



## CITY OF BANDERA CITY COUNCIL REGULAR MEETING

Bandera City Hall, 511 Main Street, Bandera, Texas  
Tuesday, December 10, 2024 at 6:00 PM

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511 Main St. • PO Box 896 • Bandera, Texas 78003 • P: (830) 796-3765 • F: (830) 796-4247

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### AGENDA

1. **Call to order.**
2. **Invocation and Pledge.**
3. **Visitors to be heard (shall not exceed 30 minutes total).**

*Citizens wishing to be heard may do so on all matters except personnel matters, matters listed on the agenda as a public hearing, and matters under litigation. Each person addressing the council must provide his/her legal name and current address for city records and meeting minute preparation. Each person will only be allowed to speak on matters on the agenda during citizen's forum/public comment. No rebuttals will be permitted. Each person addressing the governing body shall not exceed three (3) minutes. Section 551.042, Government Code, V.T.C.A. (i.e. Texas Open Meetings Act) permits a member of the public or a member of the governmental body to raise a subject that has not been included in the notice for the meeting, but any discussion of the subject must be limited to a proposal to place the subject on the agenda for a future meeting. All remarks shall be addressed to the council as a body, and not to any individual member thereof. Any person making personal, impertinent, or slanderous remarks while addressing the council may be requested to leave the meeting.*

4. **Consent Agenda.**

- A. Approval of minutes from the November 12, 2024, Regular City Council Meeting.
- B. Approval of Resolution 2024-047 designating the City's official newspaper.
- C. Approval of the 2025 Holiday Calendar.

5. **Presentations.**

- A. Presentation of an award to Mayor Rebeca Gibson for her dedication and service to the City of Bandera.
- B. Presentation on Camera / Video Public Safety Program by Flock Safety LLC.

6. **Discussion and possible action on the following items:**

- A. Appointment of Municipal Court Judge per Sec 7.01.002 (a).
- B. Appointment of Associate Municipal Court Judge per Sec 7.01.002 (e)
- C. Appointment of Municipal Court Clerk per Sec 7.01.003 (a).
- D. Appointment of Municipal Deputy Court Clerk per Sec 7.01.003 (c).
- E. Approval of Resolution 2024-040 for a Conflict Of Interest policy.
- F. First reading of Resolution 2024-041, approving a project of the Bandera Economic Development Corporation for approving disbursement of \$60,000 for a project for Country Christmas in the Park.
- G. Approval of Resolution 2024-042 to approve a restricted funds policy for funds that can only be used for the intended purpose of the funds and approving the establishing restricted funds accounts for Country Christmas in the Park and Nightmare on Maple. - Wright.

- H. Discuss and possible action on Resolution 2024-043, selecting Professional Bond Counsel Services as required for the preparation and submission of the 2024 Texas Water Development Board Clean Water State Revolving Fund grant application.
- I. Discuss and possible action on Resolution 2024-044, selecting Professional Financial Advising Services as required for the preparation and submission of the 2024 Texas Water Development Board Clean Water State Revolving Fund grant application.
- J. Approval of Resolution 2024-045 authorizing and approving the execution of a Principal Forgiveness agreement with the Texas Water Development Board in the amount of \$1,400,000, and other matters related thereto.
- K. Approval of Ordinance 449 authorizing the issuance combination tax and surplus revenue certificates of obligation, taxable series 2025A, in the principal amount of \$3,000,000, Awarding the sale of such certificates of obligation and ordaining other matters related thereto.
- L. Approval of Resolution 2024-046 for a Merit Base Raise Policy.- Farmer
- M. Approval of the proposal for engineering services to support the development of a transportation alternative set-aside grant proposal for SH 16 TASA Grant.

**7. Closed Session.**

*A. The City Council will meet in closed session pursuant to Texas Government Code Section 551.072 to deliberate the purchase, exchange, lease, or value of real property.*

*A) Waste Water Treatment Plant*

**8. Action following Closed Session.**

**9. Requests and Announcements.**

- A. Requests by Council to place items on an agenda.
- B. Announcements by Council.

**10. Adjourn.**

/s/ Jill Shelton

Jill Shelton, City Secretary

*The City Council for the City of Bandera reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matter listed above, as authorized by Texas Government Code §551.071 (Consultations with Attorney), §551.072 (Deliberations about Real Property), §551.073 (Deliberations about Gifts and Donations), §551.074 (Personnel Matters), §551.076 (Deliberations about Security Devices) and §551.086 (Economic Development). There may be a quorum of Economic Development Corporation/Planning and Zoning member at any regularly scheduled City Council Meeting. This facility is wheelchair accessible and handicapped parking is available. Requests for accommodations or interpretive services must be made 48 hours prior to the meeting. Please contact the City Secretary at (830) 796-3765. This agenda is posted in accordance with the Texas Government Code, Chapter 551 on December 7, 2024.*



# CITY OF BANDERA CITY COUNCIL REGULAR MEETING

Bandera City Hall, 511 Main Street, Bandera, Texas  
Tuesday, November 12, 2024 at 6:00 PM

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## MINUTES

### 1. Call to order.

Mayor Gibson called the meeting to order at 6:01PM

#### PRESENT

Mayor Rebeca Gibson  
Councilmember Tony Battle  
Councilmember Jeff Flowers  
Councilmember Brett Hicks  
Councilmember Lynn Palmer

#### ABSENT

Councilmember Debbie Breen

### 2. Invocation and Pledge.

Mayor Gibson offered the invocation and all stood for the pledges.

### 3. Visitors to be heard (shall not exceed 30 minutes total).

There were three visitors to be heard Patti Raab regarding cats and Robert Preston and his son Robert Keith Preston to object to eminent domain for the Wastewater Treatment Plant Relocation.

### 4. Consent Agenda.

#### A. Approval of minutes from the October 22, 2024, Regular City Council Meeting.

Motion made by Councilmember Hicks to approve the consent agenda, Seconded by Councilmember Flowers.

Voting Yea: Councilmember Battle, Councilmember Flowers, Hicks, Councilmember Palmer

Motion passes.

### 5. Presentations.

#### A. Recognition of Patricia Moore's for her contribution to Bandera, Texas Travel Industry

Mayor Gibson presented a City of Bandera official brand to Ms. Moore in appreciation for all she does for the City and the Travel Industry.

#### B. Recognition of Commissioner Jack Moseley for his Community Leadership.

Mayor Gibson presented a City of Bandera official brand to Mr. Mosley in appreciation for all he does for the Community and his dedicated leadership.

#### C. Highway 16 Improvements.- TxDot Area Engineer Andres Gonzalez

TxDot Area Engineer Andres Gonzalez updated Council on the progress of Highway 16 and its road expansion plans. He provided a slideshow of what the highway will look like after the work is done. There was some questions asked about a timeline but there was no real answer due to the elements. Once complete the Highway will be 4 lane coming into the City.

**D. Solid Waste Services Update - Republic Services, Terry Gawlik**

Republic Services, Terry Gawlik updated Council on the projects that Republic is supporting Citywide and the possibility of an additional bulk trash pickup and smaller containers for people that use less trash.

**6. Staff Reports.****A. A) Quarterly Investment Report - Allyson Wright****B) Code Enforcement Report- Jon Davis**

Reports were presented by Treasurer Allyson Wright and Code Enforcement Officer Jon Davis.

**B. Update from the committee members on Country Christmas in the Park. - Palmer/Hicks**

Committee members updated Council on the wonderful progress in the park. More donations have come in and everyone is looking for an excellent turnout.

**7. Discussion and possible action on the following items:****A. Canvas of the votes from the November 5, 2024 General Election 305-City, City Council Members and Mayor. -Gibson**

Mayor Gibson read the canvass of the votes from the November 5, 2024 General Election as follows:

Mayor Precinct 305

Cindy Coffey 94, Denise Griffin 226, Suzanne Schauman 100

Jeff Flowers 145, Josie Evans 144, Jen Endresen 94, Lynn Palmer 188

**B. Approval of Ordinance for Budget Amendments for the 2023-2024 budget year. - Wright**

Motion made by Councilmember Hicks to approve Ordinance 448, Seconded by Councilmember Battle.

Voting Yea: Councilmember Battle, Councilmember Flowers, Councilmember Hicks, Councilmember Palmer. Motion Passes

**C. Approval of Ordinance 447 for Pay Increases for the Mayor and City Council members.- Wright**

Motion made by Councilmember Battle to approve Ordinance 447, Seconded by Councilmember Hicks.

Voting Yea: Councilmember Battle, Councilmember Flowers, Councilmember Hicks, Councilmember Palmer. Motion Passes.

**D. Approval of Resolution 2024-039 for a Merit Base Raise Policy.- Farmer**

There was some discussion on this item and council requested one change and to postpone until the next meeting.

**E. Approval of Resolution 2024-038 preventing the use of Prohibited Technology and Covered Applications. - Farmer**

Motion made by Councilmember Battle to approve Resolution 2024-038, Seconded by Councilmember Palmer.

Voting Yea: Councilmember Battle, Councilmember Flowers, Councilmember Hicks, Councilmember Palmer. Motion Passes



## 8. Closed Session.

Mayor Gibson closed the meeting at 7:42PM.

**A. *The City Council will meet in closed session pursuant to Texas Government Code Section 551.072 to deliberate the purchase, exchange, lease, or value of real property.***

**A) *Waste Water Treatment Plant***

**B. *The City Council will meet in closed session pursuant to Texas Government Code Section 551.071, Consultation with Attorney, to discuss and receive an update on Best Western.***

**C. *The City Council will meet in closed session pursuant to Texas Government Code Section 551.074, Personnel Matters to wit Stan Farmer- City Administrator.***

**D. *The City Council will meet in closed session pursuant to Texas Government Code Section 551.074, Personnel Matters to wit Jill Shelton- City Secretary.***

## 9. Action following Closed Session.

Mayor Gibson opened the meeting at 9:24 PM

There was no action following closed session.

The meeting went back to item 7A

## 10. Requests and Announcements.

**A. *Requests by Council to place items on an agenda.***

There were no requests by Council.

**B. *Announcements by Council.***

There were no announcements.

## 11. Adjourn.

The meeting was adjourned at 9:29 PM

/s/ Jill Shelton

Jill Shelton, *City Secretary*

**RESOLUTION NO. 2024-047****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANDERA, TEXAS DESIGNATING AN OFFICIAL NEWSPAPER FOR THE STATUTORY PUBLICATION REQUIREMENTS ESTABLISHED BY STATE LAW; ESTABLISHING AN EFFECTIVE DATE**

**WHEREAS**, Texas Local Government Code Section 52.004 provides that as soon as practicable after the beginning of each municipal year, the governing body of the municipality shall contract, as determined by ordinance or resolution, with a public newspaper of the municipality to be the municipality's official newspaper until another newspaper is selected; and,

**WHEREAS**, the governing body shall publish in the municipality's official newspaper each ordinance, notice, or other matter required by law or ordinance to be published; and,

**WHEREAS**, Texas Government Code Section 2051.044 provides that a newspaper used to convey official notices must as a general matter devote not less than 25 percent of its total column lineage to general interest items, be published at least once each week, be entered as second-class postal matter in the county where published, and have been published regularly and continuously for at least 12 months before the governmental entity or representative publishes notice; and,

**WHEREAS**, Texas Government Code Section 2051.048 provides that a notice published by a city must, as a general matter, be published in a newspaper that is published in the city, and that will publish the notice at or below the legal rate; and,

**WHEREAS**, the attorney general has opined that a newspaper of general circulation is one that has more than a de minimis number of subscribers within a specific geographic region, has a diverse readership, and publishes some items of general interest to the community. Tex. Att'y Gen. Op. No. JC-0223 (2000).

**WHEREAS**, the City Council of the City of Bandera, Texas hereby find that it is in the best interest of the citizens of Bandera to designate an official newspaper meeting the statutory requirements as required by law.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BANDERA TEXAS;**

Section 1. The City Council, by majority vote, hereby designates the Bandera Bulletin as the official newspaper for all statutory publication requirements.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 3. All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

**RESOLUTION NO. 2024-047**

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

**PASSED AND APPROVED this 10<sup>th</sup> day of December, 2024.**

\_\_\_\_\_  
Mayor Pro Tem, Tony Battle

ATTEST:

\_\_\_\_\_  
Jill Shelton, City Secretary

# 2025 CITY OF BANDERA HOLIDAYS

Section 4, Item C.

Wednesday, January 1<sup>st</sup> - New Year's Day



Monday, January 20<sup>th</sup> - Martin Luther King Jr. Day



Monday, February 17<sup>th</sup> - President's Day



Friday, April 18<sup>th</sup> - Good Friday



Monday, May 26<sup>th</sup> - Memorial Day



Friday, July 4<sup>th</sup> - Independence Day



Monday, September 1<sup>st</sup> - Labor Day



Monday, October 13<sup>th</sup> - Columbus Day



Tuesday, November 11<sup>th</sup> - Veteran's Day



Thursday-Friday, November 27<sup>th</sup>-28<sup>th</sup> - Thanksgiving



Wednesday-Friday, December 24<sup>th</sup>-26<sup>th</sup> - Christmas

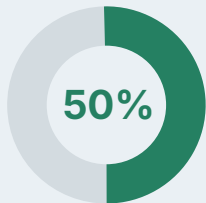


flock safety

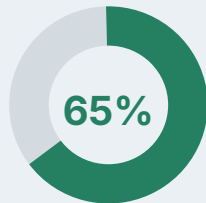
# Shape a safer future, together

DECEMBER 2024 | BANDERA, TX

# The policing paradox: fewer resources, higher stakes



Agencies reporting more resignations in 2022 than 2019<sup>1</sup>



Agencies report having too few sworn officer candidates<sup>2</sup>



Motor Vehicle Thefts are up YoY (2022-2023)<sup>3</sup>



Violent crime clearance rates down since 2019<sup>4</sup>

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What we observe

## The current reality

- Limited police resources
- Crime continues to hurt communities
- Trust is needed more than ever

Section 5, Item B.

What we believe

## The opportunity

- Technology multiplies the force
- Protect first responders and the community using technology
- Collect and distribute objective evidence to the right user
- Engage community to support and grow

# The Flock Safety Platform

Section 5, Item B.

Detect



• Falcon®



• Raven®



• Condor



• Wing®

Capture evidence with Flock Safety devices and third-party infrastructure

Decode

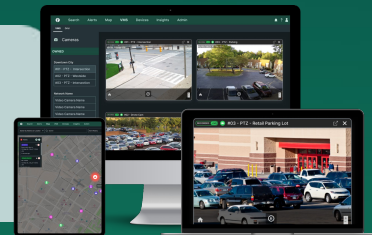
- Real-Time Routing
- Visual Search
- Multi-Geo Search
- Vehicle Fingerprint® Search
- Gunshot Localization
- Convoy Analysis
- Fireworks

Make sense of mountains of evidence instantly with AI

Deliver

- Search
- Map
- Mobile App
- Real-time Alerts
- Actionable Insights
- License Plate Lookup
- Situational Awareness

Get the right evidence into the right hands at the right time with FlockOS®



## Capture more evidence. Solve more crime.



LPR

# Falcon

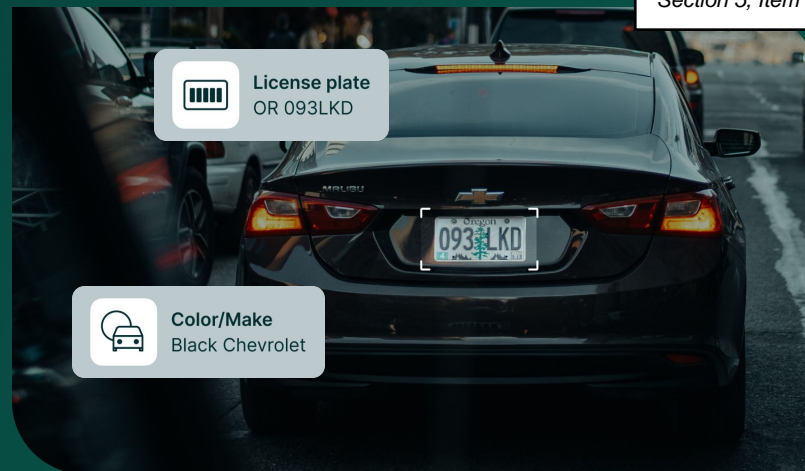


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## With Flock Safety, you get:

Flock Safety provides your police department with indiscriminate evidence from fixed locations. We provide all of the maintenance so that your police department and city staff can focus on keeping your city safe and prosperous.

Section 5, Item B.



### INFRASTRUCTURE-FREE

Reduce time to value and utility costs with full-service deployment.



### 24/7 COVERAGE

Capture objective vehicle data around the clock to multiply your force.



