



**CITY OF DENISON  
CITY COUNCIL MEETING  
AGENDA**

**Monday, March 4, 2024**

After determining that a quorum is present, the City Council of the City of Denison, Texas will convene in a Regular Meeting on **Monday, March 4, 2024 at 6:00 PM** in the Council Chambers at City Hall, 300 W. Main Street, Denison, Texas at which the following items will be considered:

- 1. INVOCATION, PLEDGE OF ALLEGIANCE AND TEXAS PLEDGE**
- 2. PUBLIC COMMENTS**

Citizens may speak on items listed on the Agenda. A “Request to Speak Card” should be completed and returned to the City Clerk upon arrival, prior to the Council reaching the Public Comment section of the agenda. Citizen comments are limited to three (3) minutes, unless otherwise required by law. Comments related to the Public Hearings listed below, if any, will be heard when the specific hearing starts.

- 3. CONSENT AGENDA**

- A. Receive a report, hold a discussion and take action on approving the Minutes from the Regular City Council Meeting held on February 19, 2024.
- B. Receive a report, hold a discussion and take action on approving an Interlocal Cooperation Contract for the Failure to Appear Program between the Department of Public Safety of the State of Texas (DPS) and the Municipal Court for the City of Denison, Texas (Contract No. 2024-0029), and authorize the Interim City Manager to execute the same.
- C. Receive a report, hold a discussion and take action on denying the extraterritorial jurisdiction release petition received from Ray C. Davis and Linda B. Davis for property commonly known as 222 Desvoigns Road, Denison, Texas more particularly described as G-1311 Wright William A-G1311, Acres 3.757, GCAD Property ID No. 113342.
- D. Receive a report, hold a discussion and take action on denying the extraterritorial jurisdiction release petition received from Ray C. Davis and Linda B. Davis for property commonly known as 1103 E. Highway 69, Denison, Texas more particularly described as G-1311 Wright William A-G1311, Acres 3.507, GCAD Property ID No. 113343.
- E. Receive a report, hold a discussion and take action on denying the extraterritorial jurisdiction release petition received from Ray C. Davis and Linda B. Davis for property

located at Highway 69, Denison, Texas more particularly described as Delmar Estates, Lot 13, Acres 3.89, GCAD Property ID No. 113296.

- F. Receive a report, hold a discussion and take action on denying the extraterritorial jurisdiction release petition received from Stormy Lattimore Cansler and Richard W. Cansler for property commonly known as 220 Old Airport Road, Denison, Texas more particularly described as being located in the Richard Payne Survey Abstract Number 952, the William Garrettson Survey, Abstract No. 444, the W.T. Henderson Survey Abstract No. 499 and the Abel Harness Survey, Abstract No. 498, Acres 277.479, GCAD Property ID Nos. 112326, 112325, 112396, 112534 and 112642.
- G. Receive a report, hold a discussion and take action on denying the extraterritorial jurisdiction release petition received from Stormy Lattimore Cansler for property commonly known as 273 Middle Road, Denison, Texas more particularly described as being located in the Richard Payne Survey Abstract Number 952, Acres 7.29, GCAD Property ID No. 112643.
- H. Receive a report, hold a discussion, and take action on the appointment of Kristi Porter Francis as a New Member to the Public Library Advisory Board.
- I. Receive a report, hold a discussion, and take action on an Interlocal Agreement with Grayson County regarding construction and maintenance of a portion of Eisenhower Road right-of-way in Grayson County.
- J. Receive a report, hold a discussion, and take action on an Interlocal Agreement with Grayson County regarding construction and maintenance of a portion of Preston Road right-of-way in Grayson County.
- K. Receive a report, hold a discussion, and take action on an Interlocal Agreement with Grayson County regarding construction and maintenance of a portion of Kelsoe Road right-of-way in Grayson County.
- L. Receive a report, hold a discussion and take action on an ordinance amending Chapter 25, "Traffic", Article IV, "Speed Regulations", Section 25-107.3 "Speed Limits on Certain Highways" of the Code of Ordinances to temporarily lower the prima facie speed limits established for vehicles under the provisions of the Transportation Code, Chapter 545 Section 545.353(K), to address road construction on US Highway 75 and the adjacent frontage road from Farm to Market Road 691 to N. Loy Lake Road within the City of Denison.

#### **4. ITEMS FOR INDIVIDUAL CONSIDERATION**

- A. Receive a report, hold a discussion and take action on an ordinance considering all matters incident and related to the issuance, sale and delivery of "City of Denison, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2024;" authorizing the issuance of the Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject.

## 5. EXECUTIVE SESSION

Pursuant to Chapter 551, *Texas Government Code*, the Council reserves the right to convene in Executive Session(s), from time to time as deemed necessary during this meeting to receive legal advice from its attorney on any posted agenda item as permitted by law or to discuss the following:

- A. **Consult with attorney on a matter in which the attorney's duty to the governmental body under the Texas Disciplinary Rules of Professional Conduct conflicts with this chapter and/or consult with attorney about pending or contemplated litigation or contemplated settlement of the same. Section 551.071.**
  - 1. Confer with City Attorney regarding Senate Bill 1145.
- B. Discuss the possible purchase, exchange, lease or sale value of real property (public discussion of such would not be in the best interests of the City's bargaining position). Section 551.072.
- C. Discuss negotiated gifts or donations to the City (public discussion at this stage would have a detrimental effect on the City's bargaining position). Section 551.073.
- D. Discuss the appointment, employment, evaluation, reassignment of duties, discipline, or dismissal of or to hear a complaint against a public officer or employee. Section 551.074.
- E. Discuss the commercial or financial information received from an existing business or business prospect with which the City is negotiating for the location or retention of a facility, or for incentives the City is willing to extend, or financial information submitted by the same. Section 551.087.
- F. Discuss the deployment or specific occasions for implementation of security personnel or devices. Section 551.076.
- G. Deliberations regarding economic development negotiations pursuant to Section 551.087.

Following the closed Executive Session, the Council will reconvene in open and public session and take any such action as may be desirable or necessary as a result of the closed deliberations.

### CERTIFICATION

I do hereby certify that a copy of this Notice of Meeting was posted on the front window of City Hall readily accessible to the general public at all times, and posted on the City of Denison website on the 1<sup>st</sup> day of March 2024, before 6:00 p.m.

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Christine Wallentine, City Clerk

In compliance with the Americans With Disabilities Act, the City of Denison will provide for reasonable accommodations for persons attending City Council meeting. To better serve you, requests should be received 48 hours prior to the meetings. Please contact the City Clerk's Office at [903-465-2720](tel:903-465-2720), Ext: 2437.



**CITY OF DENISON  
CITY COUNCIL MEETING  
MINUTES**

**Monday, February 19, 2024**

Announce the presence of a quorum.

Mayor Janet Gott called the meeting to order at 6:00 p.m. Council Members present were Mayor Pro Tem Robert Crawley, Brian Hander, Michael Courtright, James Thorne and Aaron Thomas. Council Member Joshua Massey was absent. Staff present were Interim City Manager, Bobby Atteberry, City Attorney, Julie Fort, Assistant City Manager, Renee Waggoner, City Clerk, Christine Wallentine and Deputy City Clerk, Karen Avery. Department Directors were also present.

1. INVOCATION, PLEDGE OF ALLEGIANCE AND TEXAS PLEDGE

Todd Catteau, Pastor of Park Avenue Church of Christ gave the invocation which was followed by the Pledge of Allegiance and Texas Pledge led by Denison Police Chief, Mike Gudgel.

2. PROCLAMATIONS AND PRESENTATION

A. Government Communicators Day Proclamation.

Mayor Gott called to the podium Emily Agans, Grant Yoder, Jordan Starr, Zoe May and Haley Banks to present the group with a proclamation recognizing Government Communicators Day. Government communicators play a crucial role in disseminating information, facilitating dialogue and engaging with the public on matters of policy, programs and services, and are vital to the functioning of government at all levels, enabling transparency, understanding and trust among citizens. Government communicators create relationships and calls to action, build awareness and understanding through storytelling, engage and foster engagement on civic issues and use all channels to include people in critical decisions. Government communicators demonstrate professionalism, integrity and dedication in their efforts to uphold the principles of democracy, so citizens have the freedom to make their voice heard. Government communicators work tirelessly to ensure that citizens are informed about important issues, initiatives and developments, utilizing various channels such as traditional media, social media, websites and public events. recognizing the contributions of government communicators fosters appreciation for their work and encourages continued excellence in communication practices within government. The City of Denison is proud and has deep gratitude and recognition for its government communicators dedication, hard work, commitment, enthusiasm and sacrifice. Mayor Gott then proclaimed February 24, 2024 as Government Communicators Day in the City of Denison and urged all citizens to recognize the vital role of government communicators

and to express gratitude for their commitment to effective communication and public service.

3. PUBLIC COMMENTS

Mayor Gott called for any public comments at this time and reminded those wanting to comment of the guidelines established by the City Council. Christine Wallentine, City Clerk, confirmed there were two Request to Speak Cards received, both related to the public hearing. Mayor Gott announced any comments would be reserved for when the public hearing item was called. Both speakers indicated they would only speak if the Council had questions. Therefore, no public comments were received at this point in the meeting.

4. CONSENT AGENDA

- A. Receive a report, hold a discussion and take action on approving the Minutes from the Regular City Council Meeting held on February 5, 2024.
- B. Receive a report, hold a discussion and take action on approval of the DPD Contact Data Annual Report for 2023.
- C. Receive a report, hold a discussion, and take action on a granting approval for the Interim City Manager, or his designee, to enter into various loan documents with Clayton Holdings, LLC, for the purchase of two Mack refuse trucks and bodies, traffic control equipment, and reimbursement for the purchase of 30-yard dumpsters, and a Mack truck with hoist.
- D. Receive a report, hold a discussion, and take action on authorizing the Second Amendment to the Sublease Agreement between the City of Denison and Homeless Empowerment Action Team (HEAT).
- E. Receive a report, hold a discussion and take action on the appointment of Angela J. Harwell, as a regular member, to the Planning and Zoning Commission, to serve a two-year term effective January 1, 2024.
- F. Receive a report, hold a discussion, and take action on the approval of the purchase of a Kubota tractor loader, with a total purchase amount of \$94,962.11, from Zimmerer Kubota & Equipment, Inc. and authorize the Interim City Manager to execute any associated documents.
- G. Receive a report, hold a discussion, and take action on the approval of the purchase of a Volvo wheeled excavator, with a total purchase amount of \$305,212.47, from ROMCO Equipment Company and authorize the Interim City Manager to execute any associated documents.
- H. Receive a report, hold a discussion, and take action on approval of a pavement condition assessment services purchase proposal in the amount of \$128,799.00 from Infrastructure Management Services, LP and authorize the Interim City Manager to execute any associated documents.
- I. Receive a report, hold a discussion and take action on the appointment of Jimmy Cravens and Braeden Wright, as regular members, to the Zoning Board of Adjustments and Appeals, each to serve a two-year term effective January 1, 2024.

- J. Receive a report, hold a discussion and take action on adopting a resolution authorizing membership in the Atmos Cities Steering Committee and authorizing the payment of \$.05 cents per capita to the Atmos Cities Steering Committee to fund regulatory and related activities related to Atmos Energy Corporation.

Council Action

On motion by Mayor Pro Tem Crawley, seconded by Council Member Courtright, the City Council unanimously approved, Resolution No. 4154, "A RESOLUTION AUTHORIZING MEMBERSHIP IN THE ATMOS CITIES STEERING COMMITTEE; AND AUTHORIZING THE PAYMENT OF FIVE CENTS PER CAPITA TO THE ATMOS CITIES STEERING COMMITTEE TO FUND REGULATORY AND RELATED ACTIVITIES RELATED TO ATMOS ENERGY CORPORATION"; and the rest of the Consent Agenda as presented.

5. PUBLIC HEARINGS

- A. Receive a report, hold a discussion, conduct a public hearing, and take action on an Ordinance to rezone an approximately 2.94 acre tract identified as GCAD Property ID No. 141832, said property being legally described as Lots 1 through 16 and including the twenty (20) foot alley, Block 2 of Miller's First Addition to the City of Denison, Grayson County, Texas, according to the deed recorded in Volume Y, Page 330, Deed Records of Grayson County, Texas; being commonly known as 715 W. Sears Street, to amend the current Planned Development Ordinance No. 5218 by changing the current zoning classification from Planned Development Overlay (PD) District with the base zoning of Single-Family Residential Attached (SF-TH) District to a Planned Development Overlay (PD) District with the base zoning of Multi-Family Residential (MF-2) District and Local Retail (LR) District for residential and retail use and amending Exhibit B "Development Standards" and Exhibit C "Concept Plan" of Ordinance No. 5218. (Case No. 2023-117PD)

Council Action

Dianne York, Planner, introduced this agenda item. The applicant is requesting to amend the existing Planned Development to allow for multifamily and retail uses for property commonly known as 715 W. Sears. Ms. York then provided an aerial view of the subject property. The proposed development named "The Village" will consist of approximately 200 residential units and approximately 6,000 square feet of retail space. The retail space is located at the northeast corner of the structure, or at the corner of Morton Street and North Barrett Avenue. In order to accommodate this density, the applicant has requested a deviation from the base zoning district, multifamily to allow for a four-story structure with five stories over the small retail portion to allow for 11 units. The building will have a minimum side yard and front yard setback of 10 feet for the yards adjacent to North Armstrong, North Barrett and West Sears Street, and a zero-foot rear yard setback for the rear yard adjacent to W. Morton. Street parking for the residents will be accommodated by the internal parking garage. Ms. York then referred to the concept plan. The parking garage is located on the west side of the structure at 1.5 spaces per unit. The visitor parking and leasing office parking spaces are located on West Sears Street. The parking to accommodate the retail spaces for visitors and employees is located on North Barrett. A minimum of 10% of the total lot area will be dedicated to landscape and usable open space. Amenities for the residents will include a courtyard with a pool, grilling stations, open

space for activities, a fitness center, a club room and a mail center. Ms. York also noted there is no dedicated unloading or loading space for the retail. However, there is a requirement built into the PD that no unloading or loading can occur on West Morton Street. Ms. York then provided drawings of the proposed elevations provided by the applicant. The Planning and Zoning Commission recommended these conceptual elevations be made a part of the planned development ordinance. There are no building material standards built into the PD, and so the Planning and Zoning Commission felt it was appropriate to add these conceptual elevations to the planned development ordinance. This case is for zoning only. The proposed development is required to develop in accordance with city standards. There are additional applications upon zoning approval that the applicant will have to submit such as a petition for right of way abandonment, civil engineering plans to include a traffic impact study, replat and site plan all must be submitted before a building permit can be pulled. The City Council did approve an ordinance for the previous PD in July of 2022 to accommodate 30 townhomes. This was a question that was posed during the Planning and Zoning Commission meeting. So, Ms. York wanted to make sure to provide this information to the Council. Staff recommends approval of the request as did the Planning and Zoning Commission with the condition that these conceptual elevations be included in the PD ordinance.

Council Member Hander stated that in looking over the notes from the Planning and Zoning Commission meeting, there was some concern that if the Council approves the rezone and then the property sells, that it would be zoning it multifamily, but is only rezoning it within the planned development. So, it can only be this project, and whoever would have to come back to amend this unless they get this plan. Ms. York responded that whatever the zoning is, in the development standards that are built into the PD, they would have to abide by it.

Mayor Gott then asked if there was anyone present who wished to speak on this agenda item, to which there were none. With that, Mayor Gott closed the public hearing.

Council Member Hander asked if the applicant could come forward as he wanted to know if the façade will be the same on all sides. Mr. Stafford came forward and provided the following information for the record:

Name: Dawson Stafford

Address: None provided for the record

Mr. Stafford responded that the façade will be the same all the way around. Council Member Hander then asked Ms. York if since the property is going to be replatted will the application have to pay impact fees. Ms. York confirmed the applicant would need to pay impact fees and a part dedication fee.

Council Member Thomas asked since there is no dedicated loading zone, how would retail be accommodated. Mr. Stafford stated they will have areas that will be part of the final drawing, which is not yet completed, but they plan to have areas for retail and also areas for dumpster pick up, etc. Council Member Hander then asked about the height of the building in comparison to the old Central Ward School. Mr. Stafford asked their engineer to come forward. Mr. Crandall came forward and provided the following information for the record:

Name: Jeff Crandall  
Address: CCM Engineering  
2570 Justin Road  
Highland Village, TX

Mr. Crandall said that the building would be 54 feet tall. Council Member Hander stated the old Central Ward was 42 feet tall, so this will not be that much taller.

There was no further discussion or questions from Council.

On motion by Mayor Pro Tem Crawley, seconded by Council Member Thorne, the City Council unanimously approved Ordinance No. 5338, "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DENISON, TEXAS, AMENDING CHAPTER 28 OF THE CODE OF ORDINANCES OF THE CITY OF DENISON, THE SAME BEING THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY, AND AMENDING THE OFFICIAL ZONING MAP OF THE CITY BY AMENDING THE CURRENT PLANNED DEVELOPMENT ORDINANCE NO. 5218 BY CHANGING THE CURRENT ZONING CLASSIFICATION FROM PLANNED DEVELOPMENT OVERLAY (PD) DISTRICT WITH BASE ZONING OF SINGLE-FAMILY RESIDENTIAL—SINGLE-FAMILY ATTACHED (SF-TH) DISTRICT TO PLANNED DEVELOPMENT OVERLAY (PD) DISTRICT WITH BASE ZONING OF MULTI-FAMILY RESIDENTIAL DISTRICT (MF-2) AND LOCAL RETAIL DISTRICT (LR), AND AMENDING EXHIBIT B "DEVELOPMENT STANDARDS" OF ORDINANCE NO. 5218, ON AN APPROXIMATELY 2.94 ACRE TRACT IDENTIFIED AS GCAD PROPERTY ID NO. 141832, SAID PROPERTY BEING LEGALLY DESCRIBED AS LOTS 1 THROUGH 16 AND INCLUDING THE TWENTY (20') FOOT ALLEY, BLOCK 2 OF MILLER'S FIRST ADDITION TO THE CITY OF DENISON, GRAYSON COUNTY, TEXAS, ACCORDING TO THE DEED RECORDED IN VOLUME Y, PAGE 330, DEED RECORDS OF GRAYSON COUNTY, TEXAS; BEING COMMONLY KNOWN AS 715 W. SEARS STREET; BEING MORE PARTICULARLY DESCRIBED AND DEPICTED IN EXHIBIT "A"; PROVIDING DEVELOPMENT STANDARDS, ATTACHED HERETO AS EXHIBIT "B"; PROVIDING A CONCEPT PLAN, ATTACHED HERETO AS EXHIBIT "C"; PROVIDING FOR SEVERABILITY, REPEALING, AND SAVINGS CLAUSES; PROVIDING A PENALTY CLAUSE; PROVIDING FOR PUBLICATION; PROVIDING AN EFFECTIVE DATE; AND FINDING AND DETERMINING THE MEETING AT WHICH THIS ORDINANCE IS ADOPTED TO BE OPEN TO THE PUBLIC AS REQUIRED BY LAW."

## 6. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. Receive a report, hold a discussion and take action on an ordinance considering all matters incident and related to the issuance, sale and delivery of "City of Denison, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2024;" authorizing the issuance of the Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject.



### Council Action

Laurie Alsabbagh, Finance Director, reminded the Council that on December 4, 2023, they approved a resolution to publish notice of intent to issue combination tax and revenue certificates of obligation to fund infrastructure projects for water and sewer and improvements to Loy Lake Dam. Notices of intent were published on December 10 and December 17, 2023, which listed the sale date for the certificates and approval of the ordinance for this evening on February 19. However, during the initial scheduling, there was an oversight that today, February 19, is Presidents Day, and the bond markets would be closed. So, because today's date was published in the Notice of Intent, we are required to bring this before you this evening. Staff is requesting this item be tabled to the March 4, 2024 Council meeting.

There was no discussion or questions from Council.

On motion by Mayor Pro Tem Crawley, seconded by Council Member Courtright, the City Council unanimously approved tabling adoption of the ordinance authorizing the issuance of the City's Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2024, to the City Council meeting scheduled to begin at 6:00 p.m., March 4, 2024, at City Hall located at 300 W. Main, Denison, Texas.

