

Bastrop, TX City Council

Meeting Agenda

This meeting will be live streamed on the City of Bastrop Facebook Page

(www.facebook.com/bastroptx) and broadcast on Spectrum channel 10 and AT&T uVerse channel 99. A recording of the meeting will also be available within 72 hours after the meeting on the City's YouTube channel (Bastrop TX Network) and in the Agendas & Minutes section of the City website (www.cityofbastrop.org).



AMENDED June 9, 2020 at 6:30 P.M.

City of Bastrop City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at (512) 332-8800 or write 1311 Chestnut Street, 78602, or by calling through a T.D.D. (Telecommunication Device for the Deaf) to Relay Texas at 1-800-735-2989 at least 48 hours in advance of the meeting.

The City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed below, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), and 551.086 (Economic Development).

The City Council reserves the right to reconvene, recess, or realign the Regular Session, Executive Session, or order of business at any time prior to adjournment. All matters listed below shall be eligible for both discussion and action, unless otherwise specifically noted.

PLEASE NOTE: ANYONE WISHING TO ADDRESS THE COUNCIL MUST COMPLETE A CITIZEN COMMENT FORM WITH COMMENTS AT WWW.CITYOFBASTROP.ORG/CITIZENCOMMENTFORM BEFORE 5:00 P.M. ON June 9, 2020. SUBMITTED COMMENTS WILL BE READ ALOUD AT THE MEETING. COMMENTS FROM EACH INDIVIDUAL WILL BE LIMITED TO THREE (3) MINUTES WHEN READ ALOUD.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

TEXAS PLEDGE OF ALLEGIANCE

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

3. INVOCATION

4. PRESENTATIONS

4A. Mayor's Report

4B. Councilmembers' Report

4C. City Manager's Report

5. WORK SESSION/BRIEFINGS - NONE

6. STAFF AND BOARD REPORTS

6A. Update on Main Street Rehabilitation Project.

7. CITIZEN COMMENTS

Anyone wishing to address the Council, must complete a citizen comment form with comments at www.cityofbastrop.org/citizencommentform before 5:00 p.m. on June 9, 2020. Submitted comments will be read aloud at the meeting. Comments from each individual will be limited to three (3) minutes when read aloud.

In accordance with the Texas Open Meetings Act, if a citizen discusses any item not on the agenda, City Council cannot discuss issues raised or make any decision at this time. Instead, City Council is limited to making a statement of specific factual information or a recitation of existing policy in response to the inquiry. Issues may be referred to City Staff for research and possible inclusion on a future agenda.

It is not the intention of the City of Bastrop to provide a public forum for the embarrassment or demeaning of any individual or group. Neither is it the intention of the Council to allow a member of the public to slur the performance, honesty and/or integrity of any person or threaten any person. Accordingly, profane, insulting or threatening language will not be read aloud at the meeting.

8. CONSENT AGENDA

The following may be acted upon in one motion. A Councilmember or a citizen may request items be removed from the Consent Agenda for individual consideration.

8A. Consider action to approve City Council minutes from May 26, 2020, Regular Meeting and May 29, 2020, Special Called Meeting.

9. ITEMS FOR INDIVIDUAL CONSIDERATION

9A. Consider and adopt on first and final reading Ordinance No. 2020-14 as an emergency measure ratifying temporary Emergency Orders enacted by the Mayor in her capacity as Emergency Management Director in regard to the current Local State of Disaster, for the immediate preservation of the public peace, health or safety.

9B. Consider action to approve Ordinance No. 2020-15 of the City Council of the City of Bastrop, Texas, authorizing the Second Supplemental Ordinance to the Master Ordinance establishing the City of Bastrop, Texas Water and Wastewater Utility System Revenue Financing Program; authorizing the issuance of the City of Bastrop, Texas Water and Wastewater Utility System Revenue Bonds, Series 2020; approving an official statement, a paying agent/registrars agreement and other agreements relating to the sale and issuance of the bonds; and ordaining other matters relating to the issuance of the bonds; and providing for the following: findings of fact; enactment; severability; effective date; and proper notice and hearing.

- 9C. Consider action to approve Resolution No. R-2020-47 of the city council of the city of Bastrop, Texas to approve a grant administration service provider(s) to complete application and project implementation for City grant projects, including but not limited to, the GLO CDBGMIT, to include 2015, 2016, hurricane Harvey state mitigation competition and method of distribution and; authorizing the city manager to execute all necessary documents; providing for a repealing clause; and establishing an effective date.
- 9D. Consider action to approve Resolution No. R-2020-48 of the City Council of the City of Bastrop, Texas approving a Public Improvement Plan Agreement with KB Home Lone Star, Inc. for phase two of Piney Creek Bend as attached in Exhibit A; authorizing the City Manager to execute all necessary documents; providing for a repealing clause; and establishing an effective date.
- 9E. Consider action to approve the first reading of Ordinance No. 2020-16 of the City Council of the City of Bastrop, Texas, amending the Bastrop Economic Development Corporation budget for the Fiscal Year 2020 in accordance with existing statutory requirements; appropriating the various amounts herein as attached in Exhibit A; repealing all prior ordinances and actions in conflict herewith; establishing an effective date, and move to include on the June 23, 2020, City Council Consent agenda for a second reading.
- 9F. Consider action to approve the first reading of Resolution No. R-2020-49 of the City Council of the City of Bastrop, Texas, supporting the Bastrop Economic Development Corporation's application for an Economic Development Administration (EDA) Grant in the amount of one million, three hundred fifty thousand dollars (\$1,350,000.00) to facilitate the capital and facilities to provide immediate workforce training and development courses and certifications; authorizing the BEDC's expenditure of two hundred seventy thousand dollars (\$270,000.00) for the required twenty percent (20%) local match; authorizing the BEDC's Chief Executive Officer to execute all necessary documentation; and establishing an effective date.

10. EXECUTIVE SESSION

- 10A. Pursuant to Texas Government Code Section 551.071 to deliberate upon, seek the legal advice of, and direct its Litigation Counsel regarding the Main Street Rehabilitation Project.
- 10B. City Council shall convene into closed executive session pursuant to Sections 551.071 and 551.072 of the Texas Government Code to confer with legal counsel and deliberate acquisition of real property and easements associated with the construction of Wastewater Treatment Plant #3 and the Westside Collection System, including approval of resolutions supporting continued negotiations and initiating the condemnation process (i.e., eminent domain).
- 11. TAKE ANY NECESSARY OR APPROPRIATE ACTION ON MATTERS POSTED FOR CONSIDERATION IN CLOSED/EXECUTIVE SESSION**

12. ADJOURNMENT

I, the undersigned authority, do hereby certify that this Notice of Meeting as posted in accordance with the regulations of the Texas Open Meetings Act on the bulletin board located at the entrance to the City of Bastrop City Hall, a place of convenient and readily accessible to the general public, as well as to the City's website, www.cityofbastrop.org and said Notice was posted on the following date and time: Thursday, June 4, 2020 at 2:30 p.m. and remained posted for at least two hours after said meeting was convened.

Ann Franklin

Ann Franklin, City Secretary





STAFF REPORT

MEETING DATE: June 9, 2020

AGENDA ITEM: 4A

TITLE:

Mayor's Report

STAFF REPRESENTATIVE:

Robert Wood, Interim City Manager

POLICY EXPLANATION:

Texas Local Government Code, Section 551.045 – Governing Body of Municipality or County: Reports about Items of Community Interest Regarding Which No Action Will Be Taken:

(a) Notwithstanding Sections 551.041 and 551.042, a quorum of the governing body of a municipality or county may receive from staff of the political subdivision and a member of the governing body may make a report about items of community interest during a meeting of the governing body without having given notice of the subject of the report as required by this subchapter if no action is taken and, except as provided by Section 551.042, possible action is not discussed regarding the information provided in the report.