### REAL-TIME ALERTS

- NCIC
- NCMEC (Amber Alert)
- Custom Hot Lists



### ETHICALLY BUILT

- No people
- No facial recognition
- No speed tracking
- Indiscriminate evidence

## What this is:

- License Plate Recognition (LPR)
- Gathers objective evidence and facts about vehicles, not people
- Alerts police of wanted vehicles
- Used to solve crime
- Adheres to all state laws

## What this is not:

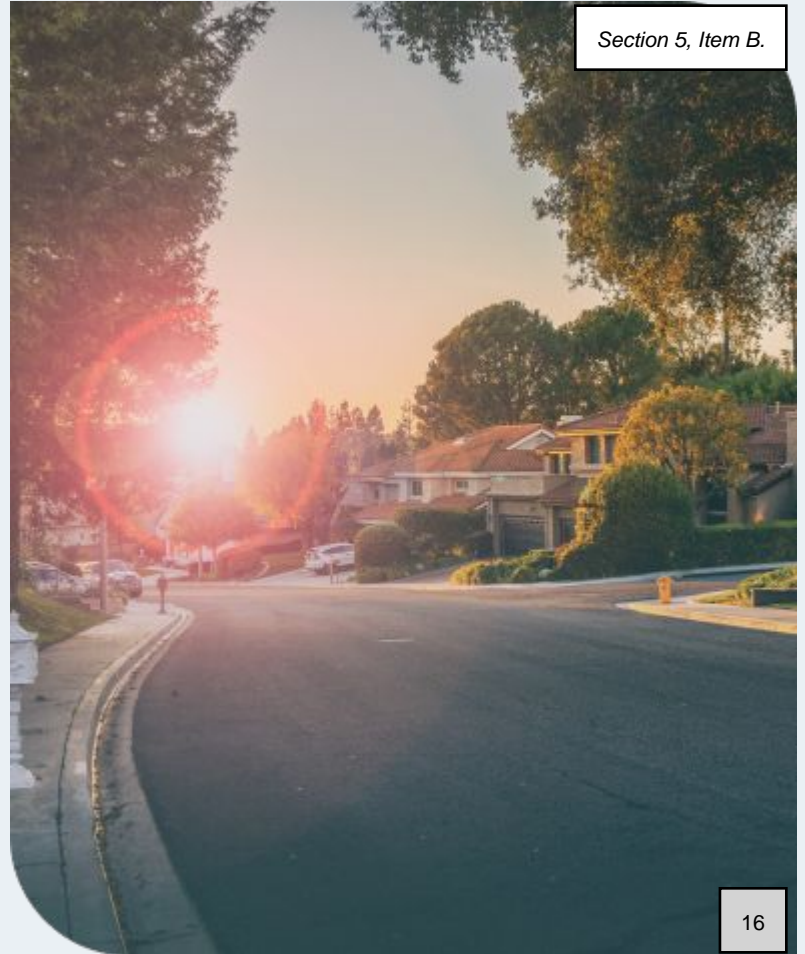
- Not facial recognition
- Not collection of biometric or sensitive information
- Not used for tracking speed or parking violations
- Data automatically deletes every 30 days

# How does this technology deter and eliminate crime?

- **Proactive:** Real-Time Alerts when stolen or wanted vehicles enter your city
- **Investigative:** As clearance rates increase, overall crime often decreases
- Flock cameras serve as a **deterrent**

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Section 5, Item B.



# A Trusted Partner

## Protecting privacy

- Footage owned by Agency/City and will never be sold to private third parties by Flock
- 30-day data retention, then automatically hard deleted
- Takes human bias out of crime-solving by detecting only objective data
- All data is stored securely with end to end encryption of all data

## Accountability mechanisms

- Search reason and user number saved in indefinitely-available audit trail
- NOT facial recognition software, NOT collecting biometric information
- NOT used for parking enforcement or tolls
- Not connected to registration data or 3rd party databases (Carfax, DMV)
- Transparency Portal (free and optional)

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# Transparency & Insights

Measure ROI and promote the ethical use of public safety technology

## Transparency Portal

- Customizable for each agency
- Display technology policies
- Publish usage metrics

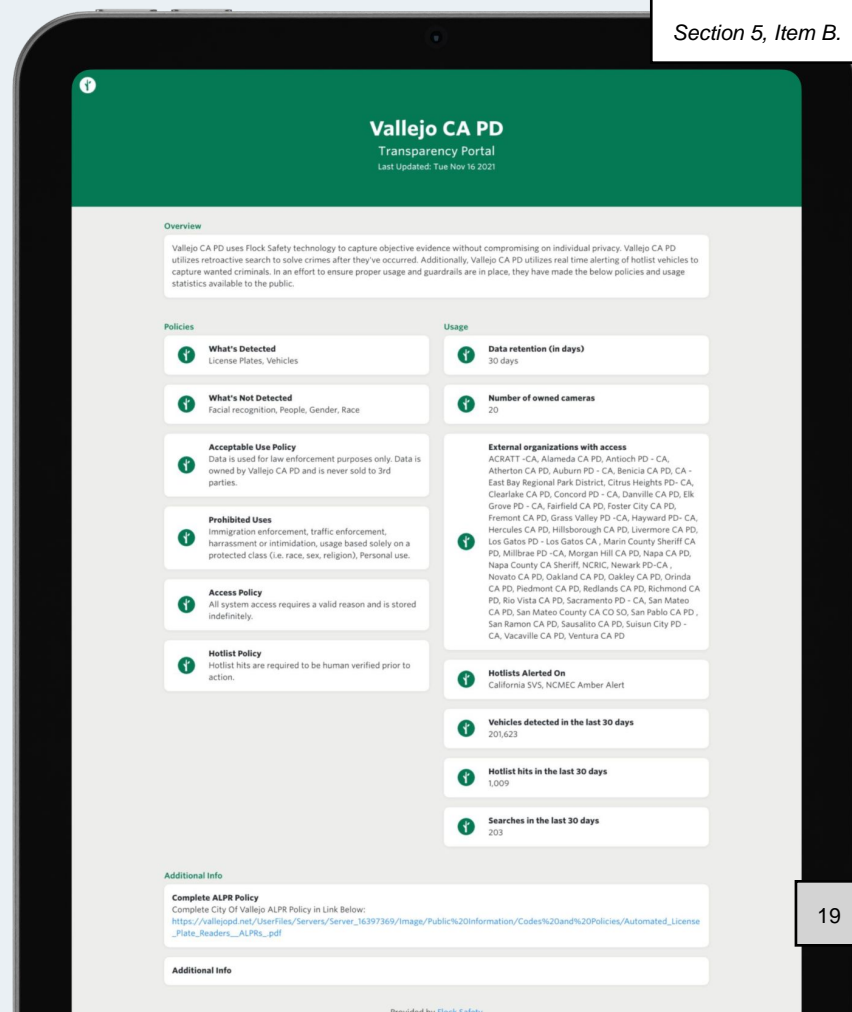
## Insights Dashboard

- Measure crime patterns and ROI
- Audit Search history

## Examples

- Morgan Hill PD
- Vallejo PD

Section 5, Item B.





# Solve crime, we'll handle the rest

Our dedicated team provides rapid, full-service deployment. Your police officers focus on solving crime and protecting the community.

## Within the Flock Safety annual subscription:

- Solar power
- Installation + Ongoing Maintenance
- Hardware Procurement + Permitting
- User Training
- Data storage
- Software Updates





# Already solving and preventing crime

# Flock Safety In Texas

Section 5, Item B.

430+ law enforcement agencies,  
including:

- Austin PD
- Fort Worth PD
- League City PD
- Houston PD



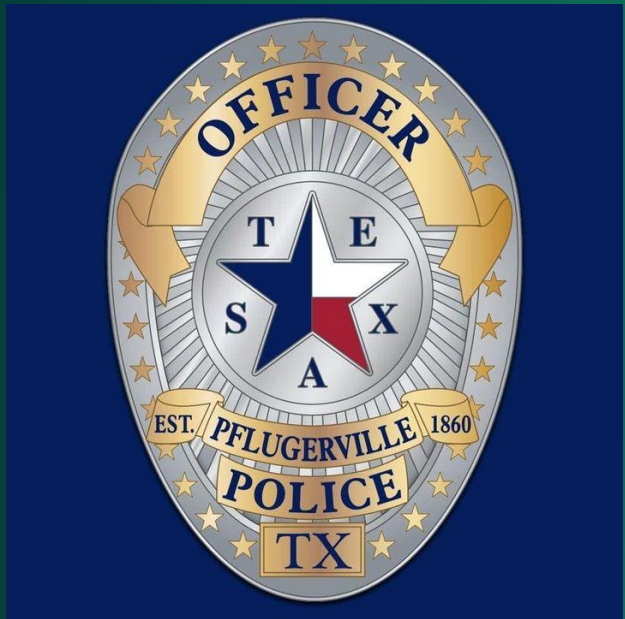
# High School Parking Lot Shooting Suspect Arrested with LPRs



Pflugerville PD - Pflugerville, TX

- On January 29th, 2024, officers responded to Connally High School following reports of a shooting.
- Officers interviewed the injured victim who described the suspect's vehicle.
- Officers entered that vehicle's description into their LPRs and identified a suspect vehicle that matched the description and had been detected nearby.
- Officers responded to the vehicle owner's address and arrested him.
- The 17-year-old suspect is facing multiple charges including aggravated assault with a deadly weapon.

[source](#)



# Case Study - Murder Case Solved

📍 Sugar Land PD - Sugarland, TX

- Sugar Land Police were investigating the killing of Alief ISD teacher Wendy Duan
- A Sugar Land Flock LPR camera was used to confirm that Charvas Thompson, of Houston, was at Duan's home after witnesses identified him as her killer.
- Thompson, 26, was arrested in Louisiana a few days later and charged with murder.
- Sugar Land police have around 100 Flock LPRs throughout the city and will add 100 more after this case was solved

Section 5, Item B.



**"If we have a vehicle description, then we can go into the system, we can input that vehicle description and it will actually search for the reads that corresponds to those kind of vehicles."**

— Sugar Land Police Assistant Chief Michelle Allen

# #Solved - Stolen Vehicle

📍 Maricopa PD - Maricopa, AZ

- Officers received an alert that a stolen vehicle was in the area. Officers located the vehicle at a local Walmart with a male, female, and child inside.
- After further investigation the male suspect admitted to officers that he had illegally obtained the vehicle from a friend.
- A search of the vehicle yielded M30 pills, suspected crack cocaine, and multiple other unidentified pills.
- The suspect was booked into Pinal County Jail on suspicion of theft of means of transportation, child abuse, possession of dangerous drugs and possession of a narcotic.

[source](#)

Section 5, Item B.



# Out-of-State Drug Trafficking and Vehicle Theft Suspect Arrested

 Lebanon PD - Lebanon, TN

- In late May, 2024, Lebanon PD was alerted by a neighboring agency that a suspect wanted in Indiana for drug trafficking and vehicle theft might be in the area.
- Officers queried their Flock Safety LPRs for the suspect's vehicle, located it, and arrested the suspect.
- A search of the vehicle yielded narcotics and an illegally modified firearm.
- The suspect is facing multiple charges in both Indiana and Tennessee.

[source](#)

Section 5, Item B.



**“(This arrest) showed that our Flock cameras are working, that traffic stop was a product of that.”**

— Lebanon PD PIO Richard Clark

# Cross-State Silver Alert

 Argyle PD | Argyle, TX

- **July 18, 2023** - Officers received an alert from their Flock Safety LPRs that a vehicle associated with a missing person from Louisiana had been detected.
- Officers located the vehicle and initiated a traffic stop.
- The senior citizen was disoriented and believed that he was just down the street from his home.
- Officers took him to the hospital and notified his family.

Section 5, Item B.



**"Flock Safety technology has helped us solve crimes that would have otherwise gone unsolved."**

— Emmitt Jackson, Argyle PD Chief of Police



# Found: Cross-State Amber Alert

📍 La Paz County SO - La Paz County, AZ

- Deputies with the La Paz County Sheriff's Office were notified that a vehicle associated with an AMBER alert had been detected by one of their Flock Safety LPRs nearby.
- **The alert was issued in Casper, Wyoming for a 14-year-old missing and endangered female juvenile.**
- A sheriff's deputy was able to locate the vehicle, initiate a traffic stop, and arrest the 36-year-old driver. The juvenile female was found unharmed in the suspect's vehicle.





**CITY OF BANDERA COUNCIL AGENDA**  
**Regular Meeting: Tuesday, December 10, 2024**

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**AGENDA ITEM:**

- A. Appointment of Municipal Court Judge per Sec 7.01.002 (a). Michael Towers
- B. Appointment of Associate Municipal Court Judge per Sec 7.01.002 (e) Eino Zapata
- C. Appointment of Municipal Court Clerk per Sec 7.01.003 (a). Jannett Pieper
- D. Appointment of Municipal Deputy Court Clerk per Sec 7.01.003 (c) .Allyson Wright

**SUBMITTED BY:** Jill Shelton

**APPROVED FOR AGENDA:** SF

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**BACKGROUND:**

Appointments must be made every two years.

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**FISCAL ANALYSIS:**

**RECOMMENDATION:**

Motion to appoint Municipal Court Judge Michael Towers  
Motion to appoint Associate Municipal Court Judge Eino Zapata  
Motion to appoint Municipal Court Clerk Jannett Peiper  
Motion to appoint Municipal Deputy Court Clerk Allyson Wright

After all these motions I will swear them in all at the same time.

**A RESOLUTION ADOPTING AND ESTABLISHING AN ETHICS POLICY FOR CITY OF BANDERA CITY COUNCIL MEMBERS AND EMPLOYEES IN THE CITY PERSONNEL POLICY.**

**WHEREAS**, the City of Bandera, is a Type-A general law municipality governed by a six-member Council consisting of one Mayor and five Council Members elected at large; and

**WHEREAS**, the City of Bandera, is in the process of applying for grant funds from the United States Department of Agriculture ("USDA") in connection with the Bandera Marshal's Office; and

**WHEREAS**, the application for grant funds from the USDA requires that the City of Bandera certify that it has a written policy governing conflicts of interest; and

**WHEREAS**, the City of Bandera currently has a Code of Ethics Ordinance that addresses conflicts of interest but desires to implement a policy in the City's Personnel Policy in order to be eligible to apply for the USDA grant funds; and

**WHEREAS**, the City of Bandera City Council desires to implement this conflict of interest policy as part of a larger ethics policy to govern and guide the conduct of members of the City of Bandera City Council and City employees, as well as vendors and other third-parties who desire to transact business with the City; and

**WHEREAS**, the City of Bandera City Council as a governing body has the authority to establish and implement its own internal policies to govern the conduct of the City of City Council members and City employees, so long as such policies are consistent with applicable state law; and

**WHEREAS**, the City of Bandera City Council desires to adopt these ethics rules and policies to guide the City of Bandera City Council members and City employees in carrying out their respective duties and responsibilities.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BANDERA, TEXAS, THAT;**

SECTION 1: The City of Bandera, Texas Ethics Policy, attached to this Resolution, are hereby adopted and shall guide City Council members, City employees, and vendors or other third parties desiring to transact business with the City in conducting all future meetings of the City of Bandera City Council. Any provisions of the City of Bandera's Personnel Policy in conflict with this Resolution are hereby repealed to the extent they conflict with the attached policy.

SECTION 2: The City of Bandera, Texas Ethics Policy adopted herein is consistent with current state law governing conflicts of interest and disclosure of certain relationships.

SECTION 3: The City of Bandera, Texas Ethics Policy adopted herein is consistent with state

law governing municipal officers.

SECTION 4: The City of Bandera, Texas Ethics Policy adopted herein is intended to provide clarity and guidance to City Council members, City employees, and vendors or other third parties desiring to transact business with the City with respect to their responsibilities and duties and may be subject to change as determined by the City Council or changes to existing law.

SECTION 5: A copy of the City of Bandera, Texas Ethics Policy adopted herein shall be maintained by the City Administrator and shall be made available to the public in accordance with applicable state law.

READ, PASSED, AND APPROVED ON this 10th of December 2024.

\_\_\_\_\_  
Tony Battle, Mayor Pro Tem

ATTEST:

\_\_\_\_\_  
Jill Shelton, City Secretary

EXHIBIT A: City of Bandera Ethics Policy

**I. CONFLICTS OF INTEREST****A. Definitions**

- (1) "Business entity" means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, or any other entity recognized by law.
- (2) "City employee" means an individual currently employed by the City of Bandera, Texas whether on a full-time, part-time or temporary basis.
- (3) "City official" means a member of the City of Bandera City Council, or another officer, whether elected, appointed, paid, or unpaid, who exercises responsibilities beyond those that are advisory in nature.
- (4) "Family Member" means a person who is related to an individual within a certain degree by consanguinity or affinity.
  - (a) Family members by the first degree of consanguinity include parents and children, including adopted children. Family members by the first degree of affinity include spouses, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, stepmothers, stepfathers, stepsons and stepdaughters.
  - (b) Family members by the second degree of consanguinity include siblings, grandchildren, and grandparents. Family members by the second degree of affinity include brothers-in-law, sisters-in-law, spouse's grandparent, spouse's grandchild, grandparent's spouse, or grandchild's spouse.
  - (c) Family members by the third degree of consanguinity include great-grandchildren, nephews, nieces, great-grandparents, and aunts or uncles who are the sibling of the person's parent.
- (5) "Substantial business interest" means a person who:
  - (a) owns 10 percent or more of the voting stock or shares of a business entity or owns either 10 percent or more or \$15,000 or more of the fair market value of a business entity; or
  - (b) receives funds from a business entity that exceed 10 percent of the person's gross income for the previous year.
- (6) "Substantial real property interest" means a person who owns an equitable or legal interest in real property with a fair market value of \$2,500 or more.

**B. Prohibited Actions**

- (1) City officials and employees cannot take part in any matter as a representative of the City where action by the City might affect the financial interests of themselves and their family members or household members.

