CITY OF HUNTSVILLE, TEXAS

Russell Humphrey, Mayor

Vicki McKenzie, Mayor Pro Tem
Position 3 At-Large
Bert Lyle, Position 1 At-Large
Karen Denman, Position 2 At-Large
Pat Graham, Position 4 At-Large

Tore Fossum, Ward 1
Casey Cox, Ward 2
Anissa Antwine, Ward 3
Jon Strong, Ward 4

# HUNTSVILLE CITY COUNCIL AGENDA
## TUESDAY, MAY 6, 2025

**WORKSHOP 5:00 P.M. - Main Conference Room**
**REGULAR SESSION 6:00 P.M. - Main Conference Room**

**City of Huntsville Service Center Complex, 448 Highway 75 N, Huntsville, Texas, 77320**

**Persons with disabilities who plan to attend this meeting and may need auxiliary aids or services are requested to contact the City Secretary's office (936.291.5413) two working days prior to the meeting for appropriate arrangements.**

---

**WORKSHOP (5:00 p.m.)**

**DISCUSSION**

**a.** Receive a presentation from the Trinity River Authority on Bond Resolution
Kathlie Jeng-Bulloch, City Engineer

**b.** Receive a presentation from the Downtown Business Alliance on sustainability of downtown.
Bert Lyle, Councilmember At-Large Position 1
Karen Denman, Councilmember At-Large Position 2
Vicki McKenzie, Councilmember At-Large Position 3

**MAIN SESSION (6:00 p.m.)**

**CALL TO ORDER**

**INVOCATION AND PLEDGES** - ***U.S. Flag and Texas Flag:*** *Honor the Texas Flag. I pledge allegiance to thee, Texas, one state, under God, one, and indivisible.* Test

**PROCLAMATION**

**a.** Proclamation No. 2025-06 Huntsville Fire Department's 100th Anniversary
Russell Humphrey, Mayor

**b.** Proclamation No. 2025-07 National Travel & Tourism Week May 4-10, 2025
Russell Humphrey, Mayor

**PRESENTATIONS**

**a.** Recognition of the SHSU Student Government Association volunteers and their efforts during their Day of Service on Saturday, April 12, 2025.
Penny Joiner, Director of Parks and Leisure

**1. CONSENT AGENDA**

The presiding officer will call for public comments before action is taken on these items. *(Approval of Consent Agenda authorizes the City Manager to implement each item in accordance with staff* *recommendations. An item may be removed from the Consent Agenda and added to the Statutory Agenda for full discussion by request of a member of Council.)*

**a.** Consider approving the Minutes from the April 15, 2025, City Council Meeting.
Kristy Doll, City Secretary

**b.** Consider adoption of Ordinance 2025-13 to amend the budget for FY 24-25 and/or CIP Project budgets.
Lance Hall, Finance Director

**c.** Consider authorizing the City Manager to award a contract for the Exterior Rehab of the Three Million Gallon Ground Storage Tank.
Brent Sherrod, Public Works Director

## 2. STATUTORY AGENDA

**a.** Consider approving Resolution 2025 -14, approving a bond resolution of the Trinity River Authority; and authorizing the execution and delivery of "Trinity River Authority of Texas - First Amendment - Huntsville Regional Water Supply System Contract".
Scott Swigert, City Manager
Lance Hall, Finance Director
Brent Sherrod, Public Works Director

**b.** Consider authorizing the City Manager and City staff to work on a public improvement agreement with Christmas Village, allowing city participation in an amount not to exceed $121,000, and authorizing the City Manager to execute the agreement contingent on receiving approved construction drawings and upon City Attorney review and approval.
Kathlie Jeng-Bulloch, City Engineer

**c.** Consider entering into an Interlocal Agreement with Walker County to share in preliminary engineering costs associated with the TxDOT Transportation Alternative Grant for the proposed project on University Avenue.
Sam Masiel, Assistant City Manager

**d.** **First Reading** - Consider authorizing the City Manager to award the purchase of Street Milling/Overlay Services, Street Reconstruction, and Thermoplastic Pavement Striping.
Brent Sherrod, Public Works Director

## 3. CITY COUNCIL/MAYOR/CITY MANAGER

## 4. MEDIA INQUIRIES RELATED TO MATTERS ON THE AGENDA

## 5. ITEMS OF COMMUNITY INTEREST

## ADJOURNMENT

*If during the course of the meeting and discussion of any items covered by this notice, City Council determines that a Closed or Executive session of the Council is required, then such closed meeting will be held as authorized by Texas Government Code, Chapter 551, Section 551.071 – consultation with counsel on legal matters; 551.072 – deliberation regarding purchase, exchange, lease or value of real property; 551.073 – deliberation regarding a prospective gift; 551.074 – personnel matters regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; 551.076 – implementation of security personnel or devices; 551.087 – deliberation regarding economic development negotiation; Sec. 551.089 - deliberation regarding security devices or security audits; and/or other matters as authorized under the Texas Government Code. If a Closed or Executive session is held in accordance with the Texas Government Code as set out above, the City Council will reconvene in Open Session to take action, if necessary, on the items addressed during Executive Session.

**CERTIFICATE**

I, Kristy Doll, City Secretary, do hereby certify that the above notice was posted on the City Hall bulletin board, a place convenient and readily accessible to the general public at all times, and to the City's website, www.HuntsvilleTX.gov, in compliance with Chapter 551, Texas Government Code.

DATE OF POSTING: May 2, 2025
TIME OF POSTING: 10:15 a.m.
TAKEN DOWN:

Kristy Doll

Kristy Doll, City Secretary

**CITY COUNCIL AGENDA**
5/6/2025

**Agenda Item Number:** a.

**Agenda Item:** Receive a presentation from the Trinity River Authority on Bond Resolution

**Initiating Department/Presenter:** Engineering

**Presenter:**
Kathlie Jeng-Bulloch, City Engineer

**Recommended Motion:** Not applicable

**Strategic Initiative:**

**Discussion:**

**Previous Council Action:**

**Financial Implications:**

**Approvals:**
Kathlie Jeng-Bulloch
Sam Masiel
Scott Swigert
Kristy Doll

**Associated Information:**

**CITY COUNCIL AGENDA**
5/6/2025

**Agenda Item Number:** b.

**Agenda Item:** Receive a presentation from the Downtown Business Alliance on sustainability of downtown.

**Initiating Department/Presenter:** City Council

**Presenter:**
Bert Lyle, Councilmember At-Large Position 1
Karen Denman, Councilmember At-Large Position 2
Vicki McKenzie, Councilmember At-Large Position 3

**Recommended Motion:** Not applicable

**Strategic Initiative:**

**Discussion:**

**Previous Council Action:**

**Financial Implications:**

**Approvals:**
Kristy Doll

**Associated Information:**

**CITY COUNCIL AGENDA**
5/6/2025

---

**Agenda Item Number:** a.

**Agenda Item:** Proclamation No. 2025-06 Huntsville Fire Department's 100th Anniversary

**Initiating Department/Presenter:** City Council

**Presenter:**
Russell Humphrey, Mayor

---

**Recommended Motion:**

---

**Strategic Initiative:**

---

**Discussion:**

---

**Previous Council Action:**

---

**Financial Implications:**

---

**Approvals:**
Kristy Doll

---

**Associated Information:**

**CITY COUNCIL AGENDA**
5/6/2025

---

**Agenda Item Number:** b.

**Agenda Item:** Proclamation No. 2025-07 National Travel & Tourism Week May 4-10, 2025

**Initiating Department/Presenter:** Economic Development

**Presenter:**
Russell Humphrey, Mayor

---

**Recommended Motion:**

---

**Strategic Initiative:**

---

**Discussion:**

---

**Previous Council Action:**

---

**Financial Implications:**

---

**Approvals:**
Kristy Doll

---

**Associated Information:**

**CITY COUNCIL AGENDA**
5/6/2025

**Agenda Item Number:** a.

**Agenda Item:** Recognition of the SHSU Student Government Association volunteers and their efforts during their Day of Service on Saturday, April 12, 2025.

**Initiating Department/Presenter:** Parks and Leisure

**Presenter:**
Penny Joiner, Director of Parks and Leisure

**Recommended Motion:** No motion needed.

**Strategic Initiative:** Strategic Priority #3, Quality of Life – Establish an environment where citizens can thrive and enjoy the city in which they live. Provide services that enhance the quality of life for all, with focus on the full life cycle (children, students, families, and retirees) - by creating amenities that support physical, mental and social well-being. Support access to quality health services, education, housing, transportation, recreation and natural environment.

**Discussion:** On Saturday, April 12, the Sam Houston State University Student Government Association provided 47 volunteers as part of their Day of Service initiative. From 9:00 a.m. to 1:00 p.m., these volunteers assisted at Field 4, the former high school baseball field located at Kate Barr Ross Park, by removing old paint from the brick surfaces in preparation for repainting. Their efforts significantly supported City Staff by completing this labor-intensive task, enabling the City to proceed with the next phase of the facility's renovation.

**Previous Council Action:** N/A

**Financial Implications:** N/A

**Approvals:**
Penny Joiner
Sam Masiel
Scott Swigert
Kristy Doll

**Associated Information:**

**CITY COUNCIL AGENDA**
5/6/2025

**Agenda Item Number:** 1.a.

**Agenda Item:** Consider approving the Minutes from the April 15, 2025, City Council Meeting.

**Initiating Department/Presenter:** City Secretary

**Presenter:**
Kristy Doll, City Secretary

**Recommended Motion:** Motion to approve the Minutes from the April 15, 2025, City Council Meeting.

**Strategic Initiative:**

**Discussion:**

**Previous Council Action:**

**Financial Implications:**

**Approvals:**
Kristy Doll

**Associated Information:**
1. City Council Meeting Minutes 4-15-2025

**MINUTES FROM THE HUNTSVILLE CITY COUNCIL REGULAR MEETING HELD ON THE 15TH DAY OF APRIL 2025 AT 6:00 P.M. AT THE CITY OF HUNTSVILLE SERVICE CENTER COMPLEX, LOCATED AT 448 HIGHWAY 75, IN THE CITY OF HUNTSVILLE, WALKER COUNTY, TEXAS.**

**The City Council met in a regular session and workshop with the following:**
**COUNCILMEMBERS PRESENT:** Mayor Humphrey, Mayor Pro Tem McKenzie, Councilmember At-Large Position 1 Lyle, Councilmember Ward 1 Fossum, Councilmember At-Large Position 2 Denman, Councilmember Ward 2 Cox, Councilmember Ward 3 Antwine, Councilmember At-Large Position 4 Graham, Councilmember Ward 4 Strong

**COUNCILMEMBERS ABSENT:**

**OFFICERS PRESENT:** Scott Swigert, City Manager; Kristy Doll, City Secretary; Leonard Schneider, City Attorney

**WORKSHOP (5:00 p.m.)**

**DISCUSSION**

a. **Receive a presentation from SHSU Chief Strategy Officer on Regional Outlook**
   **Bert Lyle, Councilmember At-Large Position 1**
   **Casey Cox, Councilmember Ward 2**
   **Anissa Antwine, Councilmember Ward 3**

**MAIN SESSION (6:00 p/m/)**

**CALL TO ORDER**

Mayor Humphrey called the meeting to order at 6:03 p.m.

**INVOCATION AND PLEDGES** - ***U.S. Flag and Texas Flag:*** *Honor the Texas Flag. I pledge allegiance to thee, Texas, one state, under God, one, and indivisible.*

Councilmember Lyle gave the invocation and Mayor Humphrey led the pledges.

**PROCLAMATIONS**

a. **Proclamation No. 2025-04 National Public Safety Telecommunications Week**
   **Russell Humphrey, Mayor**

b. **Proclamation No. 2025-05 National Day of Prayer**
   **Russell Humphrey, Mayor**

1. **CONSENT AGENDA**
   **The presiding officer will call for public comments before action is taken on these items.** ***(Approval of Consent Agenda authorizes the City Manager to implement each item in accordance with staff recommendations. An item may be removed from the Consent Agenda and added to the Statutory Agenda for full discussion by request of a member of Council.)***

   a. **Consider approving Minutes from the April 1, 2025, Regular City Council Meeting.**
      **Kristy Doll, City Secretary**

   b. **Consider approving the expenditure of funds authorized in the 2024-2025 FY budget to purchase police handguns outfitted with red dot sighting systems.**

**Wade Roberts, Lieutenant**

Councilmember Vicki McKenzie made a motion to approve the Consent Agenda, Items a. and b. The motion was seconded by Councilmember Tore Fossum. The motion passed 9 - 0. Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Jon Strong, Pat Graham, Bert Lyle, Anissa Antwine, Tore Fossum, Casey Cox; No: None.

2. **STATUTORY AGENDA**
   a. **Consider authorizing the City Manager to enter into a Development Agreement with Gibbs Brothers & Company LP. for the Legacy Pines development on an approximately +/-708.866-acre tract for a mixed-use master-planned community.**
   **Layne Yeager, City Planner/Airport Manager**

Councilmember Vicki McKenzie made a motion to authorize the City Manager to enter into a Development Agreement with Gibbs Brothers & Company LP. for the Legacy Pines development on an approximately +/- 1,104.911- acre tract for a mixed-use master-planned community. The motion was seconded by Councilmember Tore Fossum. The motion passed 9 - 0. Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Jon Strong, Pat Graham, Bert Lyle, Anissa Antwine, Tore Fossum, Casey Cox; No: None.

   b. **Consider adopting Resolution No. 2025-13 authorizing proceeding with issuance of Combination Tax and Revenue Certificates of Obligation and publication of Notice of Intention to Issue Such Certificates of Obligation for, Series 2025 for Stormwater Capital Improvement Projects**
   **Lance Hall, Assistant Finance Director**

Councilmember Jon Strong made a motion to adopt Resolution No. 2025-13 authorizing proceeding with issuance of Combination Tax and Revenue Certificates of Obligation and publication of Notice of Intention to Issue Such Certificates of Obligation and other matters related to thereto for, Series 2025 for Stormwater Capital Improvement Projects. The motion was seconded by Councilmember Vicki McKenzie. The motion passed 9 - 0. Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Jon Strong, Pat Graham, Bert Lyle, Anissa Antwine, Tore Fossum, Casey Cox; No: None.

3. **CITY COUNCIL/MAYOR/CITY MANAGER**

4. **MEDIA INQUIRIES RELATED TO MATTERS ON THE AGENDA**

None

5. **ITEMS OF COMMUNITY INTEREST**

Councilmembers announced Items of Community Interest.

6. **EXECUTIVE SESSION**
   a. **City Council will convene in closed session as authorized by Texas Government Code, Chapter 551, Section 551.087 for deliberation regarding economic development negotiations - Project Blondie.**
   **Tammy Gann, Director of Economic Development**

City Council convened into Executive Session at 6:22 p.m.

7. **RECONVENE**

City Council reconvened from Executive Session at 6:41 p.m.

**ADJOURNMENT**

Mayor Humphrey adjourned the meeting without objection at 6:41 p.m.

**ATTEST:**

**Kristy Doll, City Secretary**

**CITY OF HUNTSVILLE**

**Russell Humphrey, Mayor**

**CITY COUNCIL AGENDA**
5/6/2025

**Agenda Item Number:** 1.b.

**Agenda Item:** Consider adoption of Ordinance 2025-13 to amend the budget for FY 24-25 and/or CIP Project budgets.

**Initiating Department/Presenter:** Finance

**Presenter:**
Lance Hall, Finance Director

**Recommended Motion:** Move to adopt Ordinance 2025-13 to amend the budget for FY 24-25 and/or CIP Project budgets.

**Strategic Initiative:** Strategic Priority #4, Infrastructure - Develop and maintain a comprehensive and well-planned infrastructure network that prepares for the challenges of the future and provides quality, modern and efficient, water, wastewater, drainage and transportation services.

**Discussion:** A detailed explanation for the Budget Amendments is provided in the attachment, Exhibits A, B & C to the Ordinance. These Budget Amendments were discussed at the Finance Committee meetings.