(b) For purposes of Subsection (a), "items of community interest" includes:

- (1) expressions of thanks, congratulations, or condolence;
- (2) information regarding holiday schedules;
- (3) an honorary or salutary recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in the status of a person's public office or public employment is not an honorary or salutary recognition for purposes of this subdivision;
- (4) a reminder about an upcoming event organized or sponsored by the governing body;
- (5) information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the political subdivision; and
- (6) announcements involving an imminent threat to the public health and safety of people in the political subdivision that has arisen after the posting of the agenda.

ATTACHMENTS:

- Power Point Presentation



2020 Virtual Summer Reading Program

at the Bastrop Public Library

Summer Reading Starts June 15th!

We kick-off summer reading with a week of special challenges running Monday, June 15, through Friday, June 19. Join us each day at 1:30 pm on Facebook Live as we give you the chance to interact and win summer reading swag! Tune in each day and show us some summer reading love!

Youth and adults can sign up and read from Monday, June 15, to Saturday, July 25, to earn books, prizes, and a chance to win a Kindle Fire. Go to bastroplibrary.org, choose the Summer Reading tab and sign up. No internet? Call 512-332-8894 and we will get you started!

Youth & Family

Baby Time - Mondays 10:15 am

Quality time for babies and a caregiver with rhymes, bounces and songs. Join us via Zoom.

Storytime - Wednesday & Friday 10:30 am

Stories with Ms. Carmen on Wednesday and Ms. Bonnie leads Fairytale Friday with puppets, props and songs. Join us both days on Facebook.

Try It Out Tuesday - Tuesdays 3:00 pm

Each week library staff will demonstrate a craft, skill or recipe, for you to try at home. Check our Facebook page or calendar for specific activities and supplies.

Virtual Teen Thursdays - Thursday 4:45-6:15 pm

Summer teen events will be a mix of Jackbox games and other activities on the library's discord server. You must be 13 - 17 years old to participate. Email Bethany to join.

Curbside Activity Packets

A new packet will be available every other week with a reading log, puzzles, color sheets, and supplies for a craft and a STEM activity. Call 512-332-8880 to get a packet for your child.

Community Adventure starts Monday, June 29

Fun and easy activities to do as a family. Complete 15 activities to enter a drawing for a \$50 basket of school supplies! You can participate online through Beanstack or on paper by printing the Community Adventure page at bastroplibrary.org.

Adult

Going the Distance Book Club - Thursdays 7:00-8:00 pm

Join us on the library's Facebook page and let us know what you're reading, get reading recommendations, and share your book-related thoughts.

Coffee with Catherine - Fridays 10:00-11:00 am

Interested in laughter and conversation? Join Catherine and Cary during our Zoom coffee hour.

Director's Book Club - 3rd Thursday 2:00-3:00 pm

Read the book and join the Zoom conversation with Director Becca Sexton. June 18 - *Rough Magic* by Lara Prior-Palmer
July 16 - *There, There* by Tommy Orange

Adult Crafters - 3rd Tuesday 6:30-8:00 pm

Take a break from your to do list and be creative via Zoom with Cary. Email her for information and to get your supplies for Map Magnets on June 16, and String Art on July 21.

Adult Trivia - June 23 & July 11

Show what you know during Adult Zoom Trivia. Invite your friends for some lighthearted competition. Tuesday, June 23, from 7:00-8:00 pm and Saturday, July 11, from 3:00-4:00 pm.

Laugh / Cry / Cringe - June 27 & July 14

Invite your friends to get social with us as we pull questions out of a hat and share our answers via Zoom. Join us Saturday, June 27, at 3:00 pm and Tuesday, July 14, at 7:00 pm.

For Zoom access visit our website, our Facebook events page or email Bethany at bdietrich@bastroplibrary.org or Cary at caryk@bastroplibrary.org



For more information, visit BastropLibrary.org or give us a call, 512-332-8880



2020 Virtual Summer Reading Program at Bastrop Public Library

IMAGINE YOUR STORY

June 15 - July 25

READ...Sign-up to win prizes!

Grand Prizes: 2 Kindle Fires and more...

Take Home Packets with puzzles, color sheets, a craft project, and a STEM activity available too!

Visit bastroplibrary.org/summer reading to sign-up.

No Computer? No Problem!

Call the library to sign-up or get a packet!

1100 Church Street

332-8880

bastroplibrary.org



Be a part of the 2020 Summer Reading Program!

1. Ways to signup.

- Visit our website, bastroplibrary.org, click the Summer Reading tab, and go to signup.
- Download the Beanstack app and create an account.
- Call the Library at 512-332-8880.

2. How to participate.

Youth 0-17 years:

- Read or listen to books for at least 500 minutes.
- Track your time at the library website, through the Beanstack app, or on paper.
- At 500 minutes, you will be entered into the Grand Prize drawing for a Kindle Fire.
- At 500, 1,000, 1,500, and 2,000 minutes you will receive a book and an entry for a selection of gift baskets.

Adult 18 years & up:

- Read or listen to books for at least 1,000 minutes.
- Track your time at the library website, through the Beanstack app, or on paper.
- At 1,000 minutes, you will be entered into the Grand Prizes drawing for a Kindle Fire.
- At 1,000, 2,000, 3,000, and 4,000 minutes you will receive a coupon to use at the Friends of the Library's Book Nook and an entry for a selection of gift baskets.

3. Submitting time and receiving prizes.

- Your time is automatically submitted if you track through the website or the Beanstack app. When you reach a goal you will be alerted and asked to select a prize.
- Time tracked on paper can be submitted by calling the library or emailing cserna@bastroplibrary.org. Please designate your prize choice in the email.
- Prize books can be picked up when the Library and the Book Nook are open through September 30.
- All time must be turned in by 12:00 midnight on Saturday, July 25 to be eligible for the Kindle Fire Grand Prize drawings, prize books and other gift baskets.
- Prize drawings will take place on Monday, July 27 and winners will be notified by 5:00 pm Tuesday, July 28.



STAFF REPORT

MEETING DATE: June 9, 2020

AGENDA ITEM: 4B

TITLE:

Councilmembers' Report

STAFF REPRESENTATIVE:

Robert Wood, Interim City Manager

POLICY EXPLANATION:

Texas Local Government Code, Section 551.045 – Governing Body of Municipality or County: Reports about Items of Community Interest Regarding Which No Action Will Be Taken:

(a) Notwithstanding Sections 551.041 and 551.042, a quorum of the governing body of a municipality or county may receive from staff of the political subdivision and a member of the governing body may make a report about items of community interest during a meeting of the governing body without having given notice of the subject of the report as required by this subchapter if no action is taken and, except as provided by Section 551.042, possible action is not discussed regarding the information provided in the report.

(b) For purposes of Subsection (a), "items of community interest" includes:

- (1) expressions of thanks, congratulations, or condolence;
- (2) information regarding holiday schedules;
- (3) an honorary or salutary recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in the status of a person's public office or public employment is not an honorary or salutary recognition for purposes of this subdivision;
- (4) a reminder about an upcoming event organized or sponsored by the governing body;
- (5) information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the political subdivision; and
- (6) announcements involving an imminent threat to the public health and safety of people in the political subdivision that has arisen after the posting of the agenda.