## 7. PROJECT UPDATES

- A. Receive a report and hold a discussion regarding an update on the Ike Hike Trail Project.

### Council Action

Fanchon Stears, CIP/Engineering Manager, thanked the Council for the opportunity to provide an update on the Ike Hike Trail Project. This is a portion of the iconic trail that will connect downtown Denison to the President Eisenhower Birthplace State Historic Site with a concrete path. The sidewalk will connect the new streetscape in Designing Downtown Denison, Phase One on East Main Street and will continue down Crockett to Sheppard Street, which will be the new entrance to the birthplace after their current capital improvements projects have been completed. The Ike Hike project is currently at 30% design, with the contract having been approved by the Council late last year. Staff anticipates construction being done in two phases. The path will be approximately 10 feet wide, it will be raised and separated from the road with a six-inch curb. The existing right of way is wide enough to accommodate the path, so no additional right of way will need to be acquired. The path will be stamped and marked to match other segments of the trail in downtown Denison and in Forest Park. Ms. Stearns then proceeded to discuss Phase One, which will start at the Eisenhower Birthplace, from Shepherd to about Owings. This phase may also include improvements to the creek and the failing headwall on the southeast corner of Owings and Crockett intersection. Going to Phase Two, on the other side of Owings, we are going to make some improvements to the intersection at Crockett and Owings. Someone in one of our meetings called this intersection dysfunction junction. There are actually three lanes of traffic that come in from the north. One of these lanes will be closed, the right turn only, which is currently separated with an island leaving just two lanes. So, this will clean it up a lot for visibility, and make it safer for pedestrians to cross here who are using the trail. Another piece of Phase Two, that makes it a little bit tricky and the reason we have actually pushed it to phase two is because of the active

railroad tracks that we are going to be crossing with the path. We have actually already engaged the railroad to make sure that whatever requirements they have, whatever needs they have, we capture in the engineering of this project. Construction drawings for Phase One should take about two months. Staff estimates Phase Two will take maybe about six months to allow for coordination with the railroad. We are at about 30% complete for design, so any feedback is appreciated as the project moves forward with design.

Council Member Hander asked what fund this project was coming out of. Ms. Stearns stated Fund 15, which is Streets Maintenance.

There was no further discussion or questions from Council.

No action taken. Informational item only.

## 8. EXECUTIVE SESSION

The Council then adjourned into Executive Session at 6:23 p.m. pursuant the Chapter 551, Texas Government Code, in accordance with the Authority:

- A. Consult with attorney on a matter in which the attorney's duty to the governmental body under the Texas Disciplinary Rules of Professional Conduct conflicts with this chapter and/or consult with attorney about pending or contemplated litigation or contemplated settlement of the same. Section 551.071.
- B. Discuss the possible purchase, exchange, lease, or sale value of real property (public discussion of such would not be in the best interests of the City's bargaining position). Section 551.072.
- C. Discuss negotiated gifts or donations to the City (public discussion at this stage would have a detrimental effect on the City's bargaining position). Section 551.073.
- D. Discuss the appointment, employment, evaluation, reassignment of duties, discipline, or dismissal of or to hear a complaint against a public officer or employee. Section 551.074.**
  - 1. Alternate Municipal Judge
- E. Discuss the commercial or financial information received from an existing business or business prospect with which the City is negotiating for the location or retention of a facility, or for incentives the City is willing to extend, or financial information submitted by the same. Section 551.087.
- F. Discuss the deployment or specific occasions for implementation of security personnel or devices. Section 551.076.
- G. Deliberations regarding economic development negotiations pursuant to Section 551.087.

## RECONVENE INTO REGULAR SESSION

The Council then reconvened into Regular Session at 6:37 p.m. and took the following action:

- A. Consult with attorney on a matter in which the attorney's duty to the governmental body under the Texas Disciplinary Rules of Professional Conduct conflicts with this chapter and/or consult with attorney about pending or contemplated litigation or contemplated settlement of the same. Section 551.071.
- B. Discuss the possible purchase, exchange, lease, or sale value of real property (public discussion of such would not be in the best interests of the City's bargaining position). Section 551.072.
- C. Discuss negotiated gifts or donations to the City (public discussion at this stage would have a detrimental effect on the City's bargaining position). Section 551.073.
- D. Discuss the appointment, employment, evaluation, reassignment of duties, discipline, or dismissal of or to hear a complaint against a public officer or employee. Section 551.074.**
  - 1. Alternate Municipal Judge

Council Action

On motion by Mayor Pro Tem Crawley, seconded by Council Member Hander, the City Council unanimously appointed Stephen Feil as Alternate Municipal Judge effective March 4, 2024, at the rate of \$75 per hour while conducting Magistration, and \$250 per day when filling in for the Presiding Judge on the bench during scheduled court dockets or trials.

- E. Discuss the commercial or financial information received from an existing business or business prospect with which the City is negotiating for the location or retention of a facility, or for incentives the City is willing to extend, or financial information submitted by the same. Section 551.087.
- F. Discuss the deployment or specific occasions for implementation of security personnel or devices. Section 551.076.
- G. Deliberations regarding economic development negotiations pursuant to Section 551.087.

There being no further business to come before the Council, the meeting was adjourned at 6:37 p.m.

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JANET GOTT, Mayor

ATTEST:

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Christine Wallentine, City Clerk

# City Council Meeting Staff Report



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## Agenda Item

Receive a report, hold a discussion and take action on approving an Interlocal Cooperation Contract for the Failure to Appear Program between the Department of Public Safety of the State of Texas (DPS) and the Municipal Court for the City of Denison, Texas (Contract No. 2024-0029), and authorize the Interim City Manager to execute the same.

## Staff Contact

Christine Wallentine, City Clerk/Assistant to the City Manager  
cwallentine@cityofdenison.com  
(903) 465-2720, Ext. 2437

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## Summary

- As permitted under Tex. Transp. Code §706.008, DPS contracts with a private vendor to provide and establish an automated Failure to Appear (FTA) system that accurately stores information regarding violators subject to the provisions of Tex. Transp. Code §706.
- DPS uses the FTA system to properly deny renewal of a driver license to a person who is the subject of an FTA system entry generated from an FTA report.
- The Court may submit an FTA Report to DPS' vendor if a person fails to appear or fails to pay or satisfy a judgment as required by law.
- The Court has an existing contract that was approved by Council back in 2018. However, due to changes occurring in the 88<sup>th</sup> Legislative Session, DPS revised this Contract to be in compliance with state law.

## Staff Recommendation

Staff recommends approval of the Interlocal Cooperation Contract.

## Recommended Motion

“I move to approve the Interlocal Cooperation Contract for the Failure to Appear Program between the Department of Public Safety of the State of Texas (DPS) and the Municipal Court for the City of Denison, Texas, and authorize the Interim City Manager to execute the same.”

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## Background Information and Analysis

A peace officer authorized to issue citations within the jurisdiction of the Court must issue a written warning to each person to whom the officer issues a citation for a traffic law violation. This warning must be provided in addition to any other warnings required by state law. The warning must state in substance that if the person fails to appear in court for the prosecution of the offense or if the person fails to pay or satisfy a judgment ordering the payment of a fine and cost in the manner ordered by the Court, the person may be denied renewal of the person's driver license.

As permitted under Tex. Transp. Code §706.008, DPS contracts with a private vendor to provide and establish an automated Failure to Appear (FTA) system that accurately stores information regarding violators subject to the provisions of Tex. Transp. Code §706. DPS uses the FTA system to properly deny renewal of a driver license to a person who is the subject of an FTA system entry generated from

an FTA report. An FTA Report is a notice sent by the Court requesting a person be denied renewal of a driver's license in accordance with this Contract. The Court may submit an FTA Report to DPS' vendor if a person fails to appear or fails to pay or satisfy a judgment as required by law. This Contract applies to each FTA Report submitted by the Court to DPS or its vendor and accepted by DPS or its vendor.

The Court has an existing contract that was approved by Council back in 2018 and has proven to be a powerful tool in collection of outstanding citations. However, due to changes occurring in the 88<sup>th</sup> Legislative Session, DPS has revised this Contract to be in compliance with state law. The following changes have been made to the Contract:

- Changes to language and restructuring of the original Contract to provide clarity regarding the specific responsibilities held by each party.
- Inclusion of indigency into the program as mandated by House Bill 291, 88<sup>th</sup> Legislative Session.
- Language to account for future changes to the current statute, either federal or state, ensuring that the Contract remains in compliance with the latest legal requirements until a revised Contract is available.

### **Financial Considerations**

None.

### **Prior Board or Council Action**

The City Council approved an Interlocal Agreement with DPS back in 2018 for the FTA program.

### **Alternatives**

City Council may deny or table the agenda item.



# TEXAS DEPARTMENT OF PUBLIC SAFETY

5805 N LAMAR BLVD • BOX 4087 • AUSTIN, TEXAS 78773-0001

512/424-2000

[www.dps.texas.gov](http://www.dps.texas.gov)



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STEVE H. STODGHILL  
DALE WAINWRIGHT

January 29, 2024

DENISON MUNICIPAL COURT  
PO BOX 347  
DENISON, TX 75020

Re: Notice of Interlocal Cooperation Contract (ICC) for Failure to Appear (FTA) Program

Dear Court Administrator,

Due to changes occurring in the 88<sup>th</sup> Legislative Session, the Department revised the FTA contract (ICC). This notice is to inform you of the changes and the need to sign a new contract to continue your participation in the FTA program. You must return the signed contract (ICC) **within 90 days** from the date of this notice to continue participating in the program.

The following changes have been made to the contract (ICC):

- Changes to language and restructuring of the original ICC to provide clarity regarding the specific responsibilities held by each party.
- Inclusion of indigency into the program as mandated by House Bill 291, 88<sup>th</sup> Legislative Session.
- Language to account for future changes to the current statute, either federal or state, ensuring that the ICC remains in compliance with the latest legal requirements until a revised ICC is available.

It is imperative that all participants in the FTA program adhere to these updated terms to ensure the program's continued effectiveness and compliance with relevant legislation. Submit the completed and signed contract (ICC) by mail, email, or fax. Please ensure you address this attention to [FTA Program](#).

Mailing address:  
Enforcement & Compliance Service  
5805 North Lamar Blvd, Bldg A,  
Austin, TX 78752-0300  
E-mail: [driver.improvement@dps.texas.gov](mailto:driver.improvement@dps.texas.gov)  
Fax: (512) 424-2848

Should you have any questions, please send an email to [driver.improvement@dps.texas.gov](mailto:driver.improvement@dps.texas.gov). Thank you for your immediate attention to this matter.

Regards,  
Manager  
Enforcement and Compliance Service

Enclosure

**Interlocal Cooperation Contract  
Failure to Appear Program**

State of Texas  
County of GRAYSON

**I. PARTIES AND AUTHORITY**

This Interlocal Cooperation Contract (Contract) is entered into between the Department of Public Safety of the State of Texas (DPS), an agency of the State of Texas and the MUNICIPAL Court of the [City or County] of DENISON, TX (Court), a political subdivision of the State of Texas, referred to collectively in this Contract as the Parties, under the authority granted in Tex. Transp. Code Chapter 706 and Tex. Gov't Code Chapter 791 (the Interlocal Cooperation Act).

**II. BACKGROUND**

A peace officer authorized to issue citations within the jurisdiction of the Court must issue a written warning to each person to whom the officer issues a citation for a traffic law violation. This warning must be provided in addition to any other warnings required by law. The warning must state in substance that if the person fails to appear in court for the prosecution of the offense or if the person fails to pay or satisfy a judgment ordering the payment of a fine and cost in the manner ordered by the Court, the person may be denied renewal of the person's driver license.

As permitted under Tex. Transp. Code § 706.008, DPS contracts with a private vendor (Vendor) to provide and establish an automated Failure to Appear (FTA) system that accurately stores information regarding violators subject to the provisions of Tex. Transp. Code Chapter 706. DPS uses the FTA system to properly deny renewal of a driver license to a person who is the subject of an FTA system entry generated from an FTA Report.

An FTA Report is a notice sent by Court requesting a person be denied renewal of a driver's license in accordance with this Contract. The Court may submit an FTA Report to DPS's Vendor if a person fails to appear or fails to pay or satisfy a judgment as required by law. There is no requirement that a criminal warrant be issued in response to the person's failure to appear.

**III. PURPOSE**

This Contract applies to each FTA Report submitted by the Court to DPS or its Vendor and accepted by DPS or its Vendor.

**IV. PERIOD OF PERFORMANCE**

This Contract will be effective on the date of execution and terminate five years from that execution date unless terminated earlier in accordance with Section VII.C, *General Terms and Conditions, Termination*.

**V. COURT RESPONSIBILITIES**

**A. FTA Report**

For a matter involving any offense which a Court has jurisdiction of under Tex. Code Crim. Proc. Chapter 4, where a person fails to appear for a complaint or citation or fails to pay or

satisfy a judgment ordering payment of a fine and cost in the manner ordered by the Court, the Court will supply DPS, through its Vendor, an FTA report including the information that is necessary to deny renewal of the driver license of that person. The Court must make reasonable efforts to ensure that all FTA Reports are accurate, complete, and non-duplicative. The FTA Report must include the following information:

1. the jurisdiction in which the alleged offense occurred;
2. the name of the court submitting the report;
3. the name, date of birth, and Texas driver license number of the person who failed to appear or failed to pay or satisfy a judgment;
4. the date of the alleged violation;
5. a brief description of the alleged violation;
6. a statement that the person failed to appear or failed to pay or satisfy a judgment as required by law;
7. the date that the person failed to appear or failed to pay or satisfy a judgment; and
8. any other information required by DPS.

#### **B. Clearance Reports**

The Court that files the FTA Report has a continuing obligation to review the FTA Report and promptly submit appropriate additional information or reports to the Vendor. The clearance report must identify the person, state whether or not a fee was required, and advise DPS to lift the denial of renewal and state the grounds for the action. All clearance reports must be submitted immediately, but no later than two business days from the time and date that the Court receives appropriate payment or other information that satisfies the person's obligation to that Court.

To the extent that a Court uses the FTA system by submitting an FTA Report, the Court must collect the statutorily required \$10.00 reimbursement fee from the person who failed to appear, pay or satisfy a judgment ordering payment of a fine and cost in the manner ordered by the Court. If the person is acquitted of the underlying offense for which the original FTA Report was filed or found indigent by the court, the Court will not require payment of the reimbursement fee.

Court must submit a clearance report for the following circumstances:

1. the perfection of an appeal of the case for which the warrant of arrest was issued or judgment arose;
2. the dismissal of the charge for which the warrant of arrest was issued or judgment arose;
3. the posting of a bond or the giving of other security to reinstate the charge for which the warrant was issued;
4. the payment or discharge of the fine and cost owed on an outstanding judgment of the Court; or
5. other suitable arrangement to satisfy the fine and cost within the Court's discretion.

After termination of the Contract, the Court has a continuing obligation to report dispositions and collect fees for all violators in the FTA system at the time of termination. Failure to comply with the continuing obligation to report will result in the removal of all outstanding entries of the Court in the FTA Report, resulting in the lifting of any denied driver license renewal status from DPS.



**C. Quarterly Reports and Audits**

Court must submit quarterly reports to DPS in a format established by DPS.

Court is subject to audit and inspection at any time during normal business hours and at a mutually agreed upon location by the state auditor, DPS, and any other department or agency, responsible for determining that the Parties have complied with the applicable laws. Court must provide all reasonable facilities and assistance for the safe and convenient performance of any audit or inspection.

Court must correct any non-conforming transactions performed by the Court, at its own cost, until acceptable to DPS.

Court must keep all records and documents regarding this Contract for the term of this Contract and for seven years after the termination of this Contract, or until DPS or the State Auditor's Office (SAO) is satisfied that all audit and litigation matters are resolved, whichever period is longer.

**D. Accounting Procedures**

Court must keep separate, accurate, and complete records of the funds collected and disbursed and must deposit the funds in the appropriate municipal or county treasury. Court may deposit such fees in an interest-bearing account and retain the interest earned on such accounts for the Court.

Court will allocate \$6.00 of each \$10.00 reimbursement fee received for payment to the Vendor and \$4.00 for credit to the general fund of the municipal or county treasury.

**E. Non-Waiver of Fees**

Court will not waive the \$10.00 reimbursement fee for any person that has been submitted on an FTA Report, unless any of the requirements in Tex. Trans. Code § 706.006(a) or §706.006(d) are met.

Failure to comply with this section will result in: (i) termination of this Contract for cause; and (ii) the removal of all outstanding entries of the Court in the FTA Report, resulting in the lifting of any denied driver license renewal status from DPS.

**F. Litigation Notice**

The Court must make a good-faith attempt to immediately notify DPS in the event that the Court becomes aware of litigation in which this Contract or Tex. Transp. Code Chapter 706 is subject to constitutional, statutory, or common-law challenge, or is struck down by judicial decision.

**VI. DPS's RESPONSIBILITIES**

DPS will not continue to deny renewal of the person's driver license after receiving notice from the Court that the FTA Report was submitted in error or has been destroyed in accordance with the Court's record retention policy.

**VII. PAYMENTS TO VENDOR**

Court must pay the Vendor a fee of \$6.00 per person for each violation that has been reported to the Vendor and for which the Court has subsequently collected the statutorily required \$10.00 reimbursement fee. In the event that the fee has been waived by Tex. Trans. Code § 706.006(a) or §706.006(d), no payment will be made to the Vendor.

Court agrees that payment will be made to the Vendor no later than the last day of the month following the close of the calendar quarter in which the payment was received by the Court.

DPS will not pay Vendor for any fees that should have been submitted by a Court.

**VIII. GENERAL TERMS AND CONDITIONS**

- A. **Compliance with Law.** This Contract is governed by and construed under and in accordance with the laws of the State of Texas. The Court understands and agrees that it will comply with all local, state, and federal laws in the performance of this Contract, including administrative rules adopted by DPS.
- B. **Notice.** The respective party will send the other party notice as noted in this section. Either party may change its information by giving the other party written notice and the effective date of the change.

<b>Court</b> DENISON MUNICIPAL COURT	<b>Department of Public Safety</b>
Attn.: Court Administrator	Enforcement & Compliance Service
Address: 300 W. Main Street	5805 North Lamar Blvd., Bldg A
Address: Denison, TX 75020	Austin, Texas 78752-0001
Fax: (903) 465-2765	(512) 424-5311 [fax]
Email: mcourt@cityofdenison.com	<a href="mailto:Driver.Improvement@dps.texas.gov">Driver.Improvement@dps.texas.gov</a>
Phone: (903) 465-2720	(512) 424-7172

**C. Termination.**

Either party may terminate this Contract with 30 days' written notice.

DPS may also terminate this Contract for cause if Court doesn't comply with Section V.C., *Quarterly Reports and Audits* and V.E., *Non- Waiver of Fees*.

If either Party is subject to a lack of appropriations that are necessary for that Party's performance of its obligations under this Contract, the Contract is subject to immediate cancellation or termination, without penalty to either Party.

**D. Amendments.**

This contract may only be amended by mutual written agreement of the Parties.

**E. Miscellaneous.**

1. The parties shall use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to resolve any disputes under this Contract; provided

however nothing in this paragraph shall preclude either Party from pursuing any remedies available under Texas law.

- 2. This Contract shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to either Party or the State of Texas.
- 3. Any alterations, additions, or deletions to the terms of the contract that are required by changes in federal or state law or regulations are automatically incorporated into the contract without written amendment hereto, and shall become effective on the date designated by such law or by regulation.

**CERTIFICATIONS**

The Parties certify that (1) the Contract is authorized by the governing body of each party; (2) the purpose, terms, rights, and duties of the Parties are stated within the Contract; and (3) each party will make payments for the performance of governmental functions or services from current revenues available to the paying party.

The undersigned signatories have full authority to enter into this Contract on behalf of the respective Parties.

**Court\***

**Department of Public Safety**

\_\_\_\_\_  
Bobby Atteberry

**Authorized Signatory**

\_\_\_\_\_  
**Driver License Division Chief or Designee**

\_\_\_\_\_  
Interim City Manager

**Title**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**

\*An additional page may be attached if more than one signature is required to execute this Contract on behalf of the Court. Each signature block must contain the person's title and date.