**Previous Council Action:** No previous Council action for these budget amendments.

**Financial Implications:** See the attached Ordinance 2025-13 and related Budget Amendments (Exhibit A, B & C)

**Approvals:**
Lance Hall
Sam Masiel
Scott Swigert
Kristy Doll

**Associated Information:**
1. BA City Council ILA Rodeo street statue & Christmas Village 5.6.2025 updated 5.1.2025
2. FY 25 ORDINANCE 2025-13 to amend budget updated 4.30.2025

# Budget Amendments FY 24-25
# City Council - May 6, 2025

**Exhibit A**

| | | |
|---|---|---|
| Increase: | Engineering -Purchase Services/Contracts | $ 126,880 |
| Decrease: | Misc. Permits | $ 126,880 |

| | |
|---|---|
| Explanation: | The City Council approved a task order agreement on March 18, 2025, with LJA Engineering for Professional Engineering Services. The agreement to provide these professional services is $150,000 from March 18, 2025, to September 30, 2025, for Engineering, Design, Consultation, Project Management Drainage Study Reviews, Private Subdivision Plan Reviews, and Lift Station Design Reviews on a task order basis. Engineering fees collected to date are approximately $349,185 in FY 2025. |

**Exhibit B**

| | | |
|---|---|---|
| Increase: | Purchased Services and Contracts -ROAD-E-O Contribution | $ 300 |
| Decrease: | Misc. Revenue -Contribution | $ 300 |

| | |
|---|---|
| Explanation: | Crockett Construction gave the city a contribution in the amount of $500.00 to help with the expenses of the city Road-E-O. The Road-E-O committee would like to use these monies in the current 24-25 fiscal year. This budget amendment, if approved, will allow for the purchase/expenditure. |

**Exhibit C**

| | | |
|---|---|---|
| Increase: | Streets -Street Infrastructure Project | $ 361,593 |
| Decrease: | General Fund - Unallocated Reserves | $ 361,593 |

| | |
|---|---|
| Explanation: | Bids have been obtained for Street Milling/Overlay Services, Street Reconstruction, and Thermoplastic Pavement Striping. The total amount of the lowest bid for these services is $2,361,593. $2M was included in the budget for FY 24-25.<br>Staff is requesting $361,593 of General Fund's Unallocated Reserves be used to fund the cost. After use of this $361,593 the General Fund's balance of Unallocated Reserves will be approximately $1.4M above the General Fund's $8,772,993 required 25% reserve amount. |

| | | | |
|---|---|---|---|
| **Exhibit D** | Increase: | Hotel/Motel SRF -Visitors Center -Purchased Services/Contracts | $ 58,800 |
| | Decrease: | Hotel/Motel SRF - Unallocated Reserves | $ 58,800 |

| | |
|---|---|
| Explanation: | Quotes have been obtained for the cleaning, plaster repair, and painting of the outside of the Sam Houston Statue and base in the amount of $48,000. Funds to repair the inside of the statue were included in the budget for FY 24-25 in the amount of $18,610. The cost to restore the entire statue are approximately $66,610.00. Staff has also purchased Christmas decorations from a local business that has been bought out; thus they are selling all of their Christmas decorations at a discounted rate. Staff is requesting that $58,800 of the Hotel/Motel Special Revenue Fund's (SRF) Unallocated Reserves be used to fund the additional cost. After use of this $58,800 the Hotel/Motel SRF's balance of Unallocated Reserves will be approximately $1.384M. The Hotel/Motel SRF does not required a 25% reserve amount. |

| | | | |
|---|---|---|---|
| **Exhibit E** | Increase: | Christmas Village Project Development | $ 121,000 |
| | Decrease: | Water projects -City Partcipation/Dev Proj/Water | $ 121,000 |

| | |
|---|---|
| Explanation: | The owners of the Christmas Village are seeking financial supoort from the City to install a 12-inch water line, which will require boring under I-45 for connection to the city water supply. TxDOT has approved the engineering plans. Upsizing the line from 8 inches to 12 inches will benefit the city and support future growth in the area. |

# ORDINANCE NO. 2025-13

## AN ORDINANCE OF THE CITY OF HUNTSVILLE, TEXAS, AMENDING THE 2024-2025 ANNUAL BUDGET AND/OR CAPITAL IMPROVEMENTS PROJECTS (CIP) BUDGETS, ORDINANCE NO. 2024-24 TO AMEND ADOPTED EXPENDITURES OF THE BUDGET; AND DECLARING AN EFFECTIVE DATE.

**WHEREAS**, the 2024-2025 Annual Budget and CIP Budgets were adopted by Ordinance 2024-24 on September 17, 2024;

**WHEREAS**, various unforeseen circumstances affecting the City have presented themselves during the course of the fiscal year;

**WHEREAS**, the City Council considered the circumstances independently, deliberating appropriately on the associated revenues and expenditures and the overall impact on the general financial status of the City;

**WHEREAS**, pursuant to the laws of the State of Texas and the City Charter of the City of Huntsville, Texas, the City Council has determined that it will be beneficial and advantageous to the citizens of the City of Huntsville to amend the annual budget for fiscal year 2024 – 2025 and/or the Capital Improvements Projects (CIP) budget as set forth herein; and

**WHEREAS**, this ordinance combines the independent Council actions into one budget amendment document;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HUNTSVILLE, TEXAS, that:**

**Section 1.** The findings set forth above are incorporated into the body of this ordinance.

**Section 2.** The annual budget for fiscal year 2024 – 2025 is hereby amended to include the expenditures and revenues in Exhibits "A - E" and/or the Capital Improvements Projects budget is hereby amended to include the expenditures described in Exhibits "A - E" and attached hereto and made a part of this ordinance as if set out verbatim herein.

**Section 3.** All ordinances of the City in conflict with the provisions of this ordinance are hereby repealed, and all other ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

**Section 4.** Should any section, portion, sentence, clause or phrase of this ordinance be declared unconstitutional or invalid for any reason, it shall not invalidate or impair the force or effect of any other section or portion of this ordinance.

**Section 5.** The necessity for amending the budget for the fiscal year 2024 – 2025 and/or Capital Improvements Projects, as required by the laws of the State of Texas, requires that this ordinance shall take effect immediately from and after its passage, as the law in such cases provides.

**Section 6.** This ordinance shall take effect immediately after its passage.

PASSED AND APPROVED on this the 6th day of May 2025.

**THE CITY OF HUNTSVILLE, TEXAS**

______________________________

Russell Humphrey, Mayor

**ATTEST:**

______________________________

Kristy Doll, City Secretary

**APPROVED AS TO FORM:**

______________________________

Leonard Schneider, City Attorney

**CITY COUNCIL AGENDA**
5/6/2025

**Agenda Item Number:** 1.c.

**Agenda Item:** Consider authorizing the City Manager to award a contract for the Exterior Rehab of the Three Million Gallon Ground Storage Tank.

**Initiating Department/Presenter:** Public Works

**Presenter:**
Brent Sherrod, Public Works Director

**Recommended Motion:** Move to authorize the City Manager to award a contract to M.K. Painting, Inc. for the Exterior Rehab of the Three-Million Gallon Ground Storage Tank in the amount of $78,000.00.

**Strategic Initiative:** Strategic Priority #4, Infrastructure - Develop and maintain a comprehensive and well-planned infrastructure network that prepares for the challenges of the future and provides quality, modern and efficient water, wastewater, drainage and transportation services.

**Discussion:** The Three Million Gallon Storage Tank (GST) is an above-ground potable water storage tank located at the Palm Street Water Plant. This tank was installed in 1978 and has not been rehabbed since. This will include blasting the roof hatch and vent to bare metal and repainting. The concrete exterior will be patched in places where the stucco is peeling, and all cracks sealed. Once complete, the exterior will receive a complete coat of paint. The interior of the tank was completely cleaned prior to this project. The maintenance of the 3 MG GST will ensure longer tank life and a better appearance of the facility, and it is a critical part of the water production process.

The planned scope of work for the ground storage tank includes complete exterior cleaning, repair, and painting of the tank with a three-coat finish.

City staff utilized sealed bid proposals for the rehabilitation of the Palm Street 3MG Ground Storage Tank to achieve optimal results at a competitive price. Multiple vendors were invited to bid, and the invitation to bid was advertised as required. A mandatory site visit was conducted on March 25th, 2025, and the four bids were received and opened on April 9th, 2025. Staff has checked references for M.K. Painting INC. and recommends approving them to provide the necessary services, as outlined within the quote, for $78,000.00.

**Previous Council Action:** The council approved the funds for the rehab of the Three Million Gallon Storage Tank in the 2024/2025 budget.

**Financial Implications:** Item is budgeted in account 220-361-53060 for $350,000.00.

**Approvals:**
Brent Sherrod

Leonard Schneider
Sam Masiel
Scott Swigert
Kristy Doll

**Associated Information:**

1. Bid Tab - RFQ NO. 25-21 Rehabilitation of 3MG Above Ground Storage Tank

**Bid Tabulation**

**Project Name: RFQ NO. 25-21 Rehabilitation of 3MG Above Ground Storage Tank**

**Location: 1220 11th Street Huntsville, TX 77340**

**Date: April 10, 2025 Time: 2:00 PM**

| | M.K. Painting | | Mohon Industrial Coatings | |
|---|---|---|---|---|
| **Description** | **Total Bid Amount** | **Number of calendar days for completion from date of Notice to Proceed ________ days.** | **Total Bid Amount** | **Number of calendar days for completion from date of Notice to Proceed ________ days.** |
| Lump sum for the Rehabilitation of 3MG GST | $ 78,000.00 | 45 | $ 81,000.00 | 90 |

| | D&M Tank, LLC | | Viking Painting, LLC | |
|---|---|---|---|---|
| **Description** | **Total Bid Amount** | **Number of calendar days for completion from date of Notice to Proceed ________ days.** | **Total Bid Amount** | **Number of calendar days for completion from date of Notice to Proceed ________ days.** |
| Lump sum for the Rehabilitation of 3MG GST | $ 151,500.00 | 90 | $ 189,600.00 | 60 |

**CITY COUNCIL AGENDA**
5/6/2025

**Agenda Item Number:** 2.a.

**Agenda Item:** Consider approving Resolution 2025 -14, approving a bond resolution of the Trinity River Authority; and authorizing the execution and delivery of "Trinity River Authority of Texas - First Amendment - Huntsville Regional Water Supply System Contract".

**Initiating Department/Presenter:** Finance

**Presenter:**
Scott Swigert, City Manager
Lance Hall, Finance Director
Brent Sherrod, Public Works Director

**Recommended Motion:** *Move to approve Resolution 2025-14, approving a bond resolution of the Trinity River Authority; and authorizing the execution and delivery of "Trinity River Authority of Texas - First Amendment - Huntsville Regional Water Supply System Contract".*

**Strategic Initiative:** Goal #4, Infrastructure - Ensure the quality of the City utilities, transportation and physical structures so that the City's core services can be provided in an effective and efficient manner.

**Discussion:** The City has had a contract with the Trinity River Authority (TRA) since 1976. The original contract provided that TRA would build and operate a water treatment plant and the City would be responsible for all costs associated with building and operating the plant with the City having exclusive rights to all water coming from the plant. There were various amendments to the original contract from 1976. In 1997 the City and TRA entered into a "superseding" contract. This resolution provides for an amendment to the superseding contract and the amendment is to make the contract "effective until November 30, 2074, and for so long thereafter until all Bonds or any Bonds issued to refund same, if any, have been paid in full." This resolution also provides for the authorization of issuing **$9,600,000** of contract revenue bonds thru TRA that the City will be responsible for providing revenues for the debt service on the bonds. Proceeds from the bonds will be used for capital costs for **FY 2025** as outlined by TRA in their February 6, 2024 presentation to Council, "Design for raw water intake", "Treatment Plant Master Plan update", "Plant Land Acquisition", "Route study and design – High Service Transmission Improvements".

**Previous Council Action:** **No previous Council action has been taken.** TRA presented a workshop item at Council's February 6, 2024 meeting informing Council of TRA's operations and contract/agreement history with the City.

**Financial Implications:** Debt service on the bonds issued will create a need for increased water rates in future years. Rate increases for future years will be developed based on the debt service on bonds issued and all other operational costs to provide water to City customers.

**Approvals:**

Lance Hall
Leonard Schneider
Sam Masiel
Scott Swigert
Kristy Doll

**Associated Information:**

1. Resolution No. 2025-14
2. General and No litigation

CERTIFICATE FOR RESOLUTION APPROVING A BOND RESOLUTION OF THE TRINITY RIVER AUTHORITY FOR THE ISSUANCE OF BONDS FOR IMPROVEMENTS TO THE HUNTSVILLE REGIONAL WATER SUPPLY SYSTEM

THE STATE OF TEXAS
COUNTY OF WALKER
CITY OF HUNTSVILLE

I, the undersigned City Secretary of the City of Huntsville, Texas, hereby certify as follows:

1. The City Council of said City convened in a regular meeting on May ___, 2025 and the roll was called of the duly constituted officers and members of said City Council, to-wit:

| | |
|---|---|
| Russell Humphrey; Mayor | Vicki McKenzie; At-Large Position 3, Mayor Pro Tem |
| Tore Fossum; Ward 1 | Casey Cox; Ward 2 |
| Anissa Antwine; Ward 3 | Jon Strong; Ward 4 |
| Bert Lyle; At-Large Position 1 | Karen Denman; At-Large Position 2 |
| Pat Graham; At-Large Position 4 | |

and all of said persons were present except ___________________________, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

RESOLUTION APPROVING A BOND RESOLUTION OF THE TRINITY RIVER AUTHORITY FOR THE ISSUANCE OF BONDS FOR IMPROVEMENTS TO THE HUNTSVILLE REGIONAL WATER SUPPLY SYSTEM

was duly introduced for the consideration of said City Council and duly read. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried with all members present voting "AYE" except the following:

NAY: __ ABSTAIN: __

*Remainder of page intentionally left blank*

2. That a true, full, and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said City Council's minutes of said Meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said City Council's minutes of said Meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said City Council as indicated therein; and that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting; and that said Meeting 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.

SIGNED AND SEALED the ___ day of May, 2025.

________________________________________
Kristy Doll, City Secretary

(CITY SEAL)

CERTIFICATE FOR RESOLUTION APPROVING A BOND RESOLUTION OF THE TRINITY RIVER AUTHORITY FOR THE ISSUANCE OF BONDS FOR IMPROVEMENTS TO THE HUNTSVILLE REGIONAL WATER SUPPLY SYSTEM

**RESOLUTION NO. 2025-14**

RESOLUTION APPROVING A BOND RESOLUTION OF THE TRINITY RIVER AUTHORITY FOR THE ISSUANCE OF BONDS FOR IMPROVEMENTS TO THE HUNTSVILLE REGIONAL WATER SUPPLY SYSTEM

THE STATE OF TEXAS
COUNTY OF WALKER
CITY OF HUNTSVILLE

WHEREAS, the City of Huntsville, Texas (the ***City***) and the Trinity River Authority of Texas (the ***Authority***) have previously entered into the "*Trinity River Authority of Texas – Huntsville Regional Water Supply System Contract*" dated June 25, 1997 (the ***Original Contract***) and the "*Trinity River Authority of Texas - First Amendment - Huntsville Regional Water Supply System Contract*" (the ***Amendment*** and with the Original Contract, the ***Contract***) relating to the provision of facilities and services by the Authority for the benefit of the City and for additions, improvements, repairs, replacements, expansions and extensions of the Huntsville Regional Water Supply System (the ***System***); and

WHEREAS, in connection with the financing of the facilities and services provided by the Authority for the benefit of the City, the Authority has and is preparing to authorize, issue and deliver bonds of the Authority supported by payments to be made by the City pursuant to the Contract; and

WHEREAS, it is necessary and required by the Contract that the City approve the resolution of the Authority authorizing the issuance, sale, and delivery of *Trinity River Authority of Texas Huntsville Regional Water Supply System Revenue Bonds, Series 2025*, and approving and authorizing instruments and procedures relating thereto hereinafter described.

