Debt which the City expects will be utilized to pay all or part of the principal of and/or interest on any obligations described in this subsection D, sufficient to pay the principal of and interest on any Junior Lien Bonds issued by the City and the amounts required to be deposited in any reserve or contingency fund created for the payment and security of the Parity Bonds and Junior Lien Bonds and any other obligations or evidences of indebtedness issued or incurred that are payable from, in whole or in part, a subordinate lien on and pledge of the Pledged Revenues; and
- E. to pay any other Debt payable from the Pledged Revenues and/or secured by a lien on the Pledged Revenues.

Should the annual audit report required by Section 25 hereof reflect that the Pledged Revenues for the Fiscal Year covered thereby were less than necessary to meet the requirements of this Section, the City Commission will review the operations of the System and the rates and charges for services provided, and the City Commission will make the necessary adjustments or revisions, if any, in order that the Pledged Revenues for the succeeding year will be sufficient to satisfy the foregoing coverage requirements.

Section 24. GENERAL COVENANTS. The City further covenants and agrees that in accordance with and to the extent required or permitted by law:

(a) Performance. It will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in any ordinance authorizing the issuance of Parity Bonds, including this Ordinance, 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 such ordinances and obligations; and it will, at the times and in the manner prescribed, deposit and credit or cause to be deposited and credited the amounts required to be deposited and credited to the Interest and Sinking Fund and every reserve fund established for the benefit of any issue or series of Additional Bonds.

(b) City's 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 Bonds; that all action on its part for the creation and issuance of the Bonds has been duly and effectively taken, and that the Bonds in the hands of the Holders thereof are and will be valid and enforceable

special obligations of the City in accordance with their terms.

(c) Title. It has or will obtain lawful title to the lands, buildings, structures and facilities constituting the System, that it warrants that it will defend the title to all the aforesaid lands, buildings, structures and facilities, and every part thereof, for the benefit of the Holders of the Parity Bonds, against the claims and demands of all persons whomsoever, that it is lawfully qualified to pledge the Pledged Revenues to the payment of the Parity Bonds in the manner prescribed herein, and has lawfully exercised such rights.

(d) Liens. It will from time to time and before the same become delinquent pay and discharge all taxes, assessments and governmental charges, if any, which shall be lawfully imposed upon it, or the System; it will pay all lawful claims for rents, royalties, labor, materials and supplies which if unpaid might by law become a lien or charge thereon, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and it will not create or suffer to be created any mechanic's, laborer's, materialman's or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided, however, that no such tax, assessment or charge, and that no such claims which might be used as the basis of a mechanic's, laborer's, materialman's or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the City.

(e) Operation of System; No Free Service. It will, while the Parity Bonds are outstanding and unpaid, continuously and efficiently operate the System, and shall 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 make use of the services and facilities of the System, payment of the reasonable value shall be made by the City out of funds from sources other than the Gross Revenues of the System, unless made from surplus or excess Pledged Revenues as permitted in Section 9.

(f) Mandatory Connection to Service. The City shall cause all owners of property, capable of receiving water or wastewater service as a result of the improvements to be undertaken with the proceeds of the Bonds, to connect their properties to the City' water and wastewater system as soon as possible as practicable after completion of the improvements. In this connection, the City shall exercise its authority pursuant to Section 17.934 of the Texas Water Code to impose any incentives or penalties available under law.

(g) Further Encumbrance. While the Parity Bonds are outstanding and unpaid, it will not additionally encumber the Pledged Revenues in any manner, except as permitted in this Ordinance in connection with Additional Bonds, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants and agreements of this Ordinance; but the right of the City to issue or incur obligations payable from a subordinate lien on the Pledged Revenues is specifically recognized and retained.

(h) Sale or Disposal of Property. While the Parity Bonds are outstanding and unpaid, it will not sell, convey, mortgage, encumber, lease or in any manner transfer title to, or otherwise dispose of the System, or any significant or substantial part thereof; provided that whenever the City deems it necessary to dispose of any other property, machinery, fixtures or equipment, it may

sell or otherwise dispose of such property, machinery, fixtures or equipment when it has made arrangements to replace the same or provide substitutes therefor, unless it is determined that no such replacement or substitute is necessary; and, provided further, that the City retains the right to sell, convey, mortgage, encumber, lease or otherwise dispose of any significant or substantial part of the System if (i) the City's consulting engineer delivers a certificate to the City Commission to the effect that, following such action by the City, the System is expected to produce Gross Revenues in amounts sufficient in each Fiscal Year while any of the Parity Bonds are to be outstanding to comply with the obligations of the City contained in this Ordinance and in the ordinances authorizing the issuance of Additional Bonds; (ii) the City Commission makes a finding and determination to the same effect as the certificate of the City Manager set forth in (i) above and (iii) each national rating service then maintaining a rating on any Parity Bond delivers a letter to the City to the effect that such sale, conveyance, mortgage, encumbrance, lease or other disposition will not cause the rating agency to withdraw or lower the unenhanced rating on any Parity Bonds then in effect. Proceeds from any sale hereunder not used to replace or provide for substitution of such property sold, shall be used for improvements to the System or to purchase or redeem Parity Bonds.

(i) Insurance. (1) It shall cause to be insured such parts of the System as would usually be insured by municipal corporations operating like properties, with a responsible insurance company or companies, against risks, accidents or casualties against which and to the extent insurance is usually carried by municipal corporations operating like properties, including, to the extent reasonably obtainable, fire and extended coverage insurance, insurance against damage by floods, and use and occupancy insurance. The amount of coverage shall never be less than sufficient to protect the TWDB's interest in the project. Public liability and property damage insurance shall also be carried unless the City Attorney of the City gives a written opinion to the effect that the City is not liable for claims which would be protected by such insurance. At any time while any contractor engaged in construction work shall be fully responsible therefor, the City shall not be required to carry insurance on the work being constructed if the contractor is required to carry appropriate insurance. All such policies shall be open to the inspection of the Holders and their representatives at all reasonable times. Upon the occurrence of any loss or damage covered by insurance from one or more of said causes, the City shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the City. The proceeds of insurance covering such property are hereby pledged as security for the Parity Bonds and, together with any other funds necessary and available for such purpose, shall be used forthwith by the City for repairing the property damaged or replacing the property destroyed; provided, however, that if said insurance proceeds and other funds are insufficient for such purpose, then said insurance proceeds pertaining to the System shall be used promptly as follows:

(i) for the redemption prior to maturity of the Parity Bonds, ratably in the proportion that the Outstanding principal of each series of Parity Bonds bears to the total Outstanding principal of all Parity Bonds, provided that if on any such occasion the principal of any such series is not subject to redemption, it shall not be regarded as Outstanding in making the foregoing computation; or

(ii) if none of the Outstanding Parity Bonds is subject to redemption, then for the purchase on the open market and retirement of said Parity Bonds in the same proportion as prescribed in the foregoing clause (i), to the extent practicable; provided that the purchase

price for any Parity Bond shall not exceed the redemption price of such Parity Bond on the first date upon which it becomes subject to redemption; or

(iii) to the extent that the foregoing clauses (i) and (ii) cannot be complied with at the time, the insurance proceeds, or the remainder thereof, shall be deposited in a special and separate trust fund, at an official depository of the City, to be designated the Insurance Account. The Insurance Account shall be held until such time as the foregoing clauses (i) and/or (ii) can be complied with, or until other funds become available which, together with the Insurance Account, will be sufficient to make the repairs or replacements originally required, whichever of said events occurs first.

(2) The foregoing provisions of (1) above notwithstanding, the City shall have authority to enter into coinsurance or similar plans where risk of loss is shared in whole or in part by the City.

(3) The annual audit hereinafter required shall contain a section commenting on whether or not the City has complied with the requirements of this Section with respect to the maintenance of insurance, and listing all policies carried, and whether or not all insurance premiums upon the insurance policies to which reference is hereinbefore made have been paid.

(4) The payment of premiums for all insurance policies required under the provisions hereof and the costs associated with the maintenance of any self-insurance program shall be considered Maintenance and Operating Expenses. Nothing in this Ordinance shall 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.

(j) Governmental Agencies. 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, and which have been obtained from any governmental agency; and the City's consulting engineer 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.

(k) No Competition. It will not grant any franchise or permit for the acquisition, construction or operation of any competing facilities which might be used as a substitute for the System's facilities, and, to the extent that it legally may, the City will prohibit any such competing facilities.

Section 25. RULES; REGULATIONS AND CONDITIONS OF TEXAS WATER DEVELOPMENT BOARD. In compliance with the published rules and regulations of the Texas Water Development Board, and the grant conditions imposed under the TWDB Resolution No. 20-059, the City agrees and covenants as follows:

(a) Proceeds from the sale of the Bonds shall not be used by the City when sampling, testing, removing or disposing of contaminated soils and/or media at the project site. To the extent permitted by law, the City shall indemnify, hold harmless and protect the TWDB from any and all

claims, causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the City, its contractors, consultants, agents, officials and employees as a result of activities relating to the project;

(b) The City shall submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with TWDB outlay report guidelines;

(c) All laborers and mechanics employed by contractors and subcontractors for projects shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality in accordance with the Davis-Bacon Act, and the U.S. Department of Labor's implementing regulations. The City, all contractors, and all sub-contractors shall ensure that all project contracts mandate compliance with Davis-Bacon. All contracts and subcontracts for the construction of the project carried out in whole or in part with financial assistance made available as provided herein shall insert in full in any contract in excess of \$2,000 the contracts clauses as provided by the TWDB;

(d) The City shall provide the TWDB with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282, as amended by Pub. L. 110-252. The City shall obtain a Data Universal Numbering System (DUNS) Number and shall register with System for Award Management (SAM), and maintain current registration at all times during which the Bonds are outstanding;

(e) All loan proceeds will be timely and expeditiously used, as required by 40 CFR § 35.3135(d), and also shall provide that the City will adhere to the approved project schedule;

(f) The City will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by 31 TAC § 375.3, 33 U.S.C. § 1388, and related State Revolving Fund Policy Guidelines;

(g) The City will comply with the requirements set forth in 33 U.S.C. § 1382 et seq. related to maintaining project accounts containing financial assistance for planning, acquisition, design, acquisition, or construction, as applicable, in accordance with generally accepted accounting principles (GAAP). These standards and principles also apply to the reporting of underlying infrastructure assets;

(h) The City shall submit, prior to the release of funds, a schedule of the useful life of the project components prepared by an engineer as well as a certification by the applicant that the average weighted maturity of the obligations purchased by the TWDB does not exceed 120% of the average projected useful life of the project, as determined by the schedule;

(i) At closing, the City shall pay an origination fee approved by the Executive Administrator of the TWDB pursuant 31 TAC Chapter 375;

(j) Prior to release of funds for professional consultants including, but not limited to, the engineer, financial advisor, and bond counsel, as appropriate, the City must provide documentation that it has met all applicable state procurement requirements as well as all federal

procurement requirements under the Disadvantaged Business Enterprises program;

(k) Prior to release of funds for professional services related to architecture or engineering, including but not limited to contracts for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or other architectural and engineering services as defined in 40 U.S.C. § 1102(2)(A)(C), the City must provide documentation that it has met all applicable federal procurement requirements as more specifically set forth in 40 U.S.C. § 1101 et seq. and 33 U.S.C. § 1382(b){14}.

(l) That upon completion of the project to be financed with the proceeds of the Bonds, the proper officials of the City shall cause to be prepared and submitted to the TWDB the following documentation:

(i) a final accounting of the total costs of the project and the expenditure of funds therefor; and

(ii) a copy of the construction plans for the project as built and completed.

(iii) In addition to other information required by the TWDB, said final accounting shall identify all funds utilized or represented to be available in the City's application, from whatever source derived.

(m) Prior to closing, the City shall adopt and implement the water conservation program approved by the TWDB.

(n) That the City will notify the Executive Administrator, prior to taking any actions, of any intent to alter its legal status in any manner, including, but not limited to, conversion to a conservation or reclamation district or the sale-transfer-merger with another retail public utility.

(o) That the City will not convey or transfer its Bonds held by TWDB to another entity without the prior written approval of the conveyance and assumption by the TWDB.

(p) That the City will comply with all conditions as specified in the final environmental finding of the Executive Administrator, including the standard emergency discovery conditions for threatened and endangered species and cultural resources.

(q) Neither the City nor a related party to the City will acquire any of the TWDB's Source Series Bonds in an amount related to the amount of the Bonds.

Section 26. RECORDS AND ACCOUNTS - ANNUAL AUDIT. The City covenants and agrees that so long as any of the Parity Bonds remain Outstanding, the City will keep and maintain a separate and complete system of records and accounts pertaining to the operations of the System in which full, complete, true, proper, and correct entries shall be made of all dealings, transactions, business and affairs relating thereto, or which in any way affect or pertain to the System or the Gross Revenues or the Net Revenues thereof, as provided by generally accepted accounting practices (GAAP), consistently applied, and by Chapter 1502, Texas Government Code, as amended, or other applicable law. The Holders of the Parity Bonds or any duly authorized agent or agents of such Holders shall have the right to inspect the System and all properties comprising

the same. The City further agrees that, following the close of each Fiscal Year, the City will cause an audit report of such records and accounts to be made by an Accountant. Copies of each annual audit shall be made available for public inspection during normal business hours at the City's principal office and the City Clerk's office and may be furnished to, upon written request, any Holder upon payment of the reasonable copying and mailing charges. Expenses incurred in making the annual audit of the operations of the System shall be considered as Maintenance and Operating Expenses.

Section 27. COVENANTS TO MAINTAIN TAX EXEMPT STATUS.

(a) General Tax Covenant. The City intends that the interest on the Bonds shall be excludable from gross income for purposes of federal income taxation pursuant to Sections 103 and 141 through 150 of the Code and applicable Regulations. The City covenants and agrees not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Bonds to be includable in gross income, as defined in section 61 of the Code, of the holders thereof for purposes of federal income taxation. In particular, the City covenants and agrees to comply with each requirement of this Section; provided, however, that the City shall not be required to comply with any particular requirement of this Section if the City has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or if the City has received a Counsel's Opinion to the effect that compliance with some other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section. In the event the provisions of the Code are amended, or new regulations or rulings are promulgated or issued thereunder, such that requirements in addition to those stated herein become applicable to the Bonds, the City covenants to comply with such additional requirements to the extent necessary to prevent any adverse effect on the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(b) Use of Proceeds. The City covenants and agrees that its use of the Sales Proceeds of the Bonds will at all times satisfy the following requirements:

(i) Proceeds from the sale of the Bonds shall, promptly upon receipt by the City, be applied as follows:

(a) Net Premium. Net Premium, if any, will be allocated to underwriter's discount and to costs of issuance;

(b) Costs of Issuance. An amount equal to the costs of issuance of the Bonds shall be applied to pay such costs as the City may arrange.

(c) Escrow Account. The remaining proceeds from the sale of the Bonds, together with any investment earnings on such proceeds, to the extent required, shall be deposited to the Escrow Account to be used to pay for the costs of the project.

(ii) Private Business Use. Except as permitted by section 141 of the Code and the Regulations, the City shall at all times prior to the last stated maturity of the Bonds:

(a) not use or permit the use of Gross Proceeds of the Bonds or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(b) not directly or indirectly impose or accept any charge or other payment by any person who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds other than ad valorem taxes or interest earned on Investments acquired with such Gross Proceeds pending application for their intended purposes.

(iii) Private Loan Use. Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(iv) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code, and the Regulations, the City shall not directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of the Bonds.

(v) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code.

(vi) Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(vii) No-Arbitrage Covenant. The City shall certify, through an authorized officer, employee or agent, that based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the City reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of section 148(a) of the Code and applicable regulations thereunder. Moreover, the City covenants and agrees that it will make such use of the proceeds of the Bonds (including interest or other investment income derived from Bond proceeds), regulate investments of proceeds of the Bonds and take such other and

further action as may be required so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code and applicable regulations thereunder.

(viii) Arbitrage Rebate. The City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the “gross proceeds” of the Bonds (within the meaning of Section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the City will (i) obtain information and maintain records regarding the receipt, investment and expenditure of the gross proceeds of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds and to identify the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issues of the City or moneys which do not represent gross proceeds of any bonds of the City, (ii) calculate, at such times as are required by applicable regulations, the amount earned from the investment of the gross proceeds of the Bonds which is required to be rebated to the federal government and (iii) pay, at such times and in such manner as required by applicable regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(ix) Elections. The City hereby directs and authorizes the City Judge, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as he may deem necessary or appropriate in connection with the Bonds, in the Bond as to Tax Exemption or similar or other appropriate certificate, form or document.