STAFF REPORT

MEETING DATE: June 9, 2020

AGENDA ITEM: 4C

TITLE:

City Manager's Report

STAFF REPRESENTATIVE:

Robert Wood, Interim City Manager

POLICY EXPLANATION:

Texas Local Government Code, Section 551.045 – Governing Body of Municipality or County: Reports about Items of Community Interest Regarding Which No Action Will Be Taken:

(a) Notwithstanding Sections 551.041 and 551.042, a quorum of the governing body of a municipality or county may receive from staff of the political subdivision and a member of the governing body may make a report about items of community interest during a meeting of the governing body without having given notice of the subject of the report as required by this subchapter if no action is taken and, except as provided by Section 551.042, possible action is not discussed regarding the information provided in the report.

(b) For purposes of Subsection (a), "items of community interest" includes:

- (1) expressions of thanks, congratulations, or condolence;
- (2) information regarding holiday schedules;
- (3) an honorary or salutary recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in the status of a person's public office or public employment is not an honorary or salutary recognition for purposes of this subdivision;
- (4) a reminder about an upcoming event organized or sponsored by the governing body;
- (5) information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the political subdivision; and
- (6) announcements involving an imminent threat to the public health and safety of people in the political subdivision that has arisen after the posting of the agenda.



STAFF REPORT

MEETING DATE: June 9, 2020

AGENDA ITEM: 6A

TITLE:

Update on Main Street Rehabilitation Project.

STAFF REPRESENTATIVE:

Trey Job, Assistant City Manager

Tony Buonodono, City Engineer





STAFF REPORT

MEETING DATE: June 9, 2020

AGENDA ITEM: 7

TITLE:

CITIZEN COMMENTS

At this time, three (3) minute comments will be taken from the audience on any topic. Anyone wishing to address the Council, must complete a citizen comment form with comments at www.cityofbastrop.org/citizencommentform before 5:00 p.m. on May 12, 2020. Submitted comments will be read aloud at the meeting. Comments from each individual will be limited to three (3) minutes when read aloud. In accordance with the Texas Open Meetings Act, if a citizen discusses any item not on the agenda, City Council cannot discuss issues raised or make any decision at this time. Instead, City Council is limited to making a statement of specific factual information or a recitation of existing policy in response to the inquiry. Issues may be referred to City Staff for research and possible future action.

It is not the intention of the City of Bastrop to provide a public forum for the embarrassment or demeaning of any individual or group. Neither is it the intention of the Council to allow a member of the public to slur the performance, honesty and/or integrity of the Council, as a body, or any member or members of the Council individually or collectively, or members of the City's staff. Accordingly, profane, insulting or threatening language directed toward the Council and/or any person in the Council's presence will not be tolerated.



STAFF REPORT

MEETING DATE: June 9, 2020

AGENDA ITEM: 8A

TITLE:

Consider action to approve City Council minutes from May 26, 2020, Regular Meeting and May 29, 2020, Special Called Meeting.

STAFF REPRESENTATIVE:

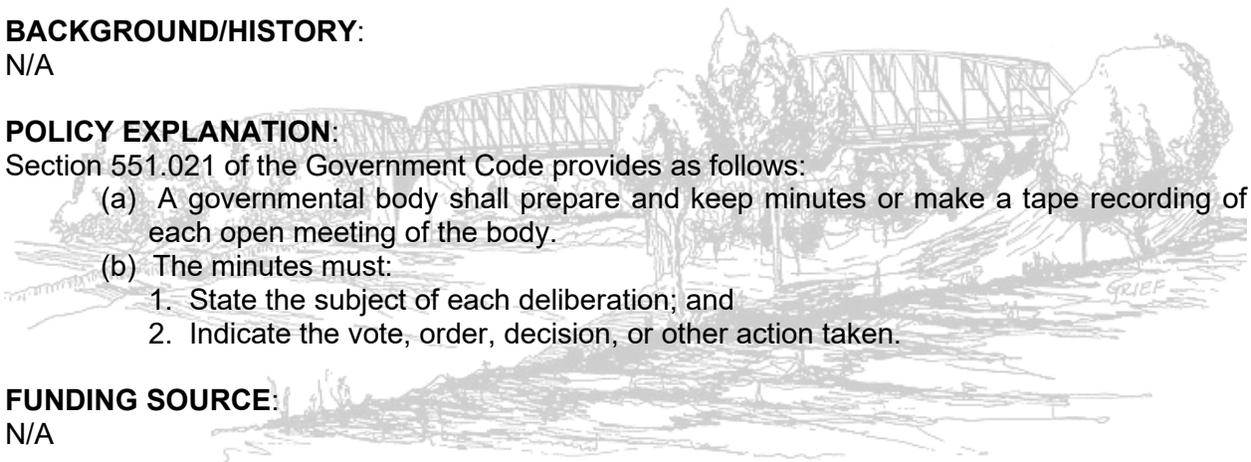
Robert Wood, Interim City Manager
Ann Franklin, City Secretary

BACKGROUND/HISTORY:

N/A

POLICY EXPLANATION:

Section 551.021 of the Government Code provides as follows:

- 
- (a) A governmental body shall prepare and keep minutes or make a tape recording of each open meeting of the body.
 - (b) The minutes must:
 1. State the subject of each deliberation; and
 2. Indicate the vote, order, decision, or other action taken.

FUNDING SOURCE:

N/A

RECOMMENDATION:

Consider action to approve City Council minutes from May 26, 2020, Regular Meeting and May 29, 2020, Special Called Meeting.

ATTACHMENTS:

- May 26, 2020, DRAFT Regular Meeting Minutes.
- May 29, 2020, DRAFT Special Called Meeting Minutes.

MAY 26, 2020

The Bastrop City Council met in a Regular Meeting on Tuesday, May 26, 2020, at 5:00 p.m. at the Bastrop City Hall Council Chambers, located at 1311 Chestnut Street, Bastrop, Texas. Members physically present were: Mayor Schroeder, Mayor Pro Tem Nelson and Council Members Ennis, Peterson and Rogers. Council Member Jackson was present via video. Officers physically present were Interim City Manager, Robert Wood; City Secretary, Ann Franklin; and City Attorney, Alan Bojorquez.

CALL TO ORDER – EXECUTIVE SESSION

EXECUTIVE SESSION

Council Member Ennis recused himself.

The City Council met at 5:02 p.m. in a closed/executive session pursuant to the Texas Government Code, Chapter 551, et seq, to discuss the following:

- 2A. Pursuant to Texas Government Code Section 551.071 to deliberate upon, seek the legal advice of, and direct its Litigation Counsel regarding Main Street Rehabilitation Project.

The Bastrop City Council reconvened at 6:20 p.m. into open (public) session.

TAKE ANY NECESSARY OR APPROPRIATE ACTION ON MATTERS POSTED FOR CONSIDERATION IN CLOSED/EXECUTIVE SESSION

No action taken.

CALL TO ORDER - REGULAR SESSION

At 6:30 p.m. Mayor Schroeder called the meeting to order with a quorum being present.

PLEDGE OF ALLEGIANCE

INVOCATION

Council Member Ennis, gave the invocation.

PRESENTATIONS

- 7A. Mayor's Report
- 7B. Councilmembers' Report
- 7C. City Manager's Report

WORK SESSION/BRIEFINGS - NONE

STAFF AND BOARD REPORTS

- 9A. Update on Main Street Rehabilitation Project.
Presentation was made by Assistant City Manager, Trey Job and City Engineer, Tony Buonodono.