- (2) If a City official, or a family member by the first degree of consanguinity or affinity, has a substantial business interest in a business entity with a matter before the City Council where the City Council's action will have a special economic effect on the business entity that is distinguishable from the effect on the public, the City official shall file, before a vote or decision on any matter involving the business entity an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter.
  - (a) The affidavit must be filed with the City Administrator.
  - (b) If a City official is required to file and does file an affidavit under this section, the City official is not required to abstain from further participation in the matter requiring the affidavit if a majority of the members of the City Council is composed of persons who are likewise required to file and who do file affidavits of similar interests on the same official action.
- (3) If a City official, or a family member by the first degree of consanguinity or affinity, has a substantial real property interest in a real property matter before the City Council and it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public, the City official shall file, before a vote or decision on any matter involving the business entity an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter.
  - (a) The affidavit must be filed with the City Administrator.
  - (b) If a City official is required to file and does file an affidavit under this section, the City official is not required to abstain from further participation in the matter requiring the affidavit if a majority of the members of the City Council is composed of persons who are likewise required to file and who do file affidavits of similar interests on the same official action.
- (4) A City official shall not knowingly act as surety for a business entity that has work, business, or a contract with the City of Bandera, or act as surety on any official bond required of an officer of the City of Bandera.

**C. Voting on Budget Items**

- (1) The City Council shall take a separate vote on any budget item specifically dedicated to a contract with a business entity in which a City official, or family member by the first degree of consanguinity or affinity, has a substantial interest. The interested City official may not participate in the separate vote unless a majority of the members of the City Council is composed of persons who likewise have a substantial interest in the business entity and all persons have filed affidavits of their interests in the budget item.
- (2) A City official may vote on a final budget if the City official has complied with this policy, and the separate budget item in which the City official has an interest

**D. Nepotism**

- (1) A City official may not appoint, confirm the appointment of, or vote for the appointment or confirmation of the appointment of an individual to a position that is to be directly or indirectly compensated from public funds or fees of office if the individual is a family member related to the City official within the third degree by consanguinity or second degree by affinity. In such instances, the City official must recuse himself/herself and abstain from further participation in the matter.
- 2) The ending of a marriage by divorce or the death of a spouse ends relationships by affinity created by that marriage unless a child of that marriage is living, in which case the marriage is considered to continue as long as a child of that marriage lives.

**E. Service on Boards of Corporations / Organizations**

A City official may serve as a member of the board of directors of private, nonprofit corporations when the City official receives no compensation or other remuneration from the nonprofit corporation or other nonprofit entity.

**II. GIFTS**

**A. Definitions**

- (1) "City employee" means an individual currently employed by the City of Bandera whether on a full-time, part-time or temporary basis.
- (2) "City official" means a member of the City of Bandera City Council, or another officer, whether elected, appointed, paid, or unpaid, who exercises responsibilities beyond those that are advisory in nature.

**B. City Employees**

- (1) A City employee cannot ask for or accept a gift which is given for the purpose of influencing the employee to take a certain action in their role as a City employee.
- (2) A city employee cannot ask for or accept gifts from: a person or entity which is doing or seeking to do business with the city; a registered lobbyist; or a person or entity which is seeking action on a zoning or platting matter before the City, except a City employee may accept:
  - (a) Items of nominal value (\$50 or less);
  - (b) A meal up to \$50 (\$500 limit during a calendar year for meals paid for by a single source);
  - (c) A reasonable gift for a personal occasion in keeping with the employee's non-city relationship with the giver;
  - (d) Admission to an event to which the employee's spouse has been invited

because of the spouse's position;

- (e) Gifts received for civic or charitable causes;
- (f) Reasonable awards for meritorious service; or
- (g) Reimbursement or payment of travel costs related to business purpose.

### C. **City Officials**

- (1) A City official shall not solicit, accept, or agree to accept any benefit from a person the City official knows is interested in or likely to become interested in any contract, purchase, payment, claim, or transaction involving the exercise of the City official's discretion.
- (2) It shall not be a violation of this section for a City official to accept or agree to accept:
  - (a) a fee prescribed by law to be received by a City official or any other benefit to which the City official is lawfully entitled or for which he/she gives legitimate consideration in a capacity other than as a City official;
  - (b) a gift or other benefit conferred on account of kinship or a personal, professional, or business relationship independent of the official status of the recipient;
  - (c) a political contribution as defined by Title 15 of the Texas Election Code;
  - (d) an item with a value of less than \$50, except that cash, checks or gift cards for any amount are not allowed;
  - (e) an item issued by a governmental entity that allows the use of property or facilities owned, leased, or operated by the governmental entity; or
  - (f) food, lodging, transportation, or entertainment accepted as a guest and, if the donee is required by law to report those items, reported by the donee in accordance with that law.

## III. DISCLOSURE OF CERTAIN RELATIONSHIPS TO CITY OFFICERS

### A. **Definitions**

- (1) "Agent" means a third party who undertakes to transact some business or manage some affair for another person by the authority or on account of the other person. The term includes an employee.
- (2) "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:
  - (a) a transaction that is subject to rate or fee regulation by a federal, state, or

local governmental entity or an agency of a federal, state, or local governmental entity;

- (b) a transaction conducted at a price and subject to terms available to the public; or
  - (c) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.
- (3) "Contract" means a written agreement for the sale or purchase of real property, goods, or services.
- (4) "Family member" means a person related to another person within the first degree by consanguinity (e.g. parent, child) or affinity (e.g. spouse, parent/child in-law relationships, and parent/child step-law relationships).
- (5) "Family relationship" means a relationship between a person and another person within the third degree by consanguinity or the second degree by affinity.
- (a) Relationships within the third degree by consanguinity include siblings, grandchildren, grandparents (second degree) and great-grandchildren, nephews, nieces, great-grandparents, and aunts or uncles who are the sibling of the person's parent (third degree).
  - (d) Relationships within the second degree by affinity include brothers-in-law, sisters-in-law, spouse's grandparent, spouse's grandchild, grandparent's spouse, or grandchild's spouse.
- (6) "Gift" means a benefit offered by a person, including food, lodging, transportation, and entertainment accepted as a guest. The term does not include a benefit offered on account of kinship or a personal, professional, or business relationship independent of the official status of the recipient.
- (7) "Goods" means personal property.
- (8) "Investment income" means dividends, capital gains, or interest income generated from:
- (a) a personal or business:
    - (i) checking or savings account;
    - (ii) share draft or share account; or
    - (iii) other similar account;
  - (b) a personal or business investment; or
  - (c) a personal or business loan.



- (9) "City officer" means:
- (a) a member of the City of Bandera City Council;
  - (b) the City Administrator; or
  - (c) an agent of the City who exercises discretion in the planning, recommending, selecting, or contracting of a vendor.
- (10) "Records administrator" means the City Secretary, or other person responsible for maintaining the City's records.
- (11) "Services" means skilled or unskilled labor or professional services, as defined by Section 2254.002, Texas Government Code.
- (12) "Vendor" means a person who enters or seeks to enter into a contract with the City. The term includes an agent of a vendor.

**B. Required Disclosure Statements**

- (1) A City officer shall file a conflicts disclosure statement with respect to a vendor if:
- (a) the vendor enters into a contract with the City or the City is considering entering into a contract with the vendor; and
  - (b) the vendor:
    - (i) has an employment or other business relationship with the City officer or a family member of the City officer that results in the City officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the City officer becomes aware that:
      - (A) a contract between the City and vendor has been executed; or
      - (B) the City is considering entering into a contract with the vendor;
    - (ii) has given to the City officer or a family member of the City officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:
      - (A) a contract between the City and vendor has been executed; or
      - (B) the City is considering entering into a contract with the vendor; or

- (iii) has a family relationship with the City officer.
- (2) A City officer shall file the conflicts disclosure statement -with the City's records administrator, not later than 5 p.m. on the seventh business day after the date on which the City officer becomes aware of the facts that require the filing of the statement
- (3) A City officer is not required to file a conflicts disclosure statement in relation to a gift accepted by the City officer or a family member of the City officer if the gift is:
  - (a) a political contribution as defined by Title 15, Texas Election Code; or
  - (b) food accepted as a guest.
- (4) A City officer is not required to file a conflicts disclosure statement if the vendor is an administrative agency created pursuant to the statutory authority for interlocal cooperation contracts.

**C. Vendor Disclosure Requirements**

- (1) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with the City and:
  - (a) has an employment or other business relationship with a City officer, or a family member of the City officer, described by Section III.B.(1)(b)(i) above;
  - (b) has given a City officer, or a family member of the City officer, one or more gifts with the aggregate value specified by Section III.B.(1)(b)(ii) above, excluding any gift not subject to disclosure by the City officer; or
  - (c) has a family relationship with a City officer.
- (2) The vendor must complete and file the conflict of interest questionnaire with the records administrator not later than the seventh business day after the later of:
  - (a) the date that the vendor:
    - (i) begins discussions or negotiations to enter into a contract with the City; or
    - (ii) submits to the City an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the City; or
  - (b) the date the vendor becomes aware:
    - (i) of an employment or other business relationship with a City officer, or a family member of the City officer, described by Subsection III.B.(1)(b)(i) above;

- (ii) that the vendor has given one or more gifts described by Section III.B.(1)(b)(ii) above; or
  - (c) of a family relationship with a City officer.
- (3) A vendor shall file an updated completed questionnaire with the City's records administrator not later than the seventh business day after the date on which the vendor becomes aware of an event that would make a statement in the questionnaire incomplete or inaccurate.
- (4) A person who is both a City officer and a vendor of the City is required to file the conflict disclosure questionnaire only if the person:
  - (a) enters or seeks to enter into a contract with the City; or
  - (b) is an agent of a person who enters or seeks to enter into a contract with the City.

#### IV. DISCLOSURE OF INTERESTED PARTIES

##### A. **Definitions**

- (1) "Business entity" means any entity recognized by law through which business is conducted, including a sole proprietorship, partnership, or corporation.
- (2) "Contract" means a contract that requires an action or vote by the City of City Council before the contract may be signed; or a contract with a value of at least \$1 million.
  - (a) The term does not include a contract related to health and human services if:
    - (i) the value of the contract cannot be determined at the time the contract is executed; and
    - (ii) any qualified vendor is eligible for the contract.
- (3) "Interested party" means a person who has a controlling interest in a business entity with whom the City of Bandera, Texas contracts or who actively participates in facilitating the contract or negotiating the terms of the contract, including a broker, intermediary, adviser, or attorney for the business entity.

##### B. **Disclosure Required**

- (1) The City may not enter into a contract under this section with a business entity unless the business entity, in accordance with this section, submits a disclosure of interested parties to the City at the time the business entity submits the signed contract to the City.

- (2) Not later than the 30th day after the date the City receives a disclosure of interested parties required under this section, the City shall submit a copy of the disclosure to the Texas Ethics Commission.

**RESOLUTION NO. 2024-041**

**A RESOLUTION OF THE CITY OF BANDERA, TEXAS, APPROVING A PROJECT OF THE BANDERA ECONOMIC DEVELOPMENT CORPORATION, TO WIT: A REIMBURSEMENT OF \$60,000.00 TO THE CITY OF BANDERA, TEXAS, FOR COWBOY CHRISTMAS IN THE PARK FOUND BY THE BEDC'S BOARD OF DIRECTORS TO BE AN ELIGIBLE PROJECT UNDER THE ECONOMIC DEVELOPMENT CORPORATION ACT; PROVIDING FOR TWO SEPARATE READINGS; OPEN MEETING READING AND ADOPTION, AND AN EFFECTIVE DATE.**

**WHEREAS**, the Bandera Economic Development Corporation (“BEDC”) is a Type B Economic Development Corporation; and

**WHEREAS**, pursuant to the Economic Development Corporation Act (the “Act”), the BEDC is authorized to spend sales tax funds for certain municipal projects, principally infrastructure, public parks, and other community and/or recreation purposes; and

until the governing body of the city adopts a resolution authorizing the project after giving the resolution two separate readings; and

**WHEREAS**, the Board of Directors of the BEDC (the “Board”) has agreed to provide funding for a project the Board finds to be an eligible project under the Act by reimbursing the City for Cowboy Christmas in the Park in the amount of Sixty Thousand Dollars and no cents (\$60,000.00) (“the Project”); and

**WHEREAS**, the City Council also finds, that the project is an eligible project under the Act and is budgeted for within the Fiscal Year 2024 – 2025 Budget, as adopted by the Board and approved by City Council; and

**WHEREAS**, the action authorized by this Resolution is in furtherance of the public interest, for the good government, peace, order, trade and commerce of the City and necessary and proper for carrying out of the authority granted by law to the City and the BEDC.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BANDERA, TEXAS, THAT:**

1. The City Council hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the Council hereby incorporates such recitals as a part of this Resolution.
2. The Project approved by the Board for Cowboy Christmas in the park, is hereby approved by the City Council.

**RESOLUTION NO. 2024-041**

- 3. This Resolution shall take effect immediately from and after its passage at a second separate reading.
- 4. This Resolution is read and adopted at meetings that were open to the public and notice of the time, place and purpose of said meetings was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

**READ AND APPROVED by the City Council of the City of Bandera, Texas at first reading on the 10th day of December, 2024.**

**READ AND ADOPTED by the City Council of the City of Bandera, Texas at second reading on the 14<sup>th</sup> day of January, 2025.**

**CITY OF BANDERA, TEXAS**

\_\_\_\_\_  
Tony Battle, Mayor Pro Tem

**ATTEST:**

\_\_\_\_\_  
Jill Shelton, City Secretary

**RESOLUTION NO. 2024-042****A RESOLUTION OF THE CITY COUNCIL OF BANDERA AUTHORIZING AND APPROVING THE ADOPTION OF A RESTRICTED FUNDS POLICY; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the City sometimes receives monetary donations or grant funds with specific limitations imposed by the donor or grantor on how the funds may be used; and

**WHEREAS**, the City of Bandera is committed to honoring the intent of donors and grantors that provided funds for specific purposes; and

**WHEREAS**, City staff have created a restricted funds policy to establish guidelines for the management and utilization of restricted funds received by the City; and

**WHEREAS**, the City Council has reviewed and determined that the attached restricted funds policy should be utilized by the City.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BANDERA THAT:**

Section 1. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 2. The City Council authorizes and approves the attached Exhibit A as the restricted funds policy for the City of Bandera.

Section 3. The City Council authorizes the creation of two restricted funds, attached as Exhibit B.

Section 4. All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 6. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

Section 7. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 8. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

**PASSED AND APPROVED** this \_\_\_\_ day of \_\_\_\_\_ **2024.**

\_\_\_\_\_  
Tony Battle, Mayor Pro Tem

ATTEST:

\_\_\_\_\_  
Jill Shelton, City Secretary



## **Exhibit A**

### **Restricted Funds Policy**

#### **Purpose**

This policy establishes guidelines for the management and utilization of restricted funds received by The City of Bandera. The purpose of this policy is to ensure that restricted funds are used in accordance with donor intent, applicable laws, and accounting standards.

#### **Definitions**

- **Restricted Funds:** Monetary donations or grants with specific limitations imposed by the donor on how the funds can be used. These limitations may be related to purpose, time, or both.
- **Donor:** An individual, organization, governmental agency (State, Federal, Local, Council of Government) or foundation that provides restricted funds to the organization.

#### **Policy Statement**

The City of Bandera is committed to honoring the intent of donors who provide restricted funds. The organization will adhere to the following principles:

1. **Acceptance of Restricted Funds:**
  - The organization will carefully review all offers of restricted funds to ensure alignment with its mission and strategic goals.
  - Acceptance of restricted funds will be based on a clear understanding of the donor's intent and the feasibility of fulfilling the restrictions.
2. **Recordkeeping:**
  - Detailed records will be maintained for each restricted fund, including:
    - Donor information
    - Purpose of the restriction
    - Amount of the restriction
    - Any specific reporting requirements
  - These records will be securely stored and accessible to authorized personnel.
3. **Fund Management:**
  - Restricted funds will be kept with Pooled Cash but segregated from unrestricted funds to ensure proper tracking and accountability.
  - Funds will be invested in accordance with the organization's investment policy and any specific donor guidelines.
  - Income generated from investments of restricted funds will be treated as restricted funds unless otherwise specified by the donor.
4. **Fund Utilization:**
  - Restricted funds will be used solely for the purposes designated by the donor.

- If circumstances change and it becomes impractical to fulfill the original intent of a restricted fund, the organization will seek the donor's consent to the best of our ability to modify the restrictions or return the funds.

**5. Reporting and Transparency:**

- The organization will maintain transparency in its financial reporting, including the disclosure of restricted funds in its financial statements.

**6. Policy Review and Updates:**

- This policy will be reviewed annually by the City Council to ensure its continued relevance and effectiveness.
- Any necessary updates will be approved by the City Council and communicated to staff.

**Additional Considerations**

- **Compliance with Laws and Regulations:** The organization will comply with all applicable laws, regulations, and accounting standards related to the management of restricted funds.
- **Ethical Considerations:** The organization will act ethically and responsibly in all matters related to restricted funds.
- **Donor Relations:** The organization will maintain strong relationships with donors and communicate openly and honestly about the use of restricted funds.

By adhering to this policy, The City of Bandera aims to honor donor intent, ensure the effective use of restricted funds, and maintain the trust and confidence of its donors.

**Allyson Wright**

Treasurer

12/10/2024

## **Exhibit B**

### Country Christmas in the Park – Fund 53

Funds to be used only for Country Christmas in the Park event hosted by the City in the City Park the first Sunday following Thanksgiving, yearly.

Revenue - \$37,000

Expenses - \$17,033.45

### Nightmare on Maple – Fund 54

Funds to be used only for Nightmare on Maple, an event hosted by The Bandera Marshal's Office in the City Park on Halloween evening, yearly.