Section 28. DISPOSITION OF PROJECT. The Issuer covenants that the project financed with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the project comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 29. INTEREST EARNINGS ON BOND PROCEEDS; APPROPRIATION TO PAY INTEREST. Interest earnings, if any, derived from the investment of proceeds from the sale of the Bonds shall be deposited in 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 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.

Section 30. UNDERTAKING TO PROVIDE INFORMATION. (a) This Section constitutes the written undertaking for the benefit of the holders of the Bonds required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR part 240, §240. 15c2-12) (the “Rule”). Capitalized terms used in this Section and not otherwise defined in this Ordinance shall have the meanings assigned such terms in subsection (d) hereof. Under Texas law, the Issuer must keep its fiscal records in accordance with generally accepted accounting principles, must have its financial accounts and records audited by a certified public accountant and must file each audit report with the State Comptroller within 180 days after the close of the Issuer’s fiscal year. The Issuer’s fiscal records and audit reports are available for public inspection during the regular business hours, and the Issuer is required to provide a copy of the Issuer’s audit reports to any bondholder or any member of the public within a reasonable time on request upon payment of charges prescribed by the Texas General Services Commission.

(b) The Issuer, as an “obligated person” within the meaning of the Rule, undertakes to provide the following information as provided in this Section:

- (1) Audited Financial Statements, if any; and
- (2) Certain Specified Event Notices.

(c) (1) The Issuer shall provide the Audited Financial Statements by March 31st of each year while any Bonds are Outstanding to the MSRB. 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.

(2) The Issuer shall provide a Specified Event Notice in a timely manner *not in excess of ten business days* after the occurrence of the event. Each Specified Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.

(d) The following are the definitions of the capitalized terms used in this section not otherwise defined in this Ordinance.

(1) “Audited Financial Statements” means the Issuer's annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State.

(2) “Certain Specified Event” means any of the following events with respect to the Bonds:

- (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, 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 tax-exempt status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
- (xiii) 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 of 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
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (xv) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

For these purposes, any event described in (xii) above 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.

(3) “Specified Event Notice” means electronic notice of a Certain Specified Event.

(e) Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer’s information.

(f) Any failure by the Issuer to perform in accordance with this Section shall not constitute an event of default under this Ordinance.

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR IN TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, 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.

(g) The SEC has adopted amendments to the Rule which approve the establishment by the MSRB of the Electronic Municipal Market Access (“EMMA”) which, as of its implementation effective date of July 1, 2009, is the sole national municipal securities information repository. On and after July 1, 2009, all information and documentation filing required to be made by the City will be made with the MSRB in electronic format only in accordance with MSRB guidelines. Access to such filings is provided, without charge to the general public, by the MSRB.

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

(i) The City has agreed to update information and to provide notices of certain specified events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although the registered and beneficial owners of Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

(j) 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 registered and beneficial owners 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 registered 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 continuing disclosure agreement, it has agreed to include an explanation, in narrative form, of the reasons for the amendment.

(k) During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

Section 31. ISSUANCE OF JUNIOR LIEN BONDS. The City hereby reserves the right to issue, at any time, obligations including, but not limited to, Junior Lien Bonds, payable from and equally and ratably secured, in whole or in part, by a lien on and pledge of the Net Revenues, subordinate and inferior in rank and dignity to the lien on and pledge of such Net Revenues securing the payment of the Parity Bonds, as may be authorized by the laws of the State of Texas and elsewhere in this Ordinance.

Section 32. LIMITED OBLIGATIONS OF THE CITY. The Parity Bonds are limited, special obligations of the City payable from and equally and ratably secured solely by a first lien on and pledge of the Pledged Revenues, and the Holders thereof shall never have the right to demand payment of the principal or interest on the Parity Bonds from any funds raised or to be raised through taxation by the City.

Section 33. SECURITY FOR FUNDS. All money on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

Section 34. REMEDIES IN EVENT OF DEFAULT; SECURITY INTEREST. In addition to all the rights and remedies provided by the laws of the State of Texas, it is specifically covenanted and agreed particularly that in the event the City (i) defaults in the payment of the principal, premium, if any, or interest on the Bonds, (ii) defaults in the deposits and credits required to be made to the Interest and Sinking Fund, or (iii) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance, the following remedies shall be available:

(a) the Holders of any of the Bonds shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition or obligation prescribed in this Ordinance.

(b) no delay or omission to exercise any right or power accruing upon any 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 and power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies, and the specification of such remedy shall not be deemed to be exclusive.

(d) Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of Pledged Revenues granted by the City under Section 9 of this Ordinance, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are

outstanding and unpaid such that the pledge of the Pledged Revenues granted by the City under this Ordinance is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

(e) The TWDB may exercise all remedies available to it in law or equity, and any provision of the Bonds that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect.

Section 35. DEFEASANCE. The City may defease the provisions of this Ordinance and discharge its obligations to the Registered Owners of any or all of the Bonds to pay the principal of and interest thereon in any manner permitted by law, including by depositing with the Paying Agent/Registrar or with the State Treasurer of the State of Texas either: (a) cash in an amount equal to the principal amount of such Bonds plus interest thereon to the date of maturity, or (b) pursuant to an escrow or trust agreement, cash and/or direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States; 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 issuer 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; and 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 issuer 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, in principal amounts and maturities and bearing interest at rates sufficient to provide for the timely payment of the principal amount of the Bonds plus interest thereon to the date of maturity. Upon such deposit, such Bonds shall no longer be regarded to be Outstanding or unpaid. Any surplus amounts not required to accomplish such defeasance shall be returned to the City.

Section 36. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) Replacement Bonds. 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 Bonds. Application for replacement of damaged, mutilated, lost, stolen or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Bond, the registered owner applying 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 registered owner 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 registered owner shall surrender to the Paying Agent/Registrar

for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. 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) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered 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) Authority for Issuing Replacement Bonds. In accordance with Chapter 1201, Texas Government Code, this Section of 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 Section 7(a) of this Ordinance for Bonds issued in exchange for other Bonds.

Section 37. AMENDMENT OF ORDINANCE. (a) The holders of the Parity Bonds aggregating a majority in principal amount 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 holders of all of the effected 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 holders of less than all of the Parity Bonds then outstanding;
- (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 of general circulation in The City of New York, New York or in the State of Texas, 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 for inspection

by all registered owners of Parity Bonds at the designated trust office of the registrar for the Parity Bonds. Such publication is not required, however, if notice in writing is given to each registered owner of the Parity Bonds.

(c) Whenever at any time not less than thirty 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 holders of at least a majority 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 City Commission 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 holders 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 registered 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 holders 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 holder 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 registered owners of at least a majority 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 holding of Parity Bonds issued in registered form without coupons and the amounts and numbers of such Parity Bonds and the date of their holding same shall be proved by the Registration Books of the Paying Agent/Registrar. For purposes of this Section, the holder of a Parity Bond in such registered form shall be the owner thereof as shown on such Registration Books. 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, including subsection (b), the City by action of the City Commission 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 bondholders 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 holders of the Parity Bonds;

(3) To make any changes or amendments requested by any Rating Agency, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the City, materially adversely affect the interests of the owners of the outstanding Parity Bonds;

(4) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the outstanding Parity Bonds, in order, to the extent permitted by law, to facilitate the economic and practical utilization of credit agreements with respect to the Parity Bonds including, without limitation, supplementing the definition of "Annual Debt Service Requirements" to address the amortization of payments due and owing under a credit agreement;

(5) 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.

Notice of any such amendment may be published or given by the City in the manner described in subsection (b) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory ordinance and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory ordinance.

Section 38. CUSTODY, APPROVAL AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION, AND CUSIP NUMBERS. Upon registration of the Bonds said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to the initial Bond, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the City's Bond Counsel (with an appropriate certificate pertaining thereto executed by facsimile signature of the City Clerk of the City), and the assigned CUSIP numbers may, at the option of the City, be printed on or attached to the Bonds issued and delivered under this Ordinance, but such additions or attachments shall not have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds.

Section 39. UNAVAILABILITY OF AUTHORIZED PUBLICATION. If, because of the temporary or permanent suspension of any newspaper, journal or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the City shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

Section 40. NO RECOURSE AGAINST CITY OFFICIALS. No recourse shall be had for the payment of principal of or interest on any Parity Bonds or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Parity Bonds.

Section 41. FURTHER ACTIONS. The officers and employees of the City are hereby 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 corporate 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, the initial sale and delivery of the Bonds, and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Bonds, the Mayor, the Mayor Pro-Tem, the City Manager or Assistant City Manager, the City Attorney and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved 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 and (ii) obtain the approval of the Bonds by the Texas Attorney General's office.

In case any officer of the City 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.

Section 42. INTERPRETATIONS. All terms defined herein and all pronouns used in this Ordinance shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Ordinance and the Table of Contents of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the lien on and pledge of the Pledged Revenues to secure the payment of the Bonds.

Section 43. INCONSISTENT PROVISIONS. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

Section 44. INTERESTED PARTIES. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City and the registered owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City and the registered owners of the Bonds.

Section 45. INCORPORATION OF RECITALS. The City hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City hereby incorporates such recitals as a part of this Ordinance.

Section 46. SEVERABILITY. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 47. REPEALER. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 48. NOTICE. Any notice, demand, direction, request, or other instrument authorized or required by this Order to be given to or filed with the City shall be sent by first class mail, postage prepaid, to the address specified below or, to such other address as may be designated in writing by the parties:

Attention: City Manager
City of Pharr, Texas
118 S. Cage Blvd.
Pharr, Texas 78577

Section 49. OPEN MEETING. It is hereby found, determined and declared that a sufficient Written notice of the date, hour, place and subject of the meeting of the City at which this Order was adopted was posted at a place convenient and readily accessible at all times to the general public at the administrative offices of the City for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that these meetings have been open to the public as required by law at all times during Which this Order and the subject matter thereof has been discussed, considered and formally acted upon. The City further ratifies, approves and confirms such written notices and the contents and posting thereof.

PASSED AND APPROVED ON THIS _____.

CITY OF PHARR, TEXAS

Mayor

ATTEST:

City Clerk

(CITY SEAL)

EXHIBIT A

FORM OF INITIAL BOND(S)

UNITED STATES OF AMERICA
STATE OF TEXAS

REGISTERED
T-1

REGISTERED
PRINCIPAL AMOUNT
\$13,880,000

CITY OF PHARR, TEXAS
WATERWORKS AND SEWER SYSTEM REVENUE BOND,
SERIES 2020B

DATED DATE:
August 3, 2020

MATURITY DATE:
September 1, as shown below

INTEREST RATE:
As shown below

REGISTERED OWNER: TEXAS WATER DEVELOPMENT BOARD

PRINCIPAL AMOUNT: THIRTEEN MILLION EIGHT HUNDRED EIGHTY
THOUSAND DOLLARS

MATURITY SCHEDULE

Year of Maturity	Principal Amount (\$)	Interest Rate (%)
2021	200,000	-
2022	220,000	-
2023	220,000	-
2024	125,000	-
2025	120,000	-
2026	120,000	-
2027	115,000	-
2028	580,000	-
2029	580,000	-
2030	580,000	-
2031	580,000	-
2032	575,000	-
2033	575,000	-
2034	575,000	-

2035	575,000	-
2036	575,000	-
2037	575,000	-
2038	575,000	0.040
2039	580,000	0.090
2040	580,000	0.130
2041	580,000	0.170
2042	580,000	0.200
2043	580,000	0.230
2044	580,000	0.250
2045	585,000	0.270
2046	585,000	0.290
2047	585,000	0.300
2048	590,000	0.310
2049	590,000	0.320

THE CITY OF PHARR, TEXAS (the "City"), for value received, promises to pay to the Registered Owner set forth above, or registered assigns, on the maturity date specified above (or on earlier redemption as herein provided), upon presentation and surrender of this Bond at the principal trust office of UMB Bank, N.A., Austin, Texas, or its successor (the "Paying Agent/Registrar"), the principal amount identified above (or so much thereof as shall not have been paid or deemed to have been paid upon prior redemption) payable 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, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year composed of twelve 30-day months, from the delivery date or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable semi-annually on September 1 and March 1 each year, beginning March 1, 2021 until maturity or earlier redemption of this Bond, by check mailed by the Paying Agent/Registrar to the Registered Owner of record as of the fifteenth day of the month immediately preceding the applicable interest payment date, as shown on the registration books kept by the Paying Agent/Registrar. As long as Texas Water Development Board is the owner of the Bonds, principal of and the interest on each Bond shall be payable by wire transfer dated as of each Interest Payment Date at no cost to the Texas Water Development Board. Any accrued interest payable upon redemption of this Bond shall be paid only upon presentation and surrender of this Bond at the principal trust office of the Paying Agent/Registrar if the redemption date is not a regular interest payment 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 days after the Special Record Date shall be sent at least five business days prior to the Special Record Date by United States mail, Paying Agent/Registrar 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 Business Day prior to the mailing of such notice.

IF THE DATE for any payment due on the Bonds shall be a Saturday, Sunday, or legal holiday, or a day on which banking institutions in the City where the principal trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date of such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; 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 DULY AUTHORIZED SERIES OF BONDS dated August 3, 2020, aggregating Thirteen Million Eight Hundred Eighty Thousand Dollars (\$13,880,000) (i) to provide funds to pay contractual obligations to pay the planning, acquisition, design, and construction of certain water system improvements and (ii) to pay costs of issuance, in accordance with Sections 1502.051 through 1502.070 of the Texas Government Code and an ordinance adopted by the City Commission (the "Ordinance").

THE CITY RESERVES THE RIGHT to call the Bonds for early redemption on any date beginning on or after the first interest payment date which is ten (10) years from the dated date of the Bonds, at a redemption price of par, together with all accrued interest to the date fixed for redemption. If less than all of the Bonds of a particular maturity are redeemed, the particular Bonds or portions thereof to be redeemed shall be selected at random and by lot by the Paying Agent/Registrar on behalf of the City.

NOT LESS THAN THIRTY (30) DAYS prior to an optional redemption date, notice of such redemption shall be sent by the Paying Agent/Registrar by U.S. mail, first-class, postage prepaid, in the name of the City to each registered owner of a Bond to be redeemed in whole or in part at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same, the amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the Bonds or portions thereof called for redemption shall terminate on 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 \$1,000, 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.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the trust office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly

executed by the registered owner or his authorized representative, subject to the terms and conditions of the Ordinance. This Bond is not transferable unless the prior written consent of Financial Security Assurance Inc. to such transfer has been obtained.

THE PAYING AGENT/REGISTRAR IS NOT REQUIRED to accept for transfer or exchange any Bond called for redemption in whole or in part during the 45-day period immediately prior to the date fixed for redemption; provided, however, that such limitation shall not apply to the transfer or exchange by the Registered Owner of the unredeemed portion of any Bond called for redemption in part.

THE CITY has reserved the right, subject to the restrictions stated, and adopted by reference in the Ordinance, to issue Additional Bonds which may be made payable from, and secured by, a first lien on and pledge of the "Pledged Revenues" equally and ratably on a parity with the Bonds and all other outstanding Parity Bonds.

THE BONDS are issuable in the form of fully registered Bonds without coupons in the denominations of \$1,000 or any integral multiple of \$1,000 for any one maturity. The Registered Owner of any Bond may surrender the same in exchange for any equal aggregate principal amount of Bonds of the same maturity and for any other authorized denominations. Such exchanges shall be without expense to the Registered Owner hereof, but any taxes, fees or other governmental charges required to be paid with respect to the same shall be paid by the Registered Owner requesting such exchange as a condition precedent to the exercise of such privilege.

THIS BOND, and the other Bonds of the series of which it is a part and the City's Previously Issued Parity Bonds and the interest thereon are secured by and payable from a first lien on and pledge of the Pledged Revenues of the City's Waterworks and Sewer System as described in the Ordinance.

THE CITY HAS RESERVED the right to amend the Ordinance with the approval of the holders of 51% of all outstanding Bonds subject to the restrictions stated in the Ordinance.

THE REGISTERED OWNER OF THIS BOND ACKNOWLEDGES all of the terms and provisions of the Ordinance and agrees to be bound by such terms and conditions.

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 revenues.