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HUNTSVILLE, THAT:

Section 1. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

Section 2. The "*Resolution Authorizing the Issuance, Sale, and Delivery of Trinity River Authority of Texas Huntsville Regional Water Supply System Revenue Bonds and Approving and Authorizing Instruments and Procedures Relating Thereto*" (the ***Bond Resolution***) has been submitted to the City in the form attached hereto as ***Exhibit A*** and made a part hereof for all purposes. The Bond Resolution is hereby approved by the City as to form and substance, and the bonds (the ***Bonds***) described therein may be issued by the Authority in accordance with the terms and provisions set forth therein and herein.

Section 3. It is acknowledged and agreed by the City that the Bonds authorized pursuant to the Bond Resolution will be issued in strict conformance and compliance with the Contract and described in said Bond Resolution, and that the City will be fully bound by the provisions of said Bond Resolution insofar as they pertain to the City, and the City will be unconditionally obligated to make the payments with respect to said Bonds as required by the Contract and the Bond Resolution.

*Signature page follows*

APPROVED AND ADOPTED at a regular meeting of the Huntsville City Council on May ____, 2025 , by a vote of ____ ayes, _____ nays, and ____ abstentions.

APPROVED:

**THE CITY OF HUNTSVILLE**

______________________________
**Russell Humphrey, Mayor**

**ATTEST:**

______________________________
**Kristy Doll, City Secretary**

**APPROVED AS TO FORM:**

______________________________
**Leonard Schneider, City Attorney**

EXHIBIT A
RESOLUTION NO. R-16[xx]

RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF TRINITY RIVER AUTHORITY OF TEXAS HUNTSVILLE REGIONAL WATER SUPPLY SYSTEM REVENUE BONDS, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

THE STATE OF TEXAS
TRINITY RIVER AUTHORITY OF TEXAS

WHEREAS, Trinity River Authority of Texas (the “Authority” or “Issuer”), is an agency and political subdivision of the State of Texas, being a conservation and reclamation district created and functioning under Article 16, Section 59, of the Texas Constitution, pursuant to the provisions of Chapter 518, Acts of the 54th Legislature, Regular Session, 1955, as amended (the "Authority Act");

WHEREAS, the Authority entered into a "*Trinity River Authority of Texas – Huntsville Regional Water Supply System Contract*" dated June 25, 1997, as amended on February 28, 2024 by the “*Trinity River Authority of Texas - First Amendment - Huntsville Regional Water Supply System Contract*” (together, the “Contract”) with the City of Huntsville, Texas (the “City”) for additions, improvements, repairs, replacements, expansions and extensions of the Huntsville Regional Water Supply System (the “System”) by the Issuer for the benefit of the City;

WHEREAS, the Authority has determined to issue the bonds or other evidence of indebtedness hereinafter authorized to (i) obtain funds to pay for the acquisition and construction of the Improvements for the System; (ii) funding the Reserve Fund, if required; and (iii) pay costs of issuance of the Bonds;

WHEREAS, the Bonds authorized to be issued by this resolution (the "Bond Resolution" or "Resolution") are to be issued and delivered pursuant to the Authority Act, Chapter 30, Texas Water Code, as amended, Chapter 1371, Texas Government Code, as amended, and other applicable laws;

WHEREAS, the Contract authorizes the Issuer to issue the Bonds in the manner and amount and with the security, as hereinafter provided.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TRINITY RIVER AUTHORITY OF TEXAS, THAT:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE BONDS. The Board of Directors hereby incorporates the recitals set forth in the preamble hereto as if set forth in full at this place and further finds and determines that said recitals are true and correct. In order to (i) obtain funds to pay for the acquisition and construction of the Improvements for the System; (ii) funding the Reserve Fund, if required; and (iii) pay costs of issuance of the Bonds, the Board of Directors hereby authorizes and directs the issuance of revenue bonds of the Issuer, in one or more series, in the aggregate principal amount of not to exceed $9,655,000.

Section 2. DEFINITIONS. The definitions set forth in the preamble hereto are incorporated herein as if set forth in this section. As used in this Resolution the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

(a) The term "Additional Bonds" means the additional parity bonds permitted to be authorized in this Resolution.

(b) The terms "Authority" and "Issuer" shall have the meaning set forth in the preamble.

(c) The term "Board" means the Board of Directors of the Issuer, being the governing body of the Issuer and it is further resolved that the declarations and covenants of the Issuer contained in this Resolution are made by, and for and on behalf of the Board and the Issuer, and are binding upon the Board and the Issuer for all purposes.

(d) The terms "Bond Resolution" and "Resolution" mean this resolution adopted by the Board of Directors of the Issuer authorizing the issuance of the Bonds.

(e) The term "Bonds" means collectively the Bonds or other evidence of indebtedness authorized by law and as authorized by this Resolution, issued in a single or multiple series, and all substitute bonds exchanged therefor and other substitute bonds as provided for in this Resolution.

(f) The term "City" means the City of Huntsville, Texas.

(g) The term "Code" means the United States Internal Revenue Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto.

(h) The term "Contract" means, collectively, the *Trinity River Authority of Texas – Huntsville Regional Water Supply System Contract*" dated June 25, 1997, as amended on February 28, 2024 by the "*Trinity River Authority of Texas - First Amendment - Huntsville Regional Water Supply System Contract*", between the Issuer and the City.

(i) The term "Fiscal Year" shall mean the Authority's fiscal year, which initially shall be the year commencing December 1 of each calendar year and ending on November 30 of the following calendar year, but which subsequently may be any other 12-month period hereafter established by the Issuer as a Fiscal Year.

(j) The terms "Gross Revenues" mean all of the revenues, income, rentals, rates, fees, and charges of every nature derived by the Issuer from the operation and/or ownership of the System, including specifically all payments and amounts received by the Issuer from the City pursuant to the Contract, and any income from the investment of money in any Funds created by this Resolution, excepting any amounts required to be rebated to the Internal Revenue Service in accordance with this Resolution.

(k) The term "Improvements" means all of the Issuer's additions, improvements, repairs, replacements, expansions and extensions of the System. However, said terms do not include any facilities acquired or constructed by the Issuer with the proceeds from the issuance of "Special Facilities Bonds", which are hereby defined as being revenue obligations of the Issuer which are not issued as Additional Bonds, and which are payable from any source, contract, or revenues whatsoever other than the Pledged Revenues; and Special Facilities Bonds may be issued for any lawful purpose and made payable from any source, contract, or revenues whatsoever other than the Pledged Revenues.

(l) The term "Net Revenues" means the Gross Revenues less the Operation and Maintenance Expenses.

(m) The term "Operation and Maintenance Expenses" means all costs and expenses of operation and maintenance of the System, including (for greater certainty but without limiting the generality of the foregoing) repairs and replacements for which no special fund is created in the resolutions authorizing the issuance of the Bonds or Parity Bonds, operating personnel, the cost of utilities, the costs of supervision, engineering, accounting, auditing, legal services, supplies, services, administrative costs, including general overhead expenses of the Issuer attributable to the System, insurance premiums, equipment necessary for proper operation and maintenance of the System, and payments made by the Issuer in satisfaction of judgments resulting from claims not covered by the Issuer's insurance arising in connection with the operation and maintenance of the System. The term also includes the charges of the bank or banks where the Bonds are payable. The term does not include the cost of raw water supplies.

(n) The term "Parity Bonds" means (i) the Previously Issued Bonds, the (ii) Bonds and (iii) any Additional Bonds.

(o) The term "Pledged Revenues" means: (a) the Net Revenues and (b) any additional revenues, income, receipts, donations, or other resources derived or received or to be received from any public or private source, whether pursuant to an agreement or otherwise, which in the future may, at the option of the Issuer, be pledged to the payment of the Bonds or the Additional Bonds.

(p) The term “Previously Issued Bonds” means the Trinity River Authority of Texas (Huntsville Regional Water Supply System Project) Contract Revenue Bonds, Series 2024.

(q) The term “System” means the water treatment facilities, including raw water intake facilities, water treatment plants and metered treated water discharge facilities, water transmission and clear well storage and pumping facilities, constituting the Huntsville Regional Water Supply System including all Improvements.

Section 3. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, MATURITIES AND SALE OF BONDS.

(a) Each bond issued pursuant to this Resolution shall, subject to paragraph (b) of this section, be designated: "TRINITY RIVER AUTHORITY OF TEXAS (HUNTSVILLE REGIONAL WATER SUPPLY SYSTEM PROJECT) CONTRACT REVENUE BOND, SERIES 2025” except as modified in the Pricing Certificate to reflect the year of issue or sequential alphabetical lettering of multiple series.

(b) As authorized by Chapter 1371, Texas Government Code, as amended, the General Manager and the Chief Financial Officer of the Issuer are each hereby designated as the "Authorized Officer" of the Issuer, and are each individually hereby authorized, appointed, and designated as the officer or employee of the Issuer authorized to act on behalf of the Issuer in the selling and delivering of the Bonds and carrying out the other procedures specified in this Resolution, including the use of a book-entry-only system with respect to the Bonds and the execution of an appropriate letter of representations if deemed appropriate, the determining and fixing of the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the aggregate principal amount of the Bonds and the amount of each maturity of principal thereof, the due date of each such maturity (not exceeding forty years from the date of the Bonds), the rate of interest to be borne by each such maturity, the interest payment dates and periods, the dates, price and terms upon and at which the Bonds shall be subject to redemption prior to due date or maturity at the option of the Issuer, any mandatory sinking fund redemption provisions, procuring municipal bond insurance, and approving modifications to this Resolution and executing such instruments, documents and agreements as may be necessary with respect thereto, if it is determined that such insurance would be financially desirable and advantageous, and all other matters relating to the issuance, sale and delivery of the Bonds. The Authorized Officer, acting for and on behalf of the Issuer, is authorized to arrange for the Bonds to be sold at a private placement, negotiated sale or public sale, at such price, in the aggregate principal amount not exceeding the maximum amount set forth in Section 1 hereof, with such maturities of principal, with such interest rates, and with such optional and mandatory sinking fund redemption provisions, if any, and other matters, as shall be set forth in a certification by the Authorized Officer. The Authorized Officer shall determine if the provisions of Rule 15c2-12 of the United States Securities and Exchange Commission relating to continuing disclosure of information shall be required to be complied with and, if required, what disclosure will be required to be complied with by the Issuer; all of which shall be specified in the "Pricing Certificate" executed by the Authorized Officer. It is further provided, however, that, notwithstanding the foregoing provisions, the Bonds shall not be delivered unless, prior to their delivery, the Bonds have been rated by a nationally recognized rating agency for municipal long-term obligations, as required by said Chapter 1371, Texas Government Code, as amended.

(c) _Sale Parameters._ The Pricing Officer is authorized to issue and deliver, on behalf of the Authority, the Bonds in multiple series so long as all series are sold within one year of the date of this Resolution. In establishing the aggregate principal amount of the Bonds, the Authorized Officer shall establish an amount within the amount authorized in Section 1 hereof, which amount shall be sufficient to provide for (i) obtaining funds to pay for the acquisition and construction of the Improvements for the System; (ii) funding the Reserve Fund, if required; and (iii) pay costs of issuance of the Bonds.

(d) If the Authorized Officer determines that the Bonds should be sold by private placement, the Authorized Officer shall select the purchaser which, after due consideration and investigation, is willing to buy the

Bonds on the most advantageous terms to the Issuer as determined by the Authorized Officer.

(e) If the Authorized Officer determines that the Bonds should be sold by a negotiated sale, the Authorized Officer shall designate the senior managing underwriter for the Bonds and such additional investment banking firms as deemed appropriate to assure that the Bonds are sold on the most advantageous terms to the Issuer. The Authorized Officer, acting for and on behalf of the Issuer, is authorized to enter into and carry out the terms of a bond purchase contract for the Bonds to be sold by negotiated sale, with the underwriter(s) thereof at such price, with and subject to such terms as determined by the Authorized Officer subject to the parameters set forth in this Resolution. Any such bond purchase contract shall be substantially in a form and substance previously approved by the Board in connection with the authorization of bonds by the Issuer with such changes as are acceptable to the Authorized Officer. The Authorized Officer shall cause to be prepared an official statement in such manner as the Authorized Officer deems appropriate.

(f) If the Authorized Officer determines that the Bonds should be sold at a competitive sale, the Authorized Officer shall cause to be prepared a notice of sale and official statement in such manner as the Authorized Officer deems appropriate, to make the notice of sale and official statement available to those institutions and firms wishing to submit a bid for the Bonds, to receive such bids, and to award the sale of the Bonds to the bidder submitting the best bid in accordance with the provisions of the notice of sale.

(g) The authority of the Authorized Officer to sell the Bonds as described in Section 2(b) of this Resolution shall expire on the one-year anniversary date of the adoption of this Resolution by the Board.

Section 4. CHARACTERISTICS OF THE BONDS.

(a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the principal corporate trust office of the paying agent/registrar designated in the Pricing Certificate (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions 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. The Issuer 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. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Resolution. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

Except as provided in Section 4(c) hereof, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted 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 Resolution, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) Payment of Bonds and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Resolution. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Resolution. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (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 Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities if s provided in the Pricing Certificate (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least thirty days prior to any such redemption date), (iii) transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Resolution. The Bonds initially issued and delivered pursuant to this Resolution are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Resolution the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF BOND.

(d) Substitute Paying Agent/Registrar. The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, 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 Issuer 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 Resolution. 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 Issuer. Upon any change in the Paying Agent/Registrar, the Issuer 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 Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry Only System. The Bonds issued in exchange for the Bonds initially issued to the purchaser specified herein shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond may 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 (f) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to 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 transactions 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 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 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 Resolution 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 Bond, for the purpose of registering transfers with respect to such Bond, 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 Resolution, 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 certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Resolution. 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 Resolution 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 Resolution shall refer to such new nominee of DTC.

(f) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A 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 Resolution.

(g) Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of 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.

(h) Notice of Redemption.

(i) In addition to the notice of redemption set forth in the FORM OF BOND, the Paying Agent/Registrar shall give notice of redemption of the Bonds by first class mail, postage prepaid at least thirty (30) days prior to a redemption date to each registered securities depository and to any national information service that disseminates redemption notices. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the registered securities depositories or such national information services shall be sent so that it is received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the Registered Owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

(ii) Each notice of redemption given by the Paying Agent/Registrar, whether required in the FORM OF BOND or in this Section, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the Series, the date of issue, the interest rate, the maturity date, the CUSIP number, the certificate numbers, the amounts called of each certificate, the publications and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bonds may be redeemed, including a contact person and telephone number.

(iii) All redemption payments made by the Paying Agent/Registrar to the Registered Owners shall include a CUSIP number relating to each amount paid to such Registered Owner.

Section 5. FORM OF BONDS. The form of the Bonds, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Bonds initially issued and delivered pursuant to this Resolution, shall be, respectively, substantially in the form as provided in ***Exhibit A***, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution. The Form of Bond as it appears in ***Exhibit A*** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate but it is not required for the Form of Bond to be reproduced as an exhibit to the Pricing Certificate.

Section 6. PLEDGE.

(a) The Parity Bonds, and the interest thereon, are and shall be secured equally and ratably on a parity by and payable from a first lien on and pledge of the Pledged Revenues, and the Pledged Revenues are further pledged to the establishment and maintenance of the Interest and Sinking Fund, the Reserve Fund, and the Contingency Fund as provided in this Resolution.

(b) Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the Issuer under this Section, 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 Issuer under this Section is to be subject to the filing requirements of Chapter 9, 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 Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 7. REVENUE FUND CREATION. There has been created and shall be maintained on the books of the Issuer, and accounted for separate and apart from all other funds of the Issuer, a special fund to be entitled the "*Trinity River Authority of Texas Huntsville Regional Water Supply System Revenue Bonds Revenue Fund"* (hereinafter called the "Revenue Fund"). All Gross Revenues (excepting investment income from any Fund other than the Revenue Fund) shall be credited to the Revenue Fund promptly after they become available. All Operation and Maintenance Expenses shall be paid from the Gross Revenues, as a first charge against same.

Section 8. INTEREST AND SINKING FUND. For the sole purpose of providing an interest and sinking fund for paying the principal of and interest on all Parity Bonds, as the same come due, there has been created and shall be maintained on the books of the Issuer a separate fund to be entitled the "*Trinity River Authority of Texas Huntsville Regional Water Supply System Revenue Bonds Interest and Sinking Fund*" (hereinafter called the "Interest and Sinking Fund").