- 9B. Update on review of traffic concerns on Wilson Street.
Presentation was made by Interim City Manager, Robert Wood and Assistant City Manager, Trey Job.
- 9C. Discuss developing a plan for the Rodeo Arena at Mayfest Park.
Presentation was made by Assistant City Manager, Trey Job.
- 9D. Receive presentation on the unaudited Monthly Financial Report for the period ending April 30, 2020.
Presentation was made by Chief Financial Officer, Tracy Waldron.
- 9E. Receive presentation on grant application for the Texas State Library and Archives Commission CARES grant.
Presentation was made via video by Bastrop Public Library Director, Becca Sexton.

Mayor Schroeder recessed the Council Meeting at 8:12 p.m.

Mayor Schroeder called the Council Meeting back to order at 8:17 p.m.

ITEMS FOR INDIVIDUAL CONSIDERATION

- 12D. Consider action to approve Ordinance No. 2020-13 of the City Council of the City of Bastrop, Texas, authorizing the issuance of City of Bastrop, Texas General Obligation Refunding Bond, Series 2020: Levying an Ad Valorem Tax in support of the bond; awarding the sale of the bond; approving a paying agent/registrar agreement and an escrow agreement; calling certain obligations for redemption; and authorizing other matters related to the issuance of the bond.
Presentation was made by Dan Wegmiller, Specialized Public Finance.

A motion was made by Council Member Rogers to approve Ordinance No. 2020-13, seconded by Council Member Jackson, motion was approved on a 5-0 vote.

CITIZEN COMMENTS (Statements were read into record by Mayor Connie Schroeder)

**Megan Madere
602 Jessica Place
Bastrop, Texas 78602
512-718-2369**

**James Travis Curtis
3950 Highway 71 E, Apt 328
512-800-9774**

**Paula Prater
3950 Highway 71 E, Apt 328
512-736-4804**

Jean Ganson
133 Greens Creek Cove
512-988-2146

Robert Wisian Jr
122 McLeod
Cedar Creek, TX 78612
512-709-4083

Kevin Broderick
135 Chapel Hill Road
Bastrop, TX 78602
512-639-5793

Jennifer Franks
1242 Hwy 71 W
903-574-4566

Robin Schneider
289 Pecan Acres Road
512-657-7097

CONSENT AGENDA

A motion was made by Council Member Ennis to approve Item 11A as listed on the Consent Agenda after being read into the record by Mayor, Connie Schroeder. Seconded by Mayor Pro Tem Nelson, motion was approved on a 5-0 vote.

- 11A. Consider action to approve City Council minutes from May 12, 2020, Regular Meeting and May 18, 2020, Special Called Meeting.

ITEMS FOR INDIVIDUAL CONSIDERATION CONTINUED

- 12A. Consider and adopt on first and final reading Ordinance No. 2020-14 as an emergency measure ratifying temporary Emergency Orders enacted by the Mayor in her capacity as Emergency Management Director in regard to the current Local State of Disaster, for the immediate preservation of the public peace, health or safety. **Mayor Schroeder did not approve any Emergency Order Numbers since the last Council Meeting.**

- 12B. Consider action to approve Resolution No. R-2020-42, of the City Council of the City of Bastrop, Texas amending Resolution No. R-2020-16, approving the Bastrop Police Department to apply for a grant for a major/critical scene lighting system; authorizing the Interim Chief of Police as the grantee's authorized official; providing for a severability clause; and establishing an effective date. **Presentation was made by Interim Police Chief, Clint Nagy.**

A motion was made by Council Member Rogers to approve Resolution No. R-2020-42, seconded by Council Member Peterson, motion was approved on a 5-0 vote.

- 12C. Consider action to approve Resolution No. R-2020-43 of the City Council of the City of Bastrop, Texas approving the Bastrop Police Department to apply for a grant for a decontamination shelter and HAZMAT suits; authorizing the Interim Chief of Police as the Grantee's Authorized Official; providing for a severability clause; and establishing an effective date.
Presentation was made by Interim Police Chief, Clint Nagy.
- A motion was made by Council Member Jackson to approve Resolution No. R-2020-43, seconded by Mayor Pro Tem Nelson, motion was approved on a 5-0 vote.**
- 12E. Consider action to approve Resolution No. R-2020-45 of the City Council of the City of Bastrop, Texas authorizing payment for overhead and underground electric distribution facilities for the City of Bastrop SH 20 Elevated Storage Tank site to Bluebonnet Electric, in the amount of Seventy thousand eight hundred ninety-five dollars and thirty-four cents (\$70,895.34); authorizing the City Manager to execute any and all necessary documents; providing for a severability clause; and establishing an effective date.
Presentation was made by Assistant City Manager, Trey Job.
- A motion was made by Council Member Peterson to approve Resolution No. R-2020-45, seconded by Council Member Ennis, motion was approved on a 5-0 vote.**
- 12F. Consider action to approve funding the City's share of the Capital Area Council of Government's Air Quality Program for Fiscal Year 2021.
Presentation was made by Interim City Manager, Robert Wood.
- A motion was made by Mayor Pro Tem Nelson to approve funding the City's share of the Capital Area Council of Government's Air Quality Program for Fiscal Year 2021, seconded by Council Member Peterson, motion was approved on a 5-0 vote.**
- 12G. Consider action to approve Resolution No. R-2020-46 of the City Council of the City of Bastrop, Texas confirming a board appointment of the Mayor, as required in Section 3.08 of the City's Charter, and establishing an effective date.
A motion was made by Council Member Ennis to approve Resolution No. R-2020-46, seconded by Council Member Jackson, motion was approved on a 5-0 vote.

EXECUTIVE SESSION

The City Council met at 8:59 p.m. in a closed/executive session pursuant to the Texas Government Code, Chapter 551, et seq, to discuss the following:

- 13A. Pursuant to Texas Government Code Section 551.071, consultation with attorney regarding legal matters involving Declaration of Local State of Disaster, Emergency Orders, and related regulatory issues.
- 13B. The City Council shall recess its regular session and convene into executive session as provided by Texas Government Code Section 551.071 to deliberate upon, seek the legal advice of, and direct its Litigation Counsel regarding the *Smith et. al v. City of Bastrop, et. al* lawsuit pending as Civil Action No. 1:19-cv-1054 in the U.S. District Court, Western District of Texas, Austin Division.

The Bastrop City Council reconvened at 9:46 p.m. into open (public) session.

TAKE ANY NECESSARY OR APPROPRIATE ACTION ON MATTERS POSTED FOR CONSIDERATION IN CLOSED/EXECUTIVE SESSION

No Action taken.

ADJOURNMENT

Adjourned at 9:46 p.m. without objection.

APPROVED:

ATTEST:

Mayor Connie B. Schroeder

City Secretary Ann Franklin

The Minutes were approved on June 9, 2020, by Council Member motion, Council Member second. The motion was approved on a vote.

MINUTES OF SPECIAL CALLED BASTROP CITY COUNCIL

May 29, 2020

The Bastrop City Council met on Friday, May 29, 2020, at 1:00 p.m. at the Bastrop City Hall Council Chambers, located at 1311 Chestnut Street, Bastrop, Texas. Members physically present were: Mayor Schroeder, Mayor Pro Tem Nelson and Council Members Ennis, Peterson and Rogers. Council Member Jackson was present via video. City Secretary, Ann Franklin; City Attorney, Alan Bojorquez; and Consultant, Chris Hartung were physically present.