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 Clerk, and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

CITY OF PHARR, TEXAS

Mayor

City Clerk

(SEAL)

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 of Public Accounts
of the State of Texas

(SEAL)

EXHIBIT B

FORM OF DEFINITIVE BONDS:

UNITED STATES OF AMERICA
STATE OF TEXAS

REGISTERED
R-

REGISTERED
PRINCIPAL AMOUNT
\$ _____

CITY OF PHARR, TEXAS
WATERWORKS AND SEWER SYSTEM REVENUE BOND,
SERIES 2020B

DATED DATE: MATURITY DATE: INTEREST RATE: CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

THE CITY OF PHARR, TEXAS (the "City"), for value received, promises to pay to the Registered Owner set forth above, or registered assigns, on the maturity date specified above (or on earlier redemption as herein provided), upon presentation and surrender of this Bond at the principal trust office of UMB Bank, N.A., Austin, Texas, or its successor (the "Paying Agent/Registrar "), the principal amount identified above (or so much thereof as shall not have been paid or deemed to have been paid upon prior redemption) payable 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, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year composed of twelve 30-day months, from the delivery date or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable semi-annually on September 1 and March 1 each year, beginning March 1, 2021 until maturity or earlier redemption of this Bond, by check mailed by the Paying Agent/Registrar to the Registered Owner of record as of the fifteenth day of the month immediately preceding the applicable interest payment date, as shown on the registration books kept by the Paying Agent/Registrar. As long as Texas Water Development Board is the owner of the Bonds, principal of and the interest on each Bond shall be payable by wire transfer dated as of each Interest Payment Date at no cost to the Texas Water Development Board. Any accrued interest payable upon redemption of this Bond shall be paid only upon presentation and surrender of this Bond at the principal trust office of the Paying Agent/Registrar if the redemption date is not a regular interest payment 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 days after the Special Record Date shall be sent at least five business days prior to the Special Record Date by United States mail, Paying Agent/Registrar 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 Business Day prior to the mailing of such notice.

IF THE DATE for any payment due on the Bonds shall be a Saturday, Sunday, or legal holiday, or a day on which banking institutions in the City where the principal trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date of such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; 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 DULY AUTHORIZED SERIES OF BONDS dated August 3, 2020, aggregating Thirteen Million Eight Hundred Eighty Thousand Dollars (\$13,880,000) (i) to provide funds to pay contractual obligations to pay the planning, acquisition, design, and construction of certain water system improvements and (ii) to pay costs of issuance, in accordance with Sections 1502.051 through 1502.070 of the Texas Government Code and an ordinance adopted by the City Commission (the "Ordinance").

THE CITY RESERVES THE RIGHT to call the Bonds for early redemption on any date beginning on or after the first interest payment date which is ten (10) years from the dated date of the Bonds, at a redemption price of par, together with all accrued interest to the date fixed for redemption. If less than all of the Bonds of a particular maturity are redeemed, the particular Bonds or portions thereof to be redeemed shall be selected at random and by lot by the Paying Agent/Registrar on behalf of the City.

NOT LESS THAN THIRTY (30) DAYS prior to an optional redemption date, notice of such redemption shall be sent by the Paying Agent/Registrar by U.S. mail, first-class, postage prepaid, in the name of the City to each registered owner of a Bond to be redeemed in whole or in part at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same, the amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the Bonds or portions thereof called for redemption shall terminate on 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 \$1,000, 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.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the trust office of the Paying Agent/Registrar , duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Ordinance. This Bond is not transferable unless the prior written consent of Financial Security Assurance Inc. to such transfer has been obtained.

THE PAYING AGENT/REGISTRAR IS NOT REQUIRED to accept for transfer or exchange any Bond called for redemption in whole or in part during the 45-day period immediately prior to the date fixed for redemption; provided, however, that such limitation shall not apply to the transfer or exchange by the Registered Owner of the unredeemed portion of any Bond called for redemption in part.

THE CITY has reserved the right, subject to the restrictions stated, and adopted by reference in the Ordinance, to issue Additional Bonds which may be made payable from, and secured by, a first lien on and pledge of the "Pledged Revenues" equally and ratably on a parity with the Bonds and all other outstanding Parity Bonds.

THE BONDS are issuable in the form of fully registered Bonds without coupons in the denominations of \$1,000 or any integral multiple of \$1,000 for any one maturity. The Registered Owner of any Bond may surrender the same in exchange for any equal aggregate principal amount of Bonds of the same maturity and for any other authorized denominations. Such exchanges shall be without expense to the Registered Owner hereof, but any taxes, fees or other governmental charges required to be paid with respect to the same shall be paid by the Registered Owner requesting such exchange as a condition precedent to the exercise of such privilege.

THIS BOND, and the other Bonds of the series of which it is a part and the City's Previously Issued Parity Bonds and the interest thereon are secured by and payable from a first lien on and pledge of the Pledged Revenues of the City's Waterworks and Sewer System as described in the Ordinance.

THE CITY HAS RESERVED the right to amend the Ordinance with the approval of the holders of 51% of all outstanding Bonds subject to the restrictions stated in the Ordinance.

THE REGISTERED OWNER OF THIS BOND ACKNOWLEDGES all of the terms and provisions of the Ordinance and agrees to be bound by such terms and conditions.

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 revenues.

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 Clerk, and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

CITY OF PHARR, TEXAS

Mayor

City Clerk

(SEAL)

Form of Paying Agent/Registrar Authentication Certificate

AUTHENTICATION CERTIFICATE

It is hereby certified that this bond has been delivered pursuant to the Ordinance described in the text of this bond, in exchange for or in replacement of a bond, bonds or a portion of a bond or bonds of an issue of bonds which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Date of Authentication

as Paying Agent/Registrar

By: _____
Authorized Signature

Form of Assignment

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ (Please print or type name, address, and zip code of Transferee) _____ (Please insert Social Security or Taxpayer Identification Number of Transferee) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer such bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature

Guaranteed: _____

Registered Owner

NOTICE: Signature must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.	NOTICE: The Signature above must correspond to same name of the registered owner as show on the face of this bond in every particular, without alteration, enlargement, or change whatsoever.
--	---

EXHIBIT C

TWDB RESOLUTION

EXHIBIT D
ESCROW AGREEMENT

EXHIBIT E

PAYING AGENT/REGISTRAR AGREEMENT



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 6.E.

DATE SUBMITTED: July 24, 2020

MEETING DATE: August 3, 2020

FROM: Sonia Cantu, CDBG Secretary

DEPARTMENT: GMCD

DIRECTOR: Raul Garza

Agenda Item: Consideration and action, if any, on Resolution adopting the Annual Action Plan 2020 to U.S. Department of Housing and Urban Development (HUD).

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: The U.S. Department of Housing and Urban Development (HUD) has allocated Entitlement monies in the amount of \$1,131,388.00 to the City of Pharr. The CBDG staff has followed all HUD requirements with regard to the distribution of monies for Non-Public and Public Services and Administrative Costs.

Financial Consideration:

Staff Recommendation: Staff recommends approval of the Action Plan 2020

Alternatives:

ROUTING:

Sonia Cantu

Created/Initiated - 7/24/2020

Raul Garza

Approved - 7/28/2020

Anali Alanis

Approved - 7/29/2020

Patricia Rigney

Approved - 7/29/2020

Karla Saavedra

Approved - 7/29/2020

City Management Office

Final Approval - 7/31/2020

STATE OF TEXAS

COUNTY OF HIDALGO

CITY OF PHARR

R E S O L U T I O N

NO. R-2020-_____

WHEREAS, the City of Pharr, Texas has received formal notification from the U.S. Department of Housing and Urban Development (HUD) on its Program Year (PY) 2020 One-Year Action Plan allocation, and

WHEREAS, the City of Pharr's One-Year Action Plan allocation for Program Year 2020 of the Community Development Block Grant (CDBG) Program has been set at \$1,131,388.00 by HUD

WHEREAS, the City of Pharr has followed its Citizens Participation Process in identifying the demands and needs of the residents to award CDBG funds to Community Development activities in the City as outlined in Exhibit "A".

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF PHARR, TEXAS THAT:

SECTION 1: The Board of City Commissioners approves that the City of Pharr hereby submits its PY 2020 Community Development Block Grant One-Year Action Plan to the U.S. Department of Housing and Urban Development.

SECTION 2: The Mayor is hereby authorized to sign any and all documents in relation to The One-Year Action Plan.

APPROVED AND ADOPTED BY THE BOARD OF CITY COMMISSIONERS OF THE CITY OF PHARR, TEXAS ON THIS THE 3rd DAY OF AUGUST, 2020

CITY OF PHARR

Dr. AMBROSIO HERNANDEZ, MAYOR

ATTEST

HILDA PEDRAZA, CITY CLERK

EXHIBIT "A"

CITY OF PHARR, HIDALGO COUNTY, TEXAS 2020 ONE-YEAR ACTION PLAN
--

HUD MATRIX CODE	ACTIVITY DESCRIPTION	RECOMMENDATIONS
04	<u>CLEARANCE AND DEMOLITION</u>	
	<i>Pharr Development Services</i>	\$ 54,000.00
	(Demolition Program)	
05W	<u>FOOD BANKS</u>	
	<i>Food Bank of the RGV</i>	\$ 26,000.00
	(Food Pantry)	
05M	<u>HEALTH SERVICES</u>	
	<i>Su Casa de Esperanza</i>	\$ 15,000.00
	(Early Childhood/Prenatal Program)	
05A	<u>SENIOR SERVICES</u>	
	<i>Amigos Del Valle</i>	\$ 40,000.00
	(Meals on Wheels)	
	<i>Area Agency on Aging</i>	\$ 5,000.00
	(Medial Equipment Assistance)	
	<i>Silver Ribbon</i>	\$ 5,000.00
	(Utility Assistance)	
	<i>Pharr Fire: Lock Box Program</i>	\$ 4,000.00
	(Emergency Home Entry for Elderly)	
05E	<u>TRANSPORTATION SERVICES</u>	
	<i>Lower Rio Grande Valley Development Council</i>	\$ 60,000.00
	(Valley Metro Transit System)	
05N	<u>ABUSED AND NEGLECTED CHILDREN</u>	
	<i>Children Advocacy Center</i>	\$ 10,000.00
	(Forensic Interviewer Salaries)	
14A	<u>REHAB: SINGLE-UNIT RESIDENTIAL</u>	
	<i>Affordable Homes of South Texas Inc.</i>	\$200,000.00
	(Rehabilitation/Reconstruction Assistance)	
	<i>South Pharr WiFi Connection</i>	\$ 88,000.00
	(Broad Band)	
19F	<u>PLANNED REPAYMENTS OF SECTION 108 LOAN</u>	
	<i>9TH Year Repayment</i>	\$400,000.00
21A	<u>GENERAL PROGAM ADMINISTRATION</u>	
	<i>Planning and Administration</i>	\$224,388.00
	TOTAL:	\$1,131,388.00



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 6.F.

DATE SUBMITTED: July 22, 2020

MEETING DATE: August 3, 2020

FROM: Vanessa Guzman, Administrative Assistant

DEPARTMENT: Bridge

DIRECTOR: Luis Bazan

Agenda Item: Consideration and action, if any, on Resolution appointing/re-appointing two (2) members of the Bridge Board.

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: The terms of two board members, Adalberto Campero and Larry Hernandez, expired on August 1, 2020. Both members have expressed interest in continuing to serve.

Financial Consideration:

Staff Recommendation: Staff recommends re-appointment of members.

Alternatives:

ROUTING:

Vanessa Guzman

Created/Initiated - 7/22/2020

Luis Bazan

Approved - 7/24/2020

Patricia Rigney

Approved - 7/24/2020

Karla Saavedra

Approved - 7/30/2020

City Management Office

Final Approval - 7/31/2020

STATE OF TEXAS
COUNTY OF HIDALGO
CITY OF PHARR

§
§
§

RESOLUTION
NO. R-2020- _____

WHEREAS, the International Bridge is of great importance to the trade and commerce of the City of Pharr, and the Board of City Commissioners desires to foster and encourage the promotion of the bridge project; and

WHEREAS, there is therefore, created a Toll Bridge Board consisting of five (5) resident qualified voters of the City of Pharr and shall include as ex-officio members the Mayor, Mayor Pro-Tem and the City Manager; and

WHEREAS, Ordinance No. O-2007-48 allows for the appointment of a person to a board or committee, without regard to residency, if that person is an owner of a business in which the primary location of the business and central decision-making authority is physically located within the boundaries of the City of Pharr; and

WHEREAS, the terms of Adalberto Campero (Position #1) and Larry Hernandez (Position #2) expired on August 1, 2020 and appointment/re-appointment of two (2) members to the Toll Bridge Board is needed at this time.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF PHARR, TEXAS, THAT: The following members are hereby appointed/re-appointed to the Toll Bridge Board:

- | <u>NAME</u> | <u>POSITION # 1</u> |
|-------------|--|
| 1. | LENGTH OF TERM
(3-Year term to expire 8/01/23) |
| 2. | <u>POSITION # 2</u>
LENGTH OF TERM
(3-Year term to expire 8/01/23) |

PASSED AND APPROVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF PHARR, TEXAS, on this the 3rd day of August, 2020.

CITY OF PHARR

AMBROSIO "AMOS" HERNANDEZ
MAYOR

ATTEST:

HILDA PEDRAZA, CITY CLERK



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 6.G.

DATE SUBMITTED: July 30, 2020

MEETING DATE: August 3, 2020

FROM: Andrew Harvey, Chief

DEPARTMENT: Police

DIRECTOR: Andrew Harvey

Agenda Item: Consideration and action, if any, on Resolution authorizing submission of grant application for the Edward Byrne Memorial Justice Assistance Grant (JAG) Program Fiscal Year (FY) 2020 for supporting law enforcement, crime prevention and criminal justice programs. CFDA #16.738

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: This award from the US Department of Justice through the Edward Byrne Memorial Justice Assistance Grant (JAG) has allocated \$14,303 in grant funds to the City of Pharr Police Department for supporting law enforcement, crime prevention and criminal justice programs.

Financial Consideration: This grant is for the amount of \$14,303.

Staff Recommendation:

Alternatives:

ROUTING:

Andrew Harvey

Anali Alanis

Patricia Rigney

Karla Saavedra

City Management Office

Created/Initiated - 7/30/2020

Approved - 7/31/2020

Approved - 7/31/2020

Approved - 7/31/2020

Final Approval - 7/31/2020

RESOLUTION NO. R-2020-_____

**Edward Byrne Memorial Justice Assistance Grant (JAG)
Program FY 2020 Local Solicitation
CFDA #16.738**

WHEREAS, resolution of the City of Pharr (Police Department) to apply, submit and receive a direct award grant in the amount of \$14,303 from the Edward Byrne Memorial Justice Assistance Grant (JAG) Program Fiscal Year (FY) 2020 Local Solicitation Application due August 19, 2020.

WHEREAS, The Pharr Police Department finds it in the best interest of the citizens of city of Pharr that _____ be operated for the fiscal year 10-1-2020 to 09-30-2021; and

WHEREAS, the US Department of Justice through the Edward Byrne Memorial Justice Assistance Grant (JAG) has allocate **\$14,303** in grant funds to the City of Pharr Police Department for supporting law enforcement, crime prevention and criminal justice programs; and

WHEREAS, Pharr Police Department agrees that in the event of loss or misuse of the US Department of Justice through the Edward Byrne Memorial Justice Assistance Grant (JAG) funds, Pharr Police Department assures that the funds will be returned to the Justice Assistance Grant (JAG) in full.

WHEREAS, Pharr Police Department designates **Chief of Police** as the grantee's authorized official. The authorized official is given the power to apply for, accept, reject, alter, or terminate the grant on behalf of the applicant agency.

NOW THEREFORE, BE IT RESOLVED that Pharr Police Department approve submission of the grant US Department of Justice through the Edward Byrne Memorial Justice Assistance Grant (JAG) Division.

PASSED AND APPROVED THIS _____ DAY OF _____, 2020.

APPROVED:

Mayor Ambrosio Hernandez

ATTEST:

Hilda Pedraza, City Secretary

C e r t i f i c a t i o n

The State of Texas

County of Hidalgo

City of Pharr

I, Hilda Pedraza, duly appointed City Clerk of the City of Pharr, Texas, do hereby certify that the foregoing Constitutes a true and correctly copy of the original Resolution duly passed and adopted by the board of Commissioners of the City of Pharr, Texas, on the ____ day of July __, 2020, ad.

(Resolution no. _____)

In witness whereof, I have hereunto subscribed my official Signature and impressed the seal of the City of Pharr, Texas, This the ____ day of July 2020, ad.

City of Pharr

Hilda Pedraza, City Clerk



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 6.H.

DATE SUBMITTED: July 30, 2020

MEETING DATE: August 3, 2020

FROM: Andrew Harvey, Chief

DEPARTMENT: Police

DIRECTOR: Andrew Harvey

Agenda Item: Consideration and action, if any, on Resolution authorizing submission of grant application for the Help Open People's Eyes (HOPE) COVID-19 Response Project to Department of Justice (DOJ) for OT and Personal Protective Equipment. (Grant Number: 2020-VD-BX-0307)

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: This grant is to cover costs associated with COVID-19 Response such as overtime hours worked by the police department and purchase personal protective equipment.