# City Council Meeting Staff Report



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## Agenda Item

Receive a report, hold a discussion and take action on denying the extraterritorial jurisdiction release petition received from Ray C. Davis and Linda B. Davis for property commonly known as 222 Desvoigns Road, Denison, Texas more particularly described as G-1311 Wright William A-G1311, Acres 3.757, GCAD Property ID No. 113342.

## Staff Contact

Julie Fort, City Attorney  
(972) 668-6400

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## Summary

- On February 15, 2024, the City of Denison City Clerk's office received a petition by landowners Ray C. Davis and Linda B. Davis for release from the extraterritorial jurisdiction ("ETJ").
- The petition includes approximately 3.757 acres on Desvoigns Road, Denison, Texas, located in G-1311 Wright William A-G1311, GCAD Property ID No. 113342.
- Senate Bill 2038 is an unconstitutional delegation of legislative authority, and it conflicts with the City's grant of legislative discretion under Local Government Code Section 42.023.
- The validity of Senate Bill 2038 is under review in Travis County District Court, Case No, D-1-GN-23-007785, the City of Grand Prairie v. The State of Texas, and the City of Denison has made a decision to join this case as a party as there are valid reasons for the Court to overturn Senate Bill 2038.

## Staff Recommendation

Staff recommends denial of the ETJ release petition.

## Recommended Motion

"I move to deny the Davis Petition to remove property from the City of Denison's extraterritorial jurisdiction commonly known as 222 Desvoigns Road, Denison, Texas more particularly described as G-1311 Wright William A-G1311, Acres 3.757, GCAD Property ID No. 113342, because Senate Bill 2038 is an unconstitutional delegation of legislative authority, and it conflicts with the City of Denison's grant of legislative discretion under Local Government Code Section 42.023. The City of Denison does not consent to removal of property from its ETJ."

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## Background Information and Analysis

On February 15, 2024, the City of Denison City Clerk's office received a petition by landowners Ray C. Davis and Linda B. Davis for release from the extraterritorial jurisdiction ("ETJ"). The petition includes approximately 3.757 acres commonly known as 222 Desvoigns Road, Denison, Texas, located in G-1311 Wright William A-G1311, GCAD Property ID No. 113342. Senate Bill 2038 is an unconstitutional delegation of legislative authority, and it conflicts with the City's grant of legislative discretion under Local Government Code Section 42.023. The City does not consent to removal of property from its ETJ.

Additionally, the validity of Senate Bill 2038 is under review in Travis County District Court, Case No, D-1-GN-23-007785, the City of Grand Prairie v. The State of Texas, and the City of Denison has made a decision to join this case as a party as there are valid reasons for the Court to overturn Senate Bill 2038.

**Financial Considerations**

None.

**Prior Board or Council Action**

The City Council has denied previously filed petitions.

**Alternatives**

The City Council may table the item or approve the release petition.

**PETITION BY LANDOWNERS FOR RELEASE FROM  
EXTRATERRITORIAL JURISDICTION**

FEB 15 2024

TO THE MAYOR OF THE GOVERNING BODY OF DENISON, TEXAS:

Pursuant to Texas Local Government Code Sections 42.102 et seq., the undersigned owners petition your honorable Body for the release of land located in the extraterritorial jurisdiction of the City of Denison, Texas.

This request includes the following property of approximately 3.8 acres of land, consisting of GCAD Property ID 113342 to the full extent that such Property currently is within the ETJ of the City of Denison, Texas.

Said property is located at

222 Desvoigns Road, Denison, Texas

and more particularly described by the Grayson CAD as

G-1311 WRIGHT WILLIAM A-G1311, ACRES 3.757

The property is further described by deed recorded in Grayson County in Volume 3760, Page 285:

as approximately 4 acres as described on Exhibit "A" attached hereof for all purposes.

and graphically described in the maps below.

The undersigned certify that the following required information concerning the land and its inhabitants is reasonably accurate and assumes responsibility for the completion of said information prior to scheduled action by the City.

This petition is initiated by a majority in value of the holders of title of the land in the area, being each and every one of the landowners.

no dwelling units are located within the area requested for release.

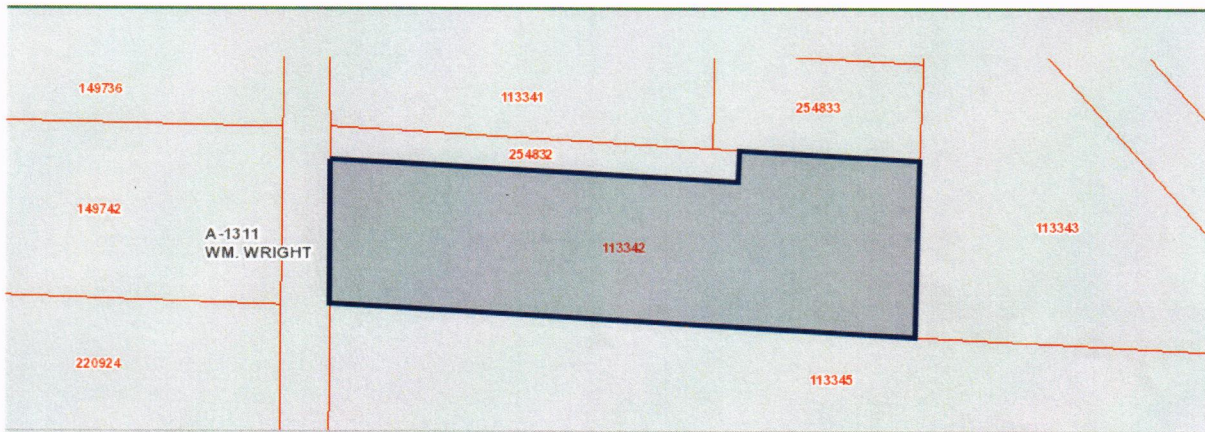
The population of the area in request is 0 in total, of which none are registered voters.

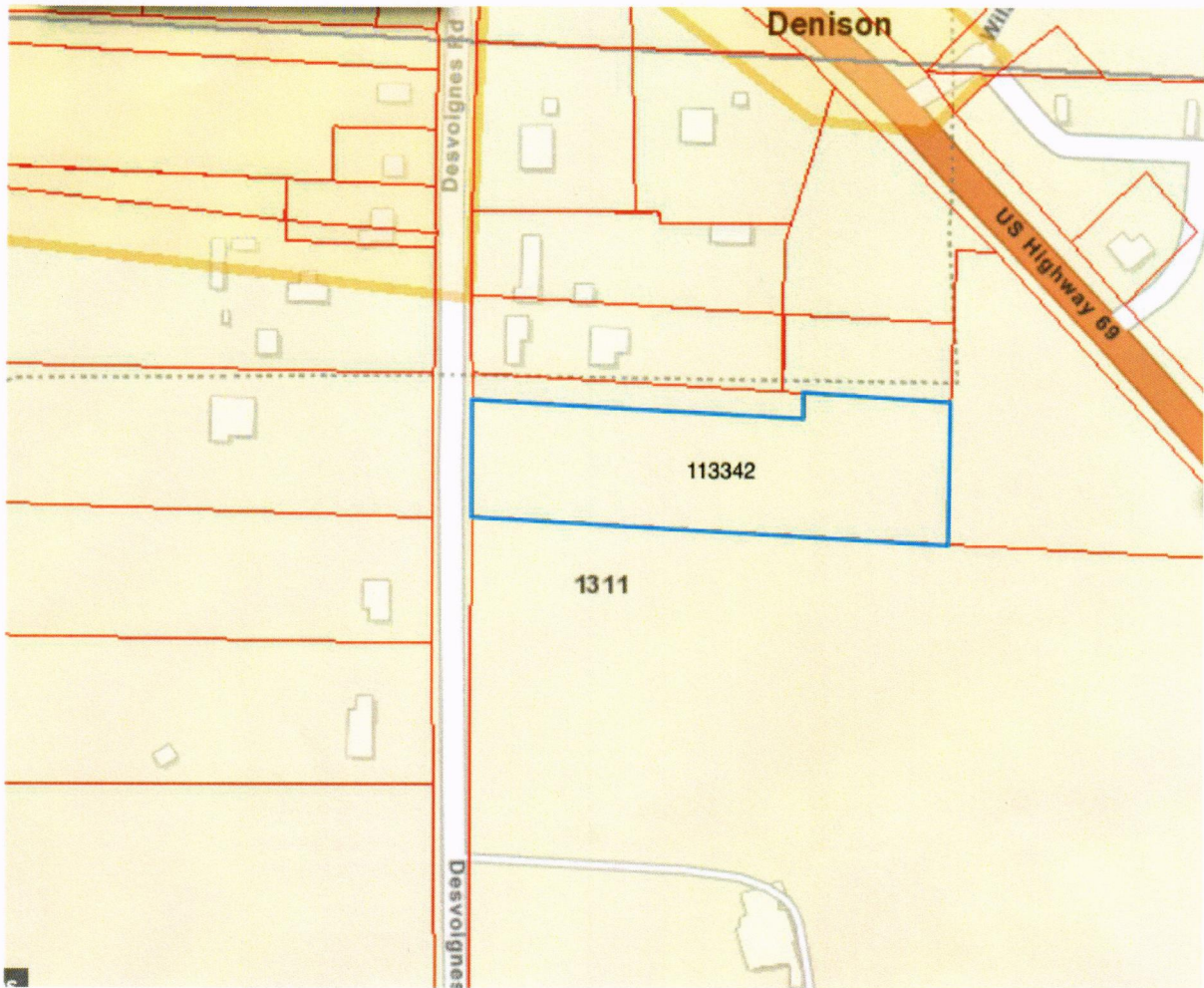
No portion of the area of request includes territory within the extraterritorial jurisdiction of another Texas city.

No part of the area in request is subject to a non-annexation agreement.

No part of the area in request is subject to a strategic partnership agreement under Local Government Code § 43.0751.

No part of the area is designated as an industrial district under Local Government Code § 42.044







**Petition Signatories  
per Election Code § 277.002**

*Ray Davis*  
Ray C. Davis

338 Desvoignes Road, Denison, Texas 75201  
Residence Address

[REDACTED]  
Date of Birth or Voter ID

2/12/24  
Date Signed

*Linda Davis*  
Linda B. Davis

338 Desvoignes Road, Denison, Texas 75201  
Residence Address

[REDACTED]  
Date of Birth or Voter ID

2/12/24  
Date Signed

EXHIBIT "A"

Situated in Grayson County, Texas, out of the William Wright Survey;  
All that certain tract or parcel of land described as four acres, more or less, out of  
the South one-half of an eight-acre tract (more or less) out of the above named Survey  
in said County and State, conveyed to E. R. Owens, et ux., by Jesse L. Simmons, et ux.,  
as shown by deed dated April 1, 1943, recorded in Vol. 440, Page 454, Grayson County  
Deed Records, said South one-half being further described as follows:

- BEGINNING at the Southwest corner of the 32.02 acre tract of land conveyed to Mrs.  
Minnie Munson by deed recorded in Vol. 365, Page 496, Deed Records of  
Grayson County, Texas;
- THENCE South 89 deg. 22 Min. East, along the South line of said 32.02 acre  
tract, to the Southwest corner of the G. G. Cullom tract of 3.25 acres;
- THENCE North 5 deg. East long the Cullom Westline 248 feet, more or less, to the  
Southwest corner of the tract conveyed by Owens and wife to A. T. Jones as  
the North one-half of the above mentioned eight-acre tract;
- THENCE West along the South line of said A. T. Jones tract to a stake in the West  
line of the 32.02 acre tract;
- THENCE South along the West line of said 32.02 acre tract, 248 feet, more or less,  
to the point of beginning, and CONTAINING four acres, more or less; (it being recognized  
that ALL minerals are EXCEPTED, having been retained by former owner of said property);  
being the same tract of land conveyed by Boyd Garner, et ux., to John P. Nicholson,  
et ux., by deed recorded in Vol. 715; Page 459, Deed Records of Grayson County, Texas.

# City Council Meeting Staff Report



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## Agenda Item

Receive a report, hold a discussion and take action on denying the extraterritorial jurisdiction release petition received from Ray C. Davis and Linda B. Davis for property commonly known as 1103 E. Highway 69, Denison, Texas more particularly described as G-1311 Wright William A-G1311, Acres 3.507, GCAD Property ID No. 113343.

## Staff Contact

Julie Fort, City Attorney  
(972) 668-6400

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## Summary

- On February 15, 2024, the City of Denison City Clerk's office received a petition by landowners Ray C. Davis and Linda B. Davis for release from the extraterritorial jurisdiction ("ETJ").
- The petition includes approximately 3.507 acres on E. Highway 69, Denison, Texas, located in G-1311 Wright William A-G1311, GCAD Property ID No. 113343.
- Senate Bill 2038 is an unconstitutional delegation of legislative authority, and it conflicts with the City's grant of legislative discretion under Local Government Code Section 42.023.
- The validity of Senate Bill 2038 is under review in Travis County District Court, Case No, D-1-GN-23-007785, the City of Grand Prairie v. The State of Texas, and the City of Denison has made a decision to join this case as a party as there are valid reasons for the Court to overturn Senate Bill 2038.

## Staff Recommendation

Staff recommends denial of the ETJ release petition.

## Recommended Motion

"I move to deny the Davis Petition to remove property from the City of Denison's extraterritorial jurisdiction commonly known as 1103 E. Highway 69, Denison, Texas more particularly described as G-1311 Wright William A-G1311, Acres 3.507, GCAD Property ID No. 113343, because Senate Bill 2038 is an unconstitutional delegation of legislative authority, and it conflicts with the City of Denison's grant of legislative discretion under Local Government Code Section 42.023. The City of Denison does not consent to removal of property from its ETJ."

---

## Background Information and Analysis

On February 15, 2024, the City of Denison City Clerk's office received a petition by landowners Ray C. Davis and Linda B. Davis for release from the extraterritorial jurisdiction ("ETJ"). The petition includes approximately 3.507 acres commonly known as 1103 E. Highway 69, Denison, Texas, located in G-1311 Wright William A-G1311, GCAD Property ID No. 113343. Senate Bill 2038 is an unconstitutional delegation of legislative authority, and it conflicts with the City's grant of legislative discretion under Local Government Code Section 42.023. The City does not consent to removal of property from its ETJ.

Additionally, the validity of Senate Bill 2038 is under review in Travis County District Court, Case No, D-1-GN-23-007785, the City of Grand Prairie v. The State of Texas, and the City of Denison has made a decision to join this case as a party as there are valid reasons for the Court to overturn Senate Bill 2038.

**Financial Considerations**

None.

**Prior Board or Council Action**

The City Council has denied previously filed petitions.

**Alternatives**

The City Council may table the item or approve the release petition.

**PETITION BY LANDOWNERS FOR RELEASE FROM  
EXTRATERRITORIAL JURISDICTION**

FEB 15 2024

TO THE MAYOR OF THE GOVERNING BODY OF DENISON, TEXAS:

Pursuant to Texas Local Government Code Sections 42.102 et seq., the undersigned owners petition your honorable Body for the release of land located in the extraterritorial jurisdiction of the City of Denison, Texas.

This request includes the following property of approximately 3.5 acres of land, consisting of GCAD Property ID 113343 to the full extent that such Property currently is within the ETJ of the City of Dennison, Texas.

Said property is located at

1103 E Highway 69, Denison, Texas

and more particularly described by the Grayson CAD as

G-1311 WRIGHT WILLIAM A-G1311, ACRES 3.507

and more particularly described as:

Situated in the County of Grayson, State of Texas, being part of the WILLIAM WRIGHT SURVEY, ABSTRACT NO. 1311, containing 3.273 acres of land.

The property is further described by meets and bounds in the attached Exhibit "A" and graphically described in the map below.

The undersigned certify that the following required information concerning the land and its inhabitants is reasonably accurate and assumes responsibility for the completion of said information prior to scheduled action by the City.

This petition is initiated by a majority in value of the holders of title of the land in the area, being each and every one of the landowners.

no dwelling units are located within the area requested for release.

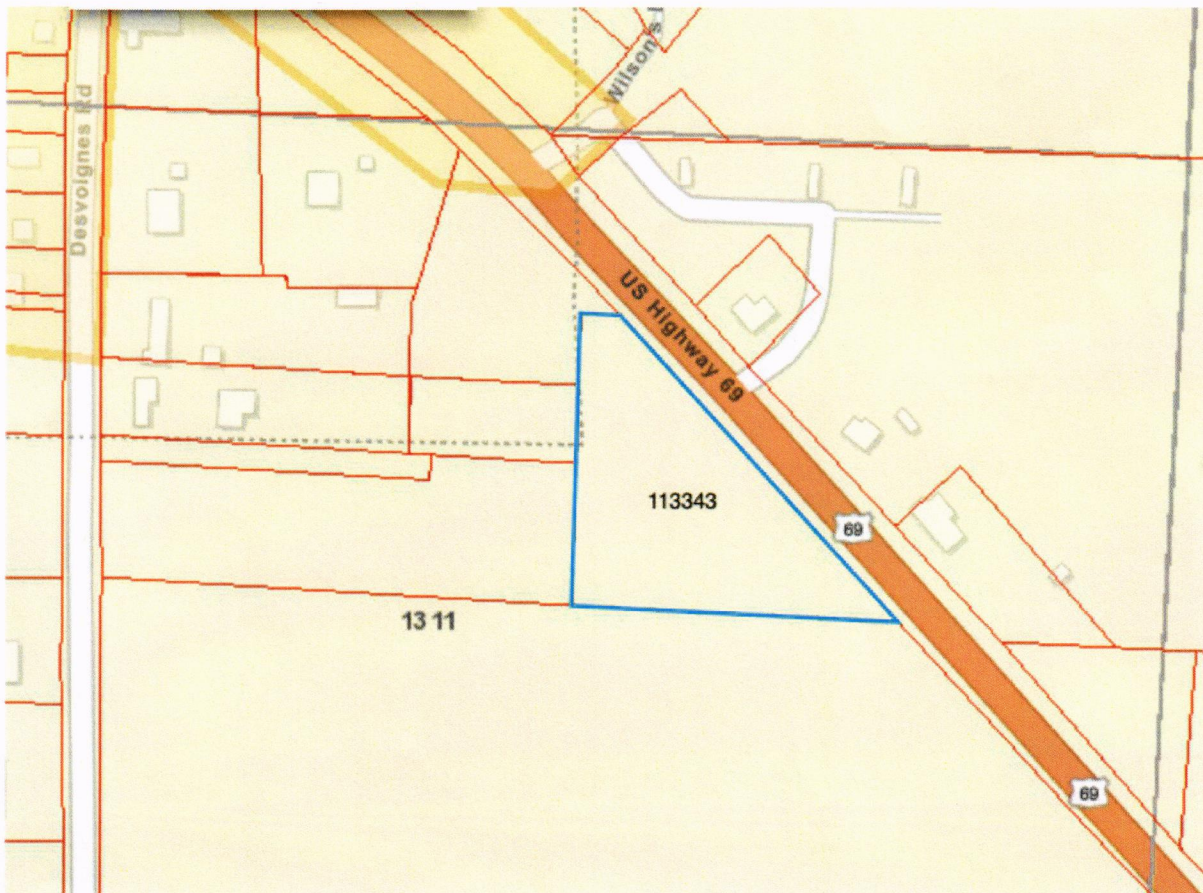
The population of the area in request is 0 in total, of which none are registered voters.

No portion of the area of request includes territory within the extraterritorial jurisdiction of another Texas city.

No part of the area in request is subject to a non-annexation agreement.

No part of the area in request is subject to a strategic partnership agreement under Local Government Code § 43.0751.