Revenue - \$6,500.00

Expenses - \$3,666.01

Fund Balance - \$8,397.53

**RESOLUTION NO. 2024-043**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANDERA, TEXAS, AUTHORIZING PROFESSIONAL BOND COUNSEL SERVICES AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH.**

**WHEREAS**, the City of Bandera has identified a critical need for financing the planning, acquisition, and design of the City’s wastewater system; and

**WHEREAS**, the City of Bandera has identified a financial assistance opportunity that aligns with the goals and objectives of the City of Bandera; and

**WHEREAS**, professional expertise is essential for the successful preparation and submission of the application for financial assistance; and

**WHEREAS**, McCall, Parkhurst & Horton L.L.P, a reputable firm specializing in Bond Counseling services, has expressed interest in providing such professional services to the City of Bandera;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Bandera:

- Section 1: McCall, Parkhurst & Horton, L.L.P. is hereby appointed to assist the City of Bandera with professional services relating to its request for financial assistance from the Texas Board of Water Development for the purpose of constructing, acquiring, equipping, and improving its wastewater system.
- Section 2: That Mayor, Denise Griffin, Mayor Pro Tem, Tony Battle, and/or City Administrator Stan Farmer are authorized to enter into a contract with McCall, Parkhurst & Horton, L.L.P. in the capacity of Bond Counsel.
- Section 3. The City of Bandera expresses its appreciation to McCall, Parkhurst & Horton, L.L.P. for their commitment to assisting the municipality in securing additional funding for the benefit of the community.
- Section 4: The Mayor, Mayor Pro Tem, and/or City Administrator is hereby directed to take all necessary actions to facilitate the engagement of McCall, Parkhurst & Horton, L.L.P. and to ensure the timely and accurate submission of the application for financial assistance and project implementation.
- Section 5: This resolution shall take effect immediately upon its passage and approval.

**PASSED AND APPROVED this 10th day of December 2024.**

SIGNED:

ATTEST:

\_\_\_\_\_  
Tony Battle, Mayor Pro Tem

\_\_\_\_\_  
Jill Shelton, City Secretary

**RESOLUTION NO. 2024-044****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANDERA, TEXAS, AUTHORIZING PROFESSIONAL FINANCIAL ADVISING SERVICES AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH.**

**WHEREAS**, the City of Bandera has identified a critical need for financing the planning, acquisition, and design of the City's wastewater system; and

**WHEREAS**, the City of Bandera has identified a financial assistance opportunity that aligns with the goals and objectives of the City of Bandera; and

**WHEREAS**, professional expertise is essential for the successful preparation and submission of the application for financial assistance; and

**WHEREAS**, US Capital Advisors LLC, a reputable firm specializing in financial advising services, has expressed interest in providing such professional services to the City of Bandera;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Bandera:

Section 1: US Capital Advisors LLC is hereby appointed to assist the City of Bandera with professional services relating to its request for financial assistance from the Texas Board of Water Development for the purpose of constructing, acquiring, equipping, and improving its wastewater system.

Section 2: That Mayor, Denise Griffin, Mayor Pro Tem, Tony Battle, and/or City Administrator Stan Farmer are authorized to enter into a contract with US Capitol Advisors LLC in the capacity of Financial Advisor for the grant application and administration for the duration of the project.

Section 3. The City of Bandera expresses its appreciation to US Capitol Advisors LLC for their commitment to assisting the municipality in securing additional funding for the benefit of the community.

Section 4: The Mayor, Mayor Pro Tem, and/or City Administrator is hereby directed to take all necessary actions to facilitate the engagement of US Capital Advisors LLC and to ensure the timely and accurate submission of the grant application.

Section 5: This resolution shall take effect immediately upon its passage and approval.

**PASSED AND APPROVED this 10th day of December, 2024.**

SIGNED:

ATTEST:

\_\_\_\_\_  
Tony Battle, Mayor Pro Tem

\_\_\_\_\_  
Jill Shelton, City Secretary

**RESOLUTION 2024-045**  
**AUTHORIZING AND APPROVING THE EXECUTION OF A**  
**PRINCIPAL FORGIVENESS AGREEMENT WITH THE TEXAS**  
**WATER DEVELOPMENT BOARD IN THE AMOUNT OF**  
**\$1,400,000, AND OTHER MATTERS RELATED THERETO**

**THE STATE OF TEXAS                   §**  
**COUNTY OF BANDERA               §**  
**CITY OF BANDERA                  §**

*WHEREAS*, the Texas Water Development Board (the “*TWDB*”) adopted TWDB Resolution No. 24-078 on September 12, 2024 making a commitment to provide financial assistance in the total amount of \$4,400,000 to the City of Bandera, Texas (the “*City*”) from the Clean Water State Revolving Fund to finance wastewater system improvements for the project identified as Project No. 73962; and

*WHEREAS*, pursuant to TWDB Resolution No. 24-078, the TWDB agreed to provide, as part of the total financial assistance commitment, \$1,400,000 of such financial assistance to the City as principal forgiveness upon execution of a principal forgiveness agreement (the “*Principal Forgiveness Agreement*”); and

*WHEREAS*, it is hereby officially found and determined that public notice of the time, place, and purpose of said meeting was given, all as required by Texas Government Code, Chapter 551.

***BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BANDERA:***

**SECTION 1. APPROVAL OF PRINCIPAL FORGIVENESS AGREEMENT.** The Principal Forgiveness Agreement, in substantially the form attached hereto as Exhibit A, is hereby approved and the Mayor, Mayor Pro Tem, or the City Administrator are each hereby individually authorized to execute the Principal Forgiveness Agreement on behalf of the City.

**SECTION 2. INCORPORATION OF RECITALS.** The City hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the City hereby incorporates such recitals as a part of this Resolution.

**SECTION 3. EFFECTIVE DATE.** This Resolution shall become effective immediately after its adoption.

*[The remainder of this page intentionally left blank]*

***PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF BANDERA, TEXAS ON THE 10<sup>th</sup> DAY OF DECEMBER, 2024.***

\_\_\_\_\_  
City Secretary, City of Bandera, Texas

\_\_\_\_\_  
Mayor Pro Tem, City of Bandera, Texas

(SEAL)

[EXECUTION PAGE TO RESOLUTION APPROVING LOAN FORGIVENESS AGREEMENT]

**Exhibit A**

Loan Forgiveness Agreement



**CERTIFICATE FOR RESOLUTION**

**THE STATE OF TEXAS  
COUNTY OF BANDERA  
CITY OF BANDERA**

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

1. The City Council of said City convened in REGULAR MEETING ON THE 10<sup>th</sup> DAY OF DECEMBER, 2024, at the Bandera City Hall, and the roll was called of the duly constituted officers and members of said City Council, to wit:

Rebeca Gibson, Mayor	Jeff Flowers, City Council Member
Tony Battle, Mayor Pro Tem	Brett Hicks, City Council Member
Debbie Breen, City Council Member	Lynn Palmer, City Council Member

and all of said officers and members of said City Council were present, except the following absentees: \_\_\_\_\_, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

**RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION  
OF A PRINCIPAL FORGIVENESS AGREEMENT WITH THE TEXAS  
WATER DEVELOPMENT BOARD IN THE AMOUNT OF \$1,400,000,  
AND OTHER MATTERS RELATED THERETO**

was duly introduced for the consideration of said City Council. 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 by the following vote:

AYES: \_\_\_\_ NOES: \_\_\_\_ ABSTENTIONS: \_\_\_\_

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 passage 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; 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 passage at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, 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 10<sup>th</sup> day of December, 2024.

(SEAL)

\_\_\_\_\_  
City Secretary, City of Bandera, Texas

# ORDINANCE 449

**AUTHORIZING THE ISSUANCE OF CITY OF BANDERA, TEXAS COMBINATION TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, TAXABLE SERIES 2025A, IN THE PRINCIPAL AMOUNT OF \$3,000,000, AWARDED THE SALE OF SUCH CERTIFICATES OF OBLIGATION, AND ORDAINING OTHER MATTERS RELATED THERETO**

**THE STATE OF TEXAS** §  
**COUNTY OF BANDERA** §  
**CITY OF BANDERA** §

**WHEREAS**, the City Council of the City of Bandera, Texas (the "City" or the "Issuer") deems it advisable to issue Certificates of Obligation in the amount of \$3,000,000 for the purpose of paying, in whole or in part, the City's contractual obligations for planning, acquiring, and designing, wastewater system improvements and for paying all or a portion of the legal, fiscal and engineering fees in connection with this project, and the costs of issuance related to the Certificates of Obligation.; and

**WHEREAS**, the City Council adopted a resolution on September 24, 2024, authorizing and directing the City Secretary to give notice of intention to issue Certificates of Obligation; and

**WHEREAS**, said notice has been duly published in the *Bandera Bulletin*, which is a newspaper of general circulation in said City, in its issues of October 2, 2024 and October 9, 2024; and

**WHEREAS**, up to the date of this Ordinance, the City has received no petition from the qualified electors of the City protesting the issuance of such Certificates of Obligation; and

**WHEREAS**, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271 of the Local Government Code and Chapter 1502, Government Code, and are being sold to the Texas Water Development Board: and

**WHEREAS**, the meeting was open to the public and public notice of the time, place and purpose of said meeting was given pursuant to Chapter 551, Texas Government Code.

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BANDERA,  
TEXAS:**

Section 1. AMOUNT AND PURPOSE OF THE CERTIFICATES OF OBLIGATION. The certificate of obligation or certificates of obligation of the Issuer are hereby authorized to be issued and delivered in the aggregate principal amount of \$3,000,000, for the purpose of paying, in whole or in part, the City's contractual obligations for planning, acquiring, and designing, wastewater system improvements and for paying all or a portion of the legal, fiscal and engineering fees in connection with this project and the costs of issuance related to the Certificates of Obligation (collectively, the "Project").

Section 2. DESIGNATION OF THE CERTIFICATES OF OBLIGATION. Each certificate of obligation issued pursuant to this Ordinance shall be designated: "CITY OF BANDERA, TEXAS COMBINATION TAX AND SURPLUS REVENUE CERTIFICATE OF OBLIGATION, TAXABLE SERIES 2025A", and initially there shall be issued, sold, and delivered hereunder a single fully registered certificate of obligation in the principal amount of \$3,000,000, without interest coupons, payable in installments of principal (the "Initial Certificate of Obligation"), but the Initial Certificate of Obligation may be assigned and transferred and/or converted into and exchanged for a like aggregate principal amount of fully registered certificates of obligation, without interest coupons, having serial maturities, and in the denomination or denominations of \$5,000 or any integral multiple of \$5,000, all in the manner hereinafter provided. The term "Certificates of Obligation" as used in this Ordinance shall mean and include collectively the Initial Certificate of Obligation and all substitute certificates of obligation exchanged therefor, as well as all other substitute certificates of obligation and replacement certificates of obligation issued pursuant hereto, and the term "Certificate of Obligation" shall mean any of the Certificates of Obligation.

Section 3. INITIAL DATE, DENOMINATION, NUMBER, MATURITIES, INITIAL REGISTERED OWNER, AND CHARACTERISTICS OF THE INITIAL CERTIFICATE OF OBLIGATION. (a) The Initial Certificate of Obligation is hereby authorized to be issued, sold, and delivered hereunder as a single fully registered Certificate of Obligation, without interest coupons, dated January 1, 2025, in the denomination and aggregate principal amount of \$3,000,000, numbered R-1, payable in annual installments of principal to the initial registered owner thereof, to-wit: **TEXAS WATER DEVELOPMENT BOARD**, or to the registered assignee or assignees of said Certificate of Obligation or any portion or portions thereof (in each case, the "registered owner"), with the annual installments of principal of the Initial Certificate of Obligation to be payable on the dates, respectively, and in the principal amounts, respectively, stated in the FORM OF INITIAL CERTIFICATE OF OBLIGATION set forth in this Ordinance.

(b) The Initial Certificate of Obligation (i) may be prepaid or redeemed prior to the respective scheduled due dates of installments of principal thereof, (ii) may be assigned and transferred, (iii) may be converted and exchanged for other Certificates of Obligation, (iv) shall have the characteristics, and (v) shall be signed and sealed, and the principal of the Initial Certificate of Obligation shall be payable, all as provided, and in the manner required or indicated, in the FORM OF INITIAL CERTIFICATE OF OBLIGATION set forth in this Ordinance.

Section 4. INTEREST. The Certificates of Obligation shall not bear interest.

Section 5. FORM OF INITIAL CERTIFICATE OF OBLIGATION. The form of the Initial Certificate of Obligation, including the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be endorsed on the Initial Certificate of Obligation, shall be substantially as follows:

*[The remainder of this page intentionally left blank.]*

**FORM OF INITIAL CERTIFICATE OF OBLIGATION**

NO. R-1

\$3,000,000

UNITED STATES OF AMERICA  
STATE OF TEXAS  
COUNTY OF BANDERA  
CITY OF BANDERA, TEXAS  
COMBINATION TAX AND SURPLUS REVENUE  
CERTIFICATE OF OBLIGATION, TAXABLE SERIES 2025A

CITY OF BANDERA, TEXAS in the COUNTY OF BANDERA (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to

**TEXAS WATER DEVELOPMENT BOARD**

or to the registered assignee or assignees of this Certificate of Obligation or any portion or portions hereof (in each case, the "registered owner") the aggregate principal amount of

***THREE MILLION DOLLARS***

in annual installments of principal due and payable on February 1 in each of the years, and in the respective principal amounts, as set forth in the following schedule:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2025	\$	2040	\$
2026		2041	
2027		2042	
2028		2043	
2029		2044	
2030		2045	
2031		2046	
2032		2047	
2033		2048	
2034		2049	
2035		2050	
2036		2051	
2037		2052	
2038		2053	
2039		2054	

This Certificate of Obligation shall not bear interest.

THE INSTALLMENTS OF PRINCIPAL OF this Certificate of Obligation are payable in lawful money of the United States of America, without exchange or collection charges. The installments of principal of this Certificate of Obligation are payable to the registered owner hereof through the services of **Zions Bancorporation, National Association, Houston, Texas**, which is the "Paying Agent/Registrar" for this Certificate of Obligation. Payment of all principal of this Certificate of Obligation shall be made by the Paying Agent/Registrar to the registered owner hereof on each principal payment date by check or draft, dated as of such date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Certificate of Obligation (the "Certificate of Obligation Ordinance") 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 principal payment date, to the registered owner hereof, at the address of the registered owner. In addition, principal may be paid by electronic or wire transfer, or such other acceptable method to the Paying Agent/Registrar, requested by and at the risk and expense of the registered owner. However, if the Certificate of Obligation is owned by the Texas Water Development Board, there will be no charge. The Issuer covenants with the registered owner of this Certificate of Obligation that on or before each principal payment date for this Certificate of Obligation it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Certificate of Obligation Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of this Certificate of Obligation, when due.

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

THIS CERTIFICATE OF OBLIGATION has been authorized in accordance with the Constitution and laws of the State of Texas, in the principal amount of \$3,000,000 for the purpose of paying, in whole or in part, the City's contractual obligations for planning, acquiring, and designing, wastewater system improvements and for paying all or a portion of the legal, fiscal and engineering fees in connection with this project and the costs of issuance.

ON January 1 2035, or any date thereafter, the unpaid installments of principal of this Certificate of Obligation may be prepaid or redeemed prior to their scheduled due dates, at the option of the Issuer, with funds derived from any available source, as a whole, or in part, and, if in part, the Issuer shall, in inverse order of maturity, select and designate the maturity, or maturities, and the amount that is to be redeemed, and if less than a whole maturity is to be called, the Issuer shall direct the Paying Agent/Registrar to call by lot (provided that a portion of this Certificate of Obligation may be redeemed only in an integral multiple of \$5,000), at the redemption price of the principal amount.

AT LEAST 30 DAYS prior to the date fixed for any such prepayment or redemption a written notice of such prepayment or redemption shall be mailed by the Paying Agent/Registrar to the registered owner hereof. By the date fixed for any such prepayment or redemption due provision shall be made by the Issuer with the Paying Agent/Registrar for the payment of the required prepayment or redemption price for this Certificate of Obligation or the portion hereof which is to be so prepaid or redeemed. If such written notice of prepayment or redemption is given, and if due provision for such payment is made, all as provided above, this Certificate of Obligation, or the portion thereof which is to be so prepaid or redeemed, thereby automatically shall be treated as prepaid or redeemed prior to its scheduled due date, and shall not be regarded as being outstanding except for the right of the registered owner to receive the prepayment or redemption price from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such prepayments or redemptions of principal of this Certificate of Obligation or any portion hereof.