Financial Consideration:

Staff Recommendation:

Alternatives:

ROUTING:

Andrew Harvey

Created/Initiated - 7/30/2020

Anali Alanis

Approved - 7/31/2020

Patricia Rigney

Approved - 7/31/2020

Karla Saavedra

Approved - 7/31/2020

City Management Office

Final Approval - 7/31/2020

RESOLUTION NO. R-2020-____

**Department of Justice (DOJ) Office of Justice Programs
Bureau of Justice Assistance
(Coronavirus Emergency Supplemental Funding (CESF) Program, BJA FY2020)**

WHEREAS, on April 24, 2020, the City of Pharr has submitted to the Department of Justice (DOJ) Office of Justice Programs Bureau of Justice Assistance to seek funding for **OT and Personal Protective Equipment**; and

WHEREAS, The City of Pharr finds it in the best interest of the citizens of Pharr, that the (Coronavirus Emergency Supplemental Funding (CESF) Program, BJA FY2020) **will be** implementing the **Help Open People's Eyes (HOPE) COVID-19 Response Project**.

WHEREAS, this COVID-19 Supplemental funding is to provide critically needed supplies needed to prevent, prepare for and respond to the COVID-19 public health emergency, and;

WHEREAS, The City of Pharr City Commission agrees to provide applicable matching funds for the said project as required by the Department of Justice (DOJ) Office of Justice Programs Bureau of Justice Assistance grant application; and

WHEREAS, The City of Pharr City Commission agrees that in the event of loss or misuse of the Department of Justice (DOJ) Office of Justice Programs and the Bureau of Justice Assistance funds, the City of Pharr City Commission assures that the funds will be returned in full.

WHEREAS, The City of Pharr City Commission designates **City Manager** as the grantee's authorized official. The authorized official is given the power to apply for, accept, reject, alter, or terminate the grant on behalf of the applicant agency.

NOW, THEREFORE, BE IT RESOLVED that the City of Pharr City Commission approves submission of the grant application for the **Help Open People's Eyes (HOPE) COVID-19 Response Project** to Department of Justice (DOJ) Office of Justice Programs Bureau of Justice Assistance.

**PASSED AND APPROVED BY THE BOARD OF COMMISSIONERS OF THE
CITY OF PHARR TEXAS, THIS _____ DAY OF _____, 2020.**

Grant Number: [2020-VD-BX-0307](#)

CITY OF PHARR:

Ambrosio Hernandez, Mayor

ATTEST:

Hilda Pedraza, City Secretary

C e r t i f i c a t i o n

The State of Texas

County of Hidalgo

City of Pharr

I, Hilda Pedraza, duly appointed City Clerk of the City of Pharr, Texas, do hereby certify that the foregoing Constitutes a true and correctly copy of the original Resolution duly passed and adopted by the board of Commissioners of the City of Pharr, Texas, on the _____ day of _____, 2020, ad.

(Resolution no. _____)

In witness whereof, I have hereunto subscribed my official Signature and impressed the seal of the City of Pharr, Texas, on the _____ day of _____, 2020, ad.

City of Pharr

Hilda Pedraza, City Clerk



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 6.I.

DATE SUBMITTED: July 30, 2020

MEETING DATE: August 3, 2020

FROM: Andrew Harvey, Chief

DEPARTMENT: Police

DIRECTOR: Andrew Harvey

Agenda Item: Consideration and action, if any, on Resolution authorizing submission of grant application for the Help Open People's Eyes (HOPE) COVID-19 Response Project from of the Office of Governor for the Coronavirus Emergency Supplemental Funding (CESF) Program, FY2020. Grant Number: 4131901

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: This grant is for COVID-19 Supplemental funding to provide critically needed supplies needed to prevent, prepare for and respond to the COVID-19 public health emergency for the Pharr Police Department.

Financial Consideration:

Staff Recommendation:

Alternatives:

ROUTING:

Andrew Harvey

Anali Alanis

Patricia Rigney

Karla Saavedra

City Management Office

Created/Initiated - 7/30/2020

Approved - 7/31/2020

Approved - 7/31/2020

Approved - 7/31/2020

Final Approval - 7/31/2020

RESOLUTION NO. R-2020-____

**OFFICE OF THE GOVERNOR, PUBLIC SAFETY OFFICE,
CRIMINAL JUSTICE DIVISION**

(Coronavirus Emergency Supplemental Funding (CESF) Program, FY2020)

WHEREAS, on April 27, 2020, the City of Pharr has submitted to the Office of the Governor, Public Safety Office Criminal Justice Division to seek funding for **OT and Personal Protective Equipment**; and

WHEREAS, The City of Pharr finds it in the best interest of the citizens of Pharr, that the (Coronavirus Emergency Supplemental Funding (CESF) Program, FY2020) **will be** implementing the **Help Open People's Eyes (HOPE) COVID-19 Response Project**.

WHEREAS, this COVID-19 Supplemental funding is to provide critically needed supplies needed to prevent, prepare for and respond to the COVID-19 public health emergency, and;

WHEREAS, The City of Pharr City Commission agrees to provide applicable matching funds for the said project as required by the Office of the Governor Criminal Justice Division grant application; and

WHEREAS, The City of Pharr City Commission agrees that in the event of loss or misuse of the Criminal Justice Division funds, The City of Pharr City Commission assures that the funds will be returned to the Criminal Justice Division in full.

WHEREAS, The City of Pharr City Commission designates **City Manager** as the grantee's authorized official. The authorized official is given the power to apply for, accept, reject, alter, or terminate the grant on behalf of the applicant agency.

NOW, THEREFORE, BE IT RESOLVED that the City of Pharr City Commission approves submission of the grant application for the **Help Open People's Eyes (HOPE) COVID-19 Response Project** to the Office of the Governor, Criminal Justice Division.

**PASSED AND APPROVED BY THE BOARD OF COMMISSIONERS OF THE
CITY OF PHARR TEXAS, THIS _____ DAY OF _____, 2020.**

Grant Number: [4131901](#)

CITY OF PHARR:

Ambrosio Hernandez, Mayor

ATTEST:

Hilda Pedraza, City Secretary

C e r t i f i c a t i o n

The State of Texas

County of Hidalgo

City of Pharr

I, Hilda Pedraza, duly appointed City Clerk of the City of Pharr, Texas, do hereby certify that the foregoing Constitutes a true and correctly copy of the original Resolution duly passed and adopted by the board of Commissioners of the City of Pharr, Texas, on the _____ day of _____, 2020, ad.

(Resolution no. _____)

In witness whereof, I have hereunto subscribed my official Signature and impressed the seal of the City of Pharr, Texas, on the _____ day of _____, 2020, ad.

City of Pharr

Hilda Pedraza, City Clerk



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 7.A.

DATE SUBMITTED: July 28, 2020

MEETING DATE: August 3, 2020

FROM: Patricia Rigney, City Attorney

DEPARTMENT: Administration

DIRECTOR: Patricia Rigney

Agenda Item: Consideration and action, if any, on Order Extending the Declaration of Disaster for the City of Pharr, Texas.

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: On July 25, 2020, the Mayor Issued a Declaration of Disaster due to the rains and flooding resulting from Hurricane Hanna. The Declaration is valid for only 7 days, unless extended or renewed by the City Commission. Due to the extent of flooding and damage to property, the Mayor of Pharr has determined that extraordinary measures must be taken to protect the public health, safety and general well being of the Citizens of Pharr to alleviate the suffering of people and to protect or rehabilitate property. There are ongoing efforts to assess and remediate damage to areas within the City, and an extension of the Declaration of Disaster is necessary.

Financial Consideration:

Staff Recommendation: Recommend to extend the disaster declaration.

Alternatives:

ROUTING:

Patricia Rigney
City Management Office

Created/Initiated - 7/28/2020
Final Approval - 7/31/2020

ORDER EXTENDING THE DECLARATION OF DISASTER
FOR THE CITY OF PHARR, TEXAS

WHEREAS, the City of Pharr on the 25th day of July 2020, suffered widespread and severe damage, injury, or loss of life or property resulting from Hurricane Hanna and the accompanying winds and torrential rains and flooding on July 25th, and thereafter; and

WHEREAS, on July 25, 2020, the Mayor of the City of Pharr declared a local state of disaster pursuant to Texas Government Code Section 418.108(a) due to Hurricane Hanna;

WHEREAS, the Mayor of Pharr has determined that extraordinary measures must be taken to protect the public health, safety and general wellbeing of the Citizens of Pharr, alleviate the suffering of people and to protect or rehabilitate property; and

WHEREAS, the City of Pharr, Texas declares it in the best interests of the health, safety, and welfare of the public to adopt this extension; and

WHEREAS, all prerequisites for the adoption of this order have been met, including, but not limited to, the Open Meetings Act.

NOW, THEREFORE, BE IT PROCLAIMED BY THE MAYOR OF PHARR:

1. That a local state of disaster and public health emergency is hereby extended for the City of Pharr pursuant to the Texas Disaster Act of 1975 and Texas Government Code Sections 418.108(a) & (b).
2. Pursuant to Section 418.108(b) of the Government Code, a state of local disaster may not be continued or renewed for a period of more than seven days except with the consent of the governing body of the political subdivision.
3. Pursuant to Section 418.108(b) the City of Pharr hereby extends the declaration of disaster until otherwise terminated by the City Council of Pharr.
4. Pursuant to Section 418.108(c) of the Government Code, this declaration of a local state of emergency and public health emergency shall be given prompt and general publicity and shall be filed promptly with the City Clerk.
5. Pursuant to Section 418.108(d) of the Government Code, this declaration continues to activate the city emergency management plan.
6. Pursuant to Section 418.020(c) of the Government Code, this declaration authorizes the city to commandeer or use any private property, temporarily acquire, by lease or other means, sites required for temporary housing units or emergency shelters for evacuees, subject to compensation requirements.

7. That this proclamation shall take effect immediately from and after its issuance.

ORDERED this the 3rd day of August 2020.

Ambrosio “Amos” Hernandez, Mayor

ATTEST:

Hilda Pedraza, City Clerk

APPROVED AS TO FORM:

Patricia. A. Rigney, City Attorney



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 7.B.

DATE SUBMITTED: July 30, 2020

MEETING DATE: August 3, 2020

FROM: Ofsman M. Quintana, Graduate Engineer

DEPARTMENT: Engineering

DIRECTOR:

Agenda Item: Consideration and action, if any, on Change No. 1 and final acceptance of Single Machine Repaving Project Year 5 with Cutler Repaving, Inc. and release of final payment and retainage in the amount of \$270,914.76. (Project #1920-40-510-C006-105)

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: Cutler Repaving, Inc. has completed the Year 5 paving project. A final inspection was held on July 6, 2020 and improvements were completed according to plans and specifications. Change order No. 1 is for final reconciliation of quantities.

Financial Consideration:

Staff Recommendation: Staff recommends approval of change order No. 1 in the amount of \$55,893.92 and acceptance of project and release of final payment and retainage in the amount of \$270,914.76

Alternatives:

ROUTING:

Ofsman M. Quintana
Omar Anzaldua
Patricia Rigney
Karla Saavedra
City Management Office

Created/Initiated - 7/30/2020
Approved - 7/30/2020
Approved - 7/30/2020
Approved - 7/30/2020
Final Approval - 7/31/2020



CHANGE ORDER

Contractor: Cutler Repaving INC.

Change Order No.: 1

Project: Single Machine Repaving Year 5 Project

Date: 7/21/2020

Project #1920-40-510-C006-105

Notice to Proceed Date: 9-Mar-20

Change Order Amount: \$55,893.92

You are directed to make the following changes in the Contract Documents:

An additional \$55,893.92 for final payment.

Reason for Change Order:

Additional scope of work.

	Contract Price	Contract Time(Calendar Days)
Original Contract:	\$ 4,244,522.93	Original Completion Date: 4-Sep-20
Previous Change Order: (+/-)	\$ -	Additional Days: 0
This Change Order: (+/-)	\$ 55,893.92	Revised Completion Date: 4-Sep-20
Revised Contract Amount:	\$ 4,300,416.85	

It is agreed by the Contractor that this Change Order includes any and all costs associated with or resulting from change(s) ordered herein, including all impact, delays, and acceleration costs. Other than the dollar amount and time allowance listed above, there shall be no further time or dollar compensation as a result of this Change Order.

THIS DOCUMENT SHALL BECOME AN AMMENDMENT TO THE CONTRACT AND ALL STIPULATIONS AND COVENANTS OF THE CONTRACT SHALL APPLY HERETO.

Accepted:

Charles R. Veskerna

7/23/20

Contractor

Authorized Signature

Date

Recommended:

Omar Anzaldua Jr., PE, CFM, PMP, CCM

Project Engineer/Architect

Authorized Signature

Date

Omar Anzaldua Jr., PE, CFM, PMP, CCM

City Engineer

Authorized Signature

Date

Approved:

Edward Wylie

Interim City Manager

Authorized Signature

Date

Payment Request No. 6- FINAL to 07/01/2020

Owner: City of Pharr
118 S. Cage Blvd.
Pharr, TX 78577

Contractor: Cutler Repaving, Inc.
921 East 27th Street
Lawrence, KS 66046

Project: Single Machine Repaving Year 5

Bid No. 40-510-C006-105
PO #

Original Contract Amount: \$4,244,522.93

Change Orders: \$55,893.92

Contract Amount to Date: \$4,300,416.85

Total to Date: \$4,300,416.85

Total Stored to Date: \$4,300,416.85

Total to Date: \$4,300,416.85

Retainage: \$0.00

Total Due Less Retainage: \$4,300,416.85

Less Previous Payments: \$4,032,296.78

Current Payment Due: \$268,120.07

Percent Completed: 100.00%

Original Contract Time (Days):

Change Orders (days):

Notice to Proceed 3/9/2020

Substantial Completion Date

Contract Time Used 19.44%

Change Order Summary			
Contract Amount		Contract Time	
No.	Addition	Deduction	
1	55,893.92		
Total	55893.92		

* Provide Documentation



Contractor:

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Progress Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Progress Payment were issued and payments received from the Owner, and that current Payment shown herein is now due:

Signature: Charles R. Williams Date: 21-Jul-20

Subscribed and sworn before me this 21ST day of July, 2020.

The above person appeared before me, the undersigned notary public and provided satisfactory evidence of identification to be the person signed this document in my presence and swore or affirmed to me that the contents of this document are truthful and accurate to the best of his/her knowledge and belief.



Signature: Jennifer J. Nelson Notary Public: My Commission Expires: 6/27/2024

Construction Manager or Engineer of Record

In accordance with the Contract Documents, based on on-site observation and the data comprising this progress payment, the Construction Manager certifies to the Owner that to the best of the Engineer's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents and the Contractor is entitled to progress payment.

Signature: _____ Date: _____

Approved:

Reserved Signature _____ Date _____

Omar Anzaldúa Jr., PE City Engineer Signature _____ Date _____

Ignacio Amezcua Interim Purchasing Director Signature _____ Date _____

Ed Wylie Interim City Manager Signature _____ Date _____

Karla Moya Finance Director Signature _____ Date _____

Reserved Signature _____ Date _____



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 7.C.

DATE SUBMITTED: July 29, 2020

MEETING DATE: August 3, 2020

FROM: Omar Anzaldua, City Engineer

DEPARTMENT: Engineering

DIRECTOR:

Agenda Item: Update on City Wide Drainage Master Plan.

Classification: Closed Session

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: Update on City Wide Drainage Master Plan

Financial Consideration:

Staff Recommendation:

Alternatives:

ROUTING:

Omar Anzaldua

Omar Anzaldua

City Management Office

Created/Initiated - 7/29/2020

Approved - 7/30/2020

Final Approval - 7/31/2020



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 8.A.

DATE SUBMITTED: July 29, 2020

MEETING DATE: August 3, 2020

FROM: Jose Pena, IT Director

DEPARTMENT: IT

DIRECTOR: Jose Pena

Agenda Item: Consideration and action, if any, on the purchase of replacement cameras in the Police Department from DHS Security d/b/a 3Sixty Integrated through Buyboard #574-18.(Project No. 1920-01-518-P027-001)

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: The police department is needing to upgrade all cameras inside and outside it's facility including the jail. The existing system has reached end of life and no longer supported. The cameras quoted is using the new standard system and cameras used citywide and for full support from communications at their facility.

This project was budgeted for this fiscal year and data cabling will be required prior to installation of cameras.

Financial Consideration: \$65,983.31

Staff Recommendation: Staff recommends approval of the purchase of replacement cameras from DHS Security dba 3Sixty Integrated in the amount of \$65,983.31.