No part of the area is designated as an industrial district under Local Government Code § 42.044



**Petition Signatories  
per Election Code § 277.002**

Ray Davis  
Ray C. Davis

338 Desvoignes Road, Denison, Texas 75201  
Residence Address

[REDACTED]  
Date of Birth or Voter ID

2/12/24  
Date Signed

Linda Davis  
Linda B. Davis

338 Desvoignes Road, Denison, Texas 75201  
Residence Address

[REDACTED]  
Date of Birth or Voter ID

2/12/24  
Date Signed

**EXHIBIT "A"**

**FIELD NOTES**

**3.273 ACRES**

**SITUATED** in the County of Grayson, State of Texas, and being a part of the William Wright Survey, Abstract No. 1311, and being all of a 3.25 acre tract of land conveyed by Warranty Deed dated August 7, 1945 from G. G. Cullom and wife, Almo Cullom to Luther Loy Seely and wife, Mary Ethel Seely recorded in Volume 474, Page 601, Deed Records, Grayson County, Texas, and being more particularly described by metes and bounds as follows to-wit:

**BEGINNING** at a 1-1/2 inch pipe found in the West and South right-of-way of U. S. Highway No. 69, said pipe being at the Northeast of said 3.25 acre tract;

**THENCE** South 41 deg. 55 min. 00 sec. East with the West and South right-of-way line of said Highway No. 69 a distance of 666.25 feet to an old fence corner post at the Southeast corner of said 3.25 acre tract, the Northeast corner of a 48.227 acre tract of land conveyed by Warranty Deed with Vendors Lien from Gwendolyn Kemper to Tommy Bumpass and wife, Billie Jean Bumpass recorded in Volume 1651, Page 134, said Deed Records;

**THENCE** North 87 deg. 56 min. 48 sec. West with a fence, the South line of said 3.25 acre tract, the North line of said 48.227 acre tract, a distance of 194.22 feet to an angle point in said fence;

**THENCE** North 86 deg. 43 min. 33 sec. West continuing with said fence, the North line of said 48.227 acre tract, the South line of said 3.25 acre tract, a distance of 338.66 feet to a 4 inch wood corner post at the Southwest corner of said 3.25 acre tract, the Southeast corner of a 4 acre tract of land conveyed by Warranty Deed dated December 29, 1987 from Alice Marion Haning Hall to Hugh C. Hall recorded in Volume 1954, Page 650, Real Property Records, Grayson County, Texas;

**THENCE** North 02 deg. 21 min. 06 sec. East with a fence, the East line of said 4 acre tract, the West line of said 3.15 acre tract, a distance of 234.40 feet to a cross-tie corner post at the North east corner of said 4 acre tract, the Southeast corner of a 2 acre tract of land conveyed by Deed to Jack Coonrod and wife, Alvah L. Coonrod recorded in Volume 758, Page 98, said Deed Records;

**THENCE** North 02 deg. 49 min. 01 sec East with the West line of said 3.25 acre tract, entering a chain link fence and continuing for a total distance of 238.98 feet to a chain link fence corner post found at the Northwest corner of said 3.25 acre tract;

**THENCE** South 87 deg. 00 min. 37 sec. East with a chain link fence, the North line of said 3.25 acre tract, a distance of 65.85 feet to the **PLACE OF BEGINNING** and containing 3.273 acres of land.



# City Council Meeting Staff Report



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## Agenda Item

Receive a report, hold a discussion and take action on denying the extraterritorial jurisdiction release petition received from Ray C. Davis and Linda B. Davis for property located at Highway 69, Denison, Texas more particularly described as Delmar Estates, Lot 13, Acres 3.89, GCAD Property ID No. 113296.

## Staff Contact

Julie Fort, City Attorney  
(972) 668-6400

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## Summary

- On February 21, 2024, the City of Denison City Clerk's office received a petition by landowners Ray C. Davis and Linda B. Davis for release from the extraterritorial jurisdiction ("ETJ").
- The petition includes approximately 3.89 acres on Highway 69, Denison, Texas, located in Delmar Estates, Lot 13, GCAD Property ID No. 113296.
- Senate Bill 2038 is an unconstitutional delegation of legislative authority, and it conflicts with the City's grant of legislative discretion under Local Government Code Section 42.023.
- The validity of Senate Bill 2038 is under review in Travis County District Court, Case No, D-1-GN-23-007785, the City of Grand Prairie v. The State of Texas, and the City of Denison has made a decision to join this case as a party as there are valid reasons for the Court to overturn Senate Bill 2038.

## Staff Recommendation

Staff recommends denial of the ETJ release petition.

## Recommended Motion

"I move to deny the Davis Petition to remove property from the City of Denison's extraterritorial jurisdiction located at Highway 69, Denison, Texas more particularly described as Delmar Estates, Lot 13, Acres 3.89, GCAD Property ID No. 113296, because Senate Bill 2038 is an unconstitutional delegation of legislative authority, and it conflicts with the City of Denison's grant of legislative discretion under Local Government Code Section 42.023. The City of Denison does not consent to removal of property from its ETJ."

---

## Background Information and Analysis

On February 21, 2024, the City of Denison City Clerk's office received a petition by landowners Ray C. Davis and Linda B. Davis for release from the extraterritorial jurisdiction ("ETJ"). The petition includes approximately 3.89 acres located at Highway 69, Denison, Texas, located in Delmar Estates, Lot 13, GCAD Property ID No. 113296. Senate Bill 2038 is an unconstitutional delegation of legislative authority, and it conflicts with the City's grant of legislative discretion under Local Government Code Section 42.023. The City does not consent to removal of property from its ETJ.

Additionally, the validity of Senate Bill 2038 is under review in Travis County District Court, Case No, D-1-GN-23-007785, the City of Grand Prairie v. The State of Texas, and the City of Denison has made a decision to join this case as a party as there are valid reasons for the Court to overturn Senate Bill 2038.

**Financial Considerations**

None.

**Prior Board or Council Action**

The City Council has denied previously filed petitions.

**Alternatives**

The City Council may table the item or approve the release petition.

**PETITION BY LANDOWNERS FOR RELEASE FROM  
EXTRATERRITORIAL JURISDICTION**

TO THE MAYOR OF THE GOVERNING BODY OF DENISON, TEXAS:

Pursuant to Texas Local Government Code Sections 42.102 et seq., the undersigned owners petition your honorable Body for the release of land located in the extraterritorial jurisdiction of the City of Denison, Texas.

This request includes the following property of approximately 3.89 acres of land, consisting of GCAD Property ID 113296 to the full extent that such Property currently is within the ETJ of the City of Dennison, Texas.

Said property is located at

Highway 69, Denison, Texas

and more particularly described by the Grayson CAD as

DELMAR ESTATES, LOT 13, ACRES 3.89

The property is further described by plat and deed:

Being Lot No. Thirteen (13) in Delmar Estates addition to Grayson County, Texas, as shown by plat recorded in Volume 11, Page 7-7A, Plat Records, Grayson County, Texas; and as recorded in Grayson County property records, Volume 3820, Page 820

and graphically described in the map below.

The undersigned certify that the following required information concerning the land and its inhabitants is reasonably accurate and assumes responsibility for the completion of said information prior to scheduled action by the City.

This petition is initiated by a majority in value of the holders of title of the land in the area, being each and every one of the landowners.

    no     dwelling units are located within the area requested for release.

RECEIVED IN THE OFFICE  
OF THE CITY CLERK

FEB 21 2024

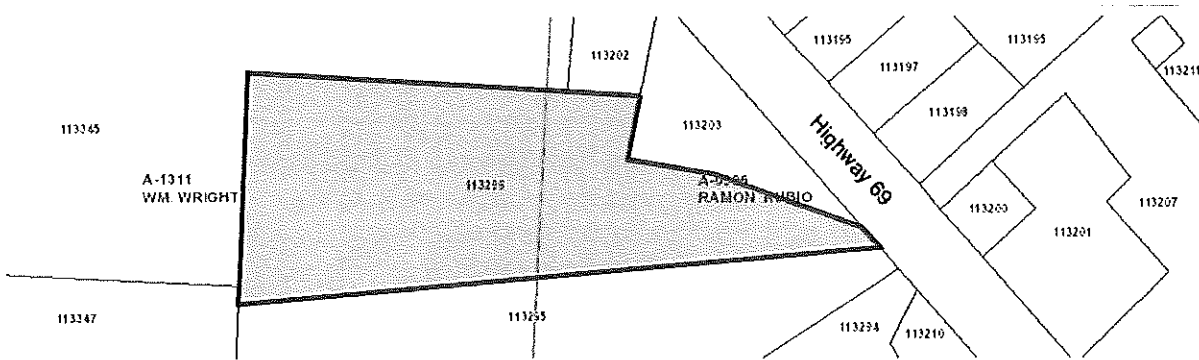
The population of the area in request is 0 in total, of which none are registered voters.

No portion of the area of request includes territory within the extraterritorial jurisdiction of another Texas city.

No part of the area in request is subject to a non-annexation agreement.

No part of the area in request is subject to a strategic partnership agreement under Local Government Code § 43.0751.

No part of the area is designated as an industrial district under Local Government Code § 42.044



Petition Signatories  
per Election Code § 277.002

*Ray Davis*

Ray C. Davis

338 Desvoignes Road, Denison, Texas 75201  
Residence Address

\_\_\_\_\_  
Date of Birth or Voter ID

2/12/24  
Date Signed

*Linda Davis*

Linda B. Davis

338 Desvoignes Road, Denison, Texas 75201  
Residence Address

\_\_\_\_\_  
Date of Birth or Voter ID

2/12/24  
Date Signed

# City Council Meeting Staff Report



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## Agenda Item

Receive a report, hold a discussion and take action on denying the extraterritorial jurisdiction release petition received from Stormy Lattimore Cansler and Richard W. Cansler for property commonly known as 220 Old Airport Road, Denison, Texas more particularly described as being located in the Richard Payne Survey Abstract Number 952, the William Garretson Survey, Abstract No. 444, the W.T. Henderson Survey Abstract No. 499 and the Abel Harness Survey, Abstract No. 498, Acres 277.479, GCAD Property ID Nos. 112326, 112325, 112396, 112534 and 112642.

## Staff Contact

Julie Fort, City Attorney  
(972) 668-6400

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## Summary

- On February 21, 2024, the City of Denison City Clerk's office received a petition by landowners Stormy Lattimore Cansler and Richard W. Cansler for release from the extraterritorial jurisdiction ("ETJ").
- The petition includes approximately 277.479 acres on Old Airport Road, Denison, Texas, located in the Richard Payne Survey Abstract Number 952, the William Garretson Survey, Abstract No. 444, the W.T. Henderson Survey Abstract No. 499 and the Abel Harness Survey, Abstract No. 498, GCAD Property ID Nos. 112326, 112325, 112396, 112534 and 112642.
- Senate Bill 2038 is an unconstitutional delegation of legislative authority, and it conflicts with the City's grant of legislative discretion under Local Government Code Section 42.023.
- The validity of Senate Bill 2038 is under review in Travis County District Court, Case No, D-1-GN-23-007785, the City of Grand Prairie v. The State of Texas, and the City of Denison has made a decision to join this case as a party as there are valid reasons for the Court to overturn Senate Bill 2038.

## Staff Recommendation

Staff recommends denial of the ETJ release petition.

## Recommended Motion

"I move to deny the Cansler Petition to remove property from the City of Denison's extraterritorial jurisdiction located at 220 Old Airport Road, Denison, Texas more particularly described as being located in the Richard Payne Survey Abstract Number 952, the William Garretson Survey, Abstract No. 444, the W.T. Henderson Survey Abstract No. 499 and the Abel Harness Survey, Abstract No. 498, Acres 277.479, GCAD Property ID Nos. 112326, 112325, 112396, 112534 and 112642, because Senate Bill 2038 is an unconstitutional delegation of legislative authority, and it conflicts with the City of Denison's grant of legislative discretion under Local Government Code Section 42.023. The City of Denison does not consent to removal of property from its ETJ."

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## Background Information and Analysis

On February 21, 2024, the City of Denison City Clerk's office received a petition by landowners Stormy Lattimore Cansler and Richard W. Cansler for release from the extraterritorial jurisdiction ("ETJ"). The

petition includes approximately 277.479 acres located at 220 Old Airport Road, Denison, Texas, located in the Richard Payne Survey Abstract Number 952, the William Garretson Survey, Abstract No. 444, the W.T. Henderson Survey Abstract No, 499 and the Abel Harness Survey, Abstract No. 498, Acres 277.479, GCAD Property ID Nos. 112326, 112325, 112396, 112534 and 112642. Senate Bill 2038 is an unconstitutional delegation of legislative authority, and it conflicts with the City's grant of legislative discretion under Local Government Code Section 42.023. The City does not consent to removal of property from its ETJ.

Additionally, the validity of Senate Bill 2038 is under review in Travis County District Court, Case No, D-1-GN-23-007785, the City of Grand Prairie v. The State of Texas, and the City of Denison has made a decision to join this case as a party as there are valid reasons for the Court to overturn Senate Bill 2038.

**Financial Considerations**

None.

**Prior Board or Council Action**

The City Council has denied previously filed petitions.

**Alternatives**

The City Council may table the item or approve the release petition.

**PETITION BY LANDOWNERS FOR RELEASE FROM  
CITY OF DENISON EXTRATERRITORIAL JURISDICTION**

**FEB 21 2024**

February 20, 2024

TO THE MAYOR AND GOVERNING BODY OF DENISON, TEXAS

Pursuant to Texas Local Government Code, Title 2, Subtitle C, Chapter D, Sections 42.101 et al, the undersigned owner of the herein described land petition your honorable Body for the release of approximately 277.479 acres of land, more or less, located in the extraterritorial jurisdiction of the City of Denison, Texas.

Property Address: 220 Old Airport Road, Denison, Tx 75021

Described as:

A tract of land containing 277.479 acres, more or less being located in the Richard Payne Survey Abstract Number 952, the William Garrettson Survey, Abstract No. 444, the W.T. Henderson Survey Abstract No. 499 and the Abel Harness Survey, Abstract No. 498 Grayson County, Texas, Grayson County Property ID 112326 Legal Description A-G0444, ACRES 85.319  
Grayson County Property ID 112325 Legal Description A-G0444, ACRES 6.55  
Grayson County Property ID 112396 Legal Description A-G0499, ACRES 4.99  
Grayson County Property ID 112534 Legal Description A-G0498, ACRES 29.83  
Grayson County Property ID 112642 Legal Description A-G0952 ACRES 150.79

A meets and bounds description along with a graphical layout is attached in Exhibit A

The undersigned certify that the following required information concerning the land and its inhabitants is reasonably accurate and assumes responsibility for the completion of said information prior to scheduled action by the City.

This petition is initiated by a majority in value of the holders of title of the land in the area, being each and every one of the landowners.

One dwelling unit is located within the area requested for release.

The population of the area in request is two (2) in total, and two (2) registered voters.

Petition by Landowners for Release from ETJ Properties ID 112326, 112325, 112396, 112534, and 112642



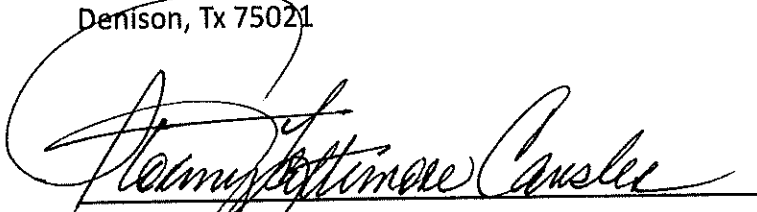
No part of the area in the request is subject to a non-annexation agreement.

No part of the area in the request is subject to a strategic partnership agreement under Government Code No 43.0751

No part of the area is designated as an industrial district under Local Government Code No. 42.44.

**Petition Signatories per Election Code No. 277.002**

GCAD Parcel ID 112643  
Landowner  
Stormy Lattimore Cansler  
220 Old Airport Road  
Denison, Tx 75021



Stormy Lattimore Cansler  
Date of Birth [REDACTED]

2/20/24  
Date

Richard W Cansler  
220 Old Airport Road  
Denison, Tx 7521



Richard W Cansler  
Date of Birth [REDACTED]

2/20/24  
Date

## EXHIBIT A

### MONTGOMERY LAND SURVEYING

JERRY P. MONTGOMERY  
REGISTERED PROFESSIONAL LAND SURVEYOR  
2727 LOY LAKE ROAD  
DENISON, TEXAS 75020

Telephone (803) 463-6603, FA X (803) 463-3148

Situated in the County of Grayson, State of Texas, being a part of the Richard Payne Survey, Abstract No. 952, a part of the William Garrettson Survey, Abstract No. 444, a part of the W. T. Henderson Survey, Abstract No. 499 and a part of the Abel Harness Survey, Abstract No. 498, being a part of Tracts No. 1 & 2 and all of Tracts No. 4 & 5 described in Deed dated October 13, 1967 from Jennie D. Richardson to John V. Lattimore, et ux, recorded in Volume 1092, Page 437, Deed Records, Grayson County, Texas, also being all of the 26.18 acre tract of land described in Deed dated February 7, 1968 from Annie Patti and Jennie Richardson to Denison Concrete Company, recorded in Volume 1100, Page 441 of said Deed Records, also including a small triangular tract of land out of the Northwest corner of a 32.86 acre tract of land, said triangular shaped tract not conveyed in Deed dated November 23, 1987 from Martha T. Lattimore to Wilson Edison Wilcox, Trustee, recorded in Volume 1950, Page 11, Real Property Records of said County, further included in the description herewith is all of the 2.179 acre tract of land designated as Parcel No. 7, (a part of the old K.O. & G. Railroad Right-of-Way), described in Deed dated October 12, 1981 from Grayson County, Texas, to John Lattimore, et ux, recorded in Volume 2450, Page 99, Official Public Records, Grayson County, Texas, all of the 1.190 acre tract of land designated as Parcel No. 8, (a part of the old K. O. & G. Railroad Right-of-Way), described in Deed dated July 1, 1996 from Grayson County, Texas to John Lattimore, et ux, recorded in Volume 2478, Page 277 of said Official Public Records, together with all of said old K.O. & G. Railroad Right-of-Way extending through said Harness Survey lying North of and adjacent to the above referenced 26.18 acre tract, and being more particularly described as follows to-wit:

BEGINNING at the intersection of the East line of said Payne Survey with the center of Middle Road, from which a steel rod set during this survey bears North 03 deg. 50 min. 30 sec. East, a distance of 22.00 ft., said intersection point also marking the most Easterly Southeast corner of the above referenced Tract No. 2;

THENCE North 80 deg. 41 min. 59 sec. West, with the center of said Middle Road, the South line of said Tract No 2, a distance of 159.58 ft. to a point at the East end of a bridge;

THENCE South 84 deg. 44 min. 31 sec. West, continuing with the center of said Middle Road, the South line of said Tract No. 2, passing a Southwest corner of said Tract No. 2, the Southeast corner of said Tract No. 1, and continuing along the center of said Road, the South line of said Tract No. 1 for a total distance of 2462.20 ft. to a spike nail set;

THENCE North 08 deg. 22 min. 15 sec. East, at a distance of 25.00 ft. passing a chain link fence corner post on the North side of said Road, and continuing along a fence for a total distance of 572.86 ft. to a chain link fence corner post;

THENCE North 70 deg. 12 min. 17 sec. West, with a fence, a distance of 487.92 ft. to a chain link fence corner post on the East side of a gate;

THENCE South 64 deg. 02 min. 37 sec. West, with a fence, a distance of 40.95 ft. to a chain link fence corner post on the West side of said gate;

THENCE South 01 deg. 39 min. 24 sec. West, with a fence, a distance of 757.56 ft. to a 60-D nail set in an old East/West fence, the South line of said Tract No. 1, the North line of said Wilcox tract;

THENCE South 88 deg. 19 min. 21 sec. West, along a fence maintaining the South line of said Tract No. 1, the North line of said Wilcox tract, a distance of 933.29 ft. to a wooden fence corner post maintaining the Northwest corner of said Wilcox tract;

THENCE South 15 deg. 41 min. 00 sec. West, with a fence, the West line of said Wilcox tract, passing the West line of said Payne Survey, the East line of said Garrettson Survey, and continuing for a total distance of 359.00 ft. to a fence post;

THENCE South 24 deg. 40 min. 30 sec. East, continuing with said fence, the West line of said Wilcox tract, a distance of 29.95 ft. to a fence post;

THENCE South 04 deg. 08 min. 50 sec. East, continuing with said fence, the West line of said Wilcox tract, a distance of 40.51 ft. to a steel rod found, said rod maintaining a corner of said Wilcox tract and being on a South line of said Tract No. 2;

THENCE North 88 deg. 09 min. 19 sec. West, with a fence, the South line of said Tract No. 2, a distance of 923.22 ft. to a wooden fence post;