Section 9. RESERVE FUND. There has been created and shall be maintained on the books of the Issuer a separate fund to be entitled the "*Trinity River Authority of Texas Huntsville Regional Water Supply System Revenue Bonds Reserve Fund*" (hereinafter called the "Reserve Fund"). The Reserve Fund shall be used solely for the purpose of finally retiring the last of any Parity Bonds or Additional Bonds, or for paying when due the principal of and interest on any Parity Bonds or Additional Bonds when and to the extent the amounts in the Interest and Sinking Fund and Contingency Fund are insufficient for such purpose.

Section 10. CONTINGENCY FUND. There has been created and shall be maintained on the books of the Issuer a separate fund to be entitled the "*Trinity River Authority of Texas Huntsville Regional Water Supply System Revenue Bonds Contingency Fund*" (hereinafter called the "Contingency Fund"). The Contingency Fund shall be used solely for the purpose of paying the costs of Improvements or other capital expenditures relating to the System, and unexpected or extraordinary repairs or replacements of the System for which funds are not otherwise available, or for paying unexpected or extraordinary Operation and Maintenance Expenses for which funds are not otherwise available, or for paying principal of and interest on any Parity Bonds or Additional Bonds, when and to the extent the amount in the Interest and Sinking Fund is insufficient for such purpose.

Section 11. REVENUE FUND. All Pledged Revenues shall be credited as received by the Issuer to the Revenue Fund, and shall be deposited from the Revenue Fund into the other Funds created by this Resolution, in the manner and amounts hereinafter provided, and each of such Fund shall have priority as to such deposits in the order in which they are treated in the following Sections.

Section 12. INTEREST AND SINKING FUND REQUIREMENTS. There shall be deposited into the Interest and Sinking Fund the following:

(a) promptly after the delivery of the Bonds the Issuer shall cause to be deposited to the credit of the Interest and Sinking Fund, from the proceeds received from the sale and delivery of the Bonds, the accrued interest received, if any.

(b) on or before the last day of the January or July, whichever comes first, immediately following delivery of the Bonds to the purchaser thereof, and semiannually thereafter, on or before the last day of each January and July, an amount sufficient, together with other amounts, if any, then on hand in the Interest and Sinking Fund and available for such purpose, to pay the interest and/or principal and interest scheduled to accrue and come due on the Parity Bonds and any Additional Bonds on the next succeeding interest payment date.

(c) The Interest and Sinking Fund shall be used solely to pay the principal of and interest on the Parity Bonds and any Additional Bonds as such principal matures and such interest comes due.

Section 13. RESERVE REQUIREMENTS. If required, immediately after the delivery of the Bonds, the Issuer will deposit in the Reserve Fund, from funds derived from the sale of the Bonds or lawfully available funds of the Issuer, an amount of money equal to the average annual principal and interest requirements of the Parity Bonds, or other amount specified in the Pricing Certificate (the "Reserve Required Amount"), taking into account any Additional Bonds to which Section 18(d) applies. No deposits shall be made into the Reserve Fund as long as the money and investments in the Reserve Fund are at least equal in market value to the Reserve Required Amount; but if and whenever the market value of money and investments in the Reserve Fund is reduced below said Reserve Required Amount because of a decrease in market value of investments, then the Issuer shall require the City to increase their payments under the Contract as soon as practicable, and in any event within one year, in an amount sufficient to restore the Reserve Fund to the Reserve Required Amount. In the event the Reserve Fund is used to pay the principal of or interest on the Parity Bonds because of insufficient amounts being available in the Interest and Sinking Fund and the Contingency Fund, then the Issuer shall require the City to increase their payments under the Contract in an amount sufficient to restore the Reserve Fund to the Reserve Required Amount in market value, and the Issuer shall deposit in the Reserve Fund, in approximately equal semiannual installments, such amounts as are required to restore the Reserve Fund to the Reserve Required Amount in market value within five years from any date of the use of the Reserve Fund to pay such principal or interest.

Whenever Additional Bonds are issued pursuant to Section 18, then the term "Reserve Required Amount" thereafter shall mean an amount in market value equal to the average annual principal and interest requirements of all Parity Bonds and Additional Bonds which will be outstanding after the issuance of each installment of Additional Bonds (taking into account any Additional Bonds to which Section 18(d) applies) or as may be otherwise provided in the Pricing Certificate for such proposed Additional Bonds.

Section 14. CONTINGENCY REQUIREMENTS. There is currently on deposit in the Contingency Fund the sum of $0.00. No additional deposits are required to be made to the credit of the Contingency Fund unless and until the Issuer, upon the advice and recommendation of an independent engineer or firm of engineers, determines it necessary to increase such amount in order adequately to provide for contingencies related to the System, or unless the Issuer provides for an increase in such amount in any resolution authorizing Additional Bonds. If and when such amount in the Contingency Fund is reduced or depleted, or an increase in such amount has been provided for, then, subject and subordinate to making the required deposits to the credit of the Interest and Sinking Fund and the

Reserve Fund, such reduction or depletion shall be restored, and/or such amount shall be increased, to the extent not otherwise funded, from amounts which shall be provided for such purpose in the Issuer's Annual Budget for the next ensuing Fiscal Year; provided that the Issuer is not required to budget more than one third of the amount to be accumulated for such purpose during any one Fiscal Year. The Issuer may transfer any amount in the Contingency Fund to the credit of the Interest and Sinking Fund if the Issuer determines the Contingency Fund is over-funded or unnecessary.

Section 15. INVESTMENTS.

(a) Money in any Fund maintained pursuant to this Resolution may, at the option of the Issuer, be placed in interest bearing time deposits with banks secured by obligations of the kind hereinafter described, or be invested to the extent allowed by Texas law. Such deposits and investments shall be made consistent with the estimated requirements of such Funds, and any obligation in which money is so invested shall be kept and held for the benefit of the owners of the Parity Bonds, and shall be promptly sold and the proceeds of sale applied to the making of all payments required to be made from the Fund from which the investment was made. All earnings from the deposit or investment of any such Fund shall be credited to such Fund, except that if on February 1 of any year the Reserve Fund should contain an amount in excess of the Reserve Required Amount in market value, such excess shall be deposited into the Interest and Sinking Fund. All investment earnings on deposit in the Interest and Sinking Fund shall reduce the amounts which otherwise would be required to be deposited therein. Uninvested money in any Fund shall be secured in the manner prescribed by law for securing funds of the Issuer.

(b) Notwithstanding any other provisions of this Resolution, all investment income, if any, required by the United States Internal Revenue Code to be rebated by the Issuer to the Internal Revenue Service in order to prevent the Parity Bonds from being or becoming taxable "arbitrage bonds" under said Code shall be withdrawn from each Fund created by this Resolution and so rebated to the extent so required.

Section 16. DEFICIENCIES; EXCESS PLEDGED REVENUES.

(a) If on any occasion there shall not be sufficient Pledged Revenues to make the required deposits into the Interest and Sinking Fund, the Reserve Fund, and the Contingency Fund, then such deficiency shall be made up as soon as possible from the next available Pledged Revenues.

(b) Subject to making the required deposits to the credit of the Interest and Sinking Fund, the Reserve Fund, and the Contingency Fund, when and as required by this Resolution, or any resolution authorizing the issuance of Additional Bonds, the excess Pledged Revenues may be used for any lawful purpose relating to the System.

Section 17. PAYMENT OF PARITY BONDS AND ADDITIONAL BONDS. On or before the first interest or principal payment date of the Bonds immediately following delivery of the Bonds to the purchaser thereof, and semiannually on or before each principal and interest payment date thereafter while any of the Parity Bonds or Additional Bonds are outstanding and unpaid, the Issuer shall make available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, or the Contingency Fund or the Reserve Fund, if necessary, money sufficient to pay such interest on and such principal of the Parity Bonds and Additional Bonds as will be payable on each principal and interest payment date.

Section 18. ADDITIONAL BONDS.

(a) The Issuer 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 parity revenue bonds (herein called "Additional Bonds"), in accordance with law, in any amounts, for any lawful purpose related to the System, including the refunding of Parity Bonds, Additional Bonds or bonds secured by Pledged Revenues that is junior and subordinate in all respects to the liens, pledges, covenants and agreements hereof or any resolution authorizing the issuance of Additional Bonds. Such Additional Bonds, when issued and delivered in accordance with the provisions hereof, shall be secured by and made payable equally and ratably on a parity with the Parity Bonds, from a first lien on and pledge of the Pledged Revenues.

(b) The Interest and Sinking Fund, the Reserve Fund, and the Contingency Fund established pursuant to this Resolution shall secure and be used to pay all Additional Bonds as well as the Parity Bonds, all on a parity. However, each resolution under which Additional Bonds are issued shall provide and require that, in addition to the amounts required by the provisions of this Resolution and the provisions of each resolution authorizing Additional Bonds to be deposited to the credit of the Interest and Sinking Fund, the Issuer shall deposit to the credit of the Interest and Sinking Fund at least such amounts as are required for the payment of all principal of and interest on said Additional Bonds then being issued, as the same come due; and that the aggregate amount to be accumulated and maintained in the Reserve Fund shall be increased (if and to the extent necessary) to an amount specified in the Pricing Certificate for such proposed Additional Bonds; and that any required additional amount shall be so accumulated by the deposit in the Reserve Fund of all or any part of said required additional amount in cash immediately after the delivery of the then proposed Additional Bonds, or, at the option of the Issuer, by the deposit of said required additional amount (or any balance of said required additional amount not deposited in cash as permitted above) in 120 approximately equal monthly installments, made on or before the 25th day of each month following the delivery of the then proposed Additional Bonds.

(c) All calculations to determine the Reserve Required Amount pursuant to this Section shall be made as of the date the proposed Additional Bonds will be issued.

(d) Notwithstanding sections (a) through (c) of this Section, the resolution authorizing a future issue of Additional Bonds may provide that such series shall not be secured by the Reserve Fund. Such series of Additional Bonds shall nevertheless be secured by and made payable equally and ratably on a parity with the Parity Bonds from a first lien on and pledge of the Pledged Revenues. The Interest and Sinking Fund and the Contingency Fund shall also secure and be used to pay such proposed series of Additional Bonds. If such series of Additional Bonds is issued and not secured by the Reserve Fund, the debt service on such series shall not be taken into account when calculating the average annual principal and interest requirements of the Parity Bonds to determine the Reserve Required Amount.

Section 19. FURTHER REQUIREMENTS FOR ADDITIONAL BONDS. Additional Bonds shall be issued only in accordance with the provisions hereof, but notwithstanding any provisions hereof to the contrary, no installment, series, or issue of Additional Bonds shall be issued or delivered unless the General Manager or Chief Financial Officer of the Issuer sign a written certificate to the effect that the Issuer is not in default as to any covenant, condition, or obligation in connection with all outstanding Parity Bonds and Additional Bonds, and the resolutions authorizing the same, that the Interest and Sinking Fund and the Reserve Fund each contains the amount then required to be therein, and that either (1) based on a report of an independent engineer or firm of engineers, the Pledged Revenues, in each Fiscal Year thereafter, commencing with the third complete Fiscal Year following the date of such report, are estimated to be at least equal to 1.25 times the average annual principal and interest requirements of all Parity Bonds and Additional Bonds to be outstanding after the delivery of the then proposed Additional Bonds, or (2) based upon an opinion of legal counsel to the Issuer, there is a Contract then in effect pursuant to which the City and others, if any, which are parties to such Contract are obligated to make payments to the Issuer during each Fiscal Year (including during periods when services of the System may not be available to such City and others) in such amounts as shall be necessary to provide to the Issuer Pledged Revenues sufficient to pay when due all principal of and interest on all Parity Bonds and Additional Bonds to be outstanding after the issuance of the proposed Additional Bonds, and to make the deposits into the Reserve Fund as required under this Resolution.

Section 20. GENERAL COVENANTS. The Issuer further covenants and agrees that:

(a) PERFORMANCE. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in each resolution authorizing the issuance of the Parity Bonds and any Additional Bonds, and in each and every Parity Bond and Additional Bond; that it will promptly pay or cause to be paid the principal of and interest on every Parity Bond and Additional Bond, on the dates and in the places and manner prescribed in such resolutions and Parity Bonds or Additional Bonds, and that it will, at the times and in the manner prescribed, deposit or cause to be deposited the amounts required to be deposited into the Interest and Sinking Fund and the Reserve Fund and any holder of the Parity Bonds or Additional Bonds may require the Issuer, its Board of Directors, and its officials and employees, to carry out, respect, or enforce the covenants and obligations of each resolution authorizing the issuance of the Parity Bonds and Additional Bonds, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the Issuer, its Board of Directors, and its officials and employees.

(b) ISSUER'S LEGAL AUTHORITY. It is a duly created and existing conservation and reclamation district of the State of Texas pursuant to Article 16, Section 59, of the Texas Constitution, and Chapter 518, Acts of the 54th Legislature, Regular Session, 1955, as amended, and is duly authorized under the laws of the State of Texas to create and issue the Parity Bonds; that all action on its part of the creation and issuance of the Parity Bonds has been duly and effectively taken, and that the Parity Bonds in the hands of the owners thereof are and will be valid and enforceable special obligations of the Issuer in accordance with their terms.

(c) TITLE. It has or will obtain lawful title to, or the lawful right to use and operate, the lands, buildings, and facilities constituting the System and will use its best efforts to acquire and construct the System as provided in the Contract, that it warrants that it will defend the title to or lawful right to use and operate, all of the aforesaid lands, buildings, and facilities, and every part thereof, for the benefit of the owners of the Parity Bonds and Additional 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 and Additional 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, that 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 that 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 Issuer.

(e) OPERATION OF IMPROVEMENTS. That while the Parity Bonds or any Additional Bonds are outstanding and unpaid it will cause the System to be continuously and efficiently operated and maintained in good condition, repair, and working order, and at a reasonable cost.

(f) FURTHER ENCUMBRANCE. That while the Parity Bonds or any Additional Bonds are outstanding and unpaid the Issuer shall not additionally encumber the Pledged Revenues in any manner, except as permitted hereby in connection with Additional Bonds, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants and agreements hereof and any resolution authorizing the issuance of Additional Bonds; but the right of the Issuer and the Board to issue revenue bonds for any lawful purpose payable from a subordinate lien on the Pledged Revenues is specifically recognized and retained.

(g) SALE OF PROPERTY. That while the Parity Bonds or any Additional Bonds, are outstanding and unpaid, the Issuer will maintain its current legal corporate status as a conservation and reclamation district, and the Issuer shall not sell, convey, mortgage, or in any manner transfer title to, or lease, or otherwise dispose of the entire System, or any significant or substantial part thereof; provided that whenever the Issuer deems it necessary or advisable to dispose of any real or personal property, machinery, fixtures, or equipment, it may sell or otherwise dispose of such property, machinery, fixtures, or equipment if the Issuer determines that such property, machinery, fixtures, or equipment are not needed for System purposes, or if the Issuer has made arrangements to replace the same or provide substitutes therefor.

(h) INSURANCE.

(1) That it will carry fire, casualty, public liability, and other insurance (including self-insurance to the extent deemed advisable by the Issuer) on the System for purposes and in amounts which ordinarily would be carried by a privately owned utility company owning and operating such facilities, except that the Issuer shall not be required to carry liability insurance except to insure itself against risk of loss due to claims for which it can, in the opinion of the Issuer's legal counsel, be liable under the Texas Tort Claims

Act or any similar law or judicial decision. Such insurance will provide, to the extent feasible and practical, for the restoration of damaged or destroyed properties and equipment to minimize the interruption of the services of such facilities. All such policies shall be open to the inspection of the owners of the Parity Bonds and their representatives at all reasonable times.

(2) Upon the happening of any loss or damage covered by insurance from one or more of said causes, the Issuer 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 Issuer. The proceeds of insurance covering such property, together with any other funds necessary and available for such purpose, shall be used forthwith by the Issuer 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:

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

(b) if none of the outstanding Parity Bonds or Additional Bonds is subject to redemption, then for the purchase on the open market and retirement of said Parity Bonds and Additional Bonds, in the same proportion as prescribed in the foregoing clause (2), to the extent practicable; provided that the purchase price for any such Parity Bond or Additional Bond shall not exceed the redemption price of such Parity Bond or Additional Bond on the first date upon which it becomes subject to redemption; or

(c) to the extent that the foregoing clauses (a) and (b) 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 Issuer, to be designated the Insurance Account. The Insurance Account shall be held until such time as the foregoing clauses (a) and/or (b) 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.