Alternatives:

ROUTING:

Jose Pena
Andrew Harvey
Ignacio Amezcua
Anali Alanis
Karla Saavedra
City Management Office

Created/Initiated - 7/29/2020
Approved - 7/29/2020
Approved - 7/30/2020
Approved - 7/30/2020
Approved - 7/31/2020
Final Approval - 7/31/2020

INVESTMENT BREAKOUT



CLIENT

City of Pharr
Jose. J. Pena
308 W. Park Ave.
Pharr, TX 78577

QUOTE DETAILS

Date: 7/22/2020
Quote: Re. Re. 5331
Expiration: 10/20/2020
BuyBoard: 574-18

INVESTMENT BREAKOUT

City of Pharr Police Department Video Surveillance Upgrade

DESCRIPTION	MFG	MPN	QTY	UNIT PRICE	PRICE EXTENDED
2MP 55x Network IR PTZ camera	Hanwha	XNP-6550RH	1	\$ 2,825.33	\$ 2,825.33
PTZ Pole Mount	Hanwha	SBP-300PM	1	\$ 47.40	\$ 47.40
PTZ Wall Mount	Hanwha	SBP-300WM1	1	\$ 45.00	\$ 45.00
4 x 5MP Multi-sensor 180 Panoramic Camera	Hanwha	PNM-9030V	4	\$ 1,620.00	\$ 6,480.00
180 Pendant Cap	Hanwha	SBP-276HM	4	\$ 42.67	\$ 170.68
Wall Mount	Hanwha	SBP-300WM1	4	\$ 44.76	\$ 179.04
4 x 2MP Multit-sensor Multi-directional camera	Hanwha	PNM-9000VQ	3	\$ 1,020.00	\$ 3,060.00
Corner Mount	Hanwha	SBP-300KM	3	\$ 47.40	\$ 142.20
Wall Mount	Hanwha	SBP-300WM1	3	\$ 45.00	\$ 135.00
Hanging Cap Adaptor	Hanwha	SBP-276HM	3	\$ 45.00	\$ 135.00
5MP Indoor flush mount compact camera	Hanwha	XND-8020F	26	\$ 342.67	\$ 8,909.42
5MP IR outdoor camera	Hanwha	XNV-8040R	7	\$ 651.33	\$ 4,559.31
Wall Mount	Hanwha	SBP-300WM1	6	\$ 47.40	\$ 284.40
Hanging Cap Adaptor	Hanwha	SBP-300HM7	6	\$ 29.40	\$ 176.40
5MP network IR camera with mic and external input	Hanwha	XND-8020R	16	\$ 446.67	\$ 7,146.72
External Mic for Interior Fixed camera	Hanwha	LE-770	16	\$ 148.00	\$ 2,368.00
Camera Lens	Hanwha	SLA-5M4600Q (4.6)	4	\$ 150.00	\$ 600.00
Camera Lens	Hanwha	SLA-5M7000Q (7.0)	1	\$ 150.00	\$ 150.00
Camera Lens	Hanwha	SLA-5M3700Q (3.7)	4	\$ 150.00	\$ 600.00
Camera License	WAVE	WAVE-Pro 08	1	\$ 792.00	\$ 792.00
Camera License	WAVE	WAVE-Pro 48	1	\$ 4,532.00	\$ 4,532.00
Camera License	WAVE	WAVE-Pro 1	1	\$ 99.00	\$ 99.00
MATERIALS TOTAL				\$ 43,436.90	
LIFT RENTAL TOTAL				\$ 1,564.93	
LABOR TOTAL				\$ 20,981.48	
SUBTOTAL				\$ 65,983.31	
TOTAL				\$ 65,983.31	

GENERAL TERMS

Equipment and labor are invoiced as delivered.
Payment terms are NET 30.
Pricing Excludes Sales Tax, if applicable.

SCOPE OF WORK

Provide (57) cameras as shown in the provided drawings. City of Pharr to install interior cameras.
City of Pharr to program all cameras on a video surveillance server provided by City of Pharr.
All camera views to be approved upon installation.

CLARIFICATIONS

The video surveillance server and storage will be provided by the City of Pharr PD.
All network connectivity and PoE will be provided by the City of Pharr PD.
All structured cabling provided, installed, and terminated by City of Pharr.
All existing cameras are assumed to have data drops in place.
All required building penetrations and conduit for cameras provided by City of Pharr.



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 8.B.

DATE SUBMITTED: July 31, 2020

MEETING DATE: August 3, 2020

FROM: Pilar Rodriguez, Director

DEPARTMENT: Public Works

DIRECTOR:

Agenda Item: Consideration and action, if any, on emergency purchase of pumps and related accessories from Xylem Pump Rental & Sales through the Houston Galveston Area Council Cooperative Purchasing Program in the amount of \$314,960.35.(Project #1920-01-517-P026-001)

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: This item is to approve the emergency purchase of pumps from Xylem Pump Rental & Sales in the amount of \$314,960.35 utilizing the Houston Galveston Area Council Cooperative Purchasing Program.

On July 25, 2020, Mayor Hernandez issued a disaster declaration due to the impending landfall of Hurricane Hanna in Hidalgo County and the direct impact on the City of Pharr. As a result of this disaster declaration and the need to provide an increased dewatering capability for the Public Works Department, an emergency purchase was initiated with Xylem. This equipment is to mitigate the impact of flood waters on residential and commercial properties in the city.

The purchase includes three (3) six inch pumps, one (1) twelve inch pump and the related discharge hose and fittings.

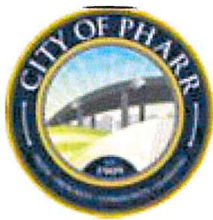
Financial Consideration: The Finance Director has determined that funding is available for this purchase.

Staff Recommendation: Based on review by this office, staff recommends approval of the emergency purchase of pumps from Xylem Pump Rental & Sales in the aggregate amount of \$314,960.35.

Alternatives:

ROUTING:

Pilar Rodriguez	Created/Initiated - 7/31/2020
Hilda Pedraza	Approved - 7/31/2020
Ignacio Amezcua	Approved - 7/31/2020
Patricia Rigney	Approved - 7/31/2020
Karla Saavedra	Approved - 7/31/2020
City Management Office	Final Approval - 7/31/2020

**CITY OF PHARR**

118 S. Cage Blvd.
PO Box 1729
Pharr, TX 78577

PURCHASE ORDER**PO Number: 177792****Date:** 07/28/2020**Requisition #: 177792****Vendor #: 0179760**

ISSUED TO: XYLEM PUMP RENTAL & SALES
2029 N LEXINGTON BLVD
CORPUS CHRISTI, TX 78409

SHIP TO: PUBLIC WORKS
Attn:PILAR RODRIGUEZ
1015 E FERGUSON AVE
Pharr, TX 78577

ITEM	COMM CODE	DESCRIPTION	GL ACCT #	UNITS	PRICE	AMOUNT
1	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	1	122,189.60	122,189.60
2	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	1	659.55	659.55
3	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	1	10,075.00	10,075.00
4	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	3	1,512.06	4,536.18
5	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	6	16.93	101.58
6	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	3	38,647.70	115,943.10
7	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	3	246.39	739.17
8	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	3	305.23	915.69
9	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	6	336.91	2,021.46
10	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	60	795.52	47,731.20
11	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	1	270.82	270.82
12	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	1	203.11	203.11
13	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	1	581.13	581.13
14	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	1	626.26	626.26
15	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	1	389.30	389.30
16	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	1	289.35	289.35
17	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	1	223.36	223.36
18	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	2	49.17	98.34
19	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	2	49.17	98.34
20	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	8	22.00	176.00
21	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	1	278.07	278.07
22	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	1	386.07	386.07
23	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	1	617.40	617.40
24	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	12	8.87	106.44
25	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	12	11.28	135.36
26	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	1	346.58	346.58
27	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	3	191.02	573.06
28	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	1	381.24	381.24
29	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	1	4,000.00	4,000.00
30	Goods	PUMPS AND PUMP ACCESSORIES EMERGENCY PURCHASE	01-51700-8804-000	1	267.59	267.59

Requested by: Maricruz Cantu

SHIPPING 0.00

Authorized by

TOTAL 314,960.35

Purchasing Director:

1. Purchase Order numbers must appear on all shipping containers, packing slips, and invoices. Failure to comply with the above request may delay payment.
2. All goods are to be shipped F.O.B. Destination unless otherwise stated.
3. The City is exempt from all federal excise and state tax - ID# 74-6001875.

Audit Clause: The City of Pharr reserves the right to audit the vendor's books and records relating to the performance of this contract. The City of Pharr, at its own expense, shall have the right at all reasonable times during normal business hours and upon at least twenty-four (24) hours' advance notice to audit, to examine, and to make copies of or extracts from the books of account and records maintained by the vendor(s) with respect to awarded Contract. If such audit shall disclose overpayment by City to vendor, written notice of such overpayment shall be provided to the vendor and the amount of overpayment shall be promptly reimbursed by vendor to the City. In the event any such overpayment is not paid within ten (10) business days after receipt of such notice, the unpaid amount of such overpayment shall bear interest at the rate of one percent (1%) per month from the date of such notice until paid.

Accounts Payable Department (956) 402-4150 Purchasing Dept (956) 402-4231

**CITY OF PHARR**

118 S. Cage Blvd.
PO Box 1729
Pharr, TX 78577

PURCHASE ORDER**PO Number: 177792****Date: 07/28/2020****Requisition #: 177792****Vendor #: 0179760**

ISSUED TO: XYLEM PUMP RENTAL & SALES
2029 N LEXINGTON BLVD
CORPUS CHRISTI, TX 78409

SHIP TO: PUBLIC WORKS
Attn: PILAR RODRIGUEZ
1015 E FERGUSON AVE
Pharr, TX 78577

PROJECT #1920-01-P026-001; (HGAC CM02-19) (HURRICANE HANNA EMERGENCY PO)
DRI-PRIME CD DIESEL PUMP, 12" MQD X 150#FL MOUNTING KIT, GL14 DROP IN TRAILER DPC300/6068-T3, 12"X10' BLACK WATER SUCTION HOSE WITH GODWIN QD FITTINGS, 12" GODWIN QD O-RING, DRI-PRIME CD150S DIESEL PUMP, 6" FQD X 150#FL MOUNTING KIT, 6" MQD X 150#FL MOUNTING KIT, 6" X 10' BLACK WATER SUCTION HOSE WITH GODWIN QD FITTINGS, 6"X 50' HEAVY DUTY ORANGE LAY FLAT HOSE WITH GODWIN QD FITTINGS, 6" MALE GODWIN QD X 6" 150#FLANGE ADAPTER, 6" FEMALE GODWIN QD X 6" 150#FLANGE ADAPTER, 12" MALE GODWIN QD X 12" 150#FLANGE ADAPTER, 12" FEMALE GODWIN QD X 12" 150#FLANGE ADAPTER, 8 MALE GODWIN QD X 8" 150#FLANGE ADAPTER, 8" FEMALE GODWIN QD X 8" 150#FLANGE ADAPTER, 8" FEMALE GODWIN QD X 6" MALE GODWIN ADAPTER, 8" MALE GODWIN QD X 6" FEMALE GODWIN QD ADAPTER, 6" MALE GODWIN QD X 6" HOSE SHANK ADAPTER, 6" FEMALE GODWIN QD X 6" HOSE SHANK ADAPTER, 6 DOUBLE BOLT CLAMP (DISCHARGE). 6" 90 DEGREE GODWIN QD BEND, DEPT IS TO PROCEED

Requested by: Maricruz Cantu

SHIPPING	0.00
----------	------

Authorized by

TOTAL	314,960.35
--------------	------------

Purchasing Director:

1. Purchase Order numbers must appear on all shipping containers, packing slips, and invoices. Failure to comply with the above request may delay payment.
2. All goods are to be shipped F.O.B. Destination unless otherwise stated.
3. The City is exempt from all federal excise and state tax - ID# 74-6001875.

Audit Clause: The City of Pharr reserves the right to audit the vendor's books and records relating to the performance of this contract. The City of Pharr, at its own expense, shall have the right at all reasonable times during normal business hours and upon at least twenty-four (24) hours' advance notice to audit, to examine, and to make copies of or extracts from the books of account and records maintained by the vendor(s) with respect to awarded Contract. If such audit shall disclose overpayment by City to vendor, written notice of such overpayment shall be provided to the vendor and the amount of overpayment shall be promptly reimbursed by vendor to the City. In the event any such overpayment is not paid within ten (10) business days after receipt of such notice, the unpaid amount of such overpayment shall bear interest at the rate of one percent (1%) per month from the date of such notice until paid.

Accounts Payable Department (956) 402-4150 Purchasing Dept (956) 402-4231

July 21, 2020

Mr. Gilbert Galvan
City of Pharr
PO Box 1729
Pharr, TX 78577-1729

Phone: 956-650-3673
Fax: 956-702-8664
Email: gilberto.galvan@pharr-tx.gov

**RE: CD300 & 3-CD150S HGAC Sale
Sale Quotation 121011823**

Dear Mr. Galvan:

Godwin Pumps, a Xylem Brand, is pleased to provide the following HGAC CM02-19 sale quotation for your review.

Confidentiality:

The reader acknowledges that the information provided by Xylem Dewatering Solutions, Inc. is confidential; therefore, reader agrees not to disclose it without the express written permission of Xylem Dewatering Solutions, Inc. in all cases. It is acknowledged by reader, that information is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by the reader may cause serious harm or damage to Xylem Dewatering Solutions, Inc.

Thank you again for your interest in Xylem products and the services we provide. We appreciate the opportunity to be of service, and look forward to working with you. If you have any questions or concerns, please contact our local office at 361-879-0031 or you may contact me directly at 361-403-7201 or jonathan.cantu@xylem.com.

Sincerely,



Jonathan Cantu
Outside Sales Representative

JC / jrs

SALE QUOTATION

HGAC CM02-19

ITEM	QTY	DESCRIPTION	UNIT PRICE	SALE TOTAL
Contract Items:				
A	1	Dri-Prime CD300M Diesel Pump	\$ 122,189.60	\$ 122,189.60
		• 12" 150# Flange Suction and Discharge • John Deere 6068HC09 FT4 Diesel Engine • Includes PrimeGuard Engine Controller • Skid-mounted • Pump Options • 12" MQD x 150#FL Mounting Kit	659.55	659.55
*With purchase of above pump(s) we recommend that you also purchase the PM Service Kit(s) listed below:				
	1	KT6068HC08FK14 Deere 6068HC08,09 FT4 Engine Filter Kit	268.00	268.00
	1	KTCD300MRS35 CD300M 1-2 yr Spares Kit	1,700.00	1,700.00
B	1	GL14 Drop In Trailer DPC300/6068-T3	10,075.00	10,075.00
		• (9404)		
C	3	12" x 10' Black Water Suction Hose with Godwin QD Fittings	1,512.06	4,536.18
D	6	12" Godwin QD O-ring	16.93	101.58
E	3	Dri-Prime CD150S Diesel Pump	38,647.70	115,943.10
		• 6" 150# Flange Suction and Discharge • Isuzu 4LE2X FT4 Diesel Engine • with Field Smart Technology • Road Going Trailer,ElecBrakes- 3" Pintle • Lights - DOT Standard • Pump Options • 6" FQD x 150#FL Mounting Kit • 6" MQD x 150#FL Mounting Kit	246.39 305.23	739.17 915.69
*With purchase of above pump(s) we recommend that you also purchase the PM Service Kit(s) listed below:				

Please note all sale pricing is in U.S. Dollars. The price does not include freight, export boxing, duties, taxes, or any other items not specifically mentioned.

This pricing information is for internal use only. We ask that these items and terms be kept confidential. All applicable tax and freight charges will be added to invoices. All quotations are subject to credit approval. All quotations are valid for 30 days. All prices quoted in US dollars.

This order is subject to the Standard Terms and Conditions of Sale - Xylem Americas effective on the date the order is accepted which terms are available at <https://www.xylem.com/en-US/support/xylem-americas-standard-terms-and-conditions/> and incorporated herein by reference and made a part of the agreement between the parties.