THENCE North 87 deg. 26 min. 48 sec. West, continuing with said fence, the South line of said Tract No. 2, passing a fence corner post on the East line of Airport Road, a paved public road, and continuing for a total distance of 823.47 ft. to a 60-D nail set in the center of said Airport Road, said nail marking a Southwest corner of said Tract No. 2;

THENCE North 01 deg. 50 min. 20 sec. East, a distance of 1349.28 ft. to a 48 inch diameter Oak tree on the East side of said Airport Road at a turn in said road from the South to the Northwest;

THENCE North 00 deg. 57 min. 59 sec. East, along an old tree row with signs of fence, at a distance of 372.25 ft. passing the Northwest corner of the above referenced Tract No. 2, the Southwest corner of the above referenced Parcel No. 7 on the South line of the old K.O. & G. Railroad Right-of-Way, and continuing for a total distance of 430.41 ft. to a steel rod set in the center of said Right-of-Way, said rod marking the Northwest corner of said Parcel No. 7;

THENCE North 60 deg. 15 min. 00 sec. East, along the center of said Railroad Right-of-Way, the North line of said Parcel No. 7, a distance of 904.34 ft. to a steel rod found marking the intersection of the center of said Railroad Right-of-Way with the North line of said Garrettson Survey, the South line of said Henderson Survey, said rod also marking a corner of the above referenced Parcel No. 8;

THENCE North 87 deg. 30 min. 00 sec. West, with the North line of said Garrettson Survey, the South line of said Henderson Survey, a distance of 93.70 ft. to the intersection of said Survey line with the North Right-of-Way line of said Railroad, same being the beginning point of said Parcel No. 8;

THENCE North 60 deg. 15 min. 00 sec. East, with the North Right-of-Way line of said Railroad, the North line of said Parcel No. 8, a distance of 845.35 ft. to the beginning of a curve to the right;

THENCE in a Northeasterly direction, continuing with said North Right-of-Way line, the North line of said Parcel No. 8, and with said curve to the right having a radius of 1687.04 ft., (chord bears North 66 deg. 08 min. 26 sec. East, a distance of 346.28 ft.), an arc distance of 346.89 ft. to the intersection of said North Right-of-Way line with the East line of said Henderson Survey, the West line of said Harness Survey, also being the Northeast corner of said Parcel No. 8;

THENCE in a Northeasterly direction, continuing along said North Right-of-Way line, and with said curve to the right having a radius of 1687.04 ft., (chord bears North 86 deg. 23 min. 56 sec. East, a distance of 837.26 ft.), an arc distance of 846.10 ft. to the end of said curve;

THENCE South 79 deg. 14 min. 00 sec. East, continuing along said North Right-of-Way line, a distance of 1275.60 ft. to the beginning of a curve to the right;

THENCE in a Southeasterly direction, continuing along said North Right-of-Way line, and with said curve to the right having a radius of 2341.86 ft., (chord bears South 74 deg. 40 min. 30 sec. East, a distance of 372.23 ft.), an arc distance of 372.63 ft. to the end of said curve;

THENCE South 70 deg. 07 min. 00 sec. East, continuing along said North Right-of-Way line, a distance of 804.46 ft. to the Northwest corner of a portion of said old Railroad Right-of-Way conveyed by Grayson County, Texas to W. R. Dereberry by Deed dated November 9, 1981 recorded in Volume 1594, Page 237 of said Deed Records, also being in the West line of a 70.2 acre tract of land described in Deed dated October 21, 1954 from Phoebe Dereberry to W. R. Dereberry, recorded in Volume 776, Page 48 of said Deed Records;

THENCE South 03 deg. 51 min. 49 sec. West, crossing said Railroad Right-of-Way, at a distance of 104.04 ft. passing the Northeast corner of the above referenced 26.18 acre tract of land on the South Right-of-Way line of said Railroad, and continuing for a total distance of 187.50 ft. to a point in Smith Creek, said point being on the South line of said Harness Survey, the North line of said Payne Survey, said point also being the Southeast corner of said 26.18 acre tract and the Southwest corner of said Dereberry 70.2 acre tract;

THENCE South 87 deg. 30 min. 00 sec. East, with the North line of said Payne Survey, the South line of said Harness Survey, and the South line of said 70.2 acre tract crossing said K.O. & G. Railroad Right-of-Way and continuing along an old fence for a total distance of 893.90 ft. to a spike nail set at the base of an old fence corner post maintaining the Northeast corner of the above referenced Tract No. 4;

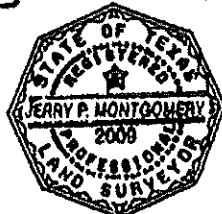
THENCE South 00 deg. 28 min. 49 sec. West, with a fence, passing the Southeast corner of said Tract No. 4 on the North line of said K.O. & G. Railroad Right-of-Way and continuing for a total distance of 198.10 ft. to the intersection of said fence with the South line of said Railroad Right-of-Way, said point being the Northeast corner of the above referenced Tract No. 2;

THENCE South 03 deg. 05 min. 43 sec. West, with an old fence maintaining the East line of both said Payne Survey and said Tract No. 2, a distance of 610.95 ft. to an angle point in said fence;

THENCE South 03 deg. 50 min. 30 sec. West, continuing with said old fence and East line, at a distance of 561.53 ft. passing a steel rod set on the North side of said Middle Road, and continuing for a total distance of 583.53 ft. to the point of beginning and containing 277.479 acres of land.

I, Jerry P. Montgomery, Registered Professional Land Surveyor, hereby certify that the above field notes were prepared on the 19th day of September, 1997 and are true and correct to the best of my knowledge and belief.

  
JERRY P. MONTGOMERY, RPLS # 2009



H.T. Henderson Survey  
A-499

0499

Abel Harness Survey  
A-498

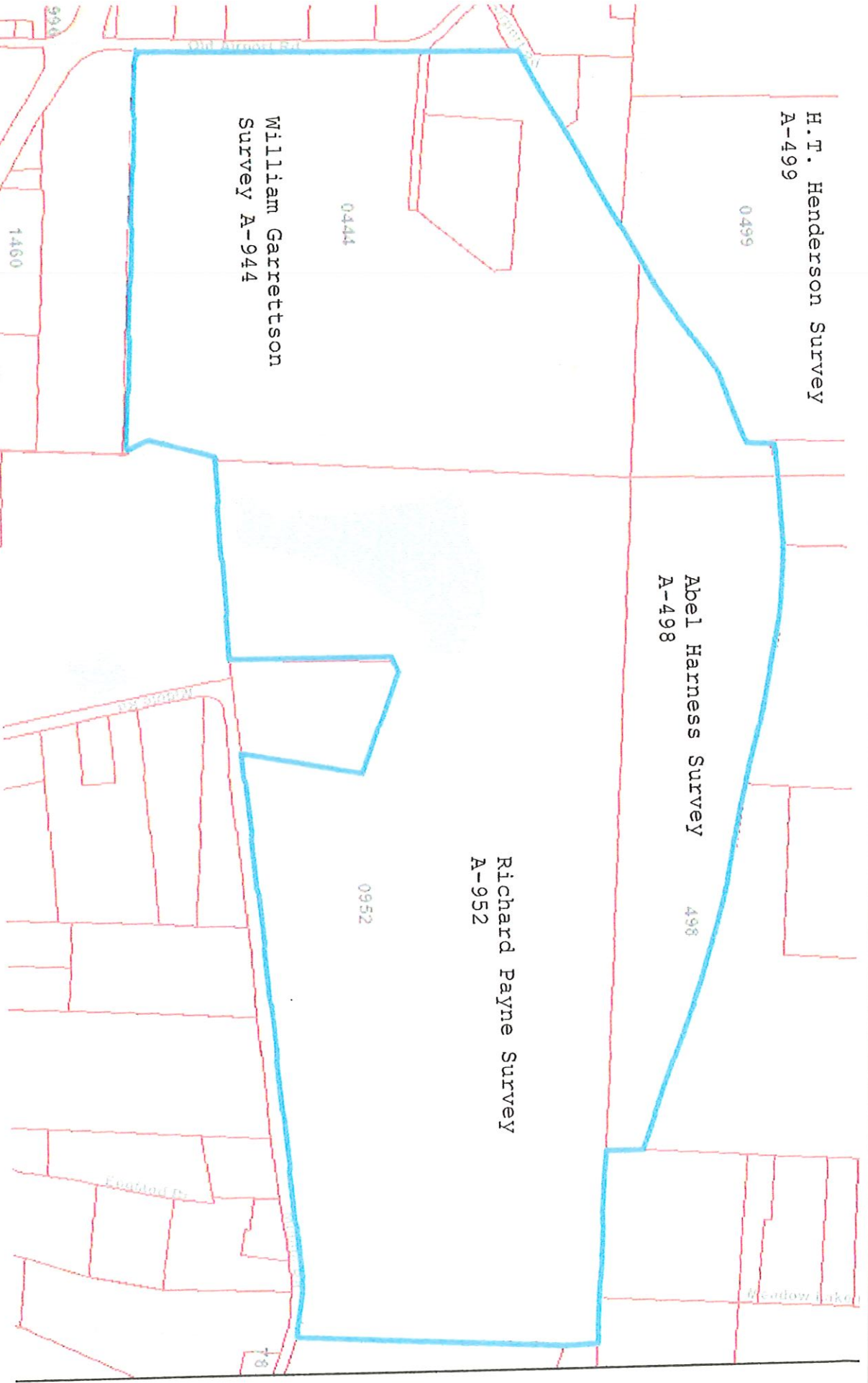
498

Richard Payne Survey  
A-952

0952

William Garrettson  
Survey A-944

0444



277.479 acres, more or less being located in the Richard Payne Survey Abstract Number 952, the William Garrettson Survey, Abstract No. 444, the W.1 Henderson Survey Abstract No. 499 and the Abel Harness Survey, Abstract No. 498 Grayson County, Texas,

Grayson County Property ID 112326 Legal Description A-G0444, ACRES 85.319

Grayson County Property ID 112325 Legal Description A-G0444, ACRES 6.55

Grayson County Property ID 112396 Legal Description A-G0499, ACRES 4.99

Grayson County Property ID 112534 Legal Description A-G0498, ACRES 29.83

Grayson County Property ID 112642 Legal Description A-G0952 ACRES 150.79

# City Council Meeting Staff Report



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## Agenda Item

Receive a report, hold a discussion and take action on denying the extraterritorial jurisdiction release petition received from Stormy Lattimore Cansler for property commonly known as 273 Middle Road, Denison, Texas more particularly described as being located in the Richard Payne Survey Abstract Number 952, Acres 7.29, GCAD Property ID No. 112643.

## Staff Contact

Julie Fort, City Attorney  
(972) 668-6400

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## Summary

- On February 21, 2024, the City of Denison City Clerk's office received a petition by landowner Stormy Lattimore for release from the extraterritorial jurisdiction ("ETJ").
- The petition includes approximately 7.29 acres on Middle Road, Denison, Texas, located in the Richard Payne Survey Abstract Number 952, GCAD Property ID No. 112643.
- Senate Bill 2038 is an unconstitutional delegation of legislative authority, and it conflicts with the City's grant of legislative discretion under Local Government Code Section 42.023.
- The validity of Senate Bill 2038 is under review in Travis County District Court, Case No, D-1-GN-23-007785, the City of Grand Prairie v. The State of Texas, and the City of Denison has made a decision to join this case as a party as there are valid reasons for the Court to overturn Senate Bill 2038.

## Staff Recommendation

Staff recommends denial of the ETJ release petition.

## Recommended Motion

"I move to deny the Cansler Petition to remove property from the City of Denison's extraterritorial jurisdiction commonly known as 273 Middle Road, Denison, Texas more particularly described as being located in the Richard Payne Survey Abstract Number 952, Acres 7.29, GCAD Property ID No. 112643, because Senate Bill 2038 is an unconstitutional delegation of legislative authority, and it conflicts with the City of Denison's grant of legislative discretion under Local Government Code Section 42.023. The City of Denison does not consent to removal of property from its ETJ."

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## Background Information and Analysis

On February 21, 2024, the City of Denison City Clerk's office received a petition by landowner Stormy Lattimore Cansler for release from the extraterritorial jurisdiction ("ETJ"). The petition includes approximately 7.29 acres located at 273 Middle Road, Denison, Texas, located in the Richard Payne Survey Abstract Number 952, GCAD Property ID No. 112643. Senate Bill 2038 is an unconstitutional delegation of legislative authority, and it conflicts with the City's grant of legislative discretion under Local Government Code Section 42.023. The City does not consent to removal of property from its ETJ.

Additionally, the validity of Senate Bill 2038 is under review in Travis County District Court, Case No, D-1-GN-23-007785, the City of Grand Prairie v. The State of Texas, and the City of Denison has made a decision to join this case as a party as there are valid reasons for the Court to overturn Senate Bill 2038.

**Financial Considerations**

None.

**Prior Board or Council Action**

The City Council has denied previously filed petitions.

**Alternatives**

The City Council may table the item or approve the release petition.

**PETITION BY LANDOWNERS FOR RELEASE FROM  
CITY OF DENISON EXTRATERRITORIAL JURISDICTION**

February 20, 2024

TO THE MAYOR AND GOVERNING BODY OF DENISON, TEXAS

Pursuant to Texas Local Government Code, Title 2, Subtitle C, Chapter D, Sections 42.101 et al, the undersigned owner of the herein described land petition your honorable Body for the release of approximately 7.29 acres, more or less, of property located in the extraterritorial jurisdiction of the City of Denison, Texas.

Property Address: 273 Middle Road

Described as:

A tract of land containing 7.29 acres, more or less, located in the Richard Payne Survey Abstract Number 952, Grayson County Texas, Grayson County Property ID 112643 Legal Description A-G0952, ACRES 7.29

A meets and bounds description along with a graphical layout is attached in Exhibit A

The undersigned certify that the following required information concerning the land and its inhabitants is reasonably accurate and assumes responsibility for the completion of said information prior to scheduled action by the City.

This petition is initiated by a majority in value of the holders of title of the land in the area, being each and every one of the landowners.

No dwelling units are located within the area requested for release.

The population of the area in request is zero (0) in total, and no registered voters.

Petition by Landowners for Release from ETJ Property ID 112643

No part of the area in the request is subject to a non-annexation agreement.

No part of the area in the request is subject to a strategic partnership agreement under Government Code No 43.0751

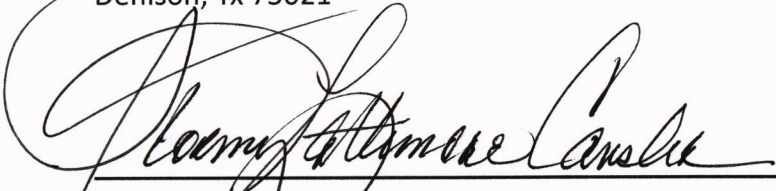
No part of the area is designated as an industrial district under Local Government Code No. 42.44



**Petition Signatories per Election Code No. 277.002**

GCAD Parcel ID 112643

Landowner  
Stormy Lattimore Cansler  
220 Old Airport Road  
Denison, Tx 75021



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Stormy Lattimore Cansler  
Date of Birth [REDACTED]

2/20/24  
Date

## EXHIBIT A

SITUATED in the County of Grayson, State of Texas, being a part of the RICHARD PAYNE SURVEY, Abstract No. 952, being a part of a 60.2384 acre tract of land described in Tract No. One (1) in deed from Jennie D. Richardson to John V. Lattimore, et ux dated October 13, 1967, recorded in volume 1092, Page 437, Deed Records, Grayson County, Texas, and being more particularly described by metes and bounds as follows to-wit:

BEGINNING at a set spike nail in the center of a public road known as Middle Road, and on the South line of said 60.2384 acre tract, the North line of a 4.28 acre tract of land described in Tract 2 in deed from Bettye L. Allen to Joseph Theodore Allen, Jr. by deed dated December 7, 1999, recorded in Volume 2867, Page 677, Official Public Records, Grayson County, Texas, said nail maintaining the most Easterly Southwest corner of a 277.479 acre tract of land conveyed by Martha T. Lattimore to Lattimore Family Limited Partnership Number One by deed dated August 6 1997, recorded in Volume 26041 Page 161, Official Public Records, Grayson County, Texas;

THENCE South 84 deg. 44 min. 31 sec. West, with the center of said Middle Road, the South line of said 60.2384 acre tract, the North line of said 4.28 acre tract, leaving said Middle Road at a turn to the South, and continuing for a total distance of 339.50 feet to a set spike nail for the Northwest corner of said 4.28 acre tract, at the center line intersection of said Middle Road, and at an apparent jog to the South in the South line of said 60.2384 acre tract;

THENCE South 11 deg. 15 min. 35 sec. East, with the West line of said 4.28 acre tract, and along the center of said Middle Road if extended North, a distance of 9.36 feet to a set spike nail for the Northeast corner of a 32.62 acre tract of land conveyed by Martha T. Lattimore, individually, and as Independent Executrix of the Estate of John V. Lattimore, deceased to Wilson Edison Wilcox, Trustee of the Wilson Edison Wilcox Family Trust by deed dated November 22, 1987, recorded in Volume 1950, Page 11, Real Property Records, Grayson County, Texas:

THENCE South 88 deg. 19 min. 21 sec. West, continuing with the South line of said 60.2384 acre tract, the North line of said 32.62 acre tract, at a distance of 7.57 feet passing a wood corner post, and continuing with the general line of a fence for a total distance of 98.21 feet to a found 60D nail maintaining a Southeast corner of said 277.479 acre tract;

THENCE North 01 deg. 39 min. 24 sec. East, with the general line of a chain link fence, an East line of said 277.479 acre tract, a distance of 757.56 feet to a chain link corner post maintaining an ell corner of said tract:

THENCE North 64 deg. 02 min. 37 sec. East, with a chain link fence, a South line of said 277.479 acre tract, a distance 40.95 feet to a chain link corner post;

THENCE South 70 deg. 12 min. 17 sec. East, continuing with the general line of a chain link fence, a South line of said 277.479 acre tract, a distance of 487.92 feet to a chain link corner post maintaining an ell corner of said tract;

THENCE South 08 deg. 22 min. 15 sec. West, with the general line of a chain link fence, a West line of said 277.479 acre tract, at a distance of 546.00 feet passing 0.60 feet East a chain link corner post on the North side of said Middle Road, and continuing for a total distance of 572.86 feet to the PLACE OF BEGINNING, and containing 7.29 ACRES OF LAND more or less.



Richard Payne Survey  
Abstract 952

**7.29  
Acres**

0952

Middle Rd

0444

**7.29 Acres out of the Richard Payne Survey  
Abstract Number 952, Grayson County, Texas**

**Grayson County Property ID 112643  
Legal Description A-G0952**

# City Council Meeting Staff Report



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## Agenda Item

Receive a report, hold a discussion, and take action on the appointment of Kristi Porter Francis as a New Member to the Public Library Advisory Board.

## Staff Contact

Greg Mitchell, Library Director  
[gmitchell@cityofdenison.com](mailto:gmitchell@cityofdenison.com)  
903-465-2720

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## Summary

- The Public Library Advisory Board was established by Chapter 18, Article IV, Section 18-162, Ordinance 4701. The Board consist of seven members and serves in an advisory capacity to council and staff on matter related to the Public Library and oversees the Denison Public Library Endowment Fund.
- Terms of office are two-year terms, with no more than three (3) consecutive full terms of office for a total of six (6) years. Board members are required to reside inside the Denison City limits.
- Board Members McClure, West, Emmons, and Hardy are on their first two-year term and will be up for reappointment December 2024. Board Chair Todd Gruhn is on his second two-year term and will be up for reappointment in December 2024.
- Staff has received one application to serve from Denison Resident, Kristi Porter Francis. Kristi is employee in a work from home position with Alorica. She is a former book club leader and volunteer at Terrell Elementary. She has served on multiple PTO boards.

## Staff Recommendation

Staff recommends the appointment of Kristi Porter Francis to the Library Advisory Board.

## Recommended Motion

“I move to appoint Kristi Porter Francis to the Library Advisory Board.