CALL TO ORDER

Mayor Schroeder called the meeting to order with a quorum being present at 1:00 p.m.

EXECUTIVE SESSION

The City Council met at 1:00 p.m. in a closed/executive session pursuant to the Texas Government Code, Chapter 551, et seq, to discuss the following:

- 2A. City Council shall convene into closed executive session regarding city manager search update and direction to Chris Hartung Consulting, LLC pursuant to Texas Government Code Sections 551.071, and .074.

The Bastrop City Council reconvened at 2:50 p.m. into open (public) session.

TAKE ANY NECESSARY OR APPROPRIATE ACTION ON MATTERS POSTED FOR CONSIDERATION IN CLOSED/EXECUTIVE SESSION

No action taken.

ADJOURNMENT

Adjourned at 2:50 p.m. without objection.

APPROVED:

ATTEST:

Mayor Connie B. Schroeder

City Secretary Ann Franklin

The Minutes were approved on June 9, 2020, by Council Member motion, Council Member second. The motion was approved on a vote.



STAFF REPORT

MEETING DATE: June 9, 2020

AGENDA ITEM: 9A

TITLE:

Consider and adopt on first and final reading Ordinance No. 2020-14 as an emergency measure ratifying temporary Emergency Orders enacted by the Mayor in her capacity as Emergency Management Director in regards to the current Local State of Disaster, for the immediate preservation of the public peace, health or safety.

STAFF REPRESENTATIVE:

Robert Wood, Interim City Manager

BACKGROUND/HISTORY

A declaration of local disaster and public health emergency includes the ability to take measures to reduce the possibility of exposure to disease, control the risk, prevent the spread of the disease, and promote the health and safety of individuals in the City of Bastrop; and

POLICY EXPLANATION:

On March 16, 2020 the City Council Confirmed a Declaration of Disaster due to the novel coronavirus (COVID-19). Within that declaration the mayor is granted the authority to take extraordinary measures to protect the health and safety of the citizens of Bastrop.

FUNDING SOURCE:

N/A

RECOMMENDATION:

Consider and adopt on first and final reading Ordinance No. 2020-14 as an emergency measure ratifying temporary Emergency Orders enacted by the Mayor in her capacity as Emergency Management Director in regards to the current Local State of Disaster, for the immediate preservation of the public peace, health or safety.

ATTACHMENTS:

- Ordinance No. 2020-14
- Emergency order of the Mayor

EMERGENCY ORDINANCE 2020-14

AN EMERGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, CONFIRMING AND RATIFYING THE EMERGENCY ORDERS ISSUED BY THE MAYOR AS THE EMERGENCY MANAGEMENT DIRECTOR, AS DESCRIBED IN EXHIBIT A; PROVIDING FOR FINDINGS OF FACT, REPEALER, SEVERABILITY, ENFORCEMENT, AND PENALTY; ESTABLISHING AN EFFECTIVE DATE; AND PROPER NOTICE AND MEETING.

WHEREAS, the novel coronavirus (COVID-19) has been recognized globally as a contagious respiratory virus; and

WHEREAS, on March 13, 2020, Texas Governor Greg Abbott declared a State of Disaster for all counties in Texas, and the President of the United States of America declared a national emergency in relation to COVID-19; and

WHEREAS, on March 16, 2020, the Mayor issued a Declaration of Local Disaster to allow the City of Bastrop to take measures to reduce the possibility of exposure to COVID-19 and promote the health and safety of Bastrop residents; and

WHEREAS, Section 418.108 of the Texas Government Code provides that a declaration of local disaster activates the City's Emergency Management Plan; and

WHEREAS, in furtherance of the declaration of local disaster, the Mayor issued certain orders pursuant to Chapter 418 of the Texas Government Code; and

WHEREAS, Section 3.15(b) of the Bastrop City Charter allows the City Council to adopt an emergency ordinance relating to the immediate preservation of the public peace, health or safety, and such emergency ordinances shall take effect immediately upon adoption and execution without a second consideration; and

WHEREAS, Section 54.001 of the Texas Local Government Code generally provides the maximum penalties for violations of municipal ordinances, rules, or police regulations; and

WHEREAS, Section 418.173 of the Texas Government Code provides that a local emergency management plan may provide that failure to comply with the plan or with a rule, order, or ordinance adopted under the plan is an offense punishable by a fine not to exceed \$1,000 or confinement in jail for a term not to exceed 180 days; and

WHEREAS, the City Council of the City of Bastrop, Texas, finds it reasonable and necessary for the protection of the health and safety of the residents of the City of Bastrop to confirm and ratify the orders issued by the Mayor pursuant to Chapter 418 of the Texas Government Code, as described in **Exhibit A**; and

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

SECTION 1. FINDINGS OF FACT: The foregoing recitals are incorporated into this Emergency Ordinance by reference as findings of fact as if expressly set forth herein.

SECTION 2. CONFIRMATION & RATIFICATION: The City Council of the City of Bastrop, Texas, in accordance with the authority vested in the governing body of the City of Bastrop, Texas, by Section 418.108 of the Texas Government Code, hereby confirms and ratifies the emergency orders issued by the Mayor in furtherance of the declaration of local disaster, as described in **Exhibit A**.

SECTION 3. PUBLIC NOTICE: The City Secretary is hereby directed to give prompt and general publicity to this Emergency Ordinance.

SECTION 4. CONFLICTS: In the case of any conflict between other provisions of this Emergency Ordinance and any existing Ordinance of the City, the provisions of this Emergency Ordinance will control.

SECTION 5. SEVERABILITY: If any provision of this Emergency Ordinance or the application thereof to any person or circumstance is held invalid, that invalidity or the unenforceability will not affect any other provisions or applications of this Emergency Ordinance that can be given effect without the invalid provision.

SECTION 6. ENFORCEMENT: The City shall have the power to administer and enforce the provisions of this Emergency Ordinance as may be required by governing law. Any person violating any provision of this Emergency Ordinance violates Section 1.08.011 of the Bastrop City Code. In accordance with Section 418.173 of the Texas Government Code, a violation is a misdemeanor punishable by a fine not to exceed \$1,000 or confinement in jail for a term not to exceed 180 days. Nothing in this ordinance shall be construed as a waiver of the City's right to bring a civil action to enforce the provisions of this ordinance and to seek remedies as allowed by law and/or equity.

SECTION 7. EFFECTIVE DATE: In accordance with Section 3.15(b) of the Bastrop City Charter, this Emergency Ordinance shall be *effective immediately* upon passage.

SECTION 8. OPEN MEETING: It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551.

READ, ACKNOWLEDGED & APPROVED on the First & Final Reading on this, the 9th day of June 2020.

APPROVED:

Connie B. Schroeder, Mayor

ATTEST:

Ann Franklin, City Secretary

APPROVED AS TO FORM:

Alan Bojorquez, City Attorney

Exhibit A



STAFF REPORT

MEETING DATE: June 9, 2020

AGENDA ITEM: 9B

TITLE:

Consider action to approve Ordinance No. 2020-15 of the City Council of the City of Bastrop, Texas, authorizing the Second Supplemental Ordinance to the Master Ordinance establishing the City of Bastrop, Texas Water and Wastewater Utility System Revenue Financing Program; authorizing the issuance of the City of Bastrop, Texas Water and Wastewater Utility System Revenue Bonds, Series 2020; approving an official statement, a paying agent/registrars agreement and other agreements relating to the sale and issuance of the bonds; and ordaining other matters relating to the issuance of the bonds; and providing for the following: findings of fact; enactment; severability; effective date; and proper notice and hearing.