SALE QUOTATION

HGAC CM02-19

ITEM	QTY	DESCRIPTION	UNIT PRICE	SALE TOTAL
	3	KTCD150ARS25 CD150S 1-2 yr Recommended Spares Kit	1,200.00	3,600.00
	3	KTISUZU4LE2XFK0 Isuzu 4LE2X T4 Engine Filter Kit	181.00	543.00
F	6	6" x 10' Black Water Suction Hose with Godwin QD Fittings	336.91	2,021.46
G	60	6" x 50' Heavy Duty Orange Layflat Hose with Godwin QD Fittings	795.52	47,731.20
H	1	6" Male Godwin QD x 6" 150# Flange Adapter	270.82	270.82
I	1	6" Female Godwin QD x 6" 150# Flange Adapter	203.11	203.11
J	1	12" Male Godwin QD x 12" 150# Flange Adapter	581.13	581.13
K	1	12" Female Godwin QD x 12" 150# Flange Adapter	626.26	626.26
L	1	8" Male Godwin QD x 8" 150# Flange Adapter	389.30	389.30
M	1	8" Female Godwin QD x 8" 150# Flange Adapter	289.35	289.35
N	1	8" Female Godwin QD x 6" Male Godwin QD Adapter	223.36	223.36
O	1	8" Male Godwin QD x 6" Female Godwin QD Adapter	267.59	267.59
P	2	6" Male Godwin QD x 6" Hose Shank Adapter	49.17	98.34
Q	2	6" Female Godwin QD x 6" Hose Shank Adapter	49.17	98.34
R	8	6" Double Bolt Clamp (Discharge)	22.00	176.00

Please note all sale pricing is in U.S. Dollars. The price does not include freight, export boxing, duties, taxes, or any other items not specifically mentioned.

This pricing information is for internal use only. We ask that these items and terms be kept confidential. All applicable tax and freight charges will be added to invoices. All quotations are subject to credit approval. All quotations are valid for 30 days. All prices quoted in US dollars.

This order is subject to the Standard Terms and Conditions of Sale - Xylem Americas effective on the date the order is accepted which terms are available at <https://www.xylem.com/en-US/support/xylem-americas-standard-terms-and-conditions/> and incorporated herein by reference and made a part of the agreement between the parties.

SALE QUOTATION

HGAC CM02-19

ITEM	QTY	DESCRIPTION	UNIT PRICE	SALE TOTAL
S	1	6" 90 Degree Godwin QD Bend	278.07	278.07
T	1	8" 90 Degree Godwin QD Bend	386.07	386.07
U	1	12" 90 Degree Godwin QD Bend	617.40	617.40
V	12	6" Godwin QD O-ring	8.87	106.44
W	12	8" Godwin QD O-ring	11.28	135.36
X	1	PrimeGuard Float Set • w/ 65' Mechanical Floats	346.58	346.58
Y	3	6" One Piece Suction Screen with Male Godwin QD Fittings	191.02	573.06
Z	1	12" One Piece Suction Screen with Female Godwin QD Fittings	381.24	381.24
Open Market Items:				
A	1	Factory Freight	\$ 4,000.00	\$ 4,000.00
Our current delivery lead-times associated with this Quotation are best estimates at this time. Due to the outbreak of the COVID-19 virus pandemic and its global effects on commerce, supply chain, and logistics, these lead-times are an estimate only and not a commitment. Xylem is and will continue to use all commercially reasonable efforts to minimize any delivery delay impacts.				
Net Sale Total with Recommended PM Service Kits				\$ 321,071.35
NET SALE TOTAL				\$ 314,960.35

Please note all sale pricing is in U.S. Dollars. The price does not include freight, export boxing, duties, taxes, or any other items not specifically mentioned.

This pricing information is for internal use only. We ask that these items and terms be kept confidential. All applicable tax and freight charges will be added to invoices. All quotations are subject to credit approval. All quotations are valid for 30 days. All prices quoted in US dollars.

This order is subject to the Standard Terms and Conditions of Sale - Xylem Americas effective on the date the order is accepted which terms are available at <https://www.xylem.com/en-US/support/xylem-americas-standard-terms-and-conditions/> and incorporated herein by reference and made a part of the agreement between the parties.



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 8.C.

DATE SUBMITTED: July 31, 2020

MEETING DATE: August 3, 2020

FROM: Elva Guajardo, Administrative Assistant

DEPARTMENT: Parks

DIRECTOR: Sergio Alanis

Agenda Item: Consideration and action, if any, on the purchase of three (3) 2021 Chevrolet 1500 Silverado 4x2 Crew Cab SWB CC10543 thru BuyBoard Contract # 601-19 for the Parks and Recreation Department.(Project No. 1920-01-522-P028-003)

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason: N/A

Issue: The department requests to purchase 3 Crew cab City vehicles to replace old fleet.

Financial Consideration: The total cost for the City vehicles will be \$75,220.00.

Staff Recommendation: City Commission approve this item.

Alternatives: N/A

ROUTING:

Elva Guajardo

Created/Initiated - 7/31/2020

Sergio Alanis

Approved - 7/31/2020

Ignacio Amezcua

Approved - 7/31/2020

Karla Saavedra

Approved - 7/31/2020

Hilda Pedraza

Approved - 7/31/2020

City Management Office

New -



Pharr



RFQ DESCRIPTION: PURCHASE OF THREE (3) 2020/21 VEHICLES FOR PARKS AND RECREATIONS
REQUEST FOR QUOTES DATE : JULY 29, 2020

BIDDERS:				CALDWELL COUNTRY CHEVROLET CALDWELL, TX		CHARLES CLARK MCALLEN, TX		FIESTA CHEVROLET EDINBURG, TX	
NO.	DESCRIPTION	UOM	QTY	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
	MAKE & MODEL								
1	1/2 TON, 2 WD, GAS, SHORT BED, CREW CAB WITH TOW PACKAGE	EA	3	\$24,940.00	\$74,820.00	\$28,904.00	\$86,712.00	\$32,500.00	\$97,500.00
GRAND TOTAL				\$75,220.00		\$86,712.00		\$97,500.00	
NUMBER OF DAYS TO COMPLETE DELIVERY				90-120 DAYS		90-120 DAYS		90-120 DAYS	

Notes:

- a) BuyBoard \$400 Fee add it to CALDWELL COUNTRY CHEVROLET quote
- b) All participating vendors offer from 90 to 120 days on vehicles deliver at City of Pharr
- c) Attached you will find Vehicles Specs

QUOTE# 00CC

CONTRACT PRICING WORKSHEET

End User: CITY OF PHARR	Contractor: CALDWELL COUNTRY
Contact Name: LUCIO B. VILLAGOMEZ	CALDWELL COUNTRY
Email: LUCIO.VILLAGOMEZ@PHARR-TX.GOV	Prepared By: Ben Laureano
Phone #: 956-867-0930 -C 956-402-4231 (X-1198)	Email: ben@caldwellcountry.com
Fax #:	Phone #: 979-567-6155
Location City: PHARR, TX	Fax #: 979-567-0853
Date Prepared: JULY 30, 2020	Address: P. O. Box 27, Caldwell, TX 77836
Contract Number: BUY BOARD #601-19	Tax ID # 14-1856872
Product Description: 2021 CHEVROLET 1500 SILVERADO 4X2 CREW CAB SWB CC10543	

A Base Price & Options:

\$24,940

B Published Options

Code	Description	Cost	Code	Description	Cost
	4X2-CREW CAB 4DR, 6,800#GVWR, 4.3L-V6, 6-SPD AUTOMATIC, 40- 20-40 CLOTH SEATS, FULL RUBBER FLOOR, AIR CONDITION, AMFM- STEREO W/BLEETOOTH, TILT, POWER WINDOWS, POWER LOCKS, (NO KEYLESS ENTRY), SHORT BED, REAR STEP BUMPER, REAR VISION CAMERA, OEM HD TRAILER TOW PACKAGE	INCL			
	GM WARRANTY 5YR/100,000 MILES POWERTRAIN @ N/C	INCL		CALDWELL COUNTRY	
				PO BOX 27	
				CALDWELL, TEXAS 77836	

Subtotal B

INCL

C Unpublished Options

Code	Description	Cost	Code	Description	Cost

Subtotal C

D Other Price Adjustments (Installation, Delivery, Etc...)

Subtotal D	INCL
E Unit Cost Before Fee & Non-Equipment Charges (A+B+C+D)	\$24,940
Quantity Ordered	3
X	
Subtotal E	\$74,820
F Non-Equipment Charges (Trade-In, Warranty, Etc...)	
BUY BOARD FEE	\$400
G. Color of Vehicle: WHITE	
H. Total Purchase Price (E+F)	\$75,220
Estimated Delivery Date:	90-120 DAYS APPX



Charles Clark Chevrolet
801 West Business 83
McAllen, TX 78501
(800) 671-5507

DEAL NO. _____
CUSTOMER NO. _____
INVOICE NO. _____

PURCHASER'S NAME _____ Date **07/29/2020**

STREET ADDRESS _____ CITY _____ STATE _____ ZIP _____ Stock **ac2241**

RES _____ BUS _____ MOB _____ Salesman _____ EMAIL _____

VEHICLE BEING PURCHASED

PLEASE ENTER MY ORDER FOR THE FOLLOWING ☐ CAR ☐ TRUCK ☐ OTHER

YEAR **2020** MAKE **Chevrolet**

MODEL OR SERIES **Silverado 1500** BODY TYPE

IDENTIFICATION No **3GCPWAEH1LG332241**

COLOR _____

LICENSE # _____ TAG # _____

The Dealer's Inventory Tax charge is intended to reimburse the dealer for ad valorem taxes on its motor vehicle inventory. The charge, which is paid by the dealer to the county tax assessor collector, is not a tax on a consumer by the government, and is not required to be charged by the dealer to consumer.

WE THE SELLER, CHARLES CLARK CHEVROLET, HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES, EITHER EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND WE NEITHER ASSUME NOR AUTHORIZE ANY OTHER PERSON TO ASSUME FOR US ANY LIABILITY IN CONNECTION WITH THE SALE OF THE VEHICLE.

USED VEHICLE TRADED

MAKE _____ YEAR _____

BODY _____ SERIES _____

SERIAL No. _____

EQUIPMENT _____

LICENSE # _____ TAG # _____

USED TRADE-IN ALLOWANCE _____

BALANCE OWED ON TRADE-IN _____

BALANCE OWED TO _____

ADDRESS _____

A DOCUMENT FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO BUYER'S FOR HANDLING DOCUMENTS AND PERFORMING SERVICES RELATED TO THE CLOSING OF A MOTOR VEHICLE CONTRACT OR A REASONABLE AMOUNT AGREED TO BY THE PARTIES FOR A HEAVY COMMERCIAL VEHICLE CONTRACT.
THIS NOTICE IS REQUIRED BY LAW.

UNA RECOMPENSA DOCUMENTARIA NO ES UN PAGO AUTORIZADO O FORMAL. LA LEY NO REQUIERE UN PAGO DOCUMENTARIO, PERO SI PUEDE COBRARLE A LOS COMPRADORES POR TRATAR DOCUMENTOS Y EJECUTAR O DESEMPEÑAR SERVICIOS RELACIONADOS CON LA CLAUSURA DE UNA VENTA.

MSRP \$ **35,585.00**

Selling Price + \$ **33,488.00**

Rebate - \$ **5,000.00**

Accessories + _____

Trade #1 Allowance - _____

Trade #2 Allowance - _____

Net Balance Due = \$ **28,488.00**

Sales Tax + _____

Dealer's Inventory Tax + \$ **60.22**

License, Title, Inspection + \$ **206.50**

Documentary Fee + \$ **150.00**

Payoff + _____

Extended Service Agree. + _____

Total Cash Price = \$ **28,904.72**

Cash Receipt # - _____

Balance Due = \$ **28,904.72**

Purchaser agrees that this Order includes all of the terms and conditions on both the face and reverse side hereof that this Order cancels and supersedes any prior agreement and as of the date hereof comprises the complete and exclusive statement of the terms of the agreement related to the subject matters covered hereby and that THIS ORDER SHALL NOT BECOME BINDING UNTIL ACCEPTED BY DEALER OR THIS AUTHORIZED REPRESENTATIVE.

Purchaser, by this execution, acknowledges that he/she has read its terms and conditions and has received a true copy of the Order.

PURCHASER'S SIGNATURE _____

ACCEPTED BY _____

DATE **07/29/2020**

RETAIL ORDER FOR A MOTOR VEHICLE



Vehicle Locator

Dealer Information

CHARLES CLARK CHEVROLET CO.
801-915 W HWY 83
MCALLEN, TX 78501
Phone: 956-686-5441
Fax: 956-686-1623

3GCPWAEH1LG332241

Model Year: 2020

Make: Chevrolet

Model: 1500 Silverado

CC10543-Short Box, 2WD, Crew Cab

PEG: 1WT-Work Truck Preferred Equipment Group

Primary Color: GAZ-Summit White

Trim: H2G-1WT-Vinyl, Jet Black, Interior Trim

Engine: LV3-Engine: 4.3L, EcoTec3 V-6, Alum, SIDI, V V T

Transmission: MYC-6-Speed Automatic

Event Code: 5000-Delivered to Dealer

Order #: XPDVT2

MSRP: \$35,585.00

Order Type: TRE-Retail Stock

Stock #: N/A

Inventory Status: Available

Total Cash Allowance: * \$5,000.00
 (Expires on 08/03/2020)

Additional Vehicle Information

GM Marketing Information

Vehicle Options

Chargeable Options

	MSRP
1SZ-WT VALUE PACKAGE DISCOUNT & 4.3L ECOTEC3 V6 ENGINE CREDIT	-\$2,500.00
PEB-1WT Value Package	\$1,515.00
UE1-OnStar Communication System	\$175.00

No Cost Options

C5U-GVW Rating 6800 Lbs
 FE9-Federal Emissions
 GU6-Rear Axle: 3.42 Ratio
 LV3-Engine: 4.3L, EcoTec3 V-6, Alum, SIDI, V V T
 MYC-6-Speed Automatic
 RD6-Wheels: 17" Steel - Painted Ultra Silver

Other Options

1WT-Work Truck Preferred Equipment Group	A52-Seats: Front 40/20/40 Split Bench
AKO-Glass, Deep Tinted	AQQ-Keyless Remote Entry
AU3-Power Door Locks	BG9-Floor Covering: Rubberized Vinyl, Black
C49-Defogger, Rear Window, Electric	DLF-Mirrors, O/S: Power, Heated
E63-Durabed	GAZ-Summit White
H2G-1WT-Vinyl, Jet Black, Interior Trim	IOR-Chevrolet Infotainment, 8" Color Screen
K34-Cruise Control	KC4-Cooler, Engine Oil
KW7-Alternator, 170 AMP	PCV-1WT Convenience 1 Package
QBN-Tires: 255/70 R17 All Season, Blackwall	QBR-Tire, Spare: 255/70 R17 All Season, Blackwall
QT5-Tailgate Function--EZ Lift, Power Lock & Release	R6W-Low Displacement Engine
RM7-Wheel, Spare, 17 x 8, Steel	SAF-Spare Tire Lock
UVC-Rear Vision Camera	VK3-Front License Plate Mounting Provisions
Z82-Trailer Package	

"~" indicates vehicle belongs to Trading Partner's inventory

Disclaimer:

BUYER OFFERS TO PURCHASE FROM SELLER, UNDER THE TERMS AND CONDITIONS SPECIFIED, THE FOLLOWING DESCRIBED VEHICLE

SELLER		BUYER		CO-BUYER	
FIESTA CHEVROLET INC.		CITY OF PHARR			
4002 S HWY 281		118 S CAGE BLVD			
EDINBURG TX 78539		PHARR TX 785774855			
(956)383-2727		(956)225-5751 (H)			

CONTRACT DATE	DELIVERY DATE	MILEAGE	SALESPERSON	NEW VEHICLE	DEMONSTRATOR	FACTORY VEHICLE	USED VEHICLE
07/29/2020	07/29/2020			XX			

STOCK NO	YEAR	MAKE	MODEL	COLOR	VEHICLE IDENTIFICATION NUMBER
F73341	2020	CHEVROLET	T SILVERADO 1500	SUMMIT WHT	3GCPWBKX1G373341

THE DEALER'S INVENTORY TAX CHARGE IS INTENDED TO REIMBURSE THE DEALER FOR AD VALOREM TAXES ON ITS MOTOR VEHICLE INVENTORY. THE CHARGE, WHICH IS PAID BY THE DEALER TO THE COUNTY TAX ASSESSOR / COLLECTOR, IS NOT A TAX IMPOSED ON THE CONSUMER BY THE GOVERNMENT, AND IS NOT REQUIRED TO BE CHARGED BY THE DEALER TO THE CONSUMER.

EL COBRO DEL CONCESIONARIO POR IMPUESTOS AL INVENTARIO ES PARA REEMBOLSAR AL CONCESIONARIO POR IMPUESTOS POR EL VALOR DE SU INVENTARIO DE VEHICULOS MOTRICES. ESTE CARGO, QUE HACE EL CONCESIONARIO AL RECOLECTOR / EVALUADOR DE IMPUESTOS DEL CONDADO, NO ES UN IMPUESTO IMPUTADO AL CONSUMIDOR POR EL GOBIERNO, Y NO SE REQUIERE QUE SEA COBRADO AL CONSUMIDOR POR EL CONCESIONARIO.