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## Background Information and Analysis

The board shall serve in advisory capacity to the City Manager, or his or her designee, and the City Council. The Public Library is authorized to join and participate cooperatively with the state library system and its regional system. The Board may make recommendations concerning the establishment of fees, operating policies, and programs of the library, long-range capital improvement planning and such other policy matter as the Board determines necessary. The Board shall also have those responsibilities and duties conferred upon it and expressly adopted by the City Council from time to time. The Board is empowered to provide and adopt rules and regulations for the management of its own business. The Board shall constitute and serve as the Board of Trustees of the Denison Public Library Endowment Fund. Service as a trustee for such Fund shall lapse upon the expiration of term of office a Board Member.

## Financial Considerations

None.

**Prior Board or Council Action**

The council appointment Jennifer Hardy, Kody Emmons, Rhonda McClure, and Juliet West to the board in 2023. The council reappointed Todd McClure to the Board in 2023.

**Alternatives**

Council may table, deny, or modify the item.

# City Council Meeting Staff Report



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## Agenda Item

Receive a report, hold a discussion, and take action on an Interlocal Agreement with Grayson County regarding construction and maintenance of a portion of Eisenhower Road right-of-way in Grayson County.

## Staff Contact

Fanchon Stearns, CIP/Engineering Manager

[fstearns@cityofdenison.com](mailto:fstearns@cityofdenison.com)

903-647-3335

---

## Summary

- The Northwest Denison Development (NWDD) project will extend water and wastewater utilities to the northwest corner of Denison to serve Preston Harbor and other properties.
- This Interlocal Agreement (ILA) will allow the City to construct a portion of the NWDD utility lines in the Eisenhower Road right-of-way currently maintained by Grayson County.
- Construction and related repairs must meet or exceed Grayson County standards.

## Staff Recommendation

Staff recommends approval of the item.

## Recommended Motion

“I move to approve the Interlocal Agreement with Grayson County regarding construction and maintenance of a portion of Eisenhower Road right-of-way in Grayson County.”

---

## Background Information and Analysis

The Northwest Denison Development (NWDD) project will extend water and wastewater utilities to Denison’s northwest corner. The project will serve the Preston Harbor, Eisenhower Ranches, AGAM, and other developments in the area. This Interlocal Agreement (ILA) will allow the City to construction utility lines in a portion of the Eisenhower Road right-of-way currently maintained by Grayson County. If approved, the City will be required to construct the lines and repair the right-of-way to Grayson County Standard or better. Staff has worked with the local County Commissioner on the agreement, which will also need to be approved by the Grayson County Commissioners Court.

## Financial Considerations

The NWDD project and related repairs have been budgeted for in the Utility CIP.

## Prior Board or Council Action

None

## Alternatives

Council may deny or table the item.

**INTERLOCAL AGREEMENT  
BETWEEN THE CITY OF DENISON AND GRAYSON COUNTY  
REGARDING CONSTRUCTION AND MAINTANANCE OF  
PORTIONS OF EISENHOWER ROAD RIGHT OF WAY IN GRAYSON COUNTY**

THIS INTERLOCAL COOPERATION AGREEMENT (“**Agreement**”) is entered into in accordance with the provisions of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, by and between the City of Denison, Texas (“**City**”) a home-rule municipality located in Grayson County, Texas, and Grayson County (“**County**”) a political subdivision of the State of Texas (each individually a “**Party**” or collectively the “**Parties**”).

**RECITALS**

**WHEREAS**, the City desires and needs to provide water and wastewater utility service to its northwest areas, including Preston Harbor and the FM 84 Corridor; and

**WHEREAS**, the City desires to construct and maintain a transmission waterline, water service main, a wastewater interceptor, and related appurtenances (“**Project**”) to serve these areas with public water and wastewater utilities; and

**WHEREAS**, the Project will be constructed partially within the Eisenhower Road right-of-way, a road maintained by the County (“**ROW**”) as depicted in **Exhibit A**, attached hereto and incorporated herein for all purposes; and

**WHEREAS**, the County represents that it has, at minimum, prescriptive possession of the ROW, if not more, and represents to the City that it has the right to allow the City to install and construct the Project within the ROW; and

**WHEREAS**, the City intends to reconstruct and maintain the disturbed portion of Eisenhower Road to County standards after the Project is complete in the area; and

**WHEREAS**, the Parties intend to support the voluntarily annexation of the ROW into the City Limits after the right-of-way is formally dedicated via plat or other instrument; and

**WHEREAS**, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, authorizes local governmental entities to contract with one another to perform governmental functions and services under the terms thereof, and the City and the County have determined that mutual benefits and advantages can be obtained by formalizing their agreement as to the separate and distinct issues of importance to them regarding the matters addressed in this Agreement.

**NOW, THEREFORE**, the City and County, for the mutual consideration stated herein, agree as follows:

**I.**

The above recitals are hereby found to be true and correct and are hereby adopted and made a part hereof for all purposes.

## II.

(a) County consents to City constructing the Project within the ROW. County authorizes the City to install, construct, maintain, control, repair, and operate the Project within the ROW. After the City's construction of the Project in this area, City shall repair the road to standards provided by the County, as depicted in **Exhibit B**, attached hereto and incorporated herein. The City shall pay for the performance of the described governmental functions from current revenues available to the City.

(b) To the extent that the City has the legal right to do so in accordance with the underlying fee simple ownership, City will maintain the ROW for this portion of Eisenhower Road described in this Agreement after the Project is completed.

(c) County consents that, when the portion of right-of-way becomes dedicated by plat or other instruments, the County and the City will support voluntary annexation of the public right-of-way into the city limits, allowing additional infrastructure improvements.

(d) County hereby conveys the public right of way maintenance responsibility for the portions of Eisenhower Road depicted in **Exhibit A** to the City with the understanding that the City intends to install, construct, operate maintain, replace, repair, upgrade, and remove public water and wastewater utility lines and appurtenances permanently and perpetually in the area, to the extent allowed by law.

## III.

### *Miscellaneous Provisions.*

- (a) *Term.* The term of this Agreement shall be from the Effective Date (as hereinafter defined) until the Project is complete, except that that the ROW maintenance obligation of the City shall survive for as long as the City has the legal authority to do so, or until it obtains right-of-way dedication of the ROW.
- (b) *Entire Agreement.* This Agreement expresses the entire agreement between the Parties hereto regarding the subject matter contained herein and may not be modified or amended except by written agreement duly executed by both Parties.
- (c) *Authorization.* This Agreement has been duly and properly authorized and approved by each Party's governing body and constitutes a binding obligation on each Party.
- (d) *Applicable law; venue.* This Agreement shall be construed in accordance with the laws of the State of Texas and venue for all purposes hereunder shall be in Grayson County, Texas.
- (e) *Successors and assigns.* This Agreement shall bind, and shall be for the sole and exclusive benefit of, the respective Parties and their legal successors. Neither the City nor the County



shall assign, sublet or transfer its respective interests in this Agreement without the prior written consent of the other Party, unless otherwise provided by law.

- (f) *Severability.* If any term or provision of this Agreement, as applied to any Party or to any circumstance, is declared by a court of competent jurisdiction hereof to be illegal, unenforceable, or void in any situation and in any jurisdiction, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending provision in any other situation or in any other jurisdiction. The Parties agree that the court making such determination shall have the power to reduce the scope, duration, area or applicability of the term or provision, to delete specific words or phrases or to replace any illegal, unenforceable or void term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision.
- (g) *Notice.* All notices required to be given by virtue of this Agreement shall be addressed as follows and delivered by certified mail, return receipt requested, by hand delivery, or by email with a read receipt:

City Manager  
City of Denison  
PO Box 347  
Denison, TX 75020  
citymanager@cityofdenison.com

County Judge  
Grayson County  
100 W. Houston St.  
Sherman, TX 75090  
Email: \_\_\_\_\_

with copies to:

Public Works Director  
City of Denison  
PO Box 347  
Denison, TX 75020  
rbates@cityofdenison.com

Name: \_\_\_\_\_  
Grayson County  
100 W. Houston St.  
County, TX 75090  
Email: \_\_\_\_\_

- (h) *Immunity.* This Agreement is not intended to extend the liability of the Parties beyond that provided by law. Neither City waives any immunity or defense that would otherwise be available to it against claims by third parties.
- (i) The effective date of this Agreement shall be the date upon which the Parties have lawfully approved and fully executed the Agreement (“**Effective Date**”).

## EXHIBITS

EXHIBIT “A” – PORTION OF EISENHOWER ROAD RIGHT OF WAY  
EXHIBIT “B” -- GRAYSON COUNTY ROAD STANDARD

[signatures on following pages]

CITY OF DENISON, TEXAS

\_\_\_\_\_  
MAYOR JANET GOTT

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

[CITY SEAL]

THE STATE OF TEXAS  
COUNTY OF GRAYSON

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2024,  
by Janet Gott in their capacity as Mayor of Denison, Texas, on behalf of said entity.

\_\_\_\_\_  
Notary Public in and for the State of Texas

GRAYSON COUNTY

\_\_\_\_\_  
COUNTY JUDGE BRUCE DAWSEY

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

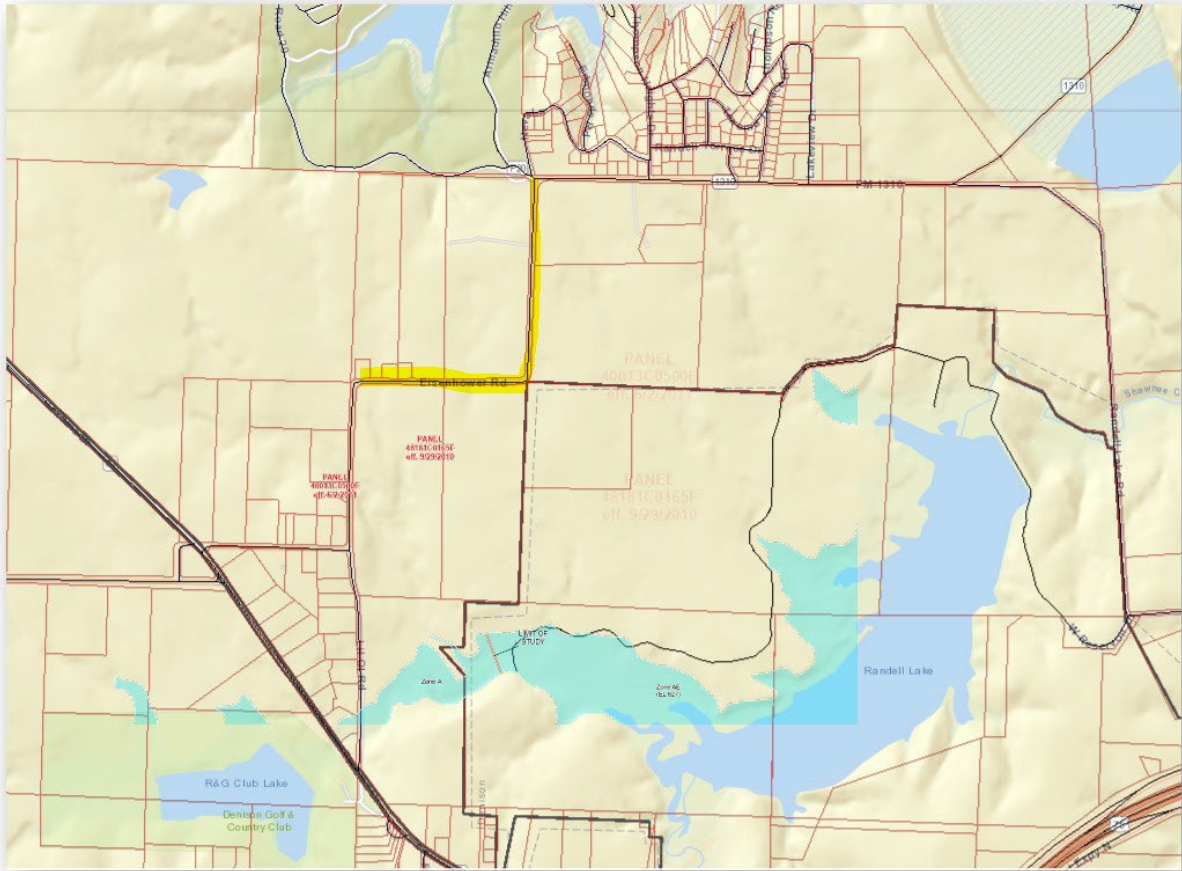
[COUNTY SEAL]

THE STATE OF TEXAS  
COUNTY OF GRAYSON

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2024,  
by Bruce Dawsey in their capacity as Judge of Grayson County, Texas, on behalf of said entity.

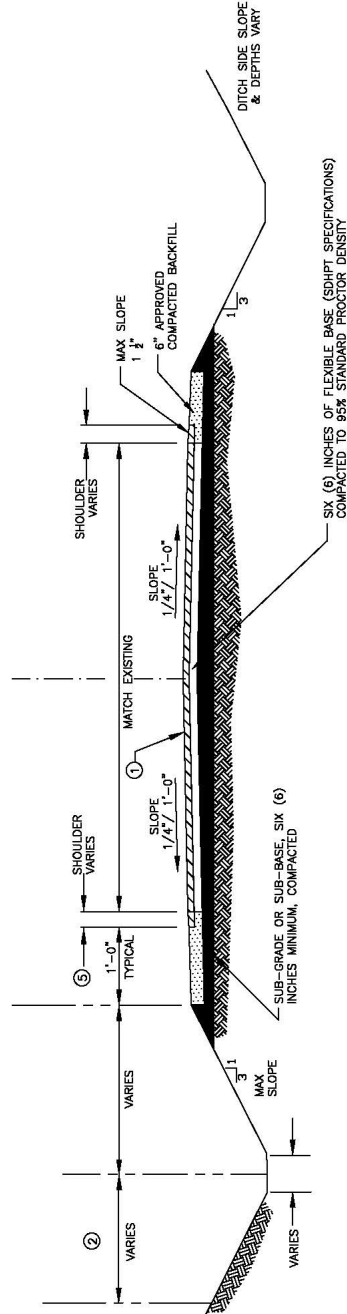
\_\_\_\_\_  
Notary Public in and for the State of Texas

**EXHIBIT "A"**  
**PORTION OF EISENHOWER ROAD ROW**



# EXHIBIT "B"

## GRAYSON COUNTY ROAD STANDARD



TYPICAL ASPHALT ROAD SECTION 240  
(NOT TO SCALE)

1. PRIMER AND TWO COURSE ASPHALT TREATMENT.
2. RIGHT OF WAY ACCORDING TO FUNCTIONAL CLASSIFICATION PLAN.
3. ACCORDING TO FUNCTIONAL CLASSIFICATION PLAN.

# City Council Meeting Staff Report



---

## Agenda Item

Receive a report, hold a discussion, and take action on an Interlocal Agreement with Grayson County regarding construction and maintenance of a portion of Preston Road right-of-way in Grayson County.

## Staff Contact

Fanchon Stearns, CIP/Engineering Manager

[fstearns@cityofdenison.com](mailto:fstearns@cityofdenison.com)

903-647-3335

---

## Summary

- The Northwest Denison Development (NWDD) project will extend water and wastewater utilities to the northwest corner of Denison to serve Preston Harbor and other properties.
- This Interlocal Agreement (ILA) will allow the City to construct a portion of the NWDD utility lines in the Preston Road right-of-way currently maintained by Grayson County.
- Construction and related repairs must meet or exceed Grayson County standards.

## Staff Recommendation

Staff recommends approval of the item.

## Recommended Motion

“I move to approve the Interlocal Agreement with Grayson County regarding construction and maintenance of a portion of Preston Road right-of-way in Grayson County.”

---

## Background Information and Analysis

The Northwest Denison Development (NWDD) project will extend water and wastewater utilities to Denison’s northwest corner. The project will serve the Preston Harbor, Eisenhower Ranches, AGAM, and other developments in the area. This Interlocal Agreement (ILA) will allow the City to construction utility lines in a portion of the Preston Road right-of-way currently maintained by Grayson County. If approved, the City will be required to construct the lines and repair the right-of-way to Grayson County Standard or better. Staff has worked with the local County Commissioner on the agreement, which will also need to be approved by the Grayson County Commissioners Court.

## Financial Considerations

The NWDD project and related repairs have been budgeted for in the Utility CIP.

## Prior Board or Council Action

None

## Alternatives

Council may deny or table the item.

**INTERLOCAL AGREEMENT  
BETWEEN THE CITY OF DENISON AND GRAYSON COUNTY  
REGARDING CONSTRUCTION AND MAINTANANCE OF  
PORTIONS OF NW PRESTON ROAD RIGHT OF WAY IN GRAYSON COUNTY**

THIS INTERLOCAL COOPERATION AGREEMENT (“**Agreement**”) is entered into in accordance with the provisions of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, by and between the City of Denison, Texas (“**City**”) a home-rule municipality located in Grayson County, Texas, and Grayson County (“**County**”) a political subdivision of the State of Texas (each individually a “**Party**” or collectively the “**Parties**”).

**RECITALS**

**WHEREAS**, the City desires and needs to provide water and wastewater utility service to its northwest areas, including Preston Harbor and the FM 84 Corridor; and

**WHEREAS**, the City desires to construct and maintain a transmission waterline, water service main, a wastewater interceptor, and related appurtenances (“**Project**”) to serve these areas with public water and wastewater utilities; and

**WHEREAS**, the Project will be constructed partially within the Preston Road right-of-way, a road maintained by the County (“**ROW**”) as depicted in **Exhibit A**, attached hereto and incorporated herein for all purposes; and

**WHEREAS**, the County represents that it has, at minimum, prescriptive possession of the ROW, if not more, and represents to the City that it has the right to allow the City to install and construct the Project within the ROW; and

**WHEREAS**, the City intends to reconstruct and maintain the disturbed portion of NW Preston Road to County standards after the Project is complete in the area; and

**WHEREAS**, the Parties intend to support the voluntarily annexation of the ROW into the City Limits after the right-of-way is formally dedicated via plat or other instrument; and

**WHEREAS**, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, authorizes local governmental entities to contract with one another to perform governmental functions and services under the terms thereof, and the City and the County have determined that mutual benefits and advantages can be obtained by formalizing their agreement as to the separate and distinct issues of importance to them regarding the matters addressed in this Agreement.

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## II.

(a) County consents to City constructing the Project within the ROW. County authorizes the City to install, construct, maintain, control, repair, and operate the Project within the ROW. After the City's construction of the Project in this area, City shall repair the road to standards provided by the County, as depicted in **Exhibit B**, attached hereto and incorporated herein. The City shall pay for the performance of the described governmental functions from current revenues available to the City.

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City of Denison  
PO Box 347  
Denison, TX 75020  
citymanager@cityofdenison.com

County Judge  
Grayson County  
100 W. Houston St.  
Sherman, TX 75090  
Email: \_\_\_\_\_

with copies to:

Public Works Director  
City of Denison  
PO Box 347  
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## EXHIBITS

EXHIBIT “A” – PORTION OF NW PRESTON ROAD RIGHT OF WAY  
EXHIBIT “B” -- GRAYSON COUNTY ROAD STANDARD

[signatures on following pages]



CITY OF DENISON, TEXAS

\_\_\_\_\_  
MAYOR JANET GOTT

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

[CITY SEAL]

THE STATE OF TEXAS  
COUNTY OF GRAYSON

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2024,  
by Janet Gott in their capacity as Mayor of Denison, Texas, on behalf of said entity.

\_\_\_\_\_  
Notary Public in and for the State of Texas

GRAYSON COUNTY

\_\_\_\_\_  
COUNTY JUDGE BRUCE DAWSEY

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

[COUNTY SEAL]

THE STATE OF TEXAS  
COUNTY OF GRAYSON

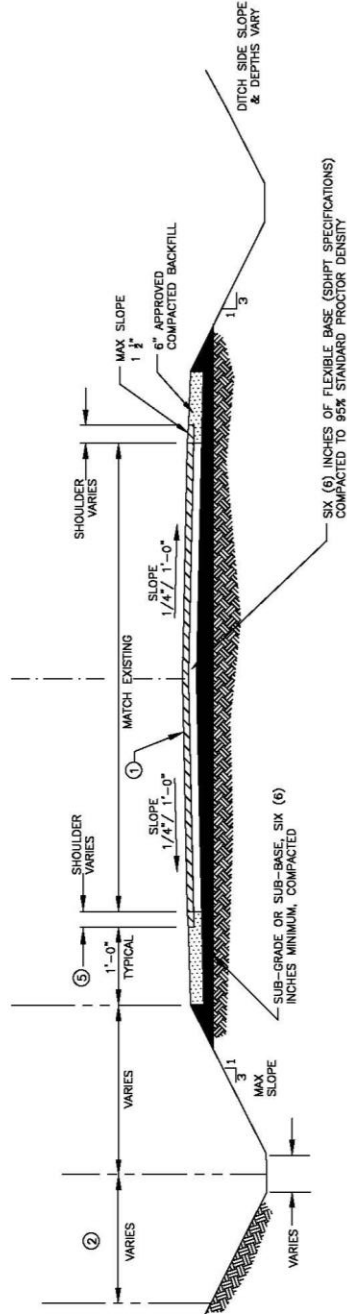
This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2024,  
by Bruce Dawsey in their capacity as Judge of Grayson County, Texas, on behalf of said entity.