STAFF REPRESENTATIVE:

Tracy Waldron, Chief Financial Officer

BACKGROUND/HISTORY:

City Council approved a Master Ordinance establishing the Water and Wastewater Utility System Revenue Financing Program at the April 9, 2019 council meeting. This program established that all debt issued through this Master Ordinance will be secured by net revenue of the utility system and be for (i) paying all or part of the costs of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities or related infrastructure for the city's water and sewer utility system; (ii) create debt service reserve accounts; (iii) pay interest on obligations for the period authorized by State law; (iv) refund or cancel outstanding obligations; and (v) pay the City's costs of issuance.

The initial issuance was approved by Council on April 9, 2019 for \$1.9M and was communicated as the first of several bond issuance's that will be needed over the next several years based on the Capital Improvement Plan. This initial bond was used solely to fund the design of the WWTP#3.

The second supplemental bond ordinance is for the next twelve (12) months of engineering fees and construction costs. The goal with each bond issuance is to only obtain the amount needed for the current period. This issuance will be approximately twenty-one million (\$21,000,000).

Bond Delivery Date – July 2, 2020 – City receives funds from the Purchaser of the Bonds.

Staff anticipates that another bond issuance will not be needed until summer of 2021.

POLICY EXPLANATION:

City Charter Sec. 7.01 – Powers to Issue

In keeping with state law, the City shall have the power to borrow money on the credit of the City for any public purpose not now or hereafter prohibited by state law.

Bond Council has advised that state law supersedes the City Charter in only requiring one reading for a Bond Ordinance.

RECOMMENDATION:

Consider action to approve Ordinance 2020-15 of the City Council of the City of Bastrop, Texas, authorizing the Second Supplemental Ordinance to the Master Ordinance establishing the City of Bastrop, Texas Water and Wastewater Utility System Revenue Financing Program; authorizing the issuance of the City of Bastrop, Texas Water and Wastewater Utility System Revenue Bonds, Series 2020; approving an official statement, a paying agent/registrars agreement and other agreements relating to the sale and issuance of the bonds; and ordaining other matters relating to the issuance of the bonds; and providing for the following: findings of fact; enactment; severability; effective date; and proper notice and hearing.

ATTACHMENTS:

- Ordinance 2019-15



ORDINANCE NO. 2020-15

**SECOND SUPPLEMENTAL ORDINANCE TO THE
MASTER ORDINANCE ESTABLISHING THE
CITY OF BASTROP, TEXAS
WATER AND WASTEWATER UTILITY
SYSTEM REVENUE FINANCING PROGRAM**

Adopted June 9, 2020

ORDINANCE NO. 2020-15

**SECOND SUPPLEMENTAL ORDINANCE TO THE
MASTER ORDINANCE ESTABLISHING THE
CITY OF BASTROP, TEXAS
WATER AND WASTEWATER UTILITY
SYSTEM REVENUE FINANCING PROGRAM**

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ORDINANCE NO. 2020-15

**SECOND SUPPLEMENTAL ORDINANCE TO THE
MASTER ORDINANCE ESTABLISHING THE
CITY OF BASTROP, TEXAS
WATER AND WASTEWATER UTILITY
SYSTEM REVENUE FINANCING PROGRAM**

THE STATE OF TEXAS §

CITY OF BASTROP §

WHEREAS, on April 9, 2019, the City Council of the City of Bastrop, Texas (the "City"), adopted a "Master Ordinance Establishing the City of Bastrop, Texas Utility System Revenue Financing Program" (referred to herein as the "Master Ordinance"); and

WHEREAS, in order to enable the City to provide for the financing of the utility system projects authorized by Chapter 1502, Texas Government Code, as amended, and any other applicable provisions of State law, the Master Ordinance establishes a revenue financing program pursuant to which the City can issue and enter into obligations, including bonds and other types of obligations, secured by and payable from a pledge of and lien on all or part of the Security, as hereinafter defined; and

WHEREAS, for such purposes, the City deems it necessary to issue Parity Debt, as hereinafter defined, pursuant to this "Second Supplemental Ordinance to the Master Ordinance establishing the City of Bastrop, Texas Utility System Revenue Financing Program" (the " Second Supplement"); and

WHEREAS, the City further finds and determines that all terms and conditions for the issuance of the bonds herein authorized as Parity Debt have been or can be met and satisfied; and

WHEREAS, the bonds authorized to be issued by this Second Supplement are to be issued and delivered pursuant to the Enabling Act, as hereinafter defined, and other applicable State laws.

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF BASTROP, TEXAS THAT:

**ARTICLE I
BONDS ISSUED UNDER UTILITY SYSTEM
REVENUE FINANCING PROGRAM**

Section 1.01. DEFINITIONS. (a) Definitions. The capitalized terms used herein (except in the FORM OF BONDS set forth in Exhibit B hereto) and not otherwise defined shall have the meanings given in the Master Ordinance or in Exhibit A to this Second Supplement. The recitals to this Second Supplement and the exhibits hereto are incorporated herein and made a part hereof for all purposes.

(b) Construction of Terms. If appropriate in the context of this Second Supplement, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, words of the masculine, feminine, or neuter gender shall be considered to include the other genders, and words importing persons shall include firms, associations, and corporations.

Section 1.02. ESTABLISHMENT OF FINANCING PROGRAM AND ISSUANCE OF PARITY DEBT. (a) Second Supplement. By adoption of the Master Ordinance, the City has established the City of Bastrop, Texas Water and Wastewater Utility System Revenue Financing Program for the purpose of enabling the City to provide for the financing of utility system projects authorized by the Enabling Act and any other applicable provisions of State law pursuant to which the City may issue and enter into obligations, including bonds and other types of obligations, secured by and payable from a pledge of and lien on all or part of the Security. This Second Supplement provides for the authorization, form, characteristics, provisions of payment and redemption, and security of the Bonds. This Second Supplement is subject to the terms of the Master Ordinance and the terms of the Master Ordinance are incorporated herein by reference and as such are made a part hereof for all purposes.

(b) Bonds Are Parity Debt. As required by Section 7 of the Master Ordinance governing the issuance of Parity Debt such as the Bonds, the City hereby finds that, upon the issuance of the Bonds, the Security will be sufficient to meet the financial obligations relating to the Financing Program, including Security in amounts sufficient to satisfy the Annual Debt Service Requirements of the Financing Program. The Bonds are hereby declared to be Parity Debt under the Master Ordinance.

Section 1.03. SECOND SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, this Second Supplement shall be deemed to be and shall constitute a contract between the City and the Owners from time to time of the Bonds, and the pledge made in this Second Supplement by the City and the covenants and agreements set forth in this Second Supplement to be performed by the City shall be for the equal and proportionate benefit, security, and protection of all Owners from time to time of the Bonds, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the other Bonds by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Second Supplement and the Master Ordinance.

Section 1.04. LIMITATION OF BENEFITS WITH RESPECT TO THIS SECOND SUPPLEMENT. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of Second Supplement or the Bonds is intended or should be construed to confer upon or give to any person other than the City, the Owners, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Second Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Second Supplement and all of the

covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Owners, and the Paying Agent/Registrar as herein and therein provided.