THIS CERTIFICATE OF OBLIGATION, to the extent of the unpaid or unredeemed principal balance hereof, or any unpaid and unredeemed portion hereof in any integral multiple of \$5,000, may be assigned by the initial registered owner hereof and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for this Certificate of Obligation, upon the terms and conditions set forth in the Certificates of Obligation Ordinance. Among other requirements for such transfer, this Certificate of Obligation must be presented and surrendered to the Paying Agent/Registrar for cancellation, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment by the initial registered owner of this Certificate of Obligation, or any portion or portions hereof in any integral multiple of \$5,000, to the assignee or assignees in whose name or names this Certificate of Obligation or any such portion or portions hereof is or are to be transferred and registered. Any instrument or instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate of Obligation or any such portion or portions hereof by the initial registered owner hereof. A new certificate of obligation or certificates of obligation payable to such assignee or assignees (which then will be the new registered owner or owners of such new certificate of obligation or certificates of obligation) or to the initial registered owner as to any portion of this Certificate of Obligation which is not being assigned and transferred by the initial registered owner, shall be delivered by the Paying Agent/Registrar in conversion of and exchange for this Certificate of Obligation or any portion or portions hereof, but solely in the form and manner as provided in the next paragraph hereof for the conversion and exchange of this Certificate of Obligation or any portion hereof. The registered owner of this Certificate of Obligation shall

be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Certificate of Obligation to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

AS PROVIDED above and in the Certificates of Obligation Ordinance, this Certificate of Obligation, to the extent of the unpaid or unredeemed principal balance hereof, may be converted into and exchanged for a like aggregate principal amount of fully registered certificates of obligation, without interest coupons, payable to the assignee or assignees duly designated in writing by the initial registered owner hereof, or to the initial registered owner as to any portion of this Certificate of Obligation which is not being assigned and transferred by the initial registered owner, in any denomination or denominations in any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute certificate of obligation issued in exchange for any portion of this Certificate of Obligation shall have a single stated principal maturity date), upon surrender of this Certificate of Obligation to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificates of Obligation Ordinance. If this Certificate of Obligation or any portion hereof is assigned and transferred or converted each certificate of obligation issued in exchange for any portion hereof shall have a single stated principal maturity date corresponding to the due date of the installment of principal of this Certificate of Obligation or portion hereof for which the substitute certificate of obligation is being exchanged. Such certificates of obligation, respectively, shall be subject to redemption prior to maturity on the same dates and for the same prices as the corresponding installment of principal of this Certificate of Obligation or portion hereof for which they are being exchanged. No such certificate of obligation shall be payable in installments, but shall have only one stated principal maturity date. AS PROVIDED IN THE CERTIFICATES OF OBLIGATION ORDINANCE, THIS CERTIFICATE OF OBLIGATION IN ITS PRESENT FORM MAY BE ASSIGNED AND TRANSFERRED OR CONVERTED ONCE ONLY, and to one or more assignees, but the certificates of obligation issued and delivered in exchange for this Certificate of Obligation or any portion hereof may be assigned, transferred and converted, subsequently, as provided in the Certificates of Obligation Ordinance. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging this Certificate of Obligation or any portion thereof, but the one requesting such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make any such assignment, conversion, or exchange with respect to any Certificate of Obligation or portion thereof called for prepayment or redemption prior to maturity, within 45 days prior to its prepayment or redemption date.

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

IT IS HEREBY certified, recited, and covenanted that this Certificate of Obligation 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 Certificate of Obligation have been performed, existed, and been done in accordance with law; that this Certificate of Obligation is a general obligation of the Issuer, issued on the full faith and credit thereof; and that ad valorem taxes sufficient to provide for the payment of the principal of this Certificate of Obligation, as such principal comes due, have been levied and ordered to be levied against all taxable property in the Issuer, and have been pledged for such payment, within the limit prescribed by law, and that this Certificate of Obligation is additionally secured by a lien on and pledge of surplus revenues of the Issuer's Waterworks and Sewer System, remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with any of the Issuer's revenue bonds or other obligations (now or hereafter outstanding), which are payable from all or any part of the net revenues of the Issuer's Waterworks and Sewer System, all as provided in the Certificates of Obligation Ordinance.

BY BECOMING the registered owner of this Certificate of Obligation, the registered owner thereby acknowledges all of the terms and provisions of the Certificate of Obligation Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Certificate of Obligation Ordinance 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 Certificate of Obligation and the Certificate of Obligation Ordinance constitute a contract between the registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Certificate of Obligation to be signed with the manual or facsimile signature of the Mayor of the Issuer, countersigned with the manual or facsimile signature of the City Secretary of the Issuer, and has caused the official seal of the Issuer to be duly impressed on this Certificate of Obligation to be dated January 1, 2025.

\_\_\_\_\_  
City Secretary, Jill Shelton

\_\_\_\_\_  
Mayor Pro Tem, Tony Battle

CITY SEAL

The following shall be printed on the back of said Certificate of Obligation:

"This Certificate of Obligation was delivered to and paid for by the Purchaser thereof on January 10, 2025".

FORM OF REGISTRATION CERTIFICATE OF THE  
COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE  
REGISTER NO.

I hereby certify that this Certificate of Obligation has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Certificate of Obligation 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)

Section 6. ADDITIONAL CHARACTERISTICS OF THE CERTIFICATES OF OBLIGATION. Registration and Transfer. (a) The Issuer shall keep or cause to be kept at the principal corporate trust office of **Zions Bancorporation, National Association, Houston, Texas**, (the "Paying Agent/Registrar") books or records of the registration and transfer of the Certificates of Obligation (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 transfers and registrations under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and

registrations as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Certificate of Obligation to which payments with respect to the Certificates of Obligation 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. 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. Registration of each Certificate of Obligation may be transferred in the Registration Books only upon presentation and surrender of such Certificate of Obligation to the Paying Agent/Registrar for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/ Registrar, (i) evidencing the assignment of the Certificate of Obligation, or any portion thereof in any integral multiple of \$5,000, to the assignee or assignees thereof, and (ii) the right of such assignee or assignees to have the Certificate of Obligation or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Certificate of Obligation or any portion thereof, a new substitute Certificate of Obligation or Certificates of Obligation shall be issued in conversion and exchange therefor in the manner herein provided. The Initial Certificate of Obligation, to the extent of the unpaid or unredeemed principal balance thereof, may be assigned and transferred by the initial registered owner thereof once only, and to one or more assignees designated in writing by the initial registered owner thereof. All Certificates of Obligation issued and delivered in conversion of and exchange for the Initial Certificate of Obligation shall be in any denomination or denominations of any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute Certificate of Obligation shall have a single stated principal maturity date), shall be in the form prescribed in the FORM OF SUBSTITUTE CERTIFICATE OF OBLIGATION set forth in this Ordinance, and shall have the characteristics, and may be assigned, transferred, and converted as hereinafter provided. If the Initial Certificate of Obligation or any portion thereof is assigned and transferred or converted the Initial Certificate of Obligation must be surrendered to the Paying Agent/Registrar for cancellation, and each Certificate of Obligation issued in exchange for any portion of the Initial Certificate of Obligation shall have a single stated principal maturity date, and shall not be payable in installments; and each such Certificate of Obligation shall have a principal maturity date corresponding to the due date of the installment of principal or portion thereof for which the substitute Certificate of Obligation is being exchanged. If only a portion of the Initial Certificate of Obligation is assigned and transferred, there shall be delivered to and registered in the name of the initial registered owner substitute Certificates of Obligation in exchange for the unassigned balance of the Initial Certificate of Obligation in the same manner as if the initial registered owner were the assignee thereof. If any Certificate of Obligation or portion thereof other than the Initial Certificate of Obligation is assigned and transferred or converted each Certificate of Obligation issued in exchange therefor shall have the same principal maturity date as the Certificate of Obligation for which it is exchanged. A form of assignment shall be printed or endorsed on each Certificate of Obligation, excepting the Initial Certificate of Obligation, which shall be executed by the registered owner or its duly authorized attorney or representative to evidence an assignment thereof. Upon surrender of any Certificates of Obligation or any portion or portions thereof for transfer of registration, an authorized representative of the Paying Agent/Registrar shall make such transfer in the Registration Books, and shall deliver a new fully registered substitute Certificate of Obligation or Certificates of

Obligation, having the characteristics herein described, payable to such assignee or assignees (which then will be the registered owner or owners of such new Certificate of Obligation or Certificates of Obligation), or to the previous registered owner in case only a portion of a Certificate of Obligation is being assigned and transferred, all in conversion of and exchange for said assigned Certificate of Obligation or Certificates of Obligation or any portion or portions thereof, in the same form and manner, and with the same effect, as provided in Section 6(d), below, for the conversion and exchange of Certificates of Obligation by any registered owner of a Certificate of Obligation. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer and delivery of a substitute Certificate of Obligation or Certificates of Obligation, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of any Certificate of Obligation or any portion thereof with respect to any Certificate of Obligation or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

(c) Payment of Certificates of Obligation. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of the Certificates of Obligation, and to act as its agent to convert and exchange or replace Certificates of Obligation, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Certificates of Obligation, and of all conversions and exchanges of Certificates of Obligation, and all replacements of Certificates of Obligation, as provided in this Ordinance.

(d) Conversion and Exchange or Replacement; Authentication. Each Certificate of Obligation issued and delivered pursuant to this Ordinance, to the extent of the unpaid or unredeemed principal balance or principal amount thereof, may, upon surrender of such Certificate of Obligation at the principal corporate trust office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, may, at the option of the registered owner or such assignee or assignees, as appropriate, be converted into and exchanged for fully registered certificates of obligation, without interest coupons, in the form prescribed in the FORM OF SUBSTITUTE CERTIFICATE OF OBLIGATION set forth in this Ordinance, in the denomination of \$5,000, or any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute Certificate of Obligation shall have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal balance or principal amount of any Certificate of Obligation or

Certificates of Obligation so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If the Initial Certificate of Obligation is assigned and transferred or converted each substitute Certificate of Obligation issued in exchange for any portion of the Initial Certificate of Obligation shall have a single stated principal maturity date, and shall not be payable in installments; and each such Certificate of Obligation shall have a principal maturity date corresponding to the due date of the installment of principal or portion thereof for which the substitute Certificate of Obligation is being exchanged. If a portion of any Certificate of Obligation (other than the Initial Certificate of Obligation) shall be redeemed prior to its scheduled maturity as provided herein, a substitute Certificate of Obligation or Certificates of Obligation having the same maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of \$5,000 at the request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. If any Certificate of Obligation or portion thereof (other than the Initial Certificate of Obligation) is assigned and transferred or converted, each Certificate of Obligation issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Certificate of Obligation for which it is being exchanged. Each substitute Certificate of Obligation shall bear a letter and/or number to distinguish it from each other Certificate of Obligation. The Paying Agent/Registrar shall convert and exchange or replace Certificates of Obligation as provided herein, and each fully registered certificate of obligation delivered in conversion of and exchange for or replacement of any Certificate of Obligation or portion thereof as permitted or required by any provision of this Ordinance shall constitute one of the Certificates of Obligation for all purposes of this Ordinance, and may again be converted and exchanged or replaced. THE INITIAL CERTIFICATE OF OBLIGATION issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate of Obligation issued in conversion of and exchange for or replacement of any Certificate of Obligation or Certificates of Obligation issued under this Ordinance there shall be printed a certificate, in the form substantially as follows:

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

**Zions Bancorporation, National Association**  
**Houston, Texas**  
Paying Agent/Registrar

Dated \_\_\_\_\_ By \_\_\_\_\_

## Authorized Representative

An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate of Obligation, date and manually sign the above Certificate, and no such Certificate of Obligation shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Certificates of Obligation surrendered for conversion and exchange or replacement. 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 or replacement of any Certificate of Obligation or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates of Obligation in the manner prescribed herein, and said Certificates of Obligation shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Chapter 1201, Government Code, the duty of conversion and exchange or replacement of Certificates of Obligation as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the converted and exchanged or replaced Certificate of Obligation shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Certificate of Obligation which originally was issued pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging any Certificate of Obligation or any portion thereof, but the one requesting any such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege of conversion and exchange. The Paying Agent/Registrar shall not be required to make any such conversion and exchange or replacement of Certificates of Obligation or any portion thereof with respect to any Certificate of Obligation or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

(e) In General. All Certificates of Obligation issued in conversion and exchange or replacement of any other Certificate of Obligation or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of such Certificates of Obligation to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Certificates of Obligation, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of the Certificates of Obligation shall be payable, all as provided, and in the manner required or indicated, in the FORM OF SUBSTITUTE CERTIFICATE OF OBLIGATION set forth in this Ordinance.

(f) Payment of Fees and Charges. The Issuer hereby covenants with the registered owners of the Certificates of Obligation that it will (i) pay the standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of the Certificates of Obligation, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer of registration of Certificates of Obligation, and with respect to the conversion and exchange of Certificates of Obligation solely to the extent above provided in this Ordinance.

(g) Substitute Paying Agent/Registrar. The Issuer covenants with the registered owners of the Certificates of Obligation that at all times while the Certificates of Obligation 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 Certificates of Obligation under this Ordinance, 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 date after such notice; however, the Issuer must obtain approval of the Texas Water Development Board to such change if the Texas Water Development Board owns any of the Certificates of Obligation. 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 Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates of Obligation, 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 Certificates of Obligation, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(h) Book-Entry Only System. The Certificates of Obligation issued in exchange for the Certificates of Obligation initially issued to the purchaser specified herein shall be initially issued in the form of a separate single fully registered Certificate of Obligation for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate of Obligation shall be registered in the name of Cede & Co., as nominee of Depository Trust Company of New York ("DTC"), and except as provided in subsection (f) hereof, all of the outstanding Certificates of Obligation shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Certificates of Obligation 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 DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest on the Certificates of Obligation. 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 Certificates of Obligation, (ii) the delivery to any DTC Participant or any other person, other than a Certificate of Obligation holder, as shown on the Registration Books, of any notice with respect to the Certificates of Obligation, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Certificate of Obligation holder, as shown in the Registration Books of any amount with respect to principal of, or premium, if any, as the case may be, the Certificates of Obligation. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat

and consider the person in whose name each Certificate of Obligation is registered in the Registration Books as the absolute owner of such Certificate of Obligation for the purpose of payment of principal and premium, if any, as the case may be, with respect to such Certificate of Obligation, for the purpose of giving notices of redemption and other matters with respect to such Certificate of Obligation, for the purpose of registering transfers with respect to such Certificate of Obligation, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and premium, if any, on the Certificates of Obligation only to or upon the order of the respective owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, and premium, if any, or as the case may be, the Certificates of Obligation to the extent of the sum or sums so paid. No person other than an owner, as shown in the Registration Books, shall receive a Certificate of Obligation certificate evidencing the obligation of the Issuer to make payments of principal and premium, if any, as the case may be, pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(i) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC and that it is in the best interest of the beneficial owners of the Certificates of Obligation that they be able to obtain certificated Certificates of Obligation, the Issuer or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates of Obligation to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates of Obligation and transfer one or more separate Certificates of Obligation to DTC Participants having Certificates of Obligation credited to their DTC accounts. In such event, the Certificates of Obligation 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 Certificate of Obligation holders transferring or exchanging Certificates of Obligation shall designate, in accordance with the provisions of this Ordinance. Notwithstanding the foregoing, the Issuer, if the Texas Water Development Board still owns the Certificates of Obligation, will not discontinue the use of DTC and its book-entry only system without prior written consent from the Texas Water Development Board.

(j) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate of Obligation is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and premium, if any, or as the case may be, such Certificate of Obligation and all notices with respect to such Certificate of Obligation shall be made and given, respectively, in the manner provided in the representation letter of the Issuer to DTC.



Section 7. FORM OF SUBSTITUTE CERTIFICATES OF OBLIGATION. The form of all Certificates of Obligation issued in conversion and exchange or replacement of any other Certificate of Obligation or portion thereof, including the form of Paying Agent/Registrar's Certificate to be printed on each of such Certificates of Obligation, and the Form of Assignment to be printed on each of the Certificates of Obligation, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance.

*[The remainder of this page intentionally left blank.]*

**FORM OF SUBSTITUTE CERTIFICATE OF OBLIGATION**

NO. \_\_\_\_\_ PRINCIPAL AMOUNT  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TEXAS  
COUNTY OF BANDERA  
CITY OF BANDERA, TEXAS  
COMBINATION TAX AND SURPLUS REVENUE CERTIFICATE OF OBLIGATION,  
TAXABLE SERIES 2025A

<b><u>INTEREST RATE</u></b>	<b><u>MATURITY DATE</u></b>	<b><u>DATE OF ORIGINAL ISSUE</u></b>	<b><u>CUSIP NO.</u></b>
0%		January 1, 2025	

ON THE MATURITY DATE specified above, the CITY OF BANDERA, TEXAS (the "Issuer") in COUNTY OF BANDERA, being a political subdivision of the State of Texas, hereby promises to pay to

**CEDE & CO.**

or to the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount of \_\_\_\_\_

The Certificate of Obligation shall not bear interest.

THE PRINCIPAL OF this Certificate of Obligation is payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate of Obligation shall be paid to the registered owner hereof upon presentation and surrender of this Certificate of Obligation at maturity or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of ***Zions Bancorporation, National Association, Houston, Texas***, which is the "Paying Agent/Registrar" for this Certificate of Obligation. The Issuer covenants with the registered owner of this Certificate of Obligation that on or before each principal payment date, it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Certificates of Obligation Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of the Certificates of Obligation, when due.

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

THIS CERTIFICATE OF OBLIGATION is one of an issue of Certificates of Obligation initially dated January 1, 2025, authorized in accordance with the Constitution and laws of the State of Texas in the original principal amount of \$3,000,000, for paying all or a portion of the Issuer's contractual obligations for the purpose of planning, acquiring, and designing improvements to the City's sewer system and for paying professional services for legal, fiscal, and engineering fees in connection with this project.

ON January 1, 2035 or any date thereafter, the Certificates of Obligation 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 Issuer shall, in inverse order of maturity, select and designate the maturity or maturities and the amount that is to be redeemed, and if less than a whole maturity is to be called, the Issuer shall direct the Paying Agent/Registrar to call by lot (provided that a portion of a Certificate of Obligation may be redeemed only in an integral multiple of \$5,000), at the redemption price of the principal amount thereof.