**** DOCUMENTARY FEE**
A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO BUYERS FOR HANDLING DOCUMENTS RELATING TO THE SALE. A DOCUMENTARY FEE MAY NOT EXCEED A REASONABLE AMOUNT AGREED TO BY THE PARTIES. THIS NOTICE IS REQUIRED BY LAW.
UN CARGO DOCUMENTAL NO ES UN CARGO OFICIAL. LA LEY NO EXIGE QUE SE IMPONGA UN CARGO DOCUMENTAL. PERO ESTE PODRIA COBRARSE A LOS COMPRADORES POR EL MANEJO DE LA DOCUMENTACION EN RELACION CON LA VENTA. UN CARGO DOCUMENTAL NO PUEDE EXCEDER UNA CANTIDAD RAZONABLE ACORDADA POR LAS PARTES. ESTA NOTIFICACION SE EXIGE POR LEY.

--- DEPUTY SERVICE FEE
THE DEPUTY SERVICE FEE IS NOT AN OFFICIAL FEE. A DEPUTY SERVICE FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO THE BUYERS OF NEW VEHICLES TO RECOVER THE DEALER'S DTA EXPENSES.

SELLER'S DISCLAIMER OF WARRANTIES
UNLESS THE SELLER MAKES A WRITTEN WARRANTY, OR ENTERS INTO A SERVICE CONTRACT WITHIN 90 DAYS FROM THE DATE OF THIS CONTRACT, THE SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, ON THE VEHICLE, AND THERE WILL BE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. THIS PROVISION DOES NOT AFFECT ANY WARRANTIES COVERING THE VEHICLE THAT THE VEHICLE MANUFACTURER MAY PROVIDE.

NOT AN AGREEMENT TO EXTEND CREDIT
IF A CREDIT PURCHASE, THIS IS AN OFFER TO PURCHASE ONLY. BUYER OFFERS TO PURCHASE VEHICLE ON CREDIT ON TERMS DESCRIBED WITHIN THE RETAIL INSTALLMENT SALES CONTRACT AND NO CONTRACTUAL RELATIONSHIP IS CREATED BY THIS OFFER TO PURCHASE. THIS ORDER DOES NOT CONSTITUTE AN AGREEMENT FOR THE EXTENSION OF CREDIT. BUYER ACKNOWLEDGES THAT BUYER MAY OBTAIN BUYER'S OWN FINANCING ELSEWHERE AND IS NOT REQUIRED TO OBTAIN FINANCING THRU THE SELLER. BUYER MAY APPLY FOR FINANCING THRU THE SELLER AND, IF APPROVED, ENTER INTO A RETAIL INSTALLMENT SALES CONTRACT.

BUYER'S TRADE PAYOFF RESPONSIBILITY
BUYER ASSUMES RESPONSIBILITY FOR ANY DIFFERENCE IN TRADE PAYOFF DIFFERENCE IN EXCESS OF THE AMOUNT SHOWN, AND WILL EITHER PAY SUCH DIFFERENCE IN CASH UPON DEMAND OR SOLELY AT THE SELLER'S OPTION SHALL SURRENDER THE CAR TO THE SELLER. THE BUYER FURTHER ASSUMES RESPONSIBILITY FOR ANY UNDISCLOSED OR EXCESS ABOVE THE AMOUNT DISCLOSED FOR CHILD SUPPORT LIENS, TAX LIENS OR RESTITUTION LIENS.

NO ORAL CHANGES
ANY CHANGE IN THIS CONTRACT MUST BE IN WRITING. BOTH BUYER AND SELLER MUST SIGN IT. NO ORAL CHANGES TO THIS CONTRACT ARE ENFORCEABLE.

INSURANCE DISCLAIMER
THIS CONTRACT DOES NOT INCLUDE INSURANCE COVERAGE FOR PERSONAL LIABILITY AND PROPERTY DAMAGE CAUSED TO OTHERS. BUYER ACKNOWLEDGES SOLE RESPONSIBILITY FOR OBTAINING ANY INSURANCE ON THE PURCHASED VEHICLE REQUIRED BY LAW.

USED CAR BUYERS GUIDE
IN THIS BOX ONLY, THE WORD "YOU" REFERS TO THE BUYER USED CAR BUYERS GUIDE. THE INFORMATION YOU SEE ON THE WINDOW FORM FOR THIS VEHICLE IS PART OF THIS CONTRACT. INFORMATION ON THE WINDOW FORM OVERRIDES ANY CONTRARY PROVISIONS IN THE CONTRACT OF SALE. GUÍA PARA COMPRADORES DE VEHÍCULOS USADOS. LA INFORMACIÓN QUE VE EN EL FORMULARIO DE LA VENTANILLA PARA ESTE VEHÍCULO FORMA PARTE DEL PRESENTE CONTRATO. LA INFORMACIÓN DEL FORMULARIO DE LA VENTANILLA DEJA SIN EFECTO TODA DISPOSICIÓN EN CONTRARIO CONTENIDA EN EL CONTRATO DE VENTA.

SELLER'S SECURITY INTEREST
IT IS EXPRESSLY AGREED TO AND UNDERSTOOD BY BUYER AND SELLER THAT IN THE EVENT OF A NON-CREDIT TRANSACTION, SELLER RETAINS A SECURITY INTEREST IN THE PURCHASED VEHICLE UNTIL SUCH TIME AS BUYER HAS PAID THE SELLER FOR THE VEHICLE.

SELLER'S RIGHT TO MAKE A PROFIT
AS BUYER OF THE ABOVE DESCRIBED VEHICLE, I UNDERSTAND AND AGREE THAT THE SELLER MAY MAKE A PROFIT ON THE SALE OF THE VEHICLE, ANY ADD ON EQUIPMENT, INSURANCE PRODUCTS, WARRANTY OR SERVICE CONTRACTS, REPAIRS, OR ANY OTHER PRODUCT OR SERVICE SOLD BY THE SELLER.

BUYER HAS THOROUGHLY INSPECTED, ACCEPTED AND APPROVED THE VEHICLE IN ALL RESPECTS

TOTAL CASH PRICE OF VEHICLE 35178.81
*** Dealer's Inventory Tax** 70.01
State Motor Vehicle Sales Tax 1886.18
**** Documentary Fee** 150.00
License and/or Registration Fee 165.00
To State for Plate Transfer Fee N/A
Certificate of Title Fee 28.00
Vehicle Inspection Fee 7.00
***** Deputy Service Fee** 10.00
ETAG FEE TO DEALER 5.00
TOTAL CASH DELIVERED PRICE 37500.00

Cash Down Payment N/A
Incentives - Rebates 5000.00
TOTAL DOWN PAYMENT 5000.00
Trade-in Allowance N/A
Trade-in Pay Off N/A
TOTAL TRADE-IN N/A
Extended Service Contract N/A

TOTAL BALANCE DUE 32500.00

TRADE-IN NUMBER 1
YEAR MAKE MODEL MILEAGE
TYPE VEHICLE IDENTIFICATION NUMBER
LICENSE NUMBER TITLE
PAYOFF TO PAYOFF AMOUNT
N/A

TRADE-IN NUMBER 2
YEAR MAKE MODEL MILEAGE
TYPE VEHICLE IDENTIFICATION NUMBER
LICENSE NUMBER TITLE
PAYOFF TO PAYOFF AMOUNT
N/A

CHILD SUPPORT LIEN YES ☐ NO ☐ AMOUNT N/A
RESTITUTION LIEN YES ☐ NO ☐ AMOUNT N/A
TAX LIEN YES ☐ NO ☐ AMOUNT N/A

THE FRONT AND BACK OF THIS AGREEMENT COUPLED WITH THE ARBITRATION AGREEMENT (PURCHASE ORDER ADDENDUM) COMPRISE THE CONTRACT CONTAINING THE ENTIRE AGREEMENT BETWEEN BUYER AND SELLER RELATING TO THE SALE OF THE ABOVE DESCRIBED VEHICLE AND NO OTHER AGREEMENT OR UNDERSTANDING OF ANY NATURE CONCERNING THE VEHICLE SALE HAS BEEN MADE OR ENTERED INTO, OR WILL BE RECOGNIZED. IF ANY PART OF THIS CONTRACT IS NOT VALID, ALL OTHER PARTS WILL STAY VALID. THIS AGREEMENT SUPERSEDES ANY AND ALL VERBAL AGREEMENTS.

BUYER'S OFFER TO PURCHASE IS NOT ACCEPTED BY THE SELLER NOR IS THIS CONTRACT VALID UNTIL SIGNED BY THE SELLER OR ITS AUTHORIZED REPRESENTATIVE
BUYER / CO-BUYER ACKNOWLEDGMENT AND SIGNATURE
I AGREE TO THE TERMS OF THIS CONTRACT AND ACKNOWLEDGE RECEIPT OF A COMPLETED COPY OF IT. I CONFIRM THAT BEFORE I SIGNED THIS CONTRACT, SELLER GAVE IT TO ME, AND I WAS FREE TO TAKE IT AND REVIEW IT.
BUYER'S SIGNATURE **CO-BUYER'S SIGNATURE**
CITY OF PHARR **CO-BUYER'S PRINTED NAME**
BUYER'S PRINTED NAME



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 9.A.

DATE SUBMITTED: July 31, 2020

MEETING DATE: August 3, 2020

FROM: Pilar Rodriguez, Director

DEPARTMENT: Public Works

DIRECTOR:

Agenda Item: Consideration and action, if any, authorizing staff to lease three (3) track dozers from Doggett Equipment for a period of six (6) months in the amount of \$126,998.64 for use as part of the City wide drainage channel improvement project.(Project No. 1920-01-517-S043-001)

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: In coordination with the City wide drainage ditch excavation project, the Public Works Department is requesting authorization to rent three (3) track dozers from Doggett Equipment for a period of six (6) months. The monthly rental rate per dozer is \$7,055.48.

Two (2) dozers will be utilized to provide the final grading of the drainage channel side slopes after the mass grading has been completed by the excavation contractor. Additionally, one dozer will be utilized at the spoil dump site to spread and grade the fill material.

Financial Consideration: The cost to rent the dozers has been included in the Capital Improvement Budget for the City wide drainage ditch excavation project. \$175,000 was budgeted for equipment rental as part of the project.

Staff Recommendation: Based on review by this office, staff recommends approval of the lease of three (3) track dozers from Doggett Equipment for a period of six (6) months in the aggregate amount of \$126,998.64.

Alternatives:

ROUTING:

Pilar Rodriguez
Ignacio Amezcua
Karla Saavedra
Hilda Pedraza
Patricia Rigney
City Management Office

Created/Initiated - 7/31/2020
Approved - 7/31/2020
Approved - 7/31/2020
Approved - 7/31/2020
New -

RENTAL QUOTATION



DATE: 7/22/2020

COMPANY: CITY OF PHARR

ADDRESS:

CONTACT: GILBERT GALVAN

PH NO. (956)249-5912

SALESMAN NAME:

Casey J Cavazos

SALESMAN #:

QUOTE EXPIRATION DATE:

DELIVERY DATE:

DELIVERY ADDRESS:

[illegible]

* Damage Waiver is 18% of the rental amount and limits customer liability in the case of theft, vandalism or act's of God - it is charged unless a certificate of insurance specifically covering contractors' or rental equipment listing Doggett Heavy Machinery Services as the certificate holder is provided in advance of the rental

** Total excludes charges for fuel, flats and damages - equipment is sent out fully fueled and customer is billed \$7.00 per gallon on return for fuel used - customer is responsible for all tire repairs and damages while equipment is on rent



ANDERSON EQUIPMENT COMPANY
700 WEST INTERSTATE 2
P.O. BOX 662
PHARR, TX 78577

PHONE: (956) 781-5995
FAX: (956) 781-8863

CUSTOMER: 209200
SOLD TO: City of Pharr
118 S Cage
Pharr, TX

7/16/2020

ATTENTION: Gilbert Galvan

MONTHLY RENTAL QUOTE FOR 3 MACHINES

Br	Trk Make	Model	Serial	Equipment	Meter	Sls	Customer P.O #
2						CLAY SHOTTS	
Order	Ship	B/O	Description			Monthly, each	Total Amount
3			DRESSTA TD-15 DOZER, 45,000 lbs, w/rippers, Cab AC, Tilt-blade			\$7,200.00	\$ 21,600.00

DELIVERY TO JOBSITE LOCATION
DELIVERY FROM JOBSITE LOCATION
JOBSITE LOCATION:

SALES TAX		
FUEL TAX		
HEAVY DUTY TAX	\$	52.75
	\$	52.75

TOTAL \$ 21,652.75



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 9.B.

DATE SUBMITTED: July 28, 2020

MEETING DATE: August 3, 2020

FROM: Gary Rodriguez, Events Center Director

DEPARTMENT: Events Center

DIRECTOR: Gary Rodriguez

Agenda Item: Consideration and action, if any, on agreement with Pyro Shows of Texas for two (2) live fireworks displays in the City of Pharr for Veterans Day on November 11, 2020.

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: The City of Pharr wishes to present two live fireworks displays on Wednesday November 11, 2020, one in south Pharr and one in north Pharr, in observance of Veterans Day, through an agreement with Pyro Shows of Texas.

Financial Consideration: The City of Pharr's fiscal consideration for this agreement, if approved, would be \$40,000.

Staff Recommendation: Staff Recommends Approval

Alternatives: Alternative would be to deny this request.

ROUTING:

Gary Rodriguez

Created/Initiated - 7/28/2020

Hilda Pedraza

Approved - 7/28/2020

Patricia Rigney

Approved - 7/28/2020

Karla Saavedra

Approved - 7/29/2020

City Management Office

Final Approval - 7/31/2020

Contract Agreement

This Agreement made this 3rd day of August, 2020, by and between PYRO SHOWS OF TEXAS, Inc., a Texas Corporation, whose address is 6601 Nine Mile Azle Road, Fort Worth, Texas, 76135, and hereinafter referred to as “**PYRO SHOWS OF TEXAS**” and **CITY OF PHARR** with its principle place of business located at 118 S. Cage Blvd., Pharr, in the State of Texas, hereinafter referred to as “Customer”.

In consideration of the mutual promises and undertakings set forth herein, receipt of said consideration being acknowledged, the parties hereby agree as follows:

- I. **FIREWORKS DISPLAY:** PYRO SHOWS agrees to furnish to Customer a firework display, hereinafter referred to as “Show”, pursuant to the project/sales order #20-TX-11-11-C-40000-0119 dated this 23rd Day of July 2020 and will take place at two show sites, one in north Pharr, and one in south Pharr, and each at a value of \$20,000. The two Shows will be given on the 11th day of November 2020. Rain date/postponement date: 11/12/2020.

- II. **TARIFF PROVISION:** Because our pyrotechnics are products which are primarily imported into the U.S., PYRO SHOWS is legally responsible for payment of any applicable tariffs (a border tax imposed on the buyer) for pyrotechnics. From the date of execution of the contract herein, in the event of additional cost due to increased price of product as imposed by manufacturer and/or tariffs levied for imported products. Available options are as follows: Customer may opt to increase their budget to absorb tariff - OR - Customer may maintain the current budget of their show with a corresponding reduction in the amount of product included in their show. Should Customer elect to defer, modify, or cancel Show, Customer shall notify Pyro Shows no less than ninety (90) days prior to Show date to cancel or reduce the size of show.

- III. **CANCELLATION:** PYRO SHOWS shall determine what weather conditions prohibit PYRO SHOWS from proceeding with the Show; in which case, PYRO SHOWS agrees to present the Show on the following day or previously agreed upon postponement date. In addition to contracted Show cost, Customer shall remit the actual additional expenses PYRO SHOWS shall incur in presenting the show on subsequent occasion to include labor, lodging, per diem, etc.; in no event shall these additional expenses be less than ten percent (10%) of the contracted price of the Show. In the event the Show must be RESCHEDULED to a mutually agreed upon date other than the previously agreed upon rain date, in addition to contracted Show cost, Customer shall remit the actual additional expenses PYRO SHOWS shall incur in presenting the Show on subsequent occasion to include labor, lodging, per diem etc.; in no event shall these expenses be less than thirty percent (30%) of the contracted price of the Show. Should Customer elect to CANCEL the Show for any reason, Customer must provide PYRO SHOWS with a thirty (30) days' written notice by certified mail, return receipt, to PYRO SHOWS' address as set forth above. Customer agrees that PYRO SHOWS shall incur substantial expense in preparation for the Show and, accordingly, agrees to pay PYRO SHOWS fifty (50%) of the total contract price for the show as liquidated damages for cancellation. If the Customer does not provide PYRO SHOWS with notice as set forth herein, Customer shall pay PYRO SHOWS the entire amount or one hundred percent (100%) of the contract price for the Show as liquidated damages.