(i) RATE COVENANT. It will fix, establish, maintain, and collect such rentals, rates, charges, and fees for the use and availability of the System as are necessary to produce Gross Revenues sufficient, together with any other Pledged Revenues, (a) to pay all Operation and Maintenance Expenses, and (b) to make all payments and deposits required to be made into the Interest and Sinking Fund and to maintain the Reserve Fund and the Contingency Fund, when and as required by the resolutions authorizing all Parity Bonds and Additional Bonds.

(j) RECORDS. Proper books of records and account will be kept in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the System, the Pledged Revenues, and all Funds created pursuant to this Bond Resolution; and all books, documents, and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of the owner of any Parity Bond.

(k) AUDITS. Each Fiscal Year while any of the Parity Bonds or Additional Bonds are outstanding, an audit will be made of its books and accounts relating to the System and the Pledged Revenues by an independent certified public accountant or an independent firm of certified public accountants. As soon as practicable after the close of each Fiscal Year, and when said audit has been completed and made available to the Issuer, a copy of such audit for the preceding Fiscal Year shall be mailed to any owner of any Parity Bond who shall so request in writing. Such annual audit reports shall be open to the inspection of the owners of the Parity Bonds and their agents and representatives at all reasonable times.

(l) GOVERNMENTAL AGENCIES. It will comply with all of the terms and conditions of any and all franchises and permits applicable to the System granted by any governmental agency, and all franchises, permits, and agreements applicable to the System and the Parity Bonds or Additional Bonds entered into between the Issuer and any governmental agency, and the Issuer will take all action necessary to enforce said terms and conditions; and the Issuer will obtain and keep in full force and effect all franchises, permits, and other requirements necessary with respect to the acquisition, construction, operation, and maintenance of the System.

(m) CONTRACT. It will comply with the terms and conditions of the Contract and will cause the City and others to comply with all of their obligations thereunder by all lawful means; and that the Contract will not be changed, rescinded, modified, or amended in any way which would have a materially adverse effect on the operation and maintenance of the System by the Issuer or the rights of owners of the Parity Bonds or Additional Bonds.

(n) ANNUAL BUDGET. The Issuer shall prepare and adopt an Annual Budget for the System for each Fiscal Year as required by the Contract.

Section 21. AMENDMENT OF RESOLUTION.

(a) The owners of Parity Bonds and Additional Bonds aggregating a majority in principal amount of the aggregate principal amount of then outstanding Parity Bonds and Additional Bonds shall have the right from time to time to approve any amendment to any resolution authorizing the issuance of any Parity Bonds or Additional Bonds, which may be deemed necessary or desirable by the Issuer, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in said resolutions or in the Parity Bonds or Additional Bonds so as to:

(1) Make any change in the maturity of the outstanding Parity Bonds or Additional Bonds;

(2) Reduce the rate of interest borne by any of the outstanding Parity Bonds or Additional Bonds;

(3) Reduce the amount of the principal payable on the outstanding Parity Bonds or Additional Bonds;

(4) Modify the terms of payment of principal of or interest on the outstanding Parity Bonds or Additional Bonds, or impose any conditions with respect to such payment;

(5) Affect the rights of the owners of less than all of the Parity Bonds and Additional Bonds then outstanding;

(6) Change the minimum percentage of the principal amount of Parity Bonds and Additional Bonds necessary for consent to such amendment.

(b) If at any time the Issuer shall desire to amend a resolution under this Section, the Issuer shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in The City of New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of each Paying Agent/Registrar for the Parity Bonds and Additional Bonds, for inspection by all owners of Parity Bonds and Additional Bonds. Such publication is not required, however, if such notice in writing is given to the owner of each of the Parity Bonds and Additional 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 Issuer shall receive an instrument or instruments executed by the owners of at least a majority in aggregate principal amount of all Parity Bonds and Additional 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 as aforesaid, the Issuer may adopt the amendatory resolution in substantially the same form.

(d) Upon the adoption of any amendatory resolution pursuant to the provisions of this Section, the resolution being amended shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the Issuer and all the owners of then outstanding Parity Bonds and

Additional Bonds and all future Additional Parity Bonds shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such amendment.

(e) Any consent given by the owner of a Parity Bond or Additional Bonds 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 such owner and all future owners of the principal amount of such Parity Bond or Additional Bond and any bond issued in substitution and exchange therefor during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent/Registrar for such Parity Bond or Additional Bond, and the Issuer, but such revocation shall not be effective if the owner of a majority in aggregate principal amount of then outstanding Parity Bonds and Additional Bonds as in this Section defined have, prior to the attempted revocation, consented to and approved the amendment.

(f) For the purpose of this Section, all matters relating to the ownership of Parity Bonds and Additional Bonds shall be determined from the Registration Books of the Issuer kept by the Paying/Registrar for such Parity Bonds and Additional Bonds.

Section 22. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Pledged Revenues as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Resolution to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection 22(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer also be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 22(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Bonds.

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

(e) In the event that the Issuer elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

(f) The Authorized Officer may modify the securities that are eligible to be Defeasance Securities and any such modification shall be reflected in the Pricing Certificate.

Section 23. 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(e) Authority for Issuing Replacement Bonds. In accordance with Subchapter B, Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer 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 4 of this Resolution for Bonds issued in conversion and exchange for other Bonds.

Section 24. COVENANTS REGARDING TAX-EXEMPTION.

(a) General Tax Covenants Regarding Tax Exemption of Interest on the Bonds. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(i) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds are so used, that amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Resolution or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(ii) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(iii) to take any action to assure that no amount which is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

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

(v) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(vi) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(A) proceeds of the Bonds invested for a reasonable temporary period until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(vii) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(viii) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

In order to facilitate compliance with the above covenant (viii), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such modification or expansion, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the General Manager of the Issuer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. This Resolution is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

(b) Interest Earnings on Bond Proceeds. Interest earnings derived from the investment of proceeds from the sale of the Bonds shall be used along with other bond proceeds for the purpose for which the Bonds are issued, as set forth in Section 1 hereof; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Redemption Fund. It is further provided, however, that any interest earnings on bond proceeds which are required to be rebated to the United States of America pursuant to Section 24(a) hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

(c) Disposition of Project. The Issuer covenants that the property constituting 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 property 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 on the Bonds.

(d) Allocation of, and Limitation on, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Resolution (the "Project") on its books and records in accordance with the requirements of the Internal Revenue Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The Issuer agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. 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 on the Bonds.

Section 25. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION, CUSIP NUMBERS, AND INSURANCE. The President of the Board of Directors of the Issuer and the Authorized Officer are hereby authorized to have control of the Bonds issued hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the 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 on the Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on the Bonds. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds or on any Parity Bonds issued and delivered in conversion of and exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. If insurance is obtained on any of the Bonds, the Bonds and all other Bonds shall bear an appropriate legend concerning insurance as provided by the insurer.

Section 26. FURTHER PROVISIONS AND PROCEDURES. The President, Vice President and Secretary of the Board of Directors of the Issuer, the General Manager and the Chief Financial Officer of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer a Letter of Representation with DTC regarding the Book-Entry Only System, the Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Letter of Representation, the Bonds, the sale of the Bonds and the Official Statement. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representation is hereby incorporated herein and its provisions shall prevail over any other provisions of this Resolution in the event of conflict. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 27. RESERVED.

Section 28. CONTINUING DISCLOSURE OF INFORMATION.

(a) As used in this Section, the following terms have the meanings ascribed to such terms below:

"*Financial Obligation*" means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of the foregoing (a) and (b). The term Financial Obligation does not include any municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

*"MSRB"* means the Municipal Securities Rulemaking Board.

"*Rule*" means SEC Rule 15c2-12, as amended from time to time.

"*SEC*" means the United States Securities and Exchange Commission.

(b) Pursuant to a Continuing Disclosure Agreement by and between the Issuer and the City, the Issuer and the City have undertaken for the benefit of the beneficial owners of the Bonds, to the extent set forth therein, to provide continuing disclosure of financial information and operating data with respect to the City in accordance with the Rule as promulgated by the SEC.

(c) Annual Reports.

The Authority will provide its audited financial statements with the MSRB through its EMMA system within six months after the end of the Authority's Fiscal Year. If audited financial statements are not available by the required time, the Authority will provide unaudited financial statements within the required time and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with generally accepted accounting principles in effect at the time or that the Authority may be required to employ from time to time pursuant to State law or regulation.

The Authority's Fiscal Year end is November 30. Accordingly, the Authority must provide updated information by May 31 in each year beginning with the Fiscal Year ending in 2023. If the Authority changes its Fiscal Year, the Authority will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the Authority otherwise would be required to provide financial statements pursuant to this Section.

(d) The Issuer shall notify the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if jurisdiction has been assumed by leaving the Board and officials or officers of the Issuer 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 Issuer.

(e) The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide information in accordance with subsections (c) and (d) of this Section by the time required by such subsection.

(f) The financial statements to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet website or filed with the SEC. All financial statements and notices required to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

Section 29. REPEAL OF CONFLICTING RESOLUTIONS. All resolutions and all parts of any resolutions which are in conflict or inconsistent with this Resolution are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

------------

**EXHIBIT A**

**FORM OF BOND**

The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached only to the Bonds initially issued and delivered pursuant to this Resolution, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution and with the Bonds to be completed with information set forth in the Pricing Certificate. The Form of Bond as it appears in this Exhibit A shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate but it is not required for the Form of Bond to reproduced as an exhibit to the Pricing Certificate.

*The "[]" in this section are intentional*

NO. R-

UNITED STATES OF AMERICA
STATE OF TEXAS

PRINCIPAL AMOUNT
$__________

TRINITY RIVER AUTHORITY OF TEXAS
(HUNTSVILLE REGIONAL WATER SUPPLY SYSTEM PROJECT)
CONTRACT REVENUE BONDS, SERIES 2025

| INTEREST RATE | DELIVERY DATE | MATURITY DATE | CUSIP NO. |
|---|---|---|---|
| | [], 2025 | August 1, 20[] | |

REGISTERED OWNER: [___________]

PRINCIPAL AMOUNT: [___________] DOLLARS

ON THE MATURITY DATE specified above, the TRINITY RIVER AUTHORITY OF TEXAS (the "Issuer"), being a governmental agency, and body corporate and politic of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "registered owner") the principal amount set forth above, and to pay interest thereon from the Delivery Date as set forth above, on August 1, 20[] and semiannually thereafter on each February 1 and August 1 to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above, calculated on the basis of a 360-day year composed of twelve 30-day months; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of BOKF, NA, Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the Resolution authorizing the issuance of this Bond (the "Bond Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the fifteenth day of the month next preceding each such date (the "Record Date") on the Registration

Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. 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 Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (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, first-class postage prepaid, to the address of each owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Redemption Fund" created by the Bond Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a Series of Bonds dated [], 2025, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $[], in order to (i) obtain funds to pay for the acquisition and construction of the Improvements for the Huntsville Regional Water Supply System; (ii) funding the Reserve Fund, if required; and (iii) pay costs of issuance of the Bonds.

ON AUGUST 1, 20[], or on any date thereafter, the Bonds of this Series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds to be redeemed shall be selected and designated by the Issuer, at the redemption price of the principal amount, plus accrued interest to the date fixed for redemption.

THE BONDS MATURING ON AUGUST 1 IN THE YEARS [] are subject to mandatory redemption prior to maturity in part at random, by lot or other customary method selected by the Paying Agent/Registrar, at par plus accrued interest to the redemption date, and without premium, with funds on deposit in the Interest and Sinking Fund. Such Bonds shall be redeemed by the Paying Agent/Registrar on the following Mandatory Redemption Dates and in the Principal Amounts as set forth in the following schedule:

<u>Term Bonds due August 1, 20</u>

| | |
|---|---|
| Mandatory Redemption Date: 8/1/20 | Principal Amount: $,000 |
| Mandatory Redemption Date: 8/1/20* | Principal Amount: $,000 |

* Stated Maturity

The principal amount of Term Bonds of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Bonds of the same maturity which, at least 45 days prior to a mandatory redemption date (1) shall have been acquired by the Issuer and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

AT LEAST THIRTY days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared on the day such notice of redemption is mailed and to major securities depositories, national bond rating agencies and bond information services; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000, at the written request of the registered owner, and in aggregate 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 Issuer, all as provided in the Bond Resolution.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Bonds called for redemption, such notice must state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of any integral multiple of $5,000. As provided in the Bond Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of $5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 30 days prior to its redemption date.

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

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, sold, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond and other parity bonds, are special obligations of the Issuer payable from and secured by a first lien on and pledge of the "Pledged Revenues", as defined in the Bond Resolution, which include payments and amounts derived by the Issuer from the Contract (the "Trinity River Authority of Texas – Huntsville Regional Water Supply System Contract" dated June 25, 1997, as amended on February 28, 2024 by the "Trinity River Authority of Texas - First Amendment - Huntsville Regional Water Supply System Contract") between the Issuer and the City.

THE ISSUER has reserved the right, subject to the restrictions stated or referred to in the Bond Resolution, to issue additional parity revenue bonds which also may be made payable from and secured by a first lien on and pledge of the aforesaid Pledged Revenues.

THE ISSUER also has reserved the right to amend the Bond Resolution with the approval of the owners of a majority in principal amount of all outstanding bonds secured by and payable from a first lien on and pledge of the aforesaid Pledged Revenues, subject to the restrictions stated in the Bond Resolution.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon from taxes or from any source whatsoever other than specified in the Bond Resolution.

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

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Directors of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

| | |
|---|---|
| ______________________________ | ______________________________ |
| Secretary, Board of Directors<br>Trinity River Authority of Texas | President, Board of Directors,<br>Trinity River Authority of Texas |

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Bond is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

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

Dated: ________________.

BOKF, NA
Paying Agent/Registrar

By: ________________________________________
Authorized Representative

FORM OF ASSIGNMENT

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto:

____________________________________________________________

*Please insert Social Security or Taxpayer Identification Number of Transferee*

____________________________________________________________

*Please print or type name and address, including zip code of Transferee*

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

Dated: __________________.

Signature Guaranteed:

| | |
|---|---|
| NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program. | NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever. |

FORM OF REGISTRATION CERTIFICATE OF
THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

(COMPTROLLER'S SEAL)

(b) Insertions for the Initial Bond:

The initial Bond shall be in the form set forth in paragraph (a) of this Section, except that:

(i) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.

(ii) the first paragraph shall be deleted and the following will be inserted:

"TRINITY RIVER AUTHORITY OF TEXAS (the "Issuer"), being a governmental agency, and body corporate and politic of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Dates, in the Principal Amounts and bearing interest at the per annum rates set forth in the following schedule:

| Maturity Date | Principal Amount | Interest Rate |
| --- | --- | --- |
| [] | [] | [] |

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date at the respective Interest Rate per annum specified above. Interest is payable on August 1, 20[], and on each February 1 and August 1 thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

(iii) The initial Bond shall be numbered "T-1."

GENERAL AND NO-LITIGATION CERTIFICATE OF THE CITY OF HUNTSVILLE

We, the undersigned City Manager and City Secretary of the City of Huntsville (the "*City*"), hereby certify that we are executing and delivering this certificate with reference to the Trinity River Authority of Texas Huntsville Regional Water Supply System Revenue Bonds, Series 2025 (the "*Bonds*").

The certifications herein are made this, the ____ day of __________, 2025.

1. That this certificate is executed for the benefit of the Attorney General of the State of Texas and the prospective owners of the Bonds, which Bonds were authorized by Resolution No. R-16[x], adopted on June 23, 2025, by the Board of Directors of the Trinity River Authority (the "*Bond Resolution*"). The Attorney General is authorized to date this certificate.