\_\_\_\_\_  
Notary Public in and for the State of Texas



# EXHIBIT "B"

## GRAYSON COUNTY ROAD STANDARD



TYPICAL ASPHALT ROAD SECTION 240  
(NOT TO SCALE)

1. PRIMER AND TWO COURSE ASPHALT TREATMENT.
2. RIGHT OF WAY ACCORDING TO FUNCTIONAL CLASSIFICATION PLAN.
3. ACCORDING TO FUNCTIONAL CLASSIFICATION PLAN.

# City Council Meeting Staff Report



---

## Agenda Item

Receive a report, hold a discussion, and take action on an Interlocal Agreement with Grayson County regarding construction and maintenance of a portion of Kelsoe Road right-of-way in Grayson County.

## Staff Contact

Fanchon Stearns, CIP/Engineering Manager

[fstearns@cityofdenison.com](mailto:fstearns@cityofdenison.com)

903-647-3335

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## Summary

- The Northwest Denison Development (NWDD) project will extend water and wastewater utilities to the northwest corner of Denison to serve Preston Harbor and other properties.
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- Construction and related repairs must meet or exceed Grayson County standards.

## Staff Recommendation

Staff recommends approval of the item.

## Recommended Motion

“I move to approve the Interlocal Agreement with Grayson County regarding construction and maintenance of a portion of Kelsoe Road right-of-way in Grayson County.”

---

## Background Information and Analysis

The Northwest Denison Development (NWDD) project will extend water and wastewater utilities to Denison’s northwest corner. The project will serve the Preston Harbor, Eisenhower Ranches, AGAM, and other developments in the area. This Interlocal Agreement (ILA) will allow the City to construction utility lines in a portion of the Kelsoe Road right-of-way currently maintained by Grayson County. If approved, the City will be required to construct the lines and repair the right-of-way to Grayson County Standard or better. Staff has worked with the local County Commissioner on the agreement, which will also need to be approved by the Grayson County Commissioners Court.

## Financial Considerations

The NWDD project and related repairs have been budgeted for in the Utility CIP.

## Prior Board or Council Action

None

## Alternatives

Council may deny or table the item.

**INTERLOCAL AGREEMENT  
BETWEEN THE CITY OF DENISON AND GRAYSON COUNTY  
REGARDING CONSTRUCTION AND MAINTANANCE OF  
PORTIONS OF KELSOE ROAD RIGHT OF WAY IN GRAYSON COUNTY**

THIS INTERLOCAL COOPERATION AGREEMENT (“**Agreement**”) is entered into in accordance with the provisions of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, by and between the City of Denison, Texas (“**City**”) a home-rule municipality located in Grayson County, Texas, and Grayson County (“**County**”) a political subdivision of the State of Texas (each individually a “**Party**” or collectively the “**Parties**”).

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PO Box 347  
Denison, TX 75020  
citymanager@cityofdenison.com

County Judge  
Grayson County  
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Sherman, TX 75090  
Email: \_\_\_\_\_

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Public Works Director  
City of Denison  
PO Box 347  
Denison, TX 75020  
rbates@cityofdenison.com

Name: \_\_\_\_\_  
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EXHIBIT “A” – PORTION OF KELSOE ROAD RIGHT OF WAY  
EXHIBIT “B” -- GRAYSON COUNTY ROAD STANDARD

[signatures on following pages]

CITY OF DENISON, TEXAS

\_\_\_\_\_  
MAYOR JANET GOTT

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

[CITY SEAL]

THE STATE OF TEXAS  
COUNTY OF GRAYSON

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2024,  
by Janet Gott in their capacity as Mayor of Denison, Texas, on behalf of said entity.

\_\_\_\_\_  
Notary Public in and for the State of Texas

GRAYSON COUNTY

\_\_\_\_\_  
COUNTY JUDGE BRUCE DAWSEY

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

[COUNTY SEAL]

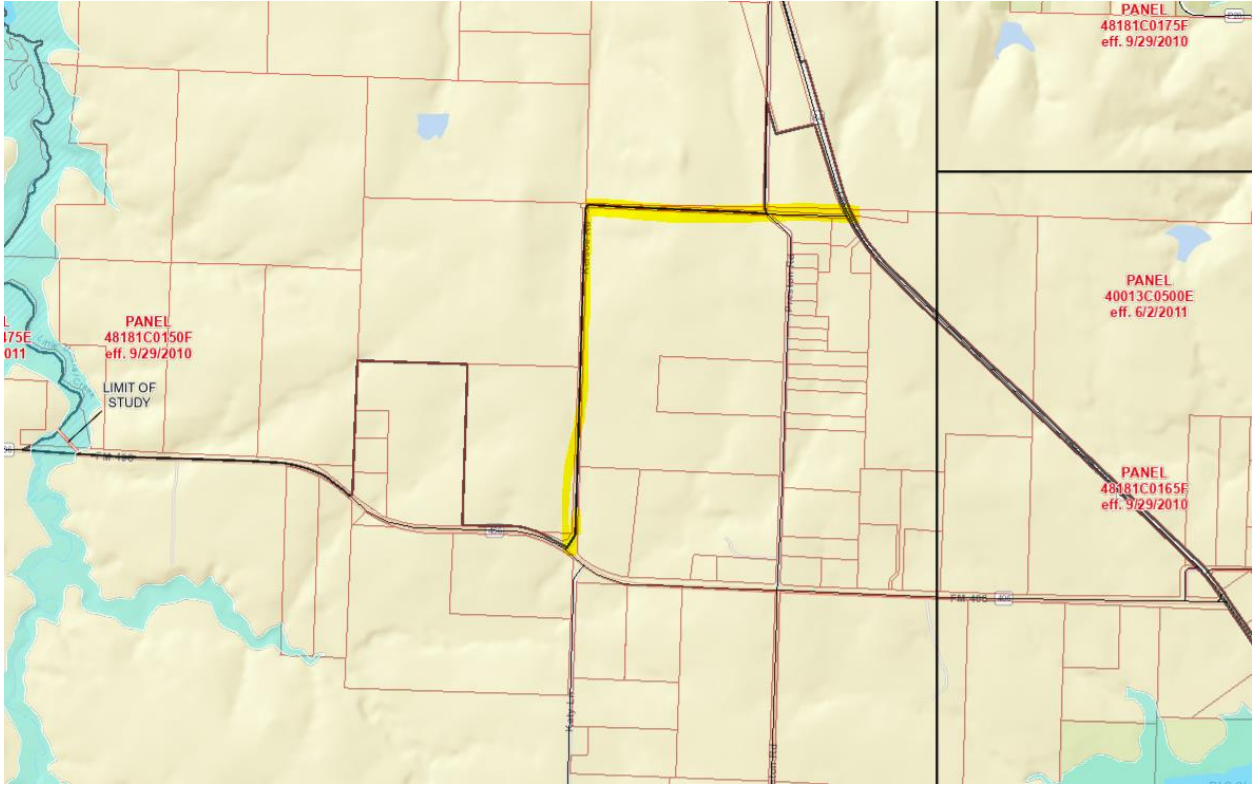
THE STATE OF TEXAS  
COUNTY OF GRAYSON

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2024,  
by Bruce Dawsey in their capacity as Judge of Grayson County, Texas, on behalf of said entity.

\_\_\_\_\_  
Notary Public in and for the State of Texas

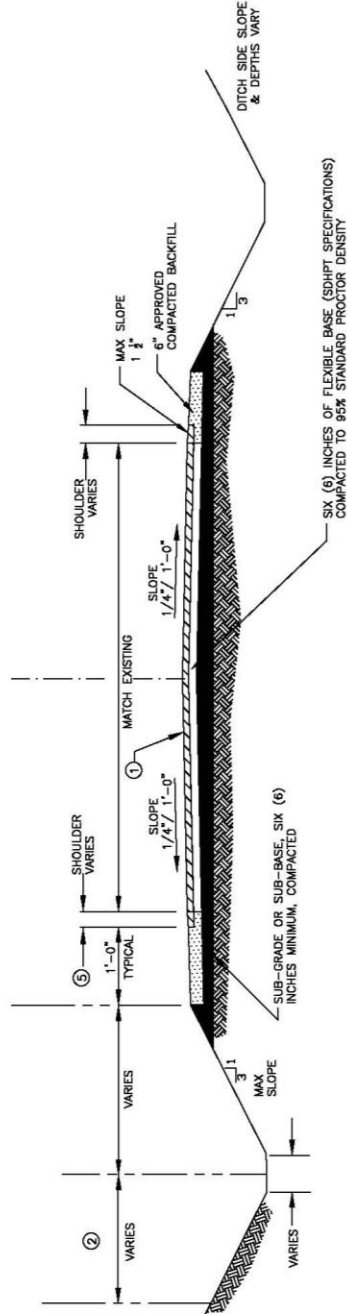


**EXHIBIT "A"**  
**PORTION OF KELSOE ROAD ROW**



# EXHIBIT "B"

## GRAYSON COUNTY ROAD STANDARD



TYPICAL ASPHALT ROAD SECTION 240  
(NOT TO SCALE)

1. PRIMER AND TWO COURSE ASPHALT TREATMENT.
2. RIGHT OF WAY ACCORDING TO FUNCTIONAL CLASSIFICATION PLAN.
3. ACCORDING TO FUNCTIONAL CLASSIFICATION PLAN.

# City Council Meeting Staff Report



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## Agenda Item

Receive a report, hold a discussion and take action on an ordinance amending Chapter 25, "Traffic", Article IV, "Speed Regulations", Section 25-107.3 "Speed Limits on Certain Highways" of the Code of Ordinances to temporarily lower the prima facie speed limits established for vehicles under the provisions of the Transportation Code, Chapter 545 Section 545.353(K), to address road construction on US Highway 75 and the adjacent frontage road from Farm to Market Road 691 to N. Loy Lake Road within the City of Denison.

## Staff Contact

Chris Wallentine, City Clerk/Assistant to the City Manager  
cwallentine@cityofdenison.com  
(903) 465-2720, Ext. 2437

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## Summary

- Based upon information received from the Texas Department of Transportation, the prima facie speed limits on portions of US Highway 75 and adjacent frontage road from Farm to Market Road 691 ("FM 691") to N. Loy Lake Road located within City limits, would be safer if temporarily lowered during and until the completion of Texas Department of Transportation Project No. F 2B23(048) to address road construction that affects the safe and orderly movement of traffic.
- Chapter 545, Section 545.353(k) of the Texas Transportation Code, provides for the temporary lowering of a prima facie speed limit to address inclement weather, congestion, road construction, or any other condition that affects the safe and orderly movement of traffic.
- U.S. Highway 75 main lanes from approximately the northern point of FM 691 to the southern point of N. Loy Lake Road, would impose a speed limit of sixty-five (65) miles per hour and on the US Highway 75 frontage roads, both northbound and southbound lanes from approximately the northern point of FM 691 to the southern point of N. Loy Lake Road, would impose a speed limit of forty-five (45) miles per hour and at all times until the completion of this project.

## Staff Recommendation

Staff recommends adoption of the ordinance.

## Recommended Motion

"I move to adopt the ordinance amending Chapter 25, "Traffic", Article IV, "Speed Regulations", Section 25-107.3 "Speed Limits on Certain Highways" of the Code of Ordinance to temporarily lower the prima facie speed limits established for vehicles under the provisions of the Transportation Code, Chapter 545 Section 545.353(K), to address road construction on US Highway 75 and the adjacent frontage road from Farm to Market Road 691 to N. Loy Lake Road within the City of Denison."

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## Background Information and Analysis

Based upon information received from the Texas Department of Transportation, the prima facie speed limits on portions of US Highway 75 and adjacent frontage road from Farm to Market Road 691 ("FM

691”) to N. Loy Lake Road located within City limits, would be safer if temporarily lowered during and until the completion of Texas Department of Transportation Project No. F 2B23(048) to address road construction that affects the safe and orderly movement of traffic. Chapter 545, Section 545.353(k) of the Texas Transportation Code, provides for the temporary lowering of a prima facie speed limit to address inclement weather, congestion, road construction, or any other condition that affects the safe and orderly movement of traffic.

This ordinance would amend Chapter 25 “Traffic,” Article IV “Speed Regulations,” Section 25-107.3 “Speed Limits on Certain Highways” to temporarily lower the prima facie speed limits on said streets, highways or portions thereof to better protect the convenience, health, safety and welfare of the residents of the City and the motoring public during the construction of this project.

U.S. Highway 75 main lanes from approximately the northern point of FM 691 to the southern point of N. Loy Lake Road, would impose a speed limit of sixty-five (65) miles per hour and on the US Highway75 frontage roads, both northbound and southbound lanes from approximately the northern point of FM 691 to the southern point of N. Loy Lake Road, would impose a speed limit of forty-five (45) miles per hour and at all times until the completion of Texas Department of Transportation Project No. F 2B23(048).

**Financial Considerations**

None.

**Prior Board or Council Action**

None.

**Alternatives**

City Council may table this agenda item.

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

**AN ORDINANCE OF THE CITY OF DENISON, TEXAS, AMENDING CHAPTER 25 “TRAFFIC”, ARTICLE IV “SPEED REGULATIONS”, SECTION 25-107.3 “SPEED LIMITS ON CERTAIN HIGHWAYS” OF THE CITY OF DENISON CODE OF ORDINANCES, TO TEMPORARILY LOWER THE PRIMA FACIE SPEED LIMITS ESTABLISHED FOR VEHICLES UNDER THE PROVISIONS OF THE TRANSPORTATION CODE, CHAPTER 545, SECTION 545.353(K), TO ADDRESS ROAD CONSTRUCTION ON US HWY 75 AND THE ADJACENT FRONTAGE ROAD FROM FARM TO MARKET ROAD 691 TO N. LOY LAKE ROAD, OR PARTS THEREOF, WITHIN THE INCORPORATED LIMITS OF THE CITY OF DENISON, AS SET OUT IN THIS ORDINANCE; PROVIDING A PENALTY; PROVIDING REPEALING, SAVINGS AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; AND FINDING AND DETERMINING THE MEETING AT WHICH THIS ORDINANCE IS ADOPTED WAS OPEN TO THE PUBLIC AS REQUIRED BY LAW.**

**WHEREAS**, the City of Denison, Texas (the “**City**”) is a Home Rule Municipality acting under its Charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 26 of the Texas Local Government Code; and

**WHEREAS**, the City Council of the City (the “**City Council**”) adopted Chapter 25 of its Code of Ordinances, which governs traffic in and around the City; and

**WHEREAS**, Chapter 545, Section 545.353(k) of the Texas Transportation Code, provides for the temporary lowering of a prima facie speed limit to address inclement weather, congestion, road construction, or any other condition that affects the safe and orderly movement of traffic; and

**WHEREAS**, the City Council finds and determines, based upon information received from the Texas Department of Transportation, that the prima facie speed limits on portions of US Highway 75 and adjacent frontage road from Farm to Market Road 691 (“**FM 691**”) to N. Loy Lake Road located within City limits, would be safer if temporarily lowered during and until the completion of Texas Department of Transportation Project No. F 2B23(048) to address road construction that affects the safe and orderly movement of traffic; and

**WHEREAS**, the City Council now desires to amend Chapter 25 “**Traffic**,” Article IV “**Speed Regulations**,” Section 25-107.3 “**Speed Limits on Certain Highways**” to temporarily lower the prima facie speed limits on said streets, highways or portions thereof to better protect the convenience, health, safety and welfare of the residents of the City and the motoring public; and

**WHEREAS**, the City Council of the City of Denison, Texas finds that all prerequisites to the adoption of this Ordinance have been met.

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

**Section 1. Findings Incorporated.** The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

**Section 2. Amendment to Chapter 25 “Traffic,” Article IV “Speed Regulations,” Section 25-107.3 “Speed Limits on Certain Highways.”** Chapter 25 “Traffic,” Article IV “Speed Regulations,” Section 25-107.3 “Speed Limits on Certain Highways” the paragraph regarding U.S. 75 is hereby amended to add the following (additions shown underlined):

*On U.S. 75 frontage roads from their beginning at approximate mile point 10.672 on the northbound frontage road and mile point 10.680 on the southbound frontage road to approximate mile point 6.444 in southerly direction a distance of approximately 4.321 miles on the northbound frontage road and approximately 4.313 miles on the southbound frontage road, a speed limit of 55 (fifty-five) miles per hour at all times; thence southerly on both the northbound and southbound frontage roads from the approximate mile point 6.634 to the intersection of FM 120, for a distance of approximately 0.526 miles, a speed limit of 55 (fifty-five) miles per hour at all times as evidenced by the attached plan is hereby approved and made a part thereof. Notwithstanding the foregoing, U.S. 75 main lanes from approximately the northern point of FM 691 to the southern point of N. Loy Lake Road, a speed limit of sixty-five (65) miles per hour and on the US 75 frontage roads, both northbound and southbound lanes from approximately the northern point of FM 691 to the southern point of N. Loy Lake Road, a speed limit of forty-five (45) miles per hour and at all times until the completion of Texas Department of Transportation Project No. F 2B23(048), to address road construction that affects the safe and orderly movement of traffic, which is hereby approved by the Texas Department of Transportation.*

**Section 3. Speed Limit Signs to be Posted.** The City Manager is hereby authorized to cause to be completed, any processes or procedures necessary to facilitate the installation of the appropriate signs at the proper locations.

**Section 4. Penalty.** Any person violating this Ordinance or the requirements to obey traffic control devices contained in the Texas Transportation Code and other applicable law shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in accordance with penalties prescribed by the Texas Transportation Code and the City’s Code of Ordinances. Each occurrence in violation of this Ordinance shall constitute a separate and distinct offense.

**Section 5. Repealing/Savings Clause.** All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

**Section 6. Severability.** It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation of this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

**Section 7. Open Meetings.** That it is hereby found and determined that the meeting at which this Ordinance was passed was open to the public as required by law, and that public notice

of the time, place and purpose of said meeting was given, all as required by Chapter 551 of the Texas Government Code.

**Section 8. Effective Date.** This Ordinance shall become effective from and after its adoption and publication as required by law.

**DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF DENISON, TEXAS, ON THIS 4<sup>TH</sup> DAY OF MARCH 2024.**

**SIGNED:**

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Janet Gott, Mayor

**ATTEST:**

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Christine Wallentine, City Clerk

# City Council Meeting Staff Report



March 4, 2024

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## Agenda Item

Receive a report, hold a discussion and take action on an ordinance considering all matters incident and related to the issuance, sale and delivery of “City of Denison, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2024;” authorizing the issuance of the Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject.

## Staff Contact

Laurie Alsabbagh, Finance Director  
lalsabbagh@cityofdenison.com  
903-465-2720 EXT 2492

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## Summary

- Capital Improvement Projects and Equipment were discussed by Council during the FY2024 budget process
- Request from Council by staff to approve Resolution for Publication of Notice of Intent-December 4, 2023
- Notices were published in newspaper on two separate occasions and posted on the City website
- Item was brought before Council on February 19, 2024 and tabled to the March 4, 2024 meeting
- Request to Council to pass ordinance authorizing issuance of Certificates-March 4, 2024

## Staff Recommendation

Staff recommends approval of the ordinance.

## Recommended Motion

“I move to approve the ordinance considering all matters incident and related to the issuance, sale and delivery of City of Denison, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2024; authorizing the issuance of the Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject.”