AT LEAST 30 days prior to the date fixed for any redemption of Certificates of Obligation 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, not less than 30 days prior to the date fixed for any such redemption, to the registered owner of each Certificate of Obligation to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate of Obligation, and it is hereby specifically provided that the mailing of such notice as required above shall be the only notice actually required in connection with or as a prerequisite to the redemption of any Certificates of Obligation or portions thereof. 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 Certificates of Obligation or portions thereof which are to be so redeemed. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Certificates of Obligation 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 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 Certificate of Obligation shall be redeemed a substitute Certificate of Obligation or Certificates of Obligation having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Certificates of Obligation Ordinance.

THIS CERTIFICATE OF OBLIGATION OR ANY PORTION OR PORTIONS HEREOF IN ANY INTEGRAL MULTIPLE OF \$5,000 may be assigned and shall be transferred only in the Registration Books of the Issuer kept by the Paying Agent/Registrar acting in the capacity of registrar for the Certificates of Obligation, upon the terms and conditions set forth in the Certificates of Obligation Ordinance. Among other requirements for such assignment and transfer, this Certificate of Obligation 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 Certificate of Obligation or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Certificate of Obligation or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Certificate of Obligation shall be executed by the registered owner or its duly authorized attorney or representative to evidence the assignment hereof. A new Certificate of Obligation or Certificates of Obligation payable to such assignee or assignees (which then will be the new registered owner or owners of such new Certificate of Obligation or Certificates of Obligation), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Certificate of Obligation, may be delivered by the Paying Agent/Registrar in conversion of and exchange for this Certificate of Obligation, all in the form and manner as provided in the next paragraph hereof for the conversion and exchange of other Certificates of Obligation. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such transfer, but the one requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration of this Certificate of Obligation or any portion hereof with respect to any Certificate of Obligation or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. The registered owner of this Certificate of Obligation shall be deemed and treated by the Issuer and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Certificate of Obligation to the extent of such payment, and the Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

ALL CERTIFICATES OF OBLIGATION OF THIS SERIES are issuable solely as fully registered certificates of obligation, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Certificates of Obligation Ordinance, this Certificate of Obligation, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be converted into and exchanged for a like aggregate principal amount of fully registered Certificates of Obligation, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Certificate of Obligation to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificates of Obligation Ordinance. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for transferring, converting, and exchanging any Certificate of Obligation or any portion thereof, but the one requesting such transfer, conversion, and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege of conversion and exchange. The Paying Agent/Registrar shall not be required to make any such conversion and exchange with respect to any Certificate of Obligation or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Certificates of Obligation is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Certificate of Obligation Ordinance that it promptly will appoint a competent and legally qualified substitute

therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Certificates of Obligation.

IT IS HEREBY certified, recited, and covenanted that this Certificate of Obligation has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Certificate of Obligation have been performed, existed, and been done in accordance with law; that this Certificate of Obligation is a general obligation of the Issuer, issued on the full faith and credit thereof; and that ad valorem taxes sufficient to provide for the payment of the principal of this Certificate of Obligation, as principal comes due, have been levied and ordered to be levied against all taxable property in the Issuer, and have been pledged for such payment, within the limit prescribed by law, and that this Certificate of Obligation is additionally secured by a lien on and pledge of surplus revenues of the Issuer's Waterworks and Sewer System, remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with any of the Issuer's revenue bonds or other obligations (now or hereafter outstanding), which are payable from all or any part of the net revenues of the Issuer's Waterworks and Sewer System, all as provided in the Certificates of Obligation Ordinance.

BY BECOMING the registered owner of this Certificate of Obligation, the registered owner thereby acknowledges all of the terms and provisions of the Certificate of Obligation Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Certificate of Obligation Ordinance 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 Certificate of Obligation and the Certificate of Obligation Ordinance constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Certificate of Obligation to be signed with the manual or facsimile signature of the Mayor of the Issuer and countersigned with the manual or facsimile signature of the City Secretary of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Certificate of Obligation.

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

\_\_\_\_\_  
Mayor Pro Tem

CITY SEAL

The following shall be printed on the back of said Certificate of Obligation:

"This Certificate of Obligation was originally delivered to and paid for by  
the Purchaser thereof on January 10, 2025".

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Certificate of Obligation 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 Certificate of Obligation has been issued under the provisions of the Certificate of Obligation Ordinance described on the face of this Certificate of Obligation; and that this Certificate of Obligation has been issued in conversion of and exchange for or replacement of a certificate of obligation, certificates of obligation, or a portion of a certificate of obligation or certificates of obligation of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

**Zions Bancorporation, National Association**  
**Houston, Texas**  
Paying Agent/Registrar

Dated \_\_\_\_\_

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

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner of this Certificate of Obligation, or duly authorized representative or attorney thereof, hereby assigns this Certificate of Obligation to

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(Assignee's Social Security or Tax  
Payer Identification Number)

\_\_\_\_\_

(Print or type Assignee's Name and Address Including  
Zip Code)

and hereby irrevocably constitutes and appoints

\_\_\_\_\_  
attorney, to transfer the registration of this Certificate of Obligation on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated \_\_\_\_\_

\_\_\_\_\_

NOTICE: This signature must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.

\_\_\_\_\_

NOTICE: This signature must correspond with the name of the Registered Owner appearing on the face of this Certificate of Obligation.

Section 8. TAX LEVY. A special Interest and Sinking Fund (the "Interest and Sinking Fund") is hereby created solely for the benefit of the Certificates of Obligation, and the Interest and Sinking Fund shall be established and maintained by the Issuer at an official depository bank of the Issuer. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the Issuer, and shall be used only for paying the principal of the Certificates of Obligation. All ad valorem taxes levied and collected for and on account of the Certificates of Obligation, together with any premium received from the sale of the Certificates of Obligation, shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Certificates of Obligation are outstanding and unpaid, the governing body of the Issuer shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to maintain a sinking fund adequate to pay the principal of its Certificates of Obligation as such principal matures (but never less than 2% of the original principal amount of the Certificates of Obligation as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of the Issuer, with full allowance being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the Issuer for each year while any of the Certificates of Obligation is outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the principal of the Certificates of Obligation, such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

Article 1208, Government Code, applies to the issuance of the Certificates of Obligation and the pledge of the taxes and revenue granted by the Issuer under this Section and Section 9, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Certificates of Obligation are outstanding and unpaid, the result of such amendment being that the pledge of the taxes and revenue granted by the Issuer under this Section and Section 9 is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the registered owners of the Certificates of Obligation a 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 of a security interest in said pledge to occur.

Section 9. REVENUES. That said Certificates of Obligation, together with other obligations of the Issuer, are additionally secured by and shall be payable from surplus revenues of the Issuer's waterworks and sewer system (the "Waterworks and Sewer System") remaining after (a) payment of all amounts constituting operation and maintenance expenses thereof, and (b) payment of all debt service, reserve, repair and replacement and other requirements and amounts required to be paid under all ordinances heretofore or hereafter authorizing all other obligations not on a parity with the Certificates of Obligation, which are payable from and secured by any Waterworks and Sewer System revenues, and (c) payment of all amounts payable from any Waterworks and Sewer System revenues pursuant to contracts heretofore or hereafter entered into by the Issuer in accordance with law. Notwithstanding the requirements of Section 8, if surplus revenues are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes which otherwise would have been required to be levied pursuant to Section 8 may be reduced to the extent and by the amount of the surplus revenues of the Waterworks and Sewer System then on deposit in the

Interest and Sinking Fund. However, if the surplus revenues of the Waterworks and Sewer System are budgeted for deposit into the Interest and Sinking Fund, the Issuer:

(a) shall transfer and deposit in the Interest and Sinking Fund each month an amount of not less than 1/12th of the annual debt service on the Certificates of Obligation until the amount on deposit in the Interest and Sinking Fund equals the amount required for annual debt service on the Certificates of Obligation; further, the Issuer shall not transfer any surplus revenue funds from the Issuer's Waterworks and Sewer System Revenue Fund to any fund other than the Interest and Sinking Fund until such time as an amount equal to the annual debt service on the Certificates of Obligation for the then current fiscal year has been deposited in the Interest and Sinking Fund;

(b) shall establish, adopt and maintain an annual budget that provides for either the monthly deposit of sufficient surplus Waterworks and Sewer System revenues and/or tax revenues, the monthly deposit of any other legally available funds on hand at the time of the adoption of the annual budget, or a combination thereof, into the Interest and Sinking Fund for the repayment of the Certificates of Obligation; and

(c) shall at all times maintain and collect sufficient Waterworks and Sewer System rates and charges in conjunction with any other legally available funds that, after payment of the costs of operating and maintaining the system, produce revenues in an amount not less than 1.10 times debt service requirements of all outstanding Waterworks and Sewer System revenue bonds of the Issuer and other obligations of the Issuer which are secured in whole or in part by a pledge of revenues of the Waterworks and Sewer System, for which the Issuer is budgeting the repayment of such obligations from the revenues of the Waterworks and Sewer System, or the Issuer shall provide documentation which evidences the levy of an ad valorem tax rate dedicated to the Interest and Sinking Fund, in conjunction with any other legally available funds except Waterworks and Sewer System rates and charges, sufficient for the repayment of Waterworks and Sewer System debt service requirements.

Section 10. TRANSFER. The Mayor and the City Secretary are hereby ordered to do any and all things necessary to accomplish the transfer of monies to the Interest and Sinking Fund of this issue in ample time to pay principal.

Section 11. DEFEASANCE OF CERTIFICATES OF OBLIGATION. (a) Any Certificate of Obligation shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Certificate of Obligation") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Certificate of Obligation, 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 Certificates of Obligation shall have become due and payable. At such time as a Certificate of Obligation shall be deemed to be a Defeased Certificate of Obligation hereunder, as aforesaid, such Certificate of Obligation shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates of Obligation that is made in conjunction with the payment arrangements specified in subsection 11(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 Certificates of Obligation for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates of Obligation 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. Notice of such defeasance shall be furnished to the Texas Water Development Board, if the Texas Water Development Board is the owner of the outstanding bonds.

(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 Certificates of Obligation, 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 Certificates of Obligation 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 11(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 Certificates of Obligation, 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 (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

(d) Until all Defeased Certificates of Obligation shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates of Obligation 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 Ordinance.

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

Section 12. **DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES OF OBLIGATION.** (a) Replacement Certificates of Obligation. In the event any outstanding Certificate of Obligation is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new certificate of obligation of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Certificate of Obligation, in replacement for such Certificate of Obligation in the manner hereinafter provided.

(b) Application for Replacement Certificates of Obligation. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Certificates of Obligation shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Certificate of Obligation, the registered owner applying for a replacement certificate of obligation 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 Certificate of Obligation, 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 Certificate of Obligation, as the case may be. In every case of damage or mutilation of a Certificate of Obligation, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate of Obligation so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Certificate of Obligation shall have matured, and no default has occurred which is then continuing in the payment of the principal of, or redemption premium, if any, on the Certificate of Obligation, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate of Obligation) instead of issuing a replacement Certificate of Obligation, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Certificates of Obligation. Prior to the issuance of any replacement certificate of obligation, the Paying Agent/Registrar shall charge the registered owner of such Certificate of Obligation with all legal, printing, and other expenses in connection therewith. Every replacement certificate of obligation issued pursuant to the provisions of this Section by virtue of the fact that any Certificate of Obligation is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen, or destroyed Certificate of Obligation shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates of Obligation duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates of Obligation. In accordance with Chapter 1201, Government Code, this Section 12 of this Ordinance shall constitute authority for the issuance of any such replacement certificate of obligation 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 certificates of obligation is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates of Obligation in the form and manner and with the effect, as provided in Section 6(d) of this Ordinance for Certificates of Obligation issued in conversion and exchange for other Certificates of Obligation.

Section 13. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES OF OBLIGATION; BOND COUNSEL'S OPINION; AND CUSIP NUMBERS. The Mayor of the Issuer is hereby authorized to have control of the Initial Certificate of Obligation issued hereunder and all necessary records and proceedings pertaining to the Initial Certificate of Obligation pending its delivery and its investigation, examination, and approval by the Attorney General of the State of Texas, and its registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Initial Certificate of Obligation 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 Initial Certificate of Obligation, and the seal of said Comptroller shall be impressed, or placed in facsimile, on the Initial Certificate of Obligation. 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 Initial Certificate of Obligation or on any Certificates of Obligation issued and delivered in conversion of and exchange or replacement of any Certificate of Obligation, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Certificates of Obligation.

Section 14. RESERVED.

Section 15. CONTINUING DISCLOSURE. CONTINUING DISCLOSURE.

(a) Definitions. 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) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"EMMA" means the Electronic Municipal Market Access system being established by the MSRB.

"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) **Annual Reports.** The Issuer shall provide annually to the MSRB through EMMA within twelve months after the end of each fiscal year ending in or after 2024, financial information and operating data with respect to the Issuer of the general type described in Exhibit A hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit A hereto, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall provide (1) unaudited financial statements for such fiscal year within such twelve month period, and (2) audited financial statements for the applicable fiscal year to the MSRB through EMMA when and if the audit report on such statements become available.

If the Issuer changes its fiscal year, it will notify the MSRB through EMMA of the date of the new fiscal year end prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this paragraph (b).

The financial information and operating data to be provided pursuant to this paragraph (b) may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB through EMMA or filed with the SEC.

(c) **Event Notices.**

The Issuer shall file notice of any of the following events with respect to the Certificates of Obligation to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

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

(10) Release, substitution, or sale of property securing repayment of the Certificates of Obligation, 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 of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, 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 security holders, 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.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body 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, and (b) the Issuer intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The Issuer shall notify the MSRB through EMMA, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) Limitations, Disclaimers, and Amendments. The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Certificates of Obligation within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with Section 11 of this Ordinance that causes Certificates of Obligation no longer to be outstanding.

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

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

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

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

The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates of Obligation in the primary offering of the Certificates of Obligation in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates of Obligation consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the holders and beneficial owners of the Certificates of Obligation. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates of Obligation in the primary offering of the Certificates of Obligation. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in

accordance with paragraph (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 16. SALE OF CERTIFICATES OF OBLIGATION. The Certificates of Obligations are hereby sold and shall be delivered to the TEXAS WATER DEVELOPMENT BOARD at a price equal to the par amount thereof.

Section 17. APPROVAL OF CERTIFICATES OF OBLIGATION. The Certificates of Obligations have been purchased by the Texas Water Development Board pursuant to its Resolution No. 24-078 adopted on September 12, 2024, which provides that the Certificates of Obligations are being purchased from the Clean Water State Revolving Fund and that in accordance thereto the Executive Administrator of the Board will purchase the Certificates of Obligations at the price set forth in Section 16, with all of the proceeds to be deposited in the Escrow Fund created in the Escrow Agreement herein below approved for future distribution into the Construction Fund as set forth therein.

Section 18. APPROVAL OF ESCROW AGREEMENT. The Mayor of the Issuer is hereby authorized and directed to execute and deliver and the City Secretary of the Issuer are hereby authorized and directed to attest an Escrow Agreement in substantially the form attached hereto as Exhibit B. The moneys in the Escrow Fund upon authorization from the Executive Administrator of the Texas Water Development Board, or its designee, shall be deposited into the Construction Fund as established herein.

Section 19. CONSTRUCTION FUND. There shall be established a Construction Fund with the Issuer's depository bank and upon release of funds from the Escrow Fund such funds shall be deposited into this Construction Fund. The cost of issuance of the Certificates of Obligations, being legal, fiscal and engineering fees, may be paid from this Fund. The cost of the construction of the wastewater system improvements will be paid from this Construction Fund upon direction of the Issuer. All interest and profits from investments made with moneys in the Construction Fund shall remain on deposit in the Construction Fund as a part thereof. After completion of the payment of all costs of the wastewater system improvements, any residue remaining in the Construction Fund shall be applied in accordance with Section 21 hereof.

Section 20. FINAL ACCOUNTING. The Issuer shall render a final accounting to the Texas Water Development Board in reference to the total cost incurred by the Issuer for wastewater system improvements together with a copy of "as built" plans of the project upon completion.

Section 21. INVESTMENTS. Funds on deposit in any Fund established pursuant to this Ordinance shall be secured by the depository bank of the Issuer in the manner and to the extent required by law to secure other public funds of the Issuer and may be invested from time to time in any investment authorized by applicable law, including but not limited to the Public Funds Investment Act (Chapter 2256, Texas Government Code), and the Issuer's investment policy adopted in accordance with the provisions of the Public Funds Investment Act; provided, however, that investments purchased for and held in each Interest and Sinking Fund shall have a final maturity no later than the next principal payment date on which such funds will be needed, and investments purchased for and held in the Construction Fund shall have a final maturity of not

later than the date the Issuer reasonably expects the funds from such investments will be required to pay costs of the projects for which the Certificates of Obligation were issued. Income and profits from such investments shall be deposited in the respective Fund which holds such investments; however, any such income and profits from investments in the Construction Fund may be withdrawn by the Issuer and deposited in the Interest and Sinking Fund to pay all or a portion of the next coming due on the Certificates of Obligation.