**ARTICLE II
BOND AUTHORIZATION AND SPECIFICATIONS**

Section 2.01. AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS. The Bonds designated "**CITY OF BASTROP, TEXAS WATER AND WASTEWATER SYSTEM REVENUE BONDS, SERIES 2020**" (the "Bonds") are hereby authorized to be issued pursuant to this Second Supplement in the aggregate principal amount of \$ _____ for the purpose of (1) paying costs of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping the City's Utility System including constructing, acquiring, improving, renovating and equipping City waterworks and sewer system facilities and (2) paying the costs of issuing such Bonds. The Bonds are authorized pursuant to authority conferred by and in conformity with State law, particularly the provisions of the Enabling Act.

The Bonds will be in the form of Current Interest Bonds as provided in Section 2.02 and the FORM OF BONDS in Exhibit B to this Second Supplement.

Section 2.02. DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BONDS. (a) Terms of Bonds. The Bonds, there shall initially be issued, sold, and delivered hereunder fully registered bonds, without interest coupons, in the form of Current Interest Bonds, numbered consecutively from R-1 upward, payable to the respective initial registered owners thereof, or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"), in Authorized Denominations, maturing and payable serially on August 1 in each of the years and in the principal amounts respectively as forth in the following schedule:

YEAR	AMOUNT	YEAR	AMOUNT
2022		2037	
2023		2038	
2024		2039	
2025		2040	
2026		2041	
2027		2042	
2028		2043	
2029		2044	
2030		2045	
2031		2046	
2032		2047	
2033		2048	
2034		2049	
2035		2050	
2036			

(b) In General. The Bonds (i) may and shall be redeemed prior to the respective scheduled maturity dates, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, and (v) shall be signed and sealed, and the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BONDS set forth in Exhibit B to this Second Supplement.

(c) Interest. The Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF BONDS set forth in Exhibit B to this Second Supplement to their respective dates of maturity or redemption at the rates per annum set forth in the following schedule:

YEAR	RATE	YEAR	RATE
2022		2037	
2023		2038	
2024		2039	
2025		2040	
2026		2041	
2027		2042	
2028		2043	
2029		2044	
2030		2045	
2031		2046	
2032		2047	
2033		2048	
2034		2049	
2035		2050	
2036			

(d) Payments on Holidays. In the event that any date for payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment will be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close. Payment on such later date will not increase the amount of interest due and will have the same force and effect as if made on the original date payment was due.

Section 2.03. PAYMENT OF BONDS; PAYING AGENT/REGISTRAR. The principal of, premium, if any, and the interest on the Bonds shall be payable, without exchange or collection charges to the Owner thereof, in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

Regions Bank is hereby appointed as Paying Agent/Registrar for the Bonds. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar acknowledges receipt of

copies of the Master Ordinance and this Second Supplement, and is deemed to have agreed to the provisions thereof and hereof.

The City agrees and covenants to cause to be kept and maintained at the designated office of the Paying Agent/Registrar a Security Register, all as provided herein, in accordance with the terms and provisions of the Paying Agent/Registrar Agreement and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. In addition, to the extent required by law, the City covenants to cause to be kept and maintained the Security Register or a copy thereof in the State.

The City expressly reserves the right to appoint one or more successor Paying Agent/Registrars, by filing with the Paying Agent/Registrar a certified copy of a resolution or minute order of the City making such appointment. The City further expressly reserves the right to terminate the appointment of the Paying Agent/Registrar by filing a certified copy of a resolution of the City giving notice of the City's termination of the City's agreement with such Paying Agent/Registrar and appointing a successor. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Security Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar, the City agrees promptly to cause a written notice thereof to be sent to each Owner by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

The principal of, premium, if any, and interest on the Bonds due and payable by reason of maturity, redemption, or otherwise, shall be payable only to the Owner thereof appearing on the Security Register, and, to the extent permitted by law, neither the City nor the Paying Agent/Registrar, nor any agent of either, shall be affected by notice to the contrary.

Principal of, and premium, if any, on the Bonds shall be payable only upon the presentation and surrender of said Bonds to the Paying Agent/Registrar at its designated office. Interest on the Bonds shall be paid to the Owner whose name appears in the Security Register at the close of business on the Record Date and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar to the address of the Owner appearing in the Security Register on the Record Date or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by, and at the risk and expense of, the Owner.

In the event of a nonpayment of interest on a scheduled payment date on a Bond, 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 City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record

Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Owner of a Bond appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

Section 2.04. REDEMPTION. (a) Generally. The Bonds shall be subject to redemption prior to scheduled maturity at such times and with such provisions as provided in the FORM OF BONDS.

(b) Notices of Redemption and Defeasance. (i) Unless waived by any Owner of the Bonds to be redeemed, the Chief Financial Officer shall give notice of redemption or defeasance to the Paying Agent/Registrar at least thirty-five (35) days prior to a redemption date in the case of a redemption (unless a lesser period is acceptable to the Paying Agent/Registrar) and on the defeasance date in the case of a defeasance and the Paying Agent/Registrar shall give notice of redemption or of defeasance of Bonds by mail, first-class postage prepaid at least thirty (30) days prior to a redemption date and within thirty (30) days after a defeasance date to each Owner and to the central post office or each registered securities depository and to any national information service that disseminates such notices. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the Owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

(ii) Each notice of redemption or defeasance shall contain a description of the Bonds to be redeemed or defeased including the complete name of the Bonds, the date of issue, the interest rate, the maturity date, the CUSIP number, the certificate numbers, the amounts called of each certificate, the publication or mailing date for the notice, the date of redemption or defeasance, the redemption price, if any, the name of the Paying Agent/Registrar, and the address at which the Bonds may be redeemed or paid, including a contact person telephone number.

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

The failure of any Owner of the Bonds to receive notice given as provided in this Section 2.04, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds. Any notice mailed as provided in this Section 2.04 shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives such notice.

So long as DTC is effecting book-entry transfers of the Bonds, the Paying Agent/Registrar shall provide the notices specified in this Section 2.04 only to DTC. It is expected that DTC shall, in turn, notify its participants and that the participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of DTC or a participant, or failure on the part of a nominee of a beneficial owner of a Bond to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bonds.

(c) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Master Ordinance or this Second Supplement have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the City, 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 City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Section 2.05. REGISTRATION; TRANSFER; EXCHANGE OF BONDS; PREDECESSOR BONDS; BOOK-ENTRY-ONLY SYSTEM; SUCCESSOR SECURITIES DEPOSITORY; PAYMENTS TO CEDE & CO. (a) Registration, Transfer, Exchange, and Predecessor Bonds. The Registrar shall obtain, record, and maintain in the Security Register the name and address of each Owner issued under and pursuant to the provisions of this Second Supplement. Any Bond may, in accordance with its terms and the terms hereof, be transferred or exchanged for Bonds in Authorized Denominations upon the Security Register by the Owner, in person or by his duly authorized agent, upon surrender of such Bond to the Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Owner or by his duly authorized agent, in form satisfactory to the Registrar.