2. That the City is a duly incorporated Home Rule City, having more than 5,000 inhabitants, operating and existing under the Constitution and laws of the State of Texas and the duly adopted home rule charter of the City, which Charter has not been changed or amended since the passage of the ordinance authorizing the City of Huntsville General Obligation Bonds, Series 2023.

3. That no litigation of any nature is pending or threatened pertaining to, affecting or contesting: (a) the execution or delivery, payment, security or validity of the "Trinity River Authority of Texas – Huntsville Regional Water Supply System Contract" dated June 25, 1997, as amended on February 28, 2025 by the "Trinity River Authority of Texas - First Amendment - Huntsville Regional Water Supply System Contract" (together, the "*Contract*") by and among the City and the Trinity River Authority; (b) the title of the present members and officers of the City Council of said City to their respective offices; or (c) the validity of the corporate existence or the Charter of said City.

4. That the Contract is still in full force and effect, has not been amended or rescinded, no litigation is pending relating to the authority of the City to enter into the Contract and no default exists in connection therewith. The City is not in default in the payment of principal or interest on any of its outstanding obligations.

5. That the Contract has been duly authorized by the City Council by a resolution adopted on February 20, 2024, in full compliance with the City's home rule charter and applicable law.

6. The following is a true schedule of net revenues of the City's water and sewer system for the fiscal years shown:

| City of Huntsville - Water/Sewer Net Revenues | | | |
|---|---|---|---|
| FYE | 2024 | 2023 | 2022 |
| Revenue | $34,251,090 | $31,062,690 | $29,293,679 |
| Expenses | $24,076,209 | $16,292,705 | $14,292,216 |
| Net Revenues | $10,174,881 | $14,769,985 | $15,001,463 |

*Remainder of page intentionally left blank*

7. As of the date hereof, the following are the duly elected and constituted members of the City Council.

Russell Humphrey; Mayor
Tore Fossum; Ward 1
Anissa Antwine; Ward 3
Bert Lyle; At-Large Position 1
Pat Graham; At-Large Position 4
Vicki McKenzie; At-Large Position 3, Mayor Pro Tem
Casey Cox; Ward 2
Jon Strong; Ward 4
Karen Denman; At-Large Position 2

(Execution page follows)

EXECUTED AND DELIVERED ON _________________________, 2025.

| Manual Signatures | Official Titles |
|---|---|
| ______________________________________ | City Manager<br>City of Huntsville |
| ______________________________________ | City Secretary<br>City of Huntsville |

**ACKNOWLEDGMENT**

Before me, on this day personally appeared the foregoing individuals, known to me to be the officers whose true and genuine signatures were subscribed to the foregoing instrument in my presence.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ______ day of ______________, 2025.

________________________________
Notary Public, State of Texas

[NOTARY SEAL]

**CITY COUNCIL AGENDA**
5/6/2025

**Agenda Item Number:** 2.b.

**Agenda Item:** Consider authorizing the City Manager and City staff to work on a public improvement agreement with Christmas Village, allowing city participation in an amount not to exceed $121,000, and authorizing the City Manager to execute the agreement contingent on receiving approved construction drawings and upon City Attorney review and approval.

**Initiating Department/Presenter:** Engineering

**Presenter:**
Kathlie Jeng-Bulloch, City Engineer

**Recommended Motion:** Move to authorize the City Manager and City staff to work on a public improvement agreement with Christmas Village and allow city participation in an amount not to exceed $121,000 for waterline improvements and authorize the City Manager to execute the agreement contingent on receiving approved construction drawings and upon City Attorney review and approval.

**Strategic Initiative:** Strategic Priority #4, Infrastructure - Develop and maintain a comprehensive and well-planned infrastructure network that prepares for the challenges of the future and provides quality, modern and efficient, water, wastewater, drainage and transportation services.

**Discussion:** The Christmas Village is located within the City West of I-45, and 3200' North of Lonestar Road

In order to obtain the water service from the City, the developer agrees to construct a 12" water line from East of I-45, boring under I-45 to the West of I-45 and to their property.

An 8" water line is required to serve the Christmas Village development, and a 12" water line is proposed for future potential developments in this area.

The developer of the Christmas Village is seeking financial support from the city to construct this proposed 12" water line. According to the design engineer, the difference in costs from 8" to 12" is $121,000.

The design of this 12" water line has not been approved yet. The design engineer will need to resubmit the design drawing to finalize the Public Improvement Agreement.

**Previous Council Action:** none

**Financial Implications:** **☒Item is budgeted: In the amount of** Not to Exceed $121,000 - 701-7248-62300.

**Approvals:**
Kathlie Jeng-Bulloch
Leonard Schneider
Sam Masiel
Scott Swigert
Kristy Doll

**Associated Information:**

1. AGREEMENT TO CONSTRUCT PUBLIC IMPROVEMENTS- Christmas Village 4-30-2025
2. cost

**AGREEMENT TO CONSTRUCT PUBLIC IMPROVEMENTS**
**PROJECT: The Christmas Village Waterline**
**Project PD #2023-10-05**

THIS AGREEMENT TO CONSTRUCT PUBLIC IMPROVEMENTS (this **"Agreement"**), is between the CITY OF HUNTSVILLE, a home-rule municipal corporation, 1212 Avenue M, Huntsville, Texas 77340, hereinafter referred to as **"CITY"** and Winter Wonder LLC, hereinafter referred to as **"DEVELOPER"**:

**WHEREAS**, The City is a home-rule city and municipal corporation that provides a full-range of governmental services to its citizens; and

**WHEREAS**, Developer is the owner of that certain parcel of land situated in the City of Huntsville, Walker County, Texas, generally known and described as The Christmas Village Waterline, PD #2023-10-05, as further described on **Exhibit "A"** attached hereto, and Developer proposes to do and perform certain work of improvement thereon as hereinafter set forth; and

**WHEREAS**, City desires to assure that the proposed public improvements will be done in good workmanlike manner and in accordance with the laws now in force and effect in the City of Huntsville, Texas, including the Development Code, the terms and conditions of which are incorporated herein by reference; and,

**WHEREAS**, Developer declares that it is familiar with the regulations and laws now in force and effect in the City of Huntsville, Texas, including the current Development Code and agrees to comply therewith, and

**WHEREAS**, Developer declares it intends to file a final plat of this tract prepared in accordance with the City's Development Code, once all subdivision construction plans are approved and either a fiscal surety is filed, or the public improvements are constructed;

**NOW, THEREFORE,** in consideration of the approval and acceptance by the City Planning and Zoning Commission of final plat and the acceptance of **Water, Sanitary Sewer, Streets, Sidewalks, and Storm Drainage Facilities,** therein offered for dedication for public purposes and the covenants herein contained, the parties hereto mutually covenant and agree as follows:

**1. General Requirements:**

A. Developer shall supply all materials and complete all of the improvements set forth in the attached Exhibit "B" attached hereto (the "Improvements") with such improvements to be completed to the satisfaction of the City Engineer of the City at an estimated construction cost of **Four hundred eight six thousand five hundred and 00/100 cents ($486,500.00).**

B. The City has requested that the waterline portion of the Improvements be increased from 8-inches to 12-inches ("Upsize Increase") for future potential developments in the area. The cost of the Upsize Increase in the waterline is $121,000.00. The City hereby agrees that as between the Developer and the City, the City shall fund its share of the Upsize Increase of the waterline in an amount not to exceed $121,000.00 by delivering such funds to the Developer within 45 days of notice of the Improvements.

**2. Monumentation:**

Developer shall replace, or have replaced, or repair, or have repaired, as the case may be, all property corners and monuments shown on the map that have been destroyed or damaged, and Developer shall replace or have replaced, repair, or have repaired, as the case may be, or pay to the owner, the entire cost of replacement or repairs, of any and all property damaged or destroyed by reason of any work done hereunder, whether such property be owned by the United States or any agency thereof, or the State of Texas, or any agency or political subdivision thereof, or by the City or by any public or private corporation, or by any person whomsoever or by any combination of such owners. Any such repair or replacement shall be to the satisfaction, and subject to the approval, of the City Engineer.

**3. Permits; Compliance with Law:**

Developer shall, at Developer's expense, obtain all necessary permits and licenses for the construction of such improvements, give all necessary notices and pay all fees and taxes required by law. The Developer understands and agrees that all City ordinances and codes, including applicable permits, fees and inspections, shall be of full force and effect within its boundaries the same as to other areas within the City's corporate limits and this Contract shall at all times be subject to the City Code of Ordinances.

**4. Superintendence by Developer:**

Developer shall give personal superintendence to the work of the improvements, or have a competent foreman or superintendent, satisfactory to the City Engineer, on the work at all times during progress, with authority to act for Developer.

**5. Inspection by City:**

Developer shall at all times maintain proper facilities and provide safe access for inspection by City to all parts of the work and to the shops wherein the work is in preparation.

6. **<u>Repair or Reconstruction of Defective Work:</u>**

If, within a period of one year after final acceptance of the work performed, under this agreement, any structure or part of any structure furnished, and/or installed or constructed, or caused to be installed or constructed by Developer, or any of the work done under this agreement, fails to fulfill any of the requirements of this agreement, or the specifications referred to herein, Developer shall without delay and without any cost to the City, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or structure. Should Developer fail to act promptly or in accordance with this requirement or should the exigencies of the case require repairs or replacements, to be made before developer can be notified, City may, at its option, make the necessary repairs or replacements or perform the necessary work and Developer shall pay to City the actual cost of such repairs plus fifteen percent (15%).

7. **<u>Definition and Ownership of Improvements:</u>**

a. The term **“Improvements"** as defined herein and described on **Exhibit “B”** shall include Water, Sanitary Sewer, Streets, Sidewalks, and Storm Drainage Facilities, that shall be shown in detail upon plans, profiles and specifications that have been prepared by engineers acting for Developer subject to approval by the City Engineer. No work on these improvements shall be commenced until plans and profiles therefore have been submitted to and approved by the City Engineer. The cost of plan checking and inspection shall be paid by Developer. All public improvements constructed or installed pursuant to this agreement, shall become the sole exclusive property of the City of Huntsville, without payment therefore, upon acceptance of the improvements by the City. Developer agrees to execute any documents required for the transfer of the completed Improvements to the City.

b. Public Improvements Plan
The Developer’s Public Improvement Plan is attached as **Exhibit “B”**. The City and the Developer agree that approvals or certifications by the City are required for each phase or part of the Public Improvement Plan. The City and the Developer agree that the Developer shall develop the Tract in accordance with the Public Improvements Plan and that the City has been induced to enter into this Contract based upon Developer’s representation that it will develop the Tracts in accordance with the Public Improvements Plan.

8. **<u>Time of Completion:</u>**

All of the public improvements shall be completed within twelve (12) months from the effective date of this Agreement. In the event that Developer fails to complete the public improvements within the twelve months' period, the City may complete the work and shall be entitled to recover the full cost and expenses thereof from Developer, or his surety, to pay the City in advance, sufficient monies to cover the City's cost in completing construction of these public improvements. The time for completion may be extended by the City Engineer, in writing, for good cause shown by the Developer. It is understood and the Developer agrees it is required to pay for the public improvements whether a plat is approved or not approved.

**9. <u>Surety:</u>**

A. Before construction begins on the Improvements, Developer shall file with the City both:

(1) acceptable surety in the amount equal to 100 percent (100%) of the estimated construction cost hereinabove set forth to guarantee performance of all the provisions of this contract, and

(2) acceptable surety in the amount equal to 100 percent (100%) of the estimated construction cost hereinabove set forth to guarantee payment to the contractor, his subcontractor, and to persons renting equipment or furnishing labor and materials to them for the improvements required under this contract.

B. Acceptable surety shall be in the form of surety bonds (issued by a company acceptable according to the latest list of companies on file with the Secretary of State of Texas), or in the form of an irrevocable letter of credit from a local bank, on a form acceptable to the City, or in the form of a cash deposit to be held by the City. In the event the Developer fails to meet its obligations contained in this Agreement, the City shall have the right to draw the entire amount of the Letter of Credit as a reimbursement to the City for the cost by the City to complete construction of the Public Improvements and any legal and administrative costs associated with completion thereof.

C. Developer shall file with City of Huntsville a maintenance bond in the amount of 10% of the estimated construction cost of all public improvements that will be accepted and maintained by the City of Huntsville.

**10. <u>Effective Date of Contract:</u>**

This agreement will become effective when all the parties have signed it. The date this agreement is signed by the last party to sign it (as indicated by the date stated opposite or under that party's signature) will be deemed the effective date of this agreement.

**11. <u>Liability for Nonperformance:</u>**

Neither the City nor any of its officers or agents shall be liable to Developer or its contractors for any error or omission arising out of or in connection with any work to be performed under this contract.

**12. Liability for Personal Injuries:**

The City shall not be liable to the Developer or to any other person, firm, or corporation whatsoever, for any injury or damage that may result to any person or property by or from any cause whatsoever in, on, or about the subdivision of the land covered by this Agreement, or any part thereof.

13. **Release and Indemnification**:

**Texas Government Code Chapter 2271. The City is prohibited from contracting with any "company" for goods and services unless the following verification is included in this contract. If Developer qualifies as a "company", then Developer verifies that it: (a) does not "boycott Israel"; and (b) will not "boycott Israel" during the term of this Agreement. For the purposes of this section only, the terms "company" and "boycott Israel" have the meaning assigned by Section 2271.001, Texas Government Code. Developer's obligations under this section, if any exist, will automatically cease or be reduced to the extent that the requirements of Chapter 2271, Texas Government Code are subsequently repealed, reduced, or declared unenforceable or invalid, in whole or in part, by any court or tribunal of competent jurisdiction or by the Texas Attorney General, without any further impact on the validity or continuity of this Agreement.**

**Foreign Terrorist Organizations. Pursuant to Chapter 2252, Texas Government Code, at the time of execution of this Agreement, if Developer qualifies as a "company" as defined by Section 2270.0001 of the Texas Government Code, then Developer verifies it is not a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code.**

**Companies that Boycott Certain Energy Companies or Discriminate Against the Firearms or Ammunitions Industries. The Developer agrees and represents that the total value of this Agreement shall not exceed of the Texas Government Code (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) and Section 2274.002(a)(2) of the Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session).**

**The Developer hereby releases and agrees to indemnify and save the City harmless from and against any and all injuries to and deaths of persons and injuries to property, and all claims, demands, costs, loss, damage and liability, howsoever the same may be caused and whensoever's the same may appear, resulting directly or indirectly from the performance or nonperformance of any or all work to be done in and upon premises adjacent thereto pursuant to this Agreement, and also from any and all injuries to and deaths of persons and injuries to property or their interests and all claims, demands, costs loss, damage, and liability, howsoever may be caused and whensoever's the same may appear, either directly or indirectly made or suffered by the Developer, the Developer's agents, employees, and subcontractors, while engaged in the performance of that work.**

Before any work pursuant to this contract, Developer's contractors shall furnish to City satisfactory evidence of an insurance policy written upon a form and by a company which meets with the approval of City insuring City, its officers, agents, and employees against loss or liability which may arise during the work or which may result from any of the work herein required to be done, including all costs of defending any claim arising as a result thereof. Minimum liability and property damage insurance shall be not less than ***$500,000*** for all damages arising out of bodily injury or to death of one person and not less than ***$1,000,000*** for all damages arising out of bodily injuries to or death of more than one person in any one occurrence; and not less than $100,000 for all damages and/or destruction of property in any one occurrence and not less than $500,000 for all damages and/or destruction of property during the policy period. This policy shall be in favor of Developer or its contractors and of the City, its officers, agents, and employees and shall be maintained in full force and effect during the life of this contract. This policy shall not be canceled until City shall have had at least thirty (30) days' notice in writing of such cancellation.

**14. <u>Liability of Developer:</u>**

The Developer agrees that the use for any purpose and by any person of any and all of the streets and improvements herein before specified, shall be at the sole and exclusive risk of the Developer at all times prior to final acceptance by the City of the completed sanitary sewer, water, and other improvements thereon and therein; provided, that acceptance by the City shall in no way eliminate or lessen any of Developer's obligations or undertakings contained in this Agreement.