**Section 22. REMAINING FUNDS AND SURPLUS PROCEEDS.** The City shall use any proceeds from the Certificates of Obligation that are determined to be remaining unused funds, which are those funds unspent after the original approved Project is completed, for enhancements to the original Projects that are explicitly approved by the Executive Administrator of the Texas Water Development Board or, if no enhancements are so authorized, the City shall submit a final accounting and disposition of any unused funds.

Any proceeds of the Certificates of Obligation remaining on deposit in the escrow fund and the Construction Fund upon completion of the Projects and completion of a final accounting, shall be used for any of the following purposes as approved by the City and the Executive Administrator of the Texas Water Development Board: (i) to redeem, in inverse annual order, the outstanding Certificates of Obligation owned by the Texas Water Development Board; or (ii) to deposit into the Interest and Sinking Fund for the payment of principal on the Certificates of Obligation owned by the Texas Water Development Board.

**Section 23. COMPLIANCE WITH THE TEXAS WATER DEVELOPMENT BOARD'S RULES AND REGULATIONS.** The Issuer covenants to comply with all applicable laws, and the rules and regulations of the Texas Water Development Board, as long as the Certificates of Obligations, or any of them, are owned by the Texas Water Development Board:

(a) **Annual Audit Reporting.** The Issuer shall provide to the Development Fund Manager of the Texas Water Development Board, without the necessity of a written request therefor, a copy of the Issuer's annual audit report, to be submitted without charge, within 180 days of the close of each Issuer fiscal year.

(b) **Insurance.** The Issuer agrees to maintain insurance coverage sufficient to protect the interests of the Texas Water Development Board in the Project.

(c) **Water Conservation Program.** The Issuer agrees and covenants that it will implement an approved water conservation program in accordance with 31 TAC 363.15.

(d) **Records and Accounts.** The Issuer agrees and covenants that it will maintain current, accurate and complete records and accounts regarding the System in accordance with 31 TAC 375.91(a)(2)(L).

(e) **Environmental Determinations.** The Issuer agrees and covenants that it will comply with any special conditions of the Executive Administrator's environmental determination in accordance with 31 TAC 375.91(a)(2)(P), including the standard emergency discovery conditions for threatened and endangered species and cultural resources.



(f) Exercise of Remedies. The Texas Water Development Board may exercise all remedies available to it in law or equity, and any provision of the Certificates of Obligation that restricts or limits the Texas Water Development Board's full exercise of such remedies shall be of no force and effect.

(g) Proceeds of Certificates of Obligation to be Held at a Designated State Depository. Notwithstanding anything to the contrary set forth in this Ordinance, including specifically Section 17 hereof, the proceeds of the Certificates of Obligation shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257.

(h) Prohibition on Use of Proceeds. The Issuer covenants and agrees that none of the proceeds of the Certificates of Obligations will be expended on costs incurred relating to the sampling, testing, removing or disposing of contaminated soils and/or media at the project site.

(i) Indemnification. The Issuer further agrees, to the extent permitted by law, to indemnify, hold harmless and protect the Texas Water Development Board from any and all claims or causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the Issuer, its contractors, consultants, agents, officials and employees as a result of activities relating to the Project.

(j) Disadvantaged Business Enterprises Program. The Issuer covenants to provide documentation to the Texas Water Development Board that it has met the procurement requirements under the Disadvantaged Business Enterprises Program prior to release of funds for applicable goods or professional services.

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

(l) Useful Life of the Project. The average weighted maturity of the obligations purchased by the TWDB shall not exceed 120% of the average reasonably expected economic life of the project.

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

(n) Build America, Buy America Requirements. The City will abide by all applicable requirements of the Build America, Buy America Act, Public Law 117-58.

(o) Telecommunication. The Issuer will abide by the prohibition on certain telecommunications and video surveillance services or equipment as required by 2 CFR § 200.216.

(p) Firearm Litigation. The City shall notify TWDB in writing of any suit against it by the Attorney General of Texas under Section 2.103 of the Texas Government Code and Section 1.10(f) of the Texas Penal Code, each as amended, related to federal laws regulating firearms, firearm accessories, and firearm ammunition.

Section 24. COVENANTS AND COMPLIANCE WITH THE TEXAS WATER DEVELOPMENT RESOLUTION APPROVING PURCHASE OF CERTIFICATES OF OBLIGATION. The Texas Water Development Board, in Resolution 24-078 adopted on September 12, 2024, requires that the Issuer make the following covenants in this Ordinance:

(a) The Issuer shall submit outlay reports with sufficient documentation on costs (e.g.; invoices, receipts) on a quarterly or monthly basis in accordance with the Texas Water Development Board's outlay report guidelines.

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

(c) The Issuer shall provide the Texas Water Development Board with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282. The Issuer shall obtain a Data Universal Numbering System ("DUNS") Number and shall register with System for Award Management ("SAM"), and maintain current registration at all times during which the Certificates of Obligations are outstanding;

(d) All loan proceeds will be timely and expeditiously used, as required by federal statute and EPA regulations, and the Issuer will adhere to an Executive Administrator-approved project schedule, which shall not be altered except for good cause shown and only with the written approval of the Executive Administrator.

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

Section 25. REMEDIES IN EVENT OF DEFAULT; SECURITY INTEREST. In addition to all the rights and remedies provided by the laws of the State of Texas, it is specifically covenanted and agreed particularly that in the event the Issuer (i) defaults in the payment of the

principal, or premium, if any, on the Certificates of Obligations, (ii) defaults in the deposits and credits required to be made to the Interest and Sinking Fund, or (iii) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance, the following remedies shall be available:

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

(b) no delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies, and the specification of such remedy shall not be deemed to be exclusive. Any provision of the Certificates of Obligations or this Ordinance that restricts or limits the Texas Water Development Board's full exercise of its remedies shall be of no force and effect.

Section 26. FURTHER PROCEDURES. The officers and employees of the Issuer are hereby authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of the Certificates and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Certificates, the Mayor, the City Secretary, the City Administrator, and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance, or (ii) obtain the approval of the Certificates by the Texas Attorney General's office. In case any officer of the City whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, 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. SECURITY FOR FUNDS. All funds mentioned in this Ordinance shall be secured in the manner and to the fullest extent permitted or required by law for the security of public funds, including the Public Funds Collateral Act (Chapter 2257, Government Code), and such funds shall be used only for the purposes and in the manner permitted or required by this Ordinance.

Section 29. PUBLIC NOTICE. It is hereby officially found and determined that public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code, and that no petition was received from the qualified electors of the Issuer protesting the issuance of the Certificates of Obligation.

Section 30. EFFECTIVE DATE. This Ordinance becomes effective immediately after passing on first reading in accordance with Section 1201.028, Texas Government Code.

***ADOPTED BY THE CITY COUNCIL OF THE CITY OF BANDERA, TEXAS AT A REGULAR MEETING HELD ON THE 10<sup>TH</sup> DAY OF DECEMBER, 2024.***

\_\_\_\_\_  
Jill Shelton  
City Secretary, City of Bandera, Texas

\_\_\_\_\_  
Tony Battle  
Mayor Pro Tem, City of Bandera, Texas

(SEAL)

**EXHIBIT A**

**DESCRIPTION OF ANNUAL FINANCIAL INFORMATION**

The following information is referred to in Section 15 of this Ordinance.

**I. Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the Issuer to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The annual audited financial statements of the City, or unaudited financial statements of the City in the event the audited financial statements are not completed within twelve months after the end of any fiscal year.
2. All quantitative financial and operating data with respect to the City of the general type included in the Issuer’s application to the Texas Water Development Board, but only to the extent that such information is customarily prepared by the Issuer and is publicly available.

**Accounting Principles**

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.

**EXHIBIT B**

**ESCROW AGREEMENT**

**The Escrow Agreement Has Been Omitted at this Point as it Appears  
in Executed Form Elsewhere in this Transcript.**

**RESOLUTION NO. 2024-046****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANDERA, TEXAS, AUTHORIZING APPROVAL OF THE CITY OF BANDERA MERIT BASE RAISE POLICY; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the City desires to adopt a merit base raise policy that reflect and establish best practices for fulfilling the fiduciary responsibility held by city personnel and members of city council; and

**WHEREAS**, the City Administrator and City Council request that it is in the best interest of the City to adopt a merit base raise policy to establish the responsibilities and duties expected of all City employees; and,

**WHEREAS**, the City Council has determined that it would be in the City's best interest to adopt the attached merit base raise policy.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BANDERA, TEXAS:**

Section 1. The City Council of the City of Bandera, Texas hereby adopts the policy attached in Exhibits A and authorizes the Mayor and City Administrator to distribute and implement the policy.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 3. All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject



**RESOLUTION NO. 2024-046**

matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

**PASSED AND APPROVED this 10<sup>th</sup> day of December 2024.**

\_\_\_\_\_  
Tony Battle, Mayor Pro Tem

ATTEST:

\_\_\_\_\_  
Jill Shelton, City Secretary

# Merit-Based Raise Policy

## Purpose

This policy aims to reward employees for their individual contributions to the organization, encouraging high performance and aligning employee goals with company objectives.

## Eligibility

All full-time employees are eligible for merit-based raises, provided they meet the following criteria:

- Successfully completed at least one performance review cycle.
- No more than two oral disciplinary reprimands.

## Performance Criteria

Raises will be based on the following performance metrics:

1. **Job Knowledge:** Technical, Procedural, Organizational knowledge, and problem-solving skills.
2. **Productivity:** Ability to meet or exceed project deadlines and output expectations.
3. **Innovation:** Contribution of new ideas or improvements to processes.
4. **Teamwork:** Collaboration and support of team members and overall contribution to team success.
5. **Communication Skills:** Clarity, Articulation, Tone of Voice, Active Listening, Body Language, Eye Contact, and Gestures.

## Evaluation Process

1. **Performance Evaluations:** Conducted annually in the first quarter of the fiscal year by the direct report.
2. **Goal Setting:** Employees will set SMART goals at the beginning of the review period, which will be referenced during evaluations.
3. **Feedback:** Regular feedback sessions will occur quarterly to track progress and address concerns.

## Merit Raise Determination

- **Performance Rating Scale:**
  - Exceeds Expectations: 3% raise, score 90-100
  - Meets Expectations: 2% raise, score 80-89
  - Needs Improvement: No raise, score 0-79
- Raises will be evaluated annually, and budgets for merit-based increases will be reviewed each year.

### **Transparency**

Employees will be informed about:

- The criteria for merit raises.
- The evaluation process.
- How raises are determined based on performance.

### **Appeal Process**

See personnel manual.

### **Review and Adjustments**

This policy will be reviewed annually for effectiveness and may be adjusted based on feedback and organizational changes.

## Merit-Based Evaluation Form for Employee Performance

**Employee Name:** \_\_\_\_\_

**Position:** \_\_\_\_\_

**Department:** \_\_\_\_\_

**Evaluation Period:** \_\_\_\_\_

**Evaluator Name:** \_\_\_\_\_

### Evaluation Criteria

#### 1. Job Knowledge (20 points)

- ☐ Understands job responsibilities and tasks
- ☐ Keeps up with industry trends and developments
- ☐ Demonstrates expertise in relevant tools/technologies

**Score:** \_\_\_\_ / 20

**Comments:**

#### 2. Productivity (20 points)

- ☐ Meets deadlines consistently
- ☐ Manages time effectively
- ☐ Prioritizes tasks efficiently

**Score:** \_\_\_\_ / 20

**Comments:**

#### 3. Communication Skills (20 points)

- ☐ Clearly conveys information to team members
- ☐ Actively listens and responds appropriately
- ☐ Writes clearly and effectively

**Score:** \_\_\_\_ / 20

**Comments:**

#### 4. Teamwork and Collaboration (20 points)

- ☐ Works well with others
- ☐ Contributes to team goals
- ☐ Supports and encourages colleagues

**Score:** \_\_\_\_ / 20

**Comments:**

**Overall Score:** \_\_\_\_ / 100

**Additional Comments and Goals:**

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December 5, 2024

Stan R. Farmer  
City Administrator  
City of Bandera, Texas  
511 Main Street  
Bandera, Texas 78003

Re: City of Bandera – SH 16 TASA Grant Support – Preliminary Application Support

Dear Mr. Farmer:

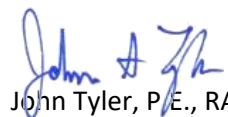
We are pleased to present this proposal for engineering services to support the development of a transportation alternative set-aside grant proposal in connection with the above referenced project. Based on our conversations with City staff and understanding of the project objectives, we are tasked to develop a Level of Effort and Scope to serve as the basis for developing the schematic design and cost opinion. Our proposed scope of services Exhibit A is attached.

**Basis of Compensation and Level of Effort**

A budget of \$8,500 is the lump sum fee of Pape-Dawson's current understanding of the services identified for Phase I. This budget figure is not to be exceeded without written modification of this Agreement.

We look forward to working with you on this project. If you have questions or comments regarding the proposed services, please let me know.

Sincerely,  
Pape-Dawson Consulting Engineers, LLC



John Tyler, P.E., RAS  
Managing Vice President

**Attachments**

- Exhibit A
- Pape-Dawson Terms and Conditions

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## Exhibit “A”

### Scope of Services Provided by Engineer

#### Project Description and Limits

Provide support towards the development of the TxDOT 2025 Transportation Alternatives Set-Aside (TA) Call for Projects. The reconstruction limits encompass SH 16 from TX 173 to Hackberry Street.

The project scope should include layout of curb replacements, sidewalk upgrades, driveway reconstructions, drainage assessments, and traffic signal improvements. Additionally, project should be reviewed to include upgrading existing drainage to provide equivalent or improved capacity, as necessary, to support the proposed improvements.

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**Design Criteria.** The Engineer should prepare all work in accordance with the latest version of applicable City or State procedures, specifications, manuals, guidelines, standard drawings, and standard specifications or previously approved special provisions and special specifications. This includes: the TxDOT *PS&E Preparation Manual*, *Roadway Design Manual*, *Hydraulic Design Manual*, the *Texas Manual on Uniform Traffic Control Devices* (TMUTCD), *Standard Specifications for Construction and Maintenance of Highways, Streets and Bridges* (latest Edition), and other City-approved manuals. When design criteria are not identified in City manuals, the Engineer should notify the City and refer to the American Association of State Highway and Transportation Officials (AASHTO) *A Policy on Geometric Design of Highways and Streets* (latest Edition) and the *Proposed Guidelines for Pedestrian Facilities in the Public Right-of-Way* published by the Architectural and Transportation Compliance Board (Access Board) on July 26, 2011, 36 CFR Part 1190 or its final adopted guidelines. Additionally, the Engineer should follow the City's guidelines when developing the PS&E package. Each PS&E package to be prepared in a form suitable for letting through the City's construction contract bidding and awarding process.

**Progress Reporting and Invoicing.** The Engineer should submit a monthly written progress report to the City's Project Manager. The progress report should describe activities during the reporting period; activities planned for the following period; problems encountered, and actions taken to resolve them; a list of meetings attended; and overall status of the project, including a percent complete by task.

**Quality Assurance (QA) and Quality Control (QC).** The Engineer should provide peer review at all levels. For each deliverable, the Engineer should document evidence of their internal review and mark-up of that deliverable as preparation for submittal.

**Personal Protective Equipment (PPE).** PPE to comply with all (1) current standards set by the Occupational Safety and Health Administration (OSHA) and (2) TxDOT requirements. Each business vehicle must be clearly marked with the Engineer's business name or the name of the appropriate subcontractor, ensuring identification from a distance.

## **1. Project Management and General Items**

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At each milestone submittal the Engineer should:

- Prepare and distribute meeting minutes to project stakeholders.
- Maintain a design schedule.
- Develop typical sections, plan elements, summary of quantities, location maps, and cost opinion.

Progress reports, invoices, and associated support documents should be prepared monthly.

The Engineer should conduct one (1) meeting with the City to identify specific concerns in the field, at the request of the city.

## **2. Right-of-Way Surveying and Mapping**

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The Engineer should complete the following tasks along the project limits:

- Obtain or collect data through aerial imagery or digital media review.
- Locate topographical features and existing improvements such as signs, elevations, driveways, curb lines, structures, pavement markings, signals, etc.
- Locate above-ground evidence of existing utilities.
- Conduct a preliminary review of existing drainage features (e.g., culverts, manholes, etc.), including pipe sizes, materials, and invert and rim elevations.
- Locate trees within the apparent right-of-way.

## **3. Roadway**

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The Engineer should update geometric schematic and typical section layouts to support the preliminary application. Typical Section Layouts should consist of existing features and the proposed improvements within the existing apparent right-of-way (ROW).

- The Engineer should prepare typical sections for proposed and existing conditions. Typical sections should include:
- Width of travel lanes, shoulders, outer separations, border widths, curb offsets, and apparent ROW.
- Proposed Profile Grade Line (PGL), centerline, pavement design, sidewalks, station limits, and common proposed and existing structures (including retaining walls).
- Existing pavement removal, riprap, and limits of embankment and excavation.

The design should be created using Bentley technology in the PowerGEOPAK platform with GEOPAK tools.

Accessibility elements should follow Public Right-of-Way Accessibility Guidelines (PROWAG).

## **4. Signing, Pavement Markings, and Signalization**

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The Engineer should review corridor signalization for impacts to existing and proposed infrastructure to accommodate within the cost opinion. Roadway existing illumination will be reviewed to identify necessary adjustments for proposed conditions. The Engineer should refer to latest version of the TMUTCD, Traffic Signal Manual, and TxDOT's roadway and traffic standards for work performed for temporary and permanent traffic signals.