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## Background Information and Analysis

Each year during the budget process, staff brings before Council the multi-year capital improvement projects plan. Based on the FY2024 plan, utility projects to be covered under this bond issuance include infrastructure for North West Denison Development, Lake Texoma Raw Water Pump Station, upgrades to the Rylant Water Treatment Plant, emergency reconstruction of the Duck Creek Interceptor line, improvements to Loy Lake Dam, as well as other system improvements. Staff published the required notice, on two separate occasions, in the Herald Democrat and also posted notice on the City’s website, as required by law. Staff is requesting the ordinance brought before Council to be approved which will authorize issuance of the Certificates.



**Financial Considerations**

Principal amount of Bonds to be issued will not exceed \$57,500,000. Hilltop Financial Advisors will present the pricing for the CO's.

**Prior Board or Council Action**

Council adopted a resolution directing the publication of notice of intention to issue combination tax and revenue certificates of obligation at their meeting on December 4, 2023. Ordinance authorizing the issuance of the Certificates was brought before Council on February 19, 2024 and tabled to the March 4, 2024 meeting

**Alternatives**

Council may choose not to approve the ordinance for the CO's. If they choose not to approve, the City will not move forward with the process to receive funding for the projects.



**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF DENISON:**

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The Certificates of Obligation of the City of Denison, Texas (the "Issuer") are hereby authorized to be issued and delivered in the aggregate principal amount of [\$57,500,000], for the purpose of paying all or a portion of the Issuer's contractual obligations incurred for the purpose of (i) constructing, installing, acquiring and equipping additions, extensions and improvements to the Issuer's waterworks and sewer system, and the acquisition of land and interests in land for such projects; (ii) acquiring, constructing, renovating, installing and equipping municipal parks; and (iii) legal, fiscal, design and engineering fees in connection with such projects (collectively, the "Projects") and the Certificates of Obligation.

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF CERTIFICATES. Each certificate issued pursuant to this Ordinance shall be designated: "CITY OF DENISON, TEXAS COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATE OF OBLIGATION, SERIES 2024," and initially there shall be issued, sold, and delivered hereunder one fully registered certificate, without interest coupons, dated the date of delivery, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1 (the "Initial Certificate"), with certificates issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the Initial Certificate being made payable to the Underwriters as described in Section 10 hereof), or to the registered assignee or assignees of said Certificates or any portion or portions thereof (in each case, the "Registered Owner"), and said Certificates shall mature and be payable serially on February 15 in each of the years and in the principal amounts, respectively, and shall bear interest from the dates set forth in the FORM OF CERTIFICATE set forth in Section 4 of this Ordinance to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</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		

The term "Certificates" as used in this Ordinance shall mean and include collectively the certificates of obligation initially issued and delivered pursuant to this Ordinance 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" shall mean any of the Certificates.

### Section 3. CHARACTERISTICS OF THE CERTIFICATES.

(a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the principal corporate trust office of U.S. Bank Trust Company, National Association, Dallas, Texas, (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Certificate or Certificates. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE set forth in this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

Except as provided in Section 3(c) of this Ordinance, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, date and manually sign said Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates and Certificates surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates in the manner prescribed herein, and said Certificates shall be printed or typed on paper of customary weight and strength. Pursuant to Chapter 1201, Government Code, as amended, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates that initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General of the State of Texas (the "Attorney General") and registered by the Comptroller of Public Accounts of the State of Texas (the "Comptroller").

(b) Payment of Certificates and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, 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, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the past due interest shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the Registered Owners thereof, (ii) may or shall be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 45 days prior to any such redemption date), (iii) may be converted and exchanged for other Certificates, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth in this Ordinance. The Initial Certificate is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange for any Certificate or Certificates issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Certificate, in the form set forth in the FORM OF CERTIFICATE.

(d) Paying Agent/Registrar for the Certificates. The Issuer covenants with the Registered Owners of the Certificates that at all times while the Certificates are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be a single entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this 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, 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, 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.

(e) Authentication. Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Paying Agent/Registrar's Authentication Certificate substantially in the form provided in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Paying Agent/Registrar's Authentication Certificate on all of the Certificates. In lieu of the executed Paying Agent/Registrar's Authentication Certificate described above, the Initial Certificate delivered on the closing date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller or by her duly authorized agent, which certificate shall be evidence that the Initial Certificate has been duly approved by the Attorney General and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller.

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

With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. 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, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates. 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 is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Registered Owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

The previous execution and delivery of the Blanket Issuer Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Certificates.

(g) Successor Securities Depository; Transfers Outside Book-Entry-Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Blanket Issuer Letter of Representations to DTC or that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate certificated Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

(h) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Certificate and all notices with respect to such Certificate shall

be made and given, respectively, in the manner provided in the Blanket Issuer Letter of Representations to DTC.

(i) Cancellation of Initial Certificate. On the closing date, the Initial Certificate, representing the entire principal amount of the Certificates, payable in stated installments to the purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro Tem and City Clerk of the Issuer, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to such purchaser or its designee. Upon payment for the Initial Certificate, the Paying Agent/Registrar shall cancel the Initial Certificate and deliver to DTC on behalf of such purchaser one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all of the Certificates for such maturity. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Certificates in safekeeping for DTC.

(j) Conditional Notice of Redemption. With respect to any optional redemption of the Certificates, unless the prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Issuer shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

Section 4. FORM OF CERTIFICATES. The form of the Certificates, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Comptroller's Registration Certificate to be attached to the Certificates initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

(a) [Form of Certificate]

NO. R-	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF DENISON, TEXAS COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATE OF OBLIGATION SERIES 2024	PRINCIPAL AMOUNT \$ _____
--------	---	---------------------------------

Interest Rate	Delivery Date	Maturity Date	CUSIP No.
	April 3, 2024	February 15, ____	

REGISTERED OWNER:

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

ON THE MATURITY DATE specified above, the City of Denison, Texas in Grayson County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date specified above at the Interest Rate per annum specified above. Interest is payable on February 15, 2025 and semiannually on each August 15 and February 15 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the Registered Owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of U.S. Bank Trust Company, National Association, Dallas, Texas, which is the "Paying Agent/Registrar" for this Certificate. The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Certificate (the "Certificate 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 interest payment date, to the Registered Owner hereof, at its address as it appeared on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

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

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



office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that 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 is one of a series of Certificates dated the date of delivery, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of [\$57,500,000] for the purpose of paying all or a portion of the Issuer's contractual obligations incurred for the purpose of (i) constructing, installing, acquiring and equipping additions, extensions and improvements to the Issuer's waterworks and sewer system, and the acquisition of land and interests in land for such projects; (ii) acquiring, constructing, renovating, installing and equipping municipal parks; and (iii) legal, fiscal, design and engineering fees in connection with such projects and the Certificates.

ON FEBRUARY 15, 2033, or on any date thereafter, the Certificates of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Certificates, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Certificate may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

AT LEAST 30 days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the Registered Owner of each Certificate to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure of the Registered Owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. 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 or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Certificates or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates 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 Certificate Ordinance.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Certificates called for redemption, such notice may state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date or any prerequisite set forth in such notice of redemption. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received or such prerequisites were not met and shall rescind the redemption.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Certificate Ordinance, this Certificate may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully

registered Certificates, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate 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 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 or any such portion or portions hereof is or are to be registered. The Form of Assignment printed or endorsed on this Certificate may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Certificate or any 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 is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Certificate Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Certificates.

IT IS HEREBY certified, recited and covenanted that this Certificate 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 have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law; and that this Certificate is additionally secured by and payable from a limited pledge, not to exceed \$1,000, of the Surplus Revenues of the Issuer's waterworks and sewer system (the "System") remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) which are payable from all or any part of the revenues of the System, all as provided in the Certificate Ordinance.

THE ISSUER HAS RESERVED THE RIGHT to issue, in accordance with law, and in accordance with the Certificate Ordinance, other and additional obligations, and to enter into contracts, payable from ad valorem taxes and/or revenues of the Issuer's System, on a parity with, or with respect to said revenues, superior in lien to, this Certificate.

THE ISSUER HAS RESERVED THE RIGHT to amend the Certificate Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the Registered Owners of a majority in aggregate principal amount of the outstanding Certificates.

BY BECOMING the Registered Owner of this Certificate, the Registered Owner thereby acknowledges all of the terms and provisions of the Certificate Ordinance, agrees to be bound by such terms

and provisions, acknowledges that the Certificate 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 and the Certificate Ordinance constitute a contract between each Registered Owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Certificate to be signed with the manual or facsimile signature of the Mayor of the Issuer (or in the Mayor's absence, of the Mayor Pro Tem) and countersigned with the manual or facsimile signature of the City Clerk of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Certificate.

\_\_\_\_\_  
(signature)  
City Clerk

\_\_\_\_\_  
(signature)  
Mayor

(SEAL)

[INSERT BOND INSURANCE LEGEND, IF ANY]

(b) [Form of Paying Agent/Registrar's Authentication Certificate]

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Certificate is not accompanied by an executed Comptroller's Registration Certificate)

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

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

\_\_\_\_\_  
U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION  
Dallas, Texas  
Paying Agent/Registrar

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

(c) [Form of Assignment]

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto  
\_\_\_\_\_.

Please insert Social Security or Taxpayer Identification Number of Transferee  
\_\_\_\_\_

(Please print or typewrite name and address, including zip code, of Transferee.)  
\_\_\_\_\_

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

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

Signature Guaranteed:

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NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

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NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this certificate in every particular, without alteration or enlargement or any change whatsoever.

(d) [Form of Comptroller's Registration Certificate]

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)

(e) [Initial Certificate Insertions]

(i) The Initial Certificate shall be in the form set forth in paragraph (a) of this Section, except that:

A. immediately under the name of the Certificate, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. \_\_\_\_\_" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"THE CITY OF DENISON, TEXAS, in Grayson County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years	Principal Installments (\$)	Interest Rates (%)
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(Information from Section 2 to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date at the respective Interest Rate per annum specified above. Interest is payable on February 15, 2025, and semiannually on each August 15 and February 15 thereafter to the date of payment of the principal installment specified above; or the date of redemption prior to maturity; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full."

C. The Initial Certificate shall be numbered "T-1."

#### Section 5. INTEREST AND SINKING FUND; SURPLUS REVENUES.

(a) A special Interest and Sinking Fund (the "Interest and Sinking Fund") is hereby created solely for the benefit of the Certificates, 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 interest on and principal of the Certificates. All ad valorem taxes levied and collected for and on account of the Certificates, together with any accrued interest received upon sale of the Certificates, shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Certificates or interest thereon 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 pay the interest on the Certificates as such interest becomes due, and to provide and maintain a sinking fund adequate to pay the principal of its Certificates as such principal matures or is scheduled for redemption (but never less than 2% of the original principal amount of the Certificates as a sinking fund each year). Said tax shall be based on the latest approval 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 or interest thereon are 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 interest on and principal of the Certificates, as such interest comes due and such principal matures or is scheduled for redemption, are hereby pledged for such payment, within the limit prescribed by law.

(b) The Certificates are additionally secured by a limited pledge, not to exceed \$1,000, of surplus revenues of the Issuer's waterworks and sewer system that remain after the payment of all maintenance and operation expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) which are secured by a lien on all or any part of the net revenues of the Issuer's waterworks and sewer system, constituting "Surplus Revenues". The Issuer shall deposit such Surplus Revenues to the credit of the Interest and Sinking Fund created pursuant to subsection (a) of this Section, to the extent necessary to pay the principal and interest on the Certificates. Notwithstanding the requirements of subsection (a) of this Section, if Surplus Revenues or other lawfully

available moneys of the Issuer 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 that otherwise would have been required to be levied pursuant to subsection (a) of this Section may be reduced to the extent and by the amount of the Surplus Revenues or other lawfully available funds then on deposit in the Interest and Sinking Fund.

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

#### Section 6. DEFEASANCE OF CERTIFICATES.

(a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") 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, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged or the limited pledge of Surplus Revenues as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the Issuer will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such Defeased Certificates, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates that is made in conjunction with the payment arrangements specified in Subsection (a)(i) or (ii) of this Section 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 for redemption; (2) gives notice of the reservation of that right to the Registered Owners of the Defeased Certificates immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer 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 and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of

Defeased Certificates 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 (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Certificates, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

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

(d) Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates 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 a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates by such random method as it deems fair and appropriate.

#### Section 7. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES.

(a) Replacement Certificates. In the event any outstanding Certificate is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new Certificate of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

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

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

(d) Charge for Issuing Replacement Certificates. Prior to the issuance of any replacement Certificate, the Paying Agent/Registrar shall charge the Registered Owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement Certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen or destroyed Certificate 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 duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates. In accordance with Section 1206.022, Texas Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement Certificate 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 is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor of the Issuer is hereby authorized to have control of the Initial Certificate and all necessary records and proceedings pertaining to the Initial Certificate pending its delivery and its investigation, examination, and approval by the Attorney General, and its registration by the Comptroller. Upon registration of the Initial Certificate said Comptroller (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificate, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. 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 Certificates issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Certificates. In addition, if bond insurance is obtained, the Certificates may bear an appropriate legend as provided by the insurer.

(b) The obligation of the Underwriters to accept delivery of the Certificates is subject to the Underwriters being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Certificates to the Underwriters. The engagement of such firm as bond counsel to the Issuer in connection with the issuance, sale and delivery of the Certificates is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Mayor or Mayor Pro Tem, and the Mayor or Mayor Pro Tem is hereby authorized to execute such engagement letter.

Section 9. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

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



(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

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

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

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

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

(A) proceeds of the Certificates invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

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

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

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

(8) to refrain from using the proceeds of the Certificates or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Certificates in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);

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

(10) to assure that the proceeds of the Certificates will be used solely for new money projects.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(9), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the holders of the

Certificates. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. For purposes of the foregoing covenants (a)(1) and (a)(2), the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the United States Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Certificates, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Certificates, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor, the Mayor Pro Tem, the City Manager or the Finance Director of the Issuer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Projects on its books and records in accordance with the requirements of the Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired. The Issuer agrees to obtain the advice of nationally recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Certificates. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Projects. The Issuer covenants that the property constituting the Projects will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the Issuer may rely on an opinion of nationally recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Reimbursement. This Ordinance is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

Section 10. SALE OF CERTIFICATES AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES.

(a) The Initial Certificate is hereby sold and shall be delivered to Stifel Nicolaus & Company, Incorporated and Robert W. Baird & Co., Inc. (the "Underwriters") for the purchase price of [\$\_\_\_\_\_], representing an aggregate par amount of the Certificates of [\$57,500,000], plus a reoffering premium of [\$\_\_\_\_\_], and less an Underwriters' discount on the Certificates of [\$\_\_\_\_\_], and no accrued interest, pursuant to the terms and provisions of a Purchase Contract, which the Mayor is hereby authorized to execute and deliver. It is officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable. The Initial Certificate shall be registered in the name of Stifel Nicolaus & Company, Incorporated or its designee.

(b) The Issuer hereby approves the form and content of the Official Statement relating to the Certificates and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the offer and sale of the Certificates in final form, with such changes therein or additions thereto as the officer approving the same may deem advisable. The distribution and use of the Preliminary Official Statement dated [March \_\_, 2024], prior to the date hereof is hereby ratified and confirmed.

(c) The Mayor and Mayor Pro Tem, the City Manager, the City Clerk and the Finance Director of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other certificates and 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 Certificates, the sale of the Certificates, any Purchase Contract and the Official Statement. In case any officer 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 11. INTEREST EARNINGS ON CERTIFICATE PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Certificates issued for the Projects shall be used along with other Certificate proceeds for the Projects; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on Certificate proceeds that are required to be rebated to the United States of America pursuant to Section 9 hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 12. CONSTRUCTION FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund to be entitled the "Series 2024 Certificates of Obligation Construction Fund" (the "Construction Fund") for use by the Issuer for payment of all lawful costs associated with the acquisition and construction of the Projects as hereinbefore provided. Upon payment of all such costs, any moneys remaining on deposit in said fund shall be transferred to the Interest and Sinking fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 5 of this Ordinance.

(b) The Issuer may invest proceeds of the Certificates (including investment earnings thereon) issued for the Projects and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that

the Issuer hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued.

(c) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

### Section 13. COMPLIANCE WITH RULE 15c2-12.

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

"*Financial Obligation*" means a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

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

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

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

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in a designated electronic format as prescribed by the MSRB, financial information and operating data (the "Annual Operating Report") with respect to the Issuer of the general type included in the final Official Statement authorized by Section 10 of this Ordinance, being the information described in Exhibit A hereto. The Issuer will additionally provide financial statements of the Issuer ("Financial Statements"), that will 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 shall be in substantially the form included in the final Official Statement, 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. The Issuer will update and provide the Annual Operating Report within six months after the end of each fiscal year and the Financial Statements within 12 months of the end of each fiscal year, in each case beginning with the fiscal year ending in and after 2024. The Issuer may provide the Financial Statements earlier, including at the time it provides its Annual Operating Report, but if the audit of such Financial Statements is not completed within 12 months after any such fiscal year end, then the Issuer shall provide unaudited Financial Statements within such 12-month period, and audited Financial Statements for the applicable fiscal year to the MSRB, when and if the audit report on such Financial Statements becomes available. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(ii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

(c) Event Notices.

(i) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates, if such event is material within the meaning of the federal securities laws:

1. Non-payment related defaults;
2. Modifications to rights of holders of the Certificates;
3. Certificate calls;
4. Release, substitution, or sale of property securing repayment of the Certificates;
5. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
6. Appointment of a successor or additional paying agent or the change of name of a paying agent; and
7. Incurrence of a Financial Obligation of the Issuer 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.

(ii) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates, without regard to whether such event is considered material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701BTEB) or other material notices or determinations with respect to the tax-exempt status of the Certificates, or other material events affecting the tax-exempt status of the Certificates;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the Issuer, which shall occur as described below; and
10. 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, any event described in clause (9) of the immediately preceding paragraph 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 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.

(iii) The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide annual 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.

(i) 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 within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes the Certificates no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the Registered Owners and beneficial owners of the Certificates, 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 at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY CERTIFICATE 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.

(iv) 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.

(v) 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 in the primary offering of the Certificates 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 Registered Owners 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 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 Registered Owners and beneficial owners of the Certificates. 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 in the primary offering of the Certificates. 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 subsection (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 14. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Certificates aggregating in principal amount a majority of the aggregate principal amount of then outstanding Certificates that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Certificates, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Certificates so as to:

- (1) Make any change in the maturity of any of the outstanding Certificates;
- (2) Reduce the rate of interest borne by any of the outstanding Certificates;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment;  
or
- (5) Change the minimum percentage of the principal amount of Certificates necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to each Registered Owner of the affected Certificates a copy of the proposed amendment. Such notice shall briefly set forth the nature of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least a majority in aggregate principal amount of all of the Certificates then outstanding that are required for the amendment, which instrument or

instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all holders of such affected Certificates shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Certificate pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the mailing of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Certificate during such period. Such consent may be revoked at any time after six months from the date of the mailing of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of a majority in aggregate principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

For the purposes of establishing ownership of the Certificates, the Issuer shall rely solely upon the registration of the ownership of such Certificates on the Registration Books kept by the Paying Agent/Registrar.

#### Section 15. DEFAULT AND REMEDIES.

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Certificates, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the Issuer.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Certificates then outstanding.



(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Certificate authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or agents of the Issuer or the members of its governing body.

Section 16. APPROPRIATION. To pay the debt service coming due on the Certificates prior to receipt of the taxes levied to pay such debt service, if any, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount, which together with capitalized interest received from the sale of the Certificates, if any, will be sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 17. DISPOSITION OF FUNDS. Premium received from the sale of the Certificates in the amount of [\$\_\_\_\_\_] shall be applied to the costs of issuance and the underwriters' discount; and the remainder shall be deposited into the Construction Fund.

Section 18. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

Section 19. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

(Execution Page Follows)

PASSED, APPROVED AND EFFECTIVE this March 4, 2024.

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Mayor, City of Denison, Texas

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City Clerk, City of Denison, Texas

(CITY SEAL)

EXHIBIT A

**Annual Financial Statements and Operating Data**

The following information is referred to in Section 13(b) of this Ordinance:

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. Tables 1 through 6, and 8 through 18 in the Official Statement.

**Accounting Principles**

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements in Appendix B to the Official Statement.

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