**15. <u>Developer's Expenses:</u>**

The Developer shall pay for the following expenses:

a. The Developer shall cause to be made and pay for soil tests made by a reputable and certified soils testing laboratory to determine gradation, bearing, and resistance value of soils within the subdivision from which to determine the nature of the improvement necessary. The developer shall also cause to be made and pay for all compaction tests required by the City Engineer.

b. The Developer and his subcontractors shall pay for all testing of public improvements required by the City Engineer of the City before acceptance as public improvement.

c. The Developer and his subcontractors shall pay for any materials, provision, provender, and other supplies or equipment used in, upon, for or about the performance of the work contracted to be done.

d. All required improvements shall be constructed under the inspection of and subject to approval of the City Engineer. The cost of inspections shall be paid by the Developer.

e. Sewer and water fees as established by City shall be paid prior to the time of connection to any existing sewer or water line, or to any extension of an existing sewer or water line. In the event the Developer sells lots before the sewer and water connection fees are paid, no building permit shall be issued for any lot within the subdivision until the sewer and water connection fees therefore are paid. The payment of these connection fees shall be the primary obligation of Developer subject to the right of the City to collect connection fees at the time of issuance of a building permit.

**16. <u>Approval by City Engineer:</u>**

It is mutually agreed by the parties hereto that the City Engineer shall have the right to reject any or all of the work to be performed under this contract if such work does not conform to the plans and specifications mentioned herein or the ordinances of the City of Huntsville. Any damage to the sewer system, utilities, concrete work, or street paving that occurs after installation shall be made good to the satisfaction of the City Engineer by the Developer before release of bond or final acceptance of completed work.

**17. <u>Obligations of Developer:</u>**

Notwithstanding the fact that Developer's plans and specifications, completion of the work, and other acts are subject to approval of the City, it is understood and agreed that any approval by the City thereof shall in no way relieve Developer of satisfactorily performing the work or his obligations hereunder. The construction shall be done strictly in accordance with the plans and specifications prepared by Developer's engineer, with the City of Huntsville's standards and with the provisions of the Huntsville city code. In accordance to the Texas Occupations Code 1001.407, the Engineering Construction is to be performed under the direct supervision of an Engineer. "As-built" drawings are required to be submitted upon completion of the Work, certified by the Engineer supervising the Work. Developer warrants that its plans and specifications conform as a minimum to the ordinances and they are adequate to accomplish the work in good workmanlike manner and in accordance with sound construction practices. Sec. 1001.407. CONSTRUCTION OF CERTAIN PUBLIC WORKS. The state or a political subdivision of the state may not construct a public work involving engineering in which the public health, welfare, or safety is involved, unless: (1) the engineering plans, specifications, and estimates have been prepared by an engineer; and (2) the engineering construction is to be performed under the direct supervision of an engineer.

**18. Notice of Completion:**

Developer shall file a Notice of Completion with the City Engineer of the improvements herein specified. The Notice of Completion will include a letter from the Engineer of Record for the Project, certifying that the Work has been completed and installed in conformance with the plans and specifications approved by the City.

**19. Relationship of Contractors:**

It is hereby mutually covenanted and agreed by the parties hereto that Developer's contractors are not agents of City, and that the contractors' relations to City, if any, are those of independent contractors.

**20. Certification of Satisfactory Completion:**

Upon the satisfactory completion of the improvements by the Developer, the City Engineer shall certify that the work of these improvements has been satisfactorily completed.

**21. Assignment:**

This contract shall not be assignable by Developer without written consent of City.

**22. Filing of Improvement Plans:**

Upon completion of the job and subsequent to the acceptance of the job by the City, the Developer shall supply the City with electronic versions, in PDF and AutoCAD formats, one set of Engineer certified "as builts" and shall reflect the job as actually constructed, with all changes incorporated therein. In addition, the Developer shall provide to the City the materials testing results, construction submittals, change orders, and clarifications.

**23. Choice of Law; Venue; Dispute Resolution:**

This contract shall be governed by the laws of the State of Texas and venue for any lawsuit or court action shall be in district court in Walker County, Texas.

The parties recognize that disputes may occur and the Agreement involves a governmental entity and as such, there can be no delegation to a third party individual or third party entity for a final resolution of the duties and obligation of the City as herein provided. If either Party defaults in its obligations under this Agreement, the other Party must, prior to exercising a remedy available to that Party due to the default, give written notice to the defaulting Party, specifying the nature of the alleged default and the manner in which it can be satisfactorily cured, and extend to the defaulting Party at least 30 days from receipt of the notice to cure the default. If the nature of the default is such that it cannot reasonably be cured within the 30-day period, the commencement of the cure within the 30-day period and the diligent prosecution of the cure to completion will be deemed a cure within the cure period.

If either Party defaults under this Agreement and fails to cure the default within the applicable cure period, the non-defaulting Party will have all rights and remedies available under this Agreement or applicable law, including the right to institute legal action to cure any default, to enjoin any threatened or attempted violation of this Agreement or to enforce the defaulting Party's obligations under this Agreement by specific performance or writ of mandamus, or to terminate this Agreement. All remedies available to a Party will be cumulative and the pursuit of one remedy will not constitute an election of remedies or a waiver of the right to pursue any other available remedy.

**24. <u>Merger and Modifications:</u>**

This Contract, including the exhibits that are attached hereto and incorporated herein for all purposes, embodies the entire agreement between the parties relative to the subject matter hereof. This Contract shall be subject to change or modification only with the written mutual consent of the parties.

**25. <u>Reservation of Rights:</u>**

All rights, powers, privileges and authority of the parties hereto not restricted or affected by the express terms and provisions hereof are reserved by the parties and, from time to time, may be exercised and enforced by the parties.

**26. <u>Captions:</u>**

All rights, powers, privileges and authority of the parties hereto not restricted or affected by the express terms and provisions hereof are reserved by the parties and, from time to time, may be exercised and enforced by the parties.

**27. <u>Severability:</u>**

The provisions of this Contract are severable, and if any part of this Contract or the application thereof to any person or circumstances shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Contract and the application of part of this Contract to other persons or circumstances shall not be affected thereby.

**28. <u>Benefits of Contract:</u>**

This Contract is for the benefit of the City and the Developer and shall not be construed to confer any benefit on any other person except as expressly provided for herein.

**29. <u>Addresses and Notice:</u>**

Unless otherwise provided in this Contract, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called “Notice”) herein provided or permitted to be given, made, or accepted by any party to the other (except bills), must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to such party, addressed to the party to be notified. Notice deposited in the mail in the manner herein above described shall be conclusively deemed to be effective, unless otherwise stated in this Contract, from and after the expiration of three (3) days after it is so deposited. Notice given in any such other manner shall be effective when received by the party to be notified. For the purpose of notice, addresses of the parties shall, until changed as hereinafter provided, be as follows:

***If to the City, to:***

City of Huntsville<br>
1212 Avenue M<br>
Huntsville, Texas 77340<br>
Phone: (936) 294-5760<br>
Attn: Dr. Kathlie S. Jeng-Bulloch, P.E., BC.WRE, CFM, City Engineer<br>
kjengbulloch@huntsvilletx.gov

***If to the Developer, to:***

Winter Wonder LLC<br>
30819 Quinn Road<br>
Tomball, Texas 77375<br>
Phone: (832) 457-0311<br>
Attn: Spencer Covey, Owner<br>
spencer@thechristmasvillage.com

The parties shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify any other address by at least fifteen (15) days written notice to the other.

Executed on ____ day of ___________________________, 2025, at_____________, Texas

CITY OF HUNTSVILLE ATTEST:

BY:____________________
Scott E. Swigert, MPA, City Manager

BY:______________________
Kristy Doll, City Secretary

APPROVED AS TO FORM:

BY:____________________
Leonard Schneider, City Attorney

APPROVED AS TO CONTENT:

BY:______________________
Dr. Kathlie S. Jeng-Bulloch, P.E., BC.WRE, CFM
City Engineer, Director of Engineering Department

**Developer:** Winter Wonder LLC_________

By: ____________________________
Spencer Covey, Owner

Date: _____________________________

STATE OF TEXAS §

COUNTY OF ________ §

This instrument was acknowledged before me on the ____ day of __________, 2025, by Spencer Covey as Owner, Winter Wonder LLC, and who represents he has been given authority to sign this Agreement by and on behalf of said entities.

_____________________________________
Notary Public, State of Texas

BLEYL ENGINEERING
PLANNING • DESIGN • MANAGEMENT

100 Nugent Street
Conroe, Texas 77301
Phone (936) 441-7833
Fax (936) 760-3833

# Engineer's Preliminary Opinion of Probable Cost

## The Christmas Village Waterline (8-Inch)

## Bleyl Project No. 13416

## March 3, 2025

| No. | DESCRIPTION | QUANTITY | UNIT | UNIT COST | COST |
|---|---|---|---|---|---|
| | The Christmas Village Waterline (8-Inch) | | | | |
| 1 | Mobilization, Bonds, Insurance, etc. (5% max) | 1 | LS | $ 18,000.00 | $ 18,000.00 |
| 2 | Install 8-inch C-900 DR-18 PVC Waterline w/ Restrained Joints and 16" Steel Casing and All Appurtenances (Dry Bore) | 540 | LF | $ 550.00 | $ 297,000.00 |
| 3 | Install 8-inch TS&V and All Appurtenances to Connect to Existing Water Main | 1 | LS | $ 10,000.00 | $ 10,000.00 |
| 4 | 8-inch Gate Valve | 2 | LS | $ 5,000.00 | $ 10,000.00 |
| 5 | 2-inch Blow Off | 2 | LS | $ 4,000.00 | $ 8,000.00 |
| 6 | Temporary Erosion Control | 1 | LS | $ 2,500.00 | $ 2,500.00 |
| 7 | Traffic Control | 1 | LS | $ 15,000.00 | $ 15,000.00 |
| 8 | Hydromulch Seeding of Disturbed Areas | 1 | LS | $ 5,000.00 | $ 5,000.00 |
| | TOTAL PROJECT COSTS | | | | |
| | | | | SUBTOTAL | $365,500.00 |
| | | | | CONTINGENCIES (15%) | $55,000.00 |
| | | | | **TOTAL COST** | **$420,500.00** |

**NOTES:**

1 This estimate represents my best judgement as a design professional familiar with the construction industry. Bleyl Engineering has no control over the cost of labor, materials, or equipment; over the Contractor's methods of determining bid prices; or over competitive bidding or market conditions. Therefore, we cannot and do not guarantee that bids will not vary from this cost estimate.

This Document is Released for the Purpose of:
**General Planning**
Under the Authority of:
Engineer: Morgan Brown, P.E.
License No.: 147737
It is Preliminary in Nature and not to be Used for Feasibility of Land Purchases,

8-1

BLEYL ENGINEERING
PLANNING • DESIGN • MANAGEMENT

100 Nugent Street
Conroe, Texas 77301
Phone (936) 441-7833
Fax (936) 760-3833

# Engineer's Preliminary Opinion of Probable Cost

## The Christmas Village Waterline (12-Inch)

## Bleyl Project No. 13416

## March 3, 2025

| The Christmas Village Waterline (12-Inch) | | | | | | | |
|---|---|---|---|---|---|---|---|
| *No.* | *DESCRIPTION* | *QUANTITY* | *UNIT* | | *UNIT COST* | | *COST* |
| 1 | Mobilization, Bonds, Insurance, etc. (5% max) | 1 | LS | $ | 24,000.00 | $ | 24,000.00 |
| 2 | Install 12-inch C-900 DR-18 PVC Waterline w/ Restrained Joints and 20" Steel Casing and All Appurtenances (Dry Bore) | 540 | LF | $ | 750.00 | $ | 405,000.00 |
| 3 | Install 12-inch TS&V and All Appurtenances to Connect to Existing Water Main | 1 | LS | $ | 15,000.00 | $ | 15,000.00 |
| 4 | 12-inch Gate Valve | 2 | LS | $ | 8,000.00 | $ | 16,000.00 |
| 5 | 2-inch Blow Off | 1 | LS | $ | 4,000.00 | $ | 4,000.00 |
| 6 | Temporary Erosion Control | 1 | LS | $ | 2,500.00 | $ | 2,500.00 |
| 7 | Traffic Control | 1 | LS | $ | 15,000.00 | $ | 15,000.00 |
| 8 | Hydromulch Seeding of Disturbed Areas | 1 | LS | $ | 5,000.00 | $ | 5,000.00 |

TOTAL PROJECT COSTS

| | |
|---|---|
| SUBTOTAL | $486,500.00 |
| CONTINGENCIES (15%) | $73,000.00 |
| **TOTAL COST** | **$559,500.00** |

**NOTES:**

1 This estimate represents my best judgement as a design professional familiar with the construction industry. Bleyl Engineering has no control over the cost of labor, materials, or equipment; over the Contractor's methods of determining bid prices; or over competitive bidding or market conditions. Therefore, we cannot and do not guarantee that bids will not vary from this cost estimate.

This Document is Released for the Purpose of:
**General Planning**
Under the Authority of:
Engineer: Morgan Brown, P.E.
License No.: 147737
It is Preliminary in Nature and not to be Used for Feasibility of Land Purchases,

12"

486,500
365,500
$ 121,000

559,500
420 500
139

**CITY COUNCIL AGENDA**
5/6/2025

**Agenda Item Number:** 2.c.

**Agenda Item:** Consider entering into an Interlocal Agreement with Walker County to share in preliminary engineering costs associated with the TxDOT Transportation Alternative Grant for the proposed project on University Avenue.

**Initiating Department/Presenter:** City Manager

**Presenter:**
Sam Masiel, Assistant City Manager

**Recommended Motion:** Motion to authorize the City Manager to enter into an interlocal agreement with Walker County, Texas, for shared engineering costs in the amount of $11,377.50, related to the 2025 TxDOT Transportation Alternative Grant for the proposed project on University Avenue.

**Strategic Initiative:** Strategic Priority #3, Quality of Life – Establish an environment where citizens can thrive and enjoy the city in which they live. Provide services that enhance the quality of life for all, with focus on the full life cycle (children, students, families, and retirees) - by creating amenities that support physical, mental and social well-being. Support access to quality health services, education, housing, transportation, recreation and natural environment.

**Discussion:** Walker County is applying for the 2025 TxDOT Transportation Alternative project grant and is seeking a partnership with the city to beautify the downtown area and extend a shared-use pathway (SUP) from 12th to 17th Street. This new pathway would connect the downtown area to the campus of Sam Houston State University (SHSU), a project that has been discussed for many years as a crucial part of revitalizing our downtown.

The County will apply for and manage the grant, while the City will provide letters of support to TxDOT, creative design ideas for the SUP, and will be responsible for its maintenance after completion. Additionally, the grant project will require preliminary engineering costs totaling $22,755. Bleyl Engineering will perform the engineering services for Walker County. As part of the partnership, Walker County has requested that the City of Huntsville share the engineering costs equally, with each entity contributing $11,377.50.th to 17th street. The new pathway would link the downtown area to the campus of SHSU, something that has been discussed for many years as being an important part of revitalizing our downtown area.

The County would apply for and administer the grant, the City would provide letters of support to TxDot, creative design ideas for the SUP, and be responsible for its maintenance after completion.

In addition, the grant project will require preliminary engineering costs for the scope of work in the amount of $22,755. Bleyl Engineering is the firm performing the scope of engineering services for Walker County. In regards to the partnership, the Walker County has requested the City of Huntsville to participate in equally sharing the cost of the engineering cost in the amount of $11,377.50 per entity.

**Previous Council Action:** 2/18/2025-City Council approved the City of Huntsville's partnership with Walker County on the 2025 TxDot Transportation Alternative project grant.

**Financial Implications:** $11,377.50

**Approvals:**
Leonard Schneider
Sam Masiel
Scott Swigert
Kristy Doll

**Associated Information:**
1. CountyExecutedAgreement

Commissioners Court
Walker County
1100 University Ave
Huntsville, TX 77320

Date: April 15, 2025

Walker County and the City of Huntsville hereby agree to enter into an Interlocal Agreement wherein both parties will participate in equally the sharing the cost of the preliminary engineering costs the 2025 TX DoT Transportation Alternative Grant for the proposed project on University Avenue.