## **5. Cost Estimating**

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The Engineer should prepare an opinion of probable construction costs for proposed improvements identified within the base scope.



### **Deliverables**

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The Engineer should provide the following:

- An updated schematic
- Updated Typical Sections
- An estimate of construction cost
- Preliminary application support, including technical project write-up

**RE: City of Bandera – SH 16 TASA Grant Support – Preliminary Application Support (the “Project”)**  
**TERMS AND CONDITIONS**

PAPE-DAWSON CONSULTING ENGINEERS, LLC, a Texas limited liability company, located at 2000 NW Loop 410, San Antonio, Texas, 78213-2251, hereinafter referred to as "Engineer", has agreed to provide Professional Services to City of Bandera, Texas, hereinafter referred to as "Client," pursuant to the terms set out in a "Proposal - Scope of Services and Compensation" (the "Proposal") executed by Client and these Terms and Conditions.

**ARTICLE 1: SERVICES**

Engineer agrees to perform Professional Services (the "Services") in conformance with the descriptions, definitions, terms and conditions as set forth herein and on the Proposal and any Exhibits, rate sheets, and Additional Services Requests subsequently attached hereto or incorporated hereto by reference. This description of Services is intended to be general in nature and is neither a complete description of Engineer's Services nor a limitation on the Services that Engineer is to provide under this Agreement.

**ARTICLE 2: PROPOSAL AND ADDITIONAL SERVICES REQUESTS**

2.1 These Terms and Conditions, the Proposal and any Exhibits, rate sheets, and Additional Services Requests for this Project are hereby incorporated by reference and are collectively referred to herein as the "Agreement."

2.2 The Proposal, as amended or modified by any Additional Services Requests, shall identify the specific Scope of Services to be performed and the amount and type of compensation for the specific services.

2.3 Client shall authorize and Engineer shall commence work set out in the Proposal and any Additional Services Requests upon Client's execution of the Proposal.

**ARTICLE 3: CHANGES**

3.1 The Client may at any time, by written Additional Service Request, make changes within the general scope of the Proposal relating to services to be performed for this Project. If such changes cause an increase or decrease in the Engineer's cost of, or time required for, performance of any services, an equitable adjustment shall be made and reflected in a properly executed Amendment.

3.2 The Engineer is not obligated to begin work on a change of scope or deliver that work product until a properly executed Additional Services Request is signed by the Client.

3.3 This Agreement is based on laws and regulations in effect as of the date of execution of this Agreement by Client. Changes after this date to these laws and regulations may be the basis for modifications to Engineer's scope of Services, times of performance, or compensation. In the event that there are modifications and/or additions to legal or regulatory requirements relating to the Services to be performed under this Agreement after the date of execution of this Proposal, the scope of Services, times of performance, and compensation provided for in these Terms and Conditions, the Proposal, and any subsequent Additional Services Requests shall be reflected in an appropriate Additional Services Request.

3.4 Should commencement of the individual tasks or services set out in the Proposal not be initiated within three (3) months of the date of execution of the Proposal by Client, Engineer reserves the right to revise the costs, fees, and scope of work for the tasks or services not yet initiated.

3.5 If after the commencement of work, Engineer's performance of the individual tasks or services is suspended at the instruction of client for a period of three (3) cumulative months, Engineer may at its sole discretion submit to client an invoice for all tasks and services performed prior to suspension, and Client shall pay that invoice within thirty (30) days after receipt. If Client fails to pay the invoice in full within thirty (30) days, Engineer may terminate this Agreement in accordance with the provisions of Article 7.1 herein.

**ARTICLE 4: THE TERM**

4.1 **Term.** Engineer shall be retained by Client as of the date Client executes the Proposal, Engineer shall complete its Services within a reasonable time, and this Agreement shall remain in effect until the Services have been fully performed or until the Engineer's Services are terminated under provisions of the Agreement.

**ARTICLE 5: DUTIES**

5.1 **Access.** Client will provide Engineer with access to the Property or to any other site as required by Engineer for performance of the Services.

5.2 **Client-furnished Data.** Client shall provide all criteria and full information as to Client's requirements for the Project; designate a person to act with authority on Client's behalf in respect to all aspects of the Project, examine and respond promptly to Engineer's submissions, and give prompt written notice to Engineer whenever he observes or otherwise becomes aware of any defect in the work.

Client shall also do the following and pay all costs incident thereto: Furnish to Engineer core borings, probings and subsurface exploration, hydrographic surveys, laboratory tests and inspections of samples, materials and equipment and similar data; appropriate professional interpretations of all of the foregoing; environmental assessment and impact statements, and any other information previously made available to the Client, which may be required by Engineer, all of which Engineer may rely upon in performing its services.

Provide such legal, accounting, independent cost estimating and insurance counseling services as may be required for the Project, any auditing service required in respect of constructor(s)' applications for payment, and any inspection services to determine if constructor(s) are performing the work legally.

5.3 **Other Information.** Engineer will rely upon commonly used sources of data, including database searches and agency contacts. Engineer does not warrant the accuracy of the information obtained from those sources and has not been requested to independently verify such information.

5.4 **Indemnity.** The Engineer agrees, to the fullest extent permitted by law, to indemnify and hold the Client harmless for damages and losses arising from the negligent acts, errors or omissions of the Engineer in the performance of the professional services under this Agreement, to the extent that the Engineer is responsible for

damages and losses on a comparative basis of fault and responsibility between the Engineer and the Client. The Engineer is not obligated to indemnify the Client for the Client's own negligence.

Notwithstanding the foregoing, to the fullest extent permitted by law, engineer shall indemnify and hold the client harmless from and against all claims arising out of or resulting from bodily injury to, or sickness, disease or death of, any employee, agent or representative of engineer or any of its subcontractors.

To the fullest extent permitted by law, Client and Engineer waive against each other, and the other's employees, officers, directors, members, agents, insurers, partners, and consultants or subconsultants, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to the Project.

**5.5 Ownership of Documents.** All designs, drawings, specifications, documents, and other work products of the Engineer, whether in hard copy or in electronic form, are instruments of service for the Services, whether Services are completed or not. Reuse, change or alteration by the Client or by others acting through or on behalf of the Client of any such instruments or service without the written permission of the Engineer will be at the Client's sole risk. Client agrees to indemnify the Engineer, its officers, partners, employees, and subcontractors from all claims, damages, losses, and costs, including, but not limited to, litigation expenses and attorney's fees, arising out of or related to such unauthorized reuse, change or alteration.

**5.6 Reporting Obligations.** Client has responsibility for complying with all legal reporting obligations. Nothing in the Agreement precludes Engineer from providing any notices or reports that it may be required by law to give to governmental entities.

**5.7 Laboratory Services.** In performing environmental services, Engineer may make use of an independent testing laboratory. Engineer will not, and Client shall not rely upon Engineer to, check the quality or accuracy of the testing laboratory's services.

**5.8 Changed Conditions.** The Client shall rely on the Engineer's judgment as to the continued adequacy of the Agreement in light of occurrences or discoveries that were not originally contemplated by or known to the Engineer, including but not limited to suspension of Engineer's work as set out in Article 3.5 herein. Should Engineer call for contract renegotiation due to such changed conditions, the Engineer shall identify the changed conditions necessitating renegotiation and the Engineer and the Client shall promptly and in good faith enter into renegotiation of this Agreement. If terms cannot be agreed to, the parties agree that either party has the right to terminate the Agreement.

**5.9 Opinions of Cost.** Should Engineer provide any cost opinions, it is understood that those opinions are based on the experience and judgment of Engineer and are merely opinions. Engineer does not warrant that actual costs will not vary from those opinions because, among other things, Engineer has no control over market conditions.

**5.10 Construction Observation.** If construction phase services are included in the basic services, the Engineer shall visit the project at appropriate intervals during construction to become generally familiar with the progress and quality of the contractors' work and to determine if the work is proceeding in general accordance with the Contract Documents. The Client has not retained the Engineer to make detailed inspections or to provide exhaustive or continuous project review and observation services. The Engineer does not

guarantee the performance of, and shall have no liability for, the acts or omissions of any contractor, subcontractor, supplier or any other entity furnishing materials or performing any work on the project. Engineer shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by Contractor(s) or the safety precautions and programs incident to the work of Contractor(s).

**5.11 Subconsultants.** Engineer may employ such Subconsultants as Engineer deems necessary to assist in the performance or furnishing of the Services, subject to reasonable, timely, and substantive objections by Client.

## ARTICLE 6: COMPENSATION OF SERVICES

**6.1 Compensation of Services.** Engineer's compensation for services shall be set forth in the Proposal and any subsequent Additional Services Requests.

**Compensation.** Client agrees to pay Engineer for Professional Services in accordance with the descriptions, definitions, terms and conditions as set forth herein and in the Proposal and any Additional Services Requests, or Amendments subsequently attached hereto or incorporated herein by reference. Expenses directly related to these services, including reproduction, travel, long distance telephone bill, express mail, special deliveries and subcontractor expenses shall include a 10% markup on cost.

Engineer reserves the right to adjust the hourly billing rates set out in the Proposal, Additional Service Requests, and/or Amendments thereto on an annual basis. Engineer shall notify Client of any hourly billing rate adjustments when they go into effect.

**Payments.** Engineer will invoice Client monthly in accordance with the terms and conditions of this Agreement, the Proposal, and any subsequent Additional Services Requests for Services and reimbursables. Client agrees to promptly pay Engineer at his office at 2000 NW Loop 410, San Antonio, Texas 78213-2251, the full amount of each such invoice upon receipt. In no event shall Engineer's failure to bill monthly constitute default under the terms and conditions of this Agreement.

**6.2 Sales and Use Tax.** Effective July 1, 1990, a State, City and MTA Sales Tax must be collected on Surveying Fees for the establishment of Real Property Boundaries and determining the location of structures or improvements in relation to the boundaries. Charges for prints and reproductions are also subject to a Sales Tax. Client agrees to pay Engineer the applicable Sales Tax on services and said tax is not considered a part of Engineer's compensation for services. In the event subsequent taxes are levied by Federal, State or Local authorities, relating to the services in writing and such modifications as are required shall be made a part of this Agreement.

**6.3 Right to Stop Performance.** If Client does not pay any amount due to Engineer within thirty (30) days after the invoice date, Engineer may, upon three (3) additional days' verbal or written notice to Client, stop performance of the Services until payment of the amount owed has been received.

**6.4 Interest.** Payments due and unpaid to Engineer under the Agreement shall bear interest at the rate of twelve percent (12%) per annum, or lesser if required by law, calculated from the date of the invoice, if the payment is not made within thirty (30) days of the date of the invoice.

6.5 **Attorney's Fees:** In the event Engineers' invoices for services are given to an attorney for collection, or if suit is brought for collection, or if they are collected through probate, bankruptcy, or other judicial proceeding, then Client shall pay Engineer all costs of collection, including the maximum attorney's fees allowed by Law and court costs, in addition to other amounts due.

## ARTICLE 7: TERMINATION OF SERVICES

7.1 **Termination.** This Agreement may be terminated without cause at any time prior to completion of Engineer's services, either by Client or by Engineer, upon written notice to the other at the address of record. Upon receipt of written notice from Client to discontinue work, the Engineer shall discontinue work under this Agreement immediately. In the event Client terminates the Agreement based on Client's reasonable opinion the Engineer has failed or refused to prosecute the work efficiently, promptly or with diligence, the Engineer shall have ten (10) days, from the receipt of written notification by Client, to cure such failure to perform in accordance with the terms of this Agreement.

7.2 **Compensation in Event of Termination.** On termination, by either Client or Engineer, Client shall pay Engineer with respect to all contracted services rendered and expenses incurred before termination an amount fixed by applying the Engineer's Standard Hourly Rates, in force at the time of termination, to all services performed to date, in addition to termination settlement costs the Engineer reasonably incurs relating to commitments which had become firm before the termination.

## ARTICLE 8: RELATIONSHIP OF PARTIES

8.1 **Independent Contractor:** It is understood that the relationship of Engineer to Client shall be that of an independent contractor. Neither Engineer nor employees of Engineer shall be deemed to be employees of Client.

## ARTICLE 9. LIMITATION OF LIABILITY

9.1 **Limitation of Liability.** To the fullest extent permitted by law, the total liability of Engineer and its subconsultants and subcontractors to Client for any and all injuries, claims, losses, expenses, or damages whatsoever from any cause or causes, including, but not limited to, strict liability, breach of contract, breach of warranty, negligence, or errors or omissions (collectively "Claims") shall not exceed the Engineer's total fee. In no event will Engineer, its subconsultants or subcontractors be liable for punitive, special, incidental, or consequential damages.

9.2 **No Certification.** Engineer shall not be required to sign any documents, no matter by whom requested, that would result in Engineer having to certify, guarantee, or warrant the existence of conditions whose existence Engineer cannot ascertain. The Client also agrees not to make resolution of any dispute with Engineer or payments of any amount due to Engineer in any way contingent upon Engineer's signing any such certification.

9.3 **Execution of Documents.** The Engineer shall not be required to execute any documents subsequent to the signing of this Agreement that in any way might, in the sole judgment of the Engineer, increase the Engineer's risk or the availability or cost of its professional or general liability insurance.

9.4 **No Supervision of Contractors.** Engineer shall not at any time supervise, direct, control, or have authority over any contractor

work, nor shall Engineer have authority over or be means, methods, techniques, sequences, or procedures of construction selected or used by any contractor, or the safety precautions and programs incident thereto, for security or safety at the Project site, nor for any failure of a contractor to comply with laws and regulations applicable to such contractor's furnishing and performing of its work.

9.5 Engineer shall not be responsible for the acts or omissions of any contractor, subcontractor, or supplier, or of any of their agents or employees or of any other persons (except Engineer's own agents, employees, and Subconsultants) at the Project site or otherwise furnishing or performing any work for the Project.

## ARTICLE 10: MISCELLANEOUS

10.1 **Entire Agreement.** The Agreement (including any exhibits) contains the entire agreement between Engineer and Client, and no oral statements or prior written matter shall be of any force or effect. The Agreement may be modified only by a written document executed by both parties.

10.2 **Governing Law.** The Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

10.3 **Venue.** Venue of any action under the Agreement shall be exclusively in Bexar County, Texas.

10.4 **Severability.** If any provision of the Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable and the Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision is not a part hereof, and the remaining provisions shall remain in full force and effect. In lieu of any illegal, invalid or unenforceable provision, there shall be added automatically as a part of the Agreement, a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

10.5 **Construction of Agreement.** The parties acknowledge that each party and, if it so chooses, its counsel have reviewed and revised the Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Agreement or any amendments or exhibits.

10.6 **Successor and Assigns: Third Party Beneficiary.** The Agreement shall be binding upon Engineer, Client and their respective legal representatives, successors and permitted assigns. Neither Engineer nor Client may assign the Agreement nor any right or obligation under it without the prior written consent of the other party. Nothing in the Agreement restricts Engineer's ability to hire subcontractors in connection with the Services. The Services and any report prepared under this Agreement are for the sole benefit and sole use of Client and are not for the use of any other person. Only Client may rely upon the Agreement and the Services, unless Engineer gives Client prior and specific written approval.

10.7 **Dispute Resolution.** Any claim, dispute or other matter in question arising out of or related to the Agreement of the Services provided thereunder shall be subject to arbitration. Prior to arbitration, the parties shall endeavor to resolve disputes by mediation. Claims, disputes and other matters in question between the parties that are not resolved by mediation shall be decided by arbitration which, unless the parties mutually agree otherwise, shall be in accordance with

Construction Industry Arbitration Rules of the American Arbitration Association currently in effect. The demand for arbitration shall be filed in writing with the other Party to this Agreement and with the American Arbitration Association. No arbitration arising out of or relating to the Agreement shall include, by consolidation or joinder or in any other manner, an additional person or entity not a party to this Agreement. The foregoing agreement to arbitration shall be specifically enforceable in accordance with applicable law in any court having jurisdiction. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction.

10.8 **Mediation:** Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to non-binding mediation as a condition precedent to the institution of legal proceedings by either party. If such matter relates to or is the subject of a lien arising out of the Engineer's services, the Engineer may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or other legal proceedings.

Each party agrees to include a similar mediation provision in all agreements with independent contractors and consultants retained for the Project and to require all independent contractors and consultants also to include a similar mediation provision in all agreements with their respective subcontractors, suppliers, and subconsultants, thereby providing for mediation as the initial method for dispute resolution between the parties to all those agreements.

The parties shall share the mediator's fee and any other costs of mediation. The mediation shall be held in the county where the project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

10.9 **No Warranty.** Engineer makes no warranty, either expressed or implied, as to Engineer's findings, recommendations, plans, specifications, or professional advice. Engineer has endeavored to perform its services in accordance with generally accepted standards of practice by recognized professional firms in performing services of a similar nature in the same locality, under similar circumstances. Client recognizes that neither Engineer nor any of Engineer's subconsultants or subcontractors owes any fiduciary responsibility to Client.

10.10 **Survival of Provisions.** Termination of the Services for any reason whatsoever shall not affect (a) any right or obligation of any party that is accrued or vested prior to such termination, and any provision of the Agreement relating to any such right or obligation shall be deemed to survive the termination of the Services or (b) any continuing obligation, liability or responsibility of Engineer and of Client which would otherwise survive termination of the Services.

10.11 Complaints regarding surveying may be filed with the Texas Board of Professional Land Surveying, Building A, Suite 156, 12100 Park 35 Circle, Austin, TX 78753.