- IV. **SECURITY AREA:** Customer agrees to furnish sufficient space for PYRO SHOWS to properly conduct the Show as determined by NFPA 1123-2014 (hereinafter "Security Area"). Customer agrees to provide adequate security protection to preclude persons unauthorized by PYRO SHOWS from entering the Security Area. For the purposes of the Agreement, "Unauthorized Persons" shall mean anyone other than



the employees of PYRO SHOWS or persons specifically designated in writing by the sponsor or the Authority Having Jurisdiction (AHJ), and submitted and approved, to PYRO SHOWS prior to the event. Any expenses for security or stand-by fire protection shall be the responsibility of the Customer.

- V. **SITE CLEANUP:** PYRO SHOWS shall be responsible for basic cleanup of the launch area to include policing of the fallout zone for any unexploded ordnance and removal of all large paper debris, wood, wire, foil, racks, mortars and firing equipment used in the setup for the show. Customer shall be responsible for cleanup of debris located in and around fallout zone.
- VI. **AMENDMENT & ASSIGNMENT:** This agreement is deemed personal and confidential to Customer, his heirs, executors and administrators only, and may not be sold, assigned, amended, or transferred without the prior written consent of PYRO SHOWS.
- VII. **COMPLIANCE WITH THE LAWS AND REGULATIONS:** Promptly upon the execution of this Agreement, Customer shall apply for the approval hereof to any agency, officer or authority of any government if such approval is required by any applicable law, ordinance, code or regulation. This Agreement is made expressly subject to and Customer expressly agrees to comply with and abide by all applicable laws, ordinances, codes and regulations insofar as the same may be applicable to the terms and conditions of this Agreement, including all rules and regulations now existing or that may be promulgated under and in accordance with any such law or laws.
- VIII. **PERMITS AND LICENSES:** PYRO SHOWS shall process the necessary permits and licenses to enable PYRO SHOWS to perform fully hereunder unless otherwise forbidden by any other applicable statute, rule or otherwise. It is hereby stipulated that this Agreement is to be construed and governed by the laws of the State of Texas, and any suit involving this contract shall be brought in the Courts of Hidalgo County in the State of Texas, and the Parties hereby submit themselves to the jurisdiction of said Courts and waives their rights to proceed against each other in and other actions, in any other jurisdiction. For Shows that include licensed music accompaniment, Customer agrees to verify with their organization, venue, sponsor, and/or municipality, the permission to simulcast music and agrees to pay any and all fees associated with the broadcast of said music in the public environment of the Show.
- IX. **LATE PAYMENT:** PYRO SHOWS shall charge, and Customer agrees to pay, one and one half percent (1½%) per month late payment fee for each month until PYRO SHOWS is paid the amount set forth in Paragraph XIV herein. The stated late payment fee shall begin to run from the applicable date(s) established in Section XIV, unless this provision is prohibited by law.
- X. **ADVERTISEMENT AND PROMOTIONS:** Customer agrees to state that fireworks display is being provided by PYRO SHOWS in all advertisements and promotions. Furthermore, Customer agrees to allow PYRO SHOWS to use sponsors name and/or logo in PYRO SHOWS list of clients and any Pyro Shows advertisements and promotions.
- XI. **COMPLAINTS:** In the event that Customer has a complaint concerning the Show, or any material or product used in or pursuant to the Show, or of the conduct of the Show by PYRO SHOWS, or any act or omission of PYRO SHOWS or its agents, either directly or indirectly, without limitation, Customer shall make complaint known to PYRO SHOWS in writing by certified mail to PYRO SHOWS' address as set forth above, within ten (10) days after the date of the Show. In the event that Customer fails to register any complaint in the time



and in the manner specified, Customer agrees that it shall not claim such complaint as cause for an offset or withhold any payment due to PYRO SHOWS hereunder on account of or because of such complaint or any matter arising from, relating to or a consequence of the complaint. Furthermore, Customer agrees that should PYRO SHOWS have to collect any amount due PYRO SHOWS hereunder which Customer claims as an offset or which is withheld by Customer on account of, or because of, a complaint not registered with PYRO SHOWS in the time and in the manner specified herein, by law or through an Attorney-at-Law, PYRO SHOWS shall be entitled to collect attorneys' fees in the amount of 15% of the amount owing PYRO SHOWS or the maximum amount allowed by law, whichever is greater, along with all cost of collection.

XII. **INSURANCE:** Pyro Shows will provide General Liability Insurance and Automobile Liability in the amount of \$10,000,000.00, combined single limit, covering its activities and services in connection with the show described in this contract. Pyro Shows also agrees to include Customer as additional Insured under the terms of this coverage. Pyro Shows, Inc. will provide a Certificate of Insurance. All entities listed on the certificate will be deemed an additional Insured per this contract.

XIII. **PAYMENT TERMS:** City of Pharr shall pay PYRO SHOWS \$40,000 (\$20,000 per show site) plus applicable taxes according to the terms and conditions set forth for presenting the Show. Customer shall submit a 50% deposit (\$20,000) upon return of signed contract by August 14th, 2020. Balance will be due in the PYRO SHOWS office prior to day of show.

XIV. **GOVERNING LAW.** This Agreement shall be deemed to be made under and shall be construed in accordance with and shall be governed by, the laws of the State of Texas. Venue for any legal proceeding, cause of action or suit arising out of or related to this Agreement shall exclusively lie with a court of competent jurisdiction in Hidalgo County, Texas, any legal proceeding, cause of action or suit arising out of or related to this Agreement shall be exclusively brought in any court of competent jurisdiction in Hidalgo County, State of Texas, and for this purpose each party expressly and irrevocably consents to the exclusive jurisdiction of said courts.

XV. **TAXES:** Customer shall be responsible for all applicable sales taxes.

IMPORTANT: Checks must be made payable to PYRO SHOWS, INC.

All the terms and conditions set forth on any addendum attached to this Agreement are made part of this Agreement and incorporated by reference herein.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

PYRO SHOWS OF TEXAS, INC.

BY: _____
Chad Stanley, General Manager

DATE: _____

CUSTOMER

BY: _____ DATE: _____
Signature Printed Name Title

**WARRANTY
EXCLUSIONS**

EXCEPT AS SPECIFICALLY PROVIDED HEREIN, THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

No representation of affirmation of fact including but not limited to statement regarding capacity, suitability for use, or performance of equipment or products shall be, or be deemed to be, a warranty by PYRO SHOWS for any purpose, nor give rise to any liability or obligation of PYRO SHOWS whatsoever.

IN NO EVENT SHALL PYRO SHOWS BE LIABLE FOR ANY LOSS OF PROFITS OR OTHER ECONOMIC LOSS, INDIRECT, SPECIAL, CONSEQUENTIAL, OR OTHER SIMILAR DAMAGES ARISING OUT OF ANY CLAIMED BREACH OF OBLIGATIONS HEREUNDER.



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 9.C.

DATE SUBMITTED: July 28, 2020

MEETING DATE: August 3, 2020

FROM: Vanessa Guzman, Administrative Assistant

DEPARTMENT: Bridge

DIRECTOR: Luis Bazan

Agenda Item: Consideration and action, if any, on renewal of Lease Agreement with Texas Alcoholic Beverage Commission (TABC).

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue:

On September 1, 2015, the City of Pharr, Texas and the Texas Alcoholic Beverage Commission entered into a lease agreement which expires on August 31, 2020. This Lease agreement is 198 total square feet at the Pharr International Bridge that consists of one vehicular booth. This agreement will begin on September 1, 2020 and will expire on August 31, 2025 at midnight. TABC agrees to pay a base monthly rent in the amount of \$550 on the first of each month. The base monthly rent includes TABC's use of premises, common areas of leased premises, utilities, janitorial services and supplies.

Financial Consideration: No financial cost.

Staff Recommendation: That the City of Pharr be authorized to renew the Lease Agreement with Texas Alcoholic Beverage Commission (TABC).

Alternatives: N/A

ROUTING:

Vanessa Guzman
Luis Bazan
Patricia Rigney
Karla Saavedra
City Management Office

Created/Initiated - 7/28/2020
Approved - 7/28/2020
Approved - 7/29/2020
Approved - 7/31/2020
Final Approval - 7/31/2020



**TABC LEASE No. 16-00005
AMENDMENT No. 1
(FORMERLY ABC-095)**

THE STATE OF TEXAS

§

§

COUNTY OF TRAVIS

§

WHEREAS, on September 1, 2015, the City of Pharr, Texas (“Lessor”) and the Texas Alcoholic Beverage Commission (“Lessee”), each a “Party” and collectively “the Parties,” entered into a lease originally denominated as TABC Lease No. ABC-095 (“Lease”), which will expire on August 31, 2020; and

WHEREAS, due to system upgrades, Lessee now desires to assign a new number to the Lease; and

WHEREAS, the Parties now desire to extend the term of the Lease, pursuant to **Paragraph 5** thereof; and

WHEREAS, certain other provisions of the Lease, agreed by the Parties and listed below, are also revised herein; and

WHEREAS, except as set forth in this Amendment No. 1, all terms and conditions of the Lease, including terms previously amended and not revised herein, shall remain in full force and effect;

NOW THEREFORE, the Parties hereby agreed to amend and modify the Lease as follows.

- 1.** The original Lease number, **ABC-095**, is changed to “**TABC Lease No. 16-00005**” as of September 1, 2020, and any further Amendments and documents related or referring to the Lease shall reflect the new number.
- 2. Paragraph 3, Terms of Lease**, is hereby extended for 60 (sixty) months beginning on September 1, 2020.

3. The expiration date in **Paragraph 3** of the Lease is hereby extended to August 31, 2025.
4. Except as amended and modified by this **Amendment No. 1**, all terms and conditions of **TABC Lease No. 16-00005**, shall remain in full force and effect.
5. This **Amendment No. 1** shall be effective on **September 1, 2020**.
6. Further revision to any terms or conditions of the Lease shall be by written Amendment signed by the Parties.

SIGNATURE PAGE FOLLOWS

**SIGNATURE PAGE
TABC LEASE NO. 16-00005
AMENDMENT NO. 1**

LESSOR:

CITY OF PHARR, TEXAS

PO BOX 1729
Pharr, Texas 78577
Tel: (956) 402-4100
Email: mayor@pharr-tx.gov

LESSEE:

STATE OF TEXAS

Acting by and through the
TEXAS ALCOHOLIC BEVERAGE COMMISSION
P. O. Box 13127
Austin, TX 78711
Tel: (512) 206-3366
Email: bentley.nettles@tabc.texas.gov

By: _____
Dr. Ambrosio "Amos" Hernandez, Mayor

By: _____
A. Bentley Nettles, Executive Director

BSD _____

CM _____

DGC _____

DED _____



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 9.D.

DATE SUBMITTED: July 29, 2020

MEETING DATE: August 3, 2020

FROM: Omar Anzaldua, City Engineer

DEPARTMENT: Engineering

DIRECTOR:

Agenda Item: Consideration and action, if any, on soliciting a scope and fee proposal from the approved list of Water/Wastewater Engineering Service Pool and authorizing City Manager to negotiate and enter into an agreement for Professional Engineering Services for the design of various Water and Wastewater Treatment Plant Improvements.(Project No. 1920-60-583-S014-001 Rotation List)

Classification: Regular

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason: N/A

Issue: The existing Water and Wastewater Treatment Plant are in need of numerous repairs and upgrades to maintain redundancy and increase capacity for future population growth.

Funding for the design and construction has been secured from the Texas Water Development Board (TWDB) Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF)

Water Treatment Plant Improvements

Intake Structure (Replace Gates)
Raw Water Basin (Add Baffles)
Effluent Filters Repairs
Replace Standpipe in GST No. 2
Backwash Wet Well/Pump Expansion
Sludge Thickener Improvements
Belt Filter Press Facility
Sludge Drying Beds Improvements
Plant Metering Improvements

Wastewater Treatment Plant Improvements

Influent Lift Station Replacement

Headworks Replacement

Oxidation Ditch No. 2 Repairs

Upgrades on Secondary Clarifiers 5 and 6

RAS/WAS Pump Station No. 2

Financial Consideration: To be negotiated

Staff Recommendation: Staff recommends approval.

Alternatives: N/A

ROUTING:

Omar Anzaldua	Created/Initiated - 7/29/2020
Omar Anzaldua	Approved - 7/30/2020
Ignacio Amezcua	Approved - 7/30/2020
Patricia Rigney	Approved - 7/30/2020
Karla Saavedra	Approved - 7/31/2020
City Management Office	Final Approval - 7/31/2020



AGENDA MEMORANDUM



BOARD: City Commission

AGENDA ITEM #: 9.F.

DATE SUBMITTED: July 29, 2020

MEETING DATE: August 3, 2020

FROM: Veronica Gutierrez, Purchasing Supervisor

DEPARTMENT: Purchasing

DIRECTOR: Ignacio Amezcua

Agenda Item: Consideration and action, if any, authorizing City Manager to extend the Supply Contract with DPC Industries, Inc. for the Purchase and Delivery of Chlorine & Calcium Hypo-Chlorite. (Project #1819-60-582-SP013-011)

Classification: Consent

(* If closed session, City Attorney must review and approve.)

Exclude Material from Public Packet? No

Reason:

Issue: Contract Extension with DPC Industries for the Purchase and Delivery of Chlorine & Calcium Hypo-Chlorite. (Year 2 of 3)

Financial Consideration:

Staff Recommendation: Staff recommends approval to extend the supply contract with DPC Industries, Inc, from Corpus Christi, Texas for an additional year with no increase to the original unit pricing.

Alternatives:

ROUTING:

Veronica Gutierrez	Created/Initiated - 7/29/2020
Veronica Gutierrez	Approved - 7/29/2020
Ignacio Amezcua	Approved - 7/29/2020
Omar Anzaldua	Approved - 7/30/2020
Anali Alanis	Approved - 7/30/2020
Patricia Rigney	Approved - 7/31/2020
Karla Saavedra	Approved - 7/31/2020
City Management Office	Final Approval - 7/31/2020

**EXTENSION OF AGREEMENT
FOR PURCHASE & DELIVERY OF CHLORINE & CALCIUM HYPO-CHLORITE**

THIS EXTENSION OF AGREEMENT FOR THE PURCHASE & DELIVERY OF CHLORINE & CALCIUM HYPO-CHLORITE, made and entered into the _____ day _____, 20__ by and between the **City of Pharr** hereinafter referred to as "CITY" and having its principal place of business at 118 S. Cage, P.O. Box 1729, Pharr TX 78577 AND **DPC Industries, Inc.**, hereinafter referred to as "CONTRACTOR" and having its principal place of business at 5245 Sunbelt, Corpus Christi, TX 78408.

WITNESSETH:

WHEREAS, CITY and CONTRACTOR entered into an Agreement for the Purchase & Delivery of Chlorine & Calcium Hypo-Chlorite, August 9, 2019 by which CONTRACTOR serves as the primary vendor to provide Chlorine & Calcium Hypo-Chlorite to the CITY on an as-needed basis pursuant to Request for Proposals numbered; Project #1819-60-582-SP013-011 and

WHEREAS, CITY and CONTRACTOR desire to modify the Agreement so as to extend the term.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING AND THE MUTUAL COVENANTS CONTAINED HEREIN, IT IS AGREED AS FOLLOWS:

1. Term of the Agreement is hereby modified so as to extend the term thereof until day of August 9, 2021. The CITY reserves the right to extend for one (1) additional year.

IN WITNESS WHEREOF this extension of Agreement for the Purchase & Delivery of Chlorine & Calcium Hypo-Chlorite has been signed and sealed, in duplicate, by the respective parties hereto.

DATED this _____ day of _____, 20__ by the **CITY of Pharr.**

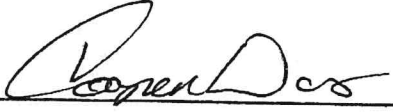
CITY OF PHARR

By: _____
Ed Wylie, Interim City Manager

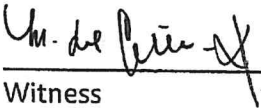
By: _____
Attest

DATED this 29th day of JULY, 2020 by DPC Industries, Inc.

DPC INDUSTRIES, INC.

By: 

RGV TERRITORY MANAGER
Title


Witness

Michelle del Castillo-Davis
Print Name