**Bleyl Engineering: Total Estimated Cost $22,755.00**

The cost agreed upon shall not exceed $11,377.50 per entity.

Approved by the Mayor of Huntsville and Commissioners' Court of Walker County.

Approved

County Judge

Commissioner, Pct 1

Commissioner, Pct 2

Commissioner, Pct 3

Commissioner, Pct 4

April 21, 2025
Date

Mayor of Huntsville

Date

COMMISSIONERS COURT ★ WALKER COUNTY, TEXAS ★

**CITY COUNCIL AGENDA**
5/6/2025

**Agenda Item Number:** 2.d.

**Agenda Item:** **First Reading** - Consider authorizing the City Manager to award the purchase of Street Milling/Overlay Services, Street Reconstruction, and Thermoplastic Pavement Striping.

**Initiating Department/Presenter:** Public Works

**Presenter:**
Brent Sherrod, Public Works Director

**Recommended Motion:** **FIRST READING –** Move to waive the two-reading requirement and authorize the City Manager to award the purchase of Street Milling/Overlay/Reconstruction/Pavement Striping Services to Larry Young Paving for $2,361,592.00.

**Strategic Initiative:** Strategic Priority #4, Infrastructure - Develop and maintain a comprehensive and well-planned infrastructure network that prepares for the challenges of the future and provides quality, modern and efficient, water, wastewater, drainage and transportation services.

**Discussion:** As part of the City Council's 2014 Strategic Plan, the City awarded a comprehensive street assessment study to Infrastructure Management Services (IMS), with the primary goal being to determine the condition and rank City streets based on data gathered by IMS. IMS provided the City with a street condition assessment and a five (5) year maintenance plan for improving the overall street condition within the City. The street assessment and 5-year maintenance plan were approved and performed again in 2020 by IMS.

Based on the findings, the City has solicited annual competitive sealed proposals for street milling with overlay, with the current fiscal year requirements reflected in the attached bid tabulation. The bid notice was published as required in the Huntsville Item and posted on the City of Huntsville website and on the Public Purchase bid platform.

Three (3) bids were received and opened on April 22, 2025, in response to an invitation for bids for current-year street paving requirements. The specifications stated an award based on best value, with selection criteria including, but not limited to, purchase price, similar work experience history, technical expertise and experience, and overall proposal suitability. The bids received are reflected in the attached bid tabulation.

Public Works staff has evaluated the bids received to determine the best value to the City with respect to the considerations referenced above. The lowest bidder, Larry Young Paving, offers high-quality milling and overlay services as seen in past projects with the City of Huntsville and recommended by the Cities of Bryan and Conroe. Larry Young Paving is thereby recommended for the award for the current year's requirements. Given the positive experience of Huntsville, Bryan, and Conroe with this contractor for these paving services and being the low bidder by a significant amount, Larry Young Paving's response is considered by Public Works management staff to offer the best value to the City.

**Previous Council Action:** N/A

**Financial Implications:** The item is budgeted in account 101-323-53051 for $2,361,592.00.

**Approvals:**
Brent Sherrod
Leonard Schneider
Sam Masiel
Scott Swigert
Kristy Doll

**Associated Information:**

1. Bid Tab - RFP 25-25 Street Asphaltic Concrete Paving with Milling and Street Reconstruction Services

**Bid Tabulation**
**RFP 25-25 Street Asphaltic Concrete Paving with Milling and Street Reconstruction Services**
**Location: 1220 11th Street Huntsville, TX 77340**
**Date: April 22, 2025 Time: 2:00 P.M.**

| | | | | | Larry Young Paving | | Vulcan Materials Asphalt and Construction LLC | | Texas Materials Group, Inc. | |
|---|---|---|---|---|---|---|---|---|---|---|
| **On Street** | **From** | **To** | **Square Yards** | **Maintenance Type** | **Unit Price SQYD** | **Total price for Street Segment** | **Unit Price SQYD** | **Total price for Street Segment** | **Unit Price SQYD** | **Total price for Street Segment** |
| 12th Street | AVE I | AVE I | 206 | FMW+2" HMAC | $ 16.65 | $ 3,429.90 | $ 19.85 | $ 4,089.10 | $ 29.70 | $ 6,118.20 |
| 12th Street | Ave I | Ave J | 1598 | FWM+2"HMAC | $ 16.65 | $ 26,606.70 | $ 19.85 | $ 31,720.30 | $ 29.70 | $ 47,460.60 |
| 13th Street | Ave J | Ave J | 224 | FWM+2"HMAC | $ 16.65 | $ 3,729.60 | $ 19.85 | $ 4,446.40 | $ 29.70 | $ 6,652.80 |
| 13th Street | Ave J | University | 2016 | FWM+2"HMAC | $ 16.65 | $ 33,566.40 | $ 19.85 | $ 40,017.60 | $ 29.70 | $ 59,875.20 |
| 14th Street | Ave I | Ave J | 1333 | FWM+2"HMAC | $ 16.65 | $ 22,194.45 | $ 19.85 | $ 26,460.05 | $ 29.70 | $ 39,590.10 |
| 14th Street | Ave J | University | 1590 | FWM+2"HMAC | $ 16.65 | $ 26,473.50 | $ 19.85 | $ 31,561.50 | $ 29.70 | $ 47,223.00 |
| Ave J | 14th Street | 15th Street | 1516 | FWM+2"HMAC | $ 16.65 | $ 25,241.40 | $ 19.85 | $ 30,092.60 | $ 29.70 | $ 45,025.20 |
| Collard Street | Montgomery Rd | IH45 S Feeder Rd | 6180 | FWM+2"HMAC | $ 16.65 | $ 102,897.00 | $ 19.85 | $ 122,673.00 | $ 29.70 | $ 183,546.00 |
| Baker Street | Crawford St | Montgomery Rd | 597 | FWM+2"HMAC | $ 16.65 | $ 9,940.05 | $ 19.85 | $ 11,850.45 | $ 29.70 | $ 17,730.90 |
| Crawford Street | Montgomery Rd | Baker St | 1394 | FWM+2"HMAC | $ 16.65 | $ 23,210.10 | $ 19.85 | $ 27,670.90 | $ 29.70 | $ 41,401.80 |
| Crawford Street | Baker St | North End | 441 | FWM+2"HMAC | $ 16.65 | $ 7,342.65 | $ 19.85 | $ 8,753.85 | $ 29.70 | $ 13,097.70 |
| Windridge Labe | Montgomery | Prentice | 1196 | FWM+2"HMAC | $ 16.65 | $ 19,913.40 | $ 19.85 | $ 23,740.60 | $ 29.70 | $ 35,521.20 |
| El Rd | Goodrich | Old Colony | 1734 | FWM+2"HMAC | $ 16.65 | $ 28,871.10 | $ 19.85 | $ 34,419.90 | $ 29.70 | $ 51,499.80 |
| Haywood Street | Patrick | Sprott | 1918 | FWM+2"HMAC | $ 16.65 | $ 31,934.70 | $ 19.85 | $ 38,072.30 | $ 29.70 | $ 56,964.60 |
| Patrick Street | Trinity Cut Off | Haywood | 973 | FWM+2"HMAC | $ 16.65 | $ 16,200.45 | $ 19.85 | $ 19,314.05 | $ 29.70 | $ 28,898.10 |
| Ave M | Windsor | Nottingham | 961 | FWM+2"HMAC | $ 16.65 | $ 16,000.65 | $ 19.85 | $ 19,075.85 | $ 29.70 | $ 28,541.70 |
| Josey Street | Sam Houston | Ave M | 4735 | FWM+2"HMAC | $ 16.65 | $ 78,837.75 | $ 19.85 | $ 93,989.75 | $ 29.70 | $ 140,629.50 |
| Bent Bough Pk | Raven Hill | Piney Bough | 2898 | FWM+2"HMAC | $ 16.65 | $ 48,251.70 | $ 19.85 | $ 57,525.30 | $ 29.70 | $ 86,070.60 |
| Thornwood Way | Raven Hill | Piney Bough | 2788 | FWM+2"HMAC | $ 16.65 | $ 46,420.20 | $ 19.85 | $ 55,341.80 | $ 29.70 | $ 82,803.60 |
| Azalea Circle (ALL) | West Greenbriar | West Greenbriar | 5985 | FWM+2"HMAC | $ 16.65 | $ 99,650.25 | $ 19.85 | $ 118,802.25 | $ 29.70 | $ 177,754.50 |
| Ravens Hope Ct | Azalea Circle | Azalea Circle | 826 | FWM+2"HMAC | $ 16.65 | $ 13,752.90 | $ 19.85 | $ 16,396.10 | $ 29.70 | $ 24,532.20 |
| Devonshire | Wickersham | SW End | 1030 | FWM+2"HMAC | $ 16.65 | $ 17,149.50 | $ 19.85 | $ 20,445.50 | $ 29.70 | $ 30,591.00 |
| Wickersham (2000blk) | Overbrook | South End | 2818 | FWM+2"HMAC | $ 16.65 | $ 46,919.70 | $ 19.85 | $ 55,937.30 | $ 29.70 | $ 83,694.60 |
| Wickersham (1700blk) | Overbrook | Devonshire | 807 | FWM+2"HMAC | $ 16.65 | $ 13,436.55 | $ 19.85 | $ 16,018.95 | $ 29.70 | $ 23,967.90 |
| Wickersham | Devonshire | North End | 1113 | FWM+2"HMAC | $ 16.65 | $ 18,531.45 | $ 19.85 | $ 22,093.05 | $ 29.70 | $ 33,056.10 |
| Overbrook Dr (LOOP) | Address#870 | | 1092 | FWM+2"HMAC | $ 16.65 | $ 18,181.80 | $ 19.85 | $ 21,676.20 | $ 29.70 | $ 32,432.40 |
| Overbrook Dr (LOOP) | Address#847 | | 950 | FWM+2"HMAC | $ 16.65 | $ 15,817.50 | $ 19.85 | $ 18,857.50 | $ 29.70 | $ 28,215.00 |
| Augusta Dr | Greenbriar | Cherry Hills | 6798 | FWM+2"HMAC | $ 16.65 | $ 113,186.70 | $ 19.85 | $ 134,940.30 | $ 29.70 | $ 201,900.60 |
| Inwood | Broadmoor | SE End | 2533 | FWM+2"HMAC | $ 16.65 | $ 42,174.45 | $ 19.85 | $ 50,280.05 | $ 29.70 | $ 75,230.10 |
| West Ln | Broadmoor | 516'East(concrete) | 1505 | FWM+2"HMAC | $ 16.65 | $ 25,058.25 | $ 19.85 | $ 29,874.25 | $ 29.70 | $ 44,698.50 |
| Ave I | 12th St | Bearkat | 8801 | FWM+2"HMAC | $ 16.65 | $ 146,536.65 | $ 19.85 | $ 174,699.85 | $ 29.70 | $ 261,389.70 |
| Bearkat | Bobby K Marks | Ave I | 2367 | FWM+2"HMAC | $ 16.65 | $ 39,410.55 | $ 19.85 | $ 46,984.95 | $ 29.70 | $ 70,299.90 |
| Bearkat | Ave I | Ave J | 1631 | FWM+2"HMAC | $ 16.65 | $ 27,156.15 | $ 19.85 | $ 32,375.35 | $ 29.70 | $ 48,440.70 |
| Bearkat | Ave J | University | 2207 | FWM+2"HMAC | $ 16.65 | $ 36,746.55 | $ 19.85 | $ 43,808.95 | $ 29.70 | $ 65,547.90 |
| Samantha Ln | Powell Rd | West End | 2640 | EM+2" HMAC | $ 19.90 | $ 52,536.00 | $ 19.85 | $ 52,404.00 | $ 29.70 | $ 78,408.00 |
| Old Colony Rd | Hwy 19 | 91'East of Dee Ln | 3717 | EM+2" HMAC | $ 19.90 | $ 73,968.30 | $ 19.85 | $ 73,782.45 | $ 29.70 | $ 110,394.90 |
| Hayman | Powell | Manor | 1359 | ACC Rehab. | $ 38.65 | $ 52,525.35 | $ 48.70 | $ 66,183.30 | $ 54.25 | $ 73,725.75 |
| Wolverton | Cline | South End | 1027 | ACC Rehab. | $ 38.65 | $ 39,693.55 | $ 48.70 | $ 50,014.90 | $ 54.25 | $ 55,714.75 |
| Dogwood | US 190 | SW End | 1926 | ACC Rehab. | $ 38.65 | $ 74,439.90 | $ 48.70 | $ 93,796.20 | $ 54.25 | $ 104,485.50 |
| 17th St | University | Sam Houston | 1185 | PCC Recon. | $ 86.50 | $ 102,502.50 | $ 106.00 | $ 125,610.00 | $ 117.30 | $ 139,000.50 |
| 17th St | Sam Houston | Ave M | 1473 | PCC Recon. | $ 86.50 | $ 127,414.50 | $ 106.00 | $ 156,138.00 | $ 117.30 | $ 172,782.90 |
| 17th St | Ave M | Ave N | 1519 | PCC Recon. | $ 86.50 | $ 131,393.50 | $ 106.00 | $ 161,014.00 | $ 117.30 | $ 178,178.70 |
| 17th St | Ave N | Ave O | 1901 | PCC Recon. | $ 86.50 | $ 164,436.50 | $ 106.00 | $ 201,506.00 | $ 117.30 | $ 222,987.30 |
| Sycamore | Hwy 190 | Sam Houston Ave | 7670 | Restripe | $ 3.15 | $ 24,160.50 | $ 1.50 | $ 11,505.00 | $ 5.60 | $ 42,952.00 |
| Robinson Creek | FM 1374 | IH45 Feeder Rd | 3346 | Restripe | $ 3.15 | $ 10,539.90 | $ 1.50 | $ 5,019.00 | $ 3.70 | $ 12,380.20 |
| Woodward | Smither | Robinson Creek | 2031 | Restripe | $ 3.15 | $ 6,397.65 | $ 1.50 | $ 3,046.50 | $ 4.70 | $ 9,545.70 |
| Bowers Blvd | Bobby K Marks | Bearkat Blvd | 4088 | Restripe | $ 3.15 | $ 12,877.20 | $ 1.50 | $ 6,132.00 | $ 3.35 | $ 13,694.80 |
| Bearkat Blvd | Bobby K Marks | Hwy 19 | 13670 | Restripe | $ 3.15 | $ 43,060.50 | $ 1.50 | $ 20,505.00 | $ 1.60 | $ 21,872.00 |
| Veterans Memorial Blvd | IH45 Feeder South | IH45 Feeder North | 59342 | Restripe | $ 3.15 | $ 186,927.30 | $ 1.50 | $ 89,013.00 | $ 1.00 | $ 59,342.00 |
| Smither Dr | Veterans Memorial | IH45 | 4428 | Restripe | $ 3.15 | $ 13,948.20 | $ 1.50 | $ 6,642.00 | $ 4.15 | $ 18,376.20 |
| **TOTAL PRICE FOR ALL LISTED STREET SEGMENTS** | | | | | $ | 2,361,592.00 | $ | 2,606,317.20 | $ | 3,534,242.90 |
| PLEASE STATE REQUESTED UNIT PRICING BELOW FOR ADDITIONAL WORK, AS NEEDED: | | | | | | | | | | |
| Additional Unnamed Streets – Unit price per square yard for Edge Mill & 2" HMAC | | | | | $ | 19.90 | $ | 19.85 | $ | 29.70 |
| | | | | | sq. yd. | | sq. yd. | | sq. yd. | |
| Additional Unnamed Streets – Unit price per square yard for FWM Mill & Lay 2" HMAC | | | | | $ | 16.65 | $ | 19.85 | $ | 29.70 |
| | | | | | sq. yd. | | sq. yd. | | sq. yd. | |
| Additional Unnamed Streets – Unit price per square yard for ACC rehabilitation | | | | | $ | 38.65 | $ | 48.70 | $ | 54.25 |
| | | | | | sq. yd. | | sq. yd. | | sq. yd. | |
| Additional Unnamed Streets – Unit price per linear lane mile of thermoplastic striping | | | | | $ | 11,880.00 | $ | 1.50 | $ | 29,250.00 |
| | | | | | LLM | | LLM | | LLM | |