Upon surrender for transfer of any Bond at the designated office of the Registrar, there shall be registered and delivered in the name of the designated transferee or transferees, one or more new Bonds, executed on behalf of, and furnished by, the City, of Authorized Denominations and having the same Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Owner, Bonds may be exchanged for other Bonds of Authorized Denominations and having the same Maturity, bearing the same rate of interest, and of like aggregate principal amount or Maturity Amount and the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the principal office of the Registrar. Whenever any Bonds are so surrendered for exchange, there shall be registered and delivered new Bonds executed on behalf of, and furnished by, the City to the Owner requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the principal office of the Registrar or sent by United States mail, first-class, postage prepaid to the Owners or the designee thereof, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same debt, and entitled to the same benefits under the Master Ordinance and this Second Supplement, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Owner, except as otherwise herein provided, and except that the Registrar shall require payment by the Owner requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same debt evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated Bond that is surrendered to the Paying Agent/Registrar or any Bond for which satisfactory evidence of the loss of which has been received by the City and the Paying Agent/Registrar and, in either case, in lieu of which a Bond or Bonds have been registered and delivered pursuant to Section 3.05 hereof.

Neither the City nor the Registrar shall be required to issue or transfer to an assignee of a Owner any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation of transfer shall not be applicable to an exchange by the Owner of the unredeemed balance of a Bond called for redemption in part.

(b) Ownership of Bonds. The entity in whose name any Bond shall be registered in the Security Register at any time shall be deemed and treated as the absolute Owner thereof for all purposes of this Second Supplement, whether or not such Bond shall be overdue, and, to the extent permitted by law, the City and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such Owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(c) Book-Entry-Only System. The Bonds issued in exchange for the Initial Bond for issued as provided in Section 2.06 shall be issued in the form of a separate single fully-registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC, and except as provided in this subsection (c) all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Owner as shown on the Security Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Owner as shown on the Security Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Second Supplement to the contrary but to the extent

permitted by law, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Security Register as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the Owners, as shown in the Security Register as provided in this Second Supplement, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Owner, as shown in the Security Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Second Supplement. 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 Second Supplement with respect to interest checks being mailed to the Owner at the close of business on the Record Date the words "Cede & Co." in this Second Supplement shall refer to such new nominee of DTC.

(d) Successor Securities Depository; Transfers Outside Book-Entry-Only System. In the event that the City determines to discontinue the book-entry-only system through DTC or a successor or DTC determines to discontinue providing its services with respect to the Bonds, the City shall either (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository, and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Security Register 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 Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Second Supplement.

(e) Payments to Cede & Co. Notwithstanding any other provision of this Second Supplement to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

(f) Blanket Issuer Letter of Representations. The City heretofore has executed and delivered to DTC a "Blanket Issuer Letter of Representations" with respect to the utilization by the City of DTC's book-entry-only system and the City intends to utilize such book-entry-only system in connection with the Bonds.

Section 2.06. INITIAL BOND. The Bonds shall initially be issued as a fully registered bond, being one bond (the "Initial Bond"). The Initial Bond shall be registered in the name of the

initial purchaser(s) of the Bonds. The Initial Bond shall be submitted to the Office of the Attorney General of the State for approval and registration by the Office of the Comptroller of Public Accounts of the State and delivered to the initial purchaser(s) thereof. Immediately after the delivery of the Initial Bond on the Issuance Date, the Registrar shall cancel the Initial Bond and exchange therefor Bonds in the form of a separate single fully-registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC and, except as provided in Section 2.05(d), all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

Section 2.07. FORM OF BONDS. The Bonds (including Initial Bond), the Registration Certificate of the Comptroller of Public Accounts of the State or the Authentication Certificate, and the form of Assignment to be printed on each of the Bonds shall be substantially in the forms set forth in Exhibit B to this Second Supplement with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Second Supplement, may have such letters, numbers, or other marks of identification and such legends and endorsements (including any reproduction of an opinion of counsel and information regarding the issuance of any bond insurance policy) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Bonds as evidenced by their execution thereof. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The Bonds shall be typewritten, photocopied, printed, lithographed, engraved, or produced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

ARTICLE III EXECUTION; REPLACEMENT OF BONDS; AND BOND INSURANCE

Section 3.01. EXECUTION AND REGISTRATION. The Bonds shall be executed on behalf of the City by the Mayor under its seal reproduced or impressed thereon and attested by the City Secretary. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City as of their authorization shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, Texas Government Code, as amended.

No Bond shall be entitled to any right or benefit under this Second Supplement, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Exhibit B to this Second Supplement, executed by the Comptroller of Public Accounts of the State or its duly authorized agent by manual signature, or the Paying Agent/Registrar's Authentication Certificate substantially in the form provided in Exhibit B to this Second Supplement executed by the manual signature of an authorized officer or employee of the Registrar, and either such certificate duly signed upon any Bond shall be

conclusive evidence, and the only evidence, that such Bond has been duly certified, registered, and delivered.

Section 3.02. CONTROL AND CUSTODY OF BONDS. The Chief Financial Officer shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation and examination by the Attorney General of the State, including the printing and supply of printed Bonds, and shall take and have charge and control of the Initial Bond pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts, and the delivery thereof to the initial purchaser(s).

Furthermore, each Authorized Representative is hereby authorized and directed to furnish and execute such documents relating to the Utility System, the City and its financial affairs as may be necessary for the issuance of the Bonds, the approval of the Attorney General, and the registration by the Comptroller of Public Accounts and, together with the City's Bond Counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the initial purchaser(s) and the initial exchange thereof for Bonds other than the Initial Bond.

Section 3.03. PRINTED OPINION. The initial purchaser(s)' obligation to accept delivery of the Bonds is subject to the initial purchaser(s) being furnished the final opinion of McCall, Parkhurst & Horton L.L.P. approving the Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. If bond insurance is obtained for the Bonds, the Bonds may bear an appropriate insurance legend.

Section 3.04. CUSIP NUMBERS. CUSIP numbers may be printed or typed on the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the Bonds.

Section 3.05. MUTILATED, DESTROYED, LOST, AND STOLEN BONDS. If (1) any mutilated Bond is surrendered to the Paying Agent/Registrar, or the City and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the City and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the City or the Paying Agent/Registrar that such Bond has been acquired by a bona fide purchaser, the City shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Maturity and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond and the interest due thereon to the date of payment.

Upon the issuance of any new Bond under this Section, the City may require payment by the Owner of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Second Supplement equally and ratably with all other Outstanding Bonds.

Section 3.06. BOND INSURANCE. (a) Purchase of Insurance. In connection with the sale of the Bonds, the City may obtain municipal bond insurance policies from one or more Bond Insurers to guarantee the full and complete payment required to be made by or on behalf of the City on some or all of the Bonds as determined by the Chief Financial Officer. The Chief Financial Officer is hereby authorized to sign a commitment letter with a Bond Insurer and to pay the premium for the bond insurance policies at the time of the delivery of the Bonds out of the proceeds of sale of the Bonds or from other available funds and to execute such other documents and certificates as necessary in connection with the bond insurance policies as he or she may deem appropriate. Printing on Bonds covered by the bond insurance policies a statement describing such insurance, in form and substance satisfactory to a Bond Insurer and the Chief Financial Officer, is hereby approved and authorized. This Ordinance may contain provisions related to the bond insurance policies, including payment provisions thereunder, and the rights of a Bond Insurer.

(b) Rights of Bond Insurer(s). As long as a Bond Insurer is not in default on the related bond insurance policy for the Bonds, the Bond Insurer shall be deemed to be the sole Owner of such Bonds insured by it for all purposes of this Second Supplement or the Master Ordinance.

ARTICLE IV PAYMENTS, REBATE FUND AND RESERVE ACCOUNT

Section 4.01. PAYMENTS. (a) Accrued and Capitalized Interest. Immediately after the delivery of the Bonds the City shall deposit any accrued interest and any sale proceeds to be used to pay capitalized interest received from the sale and delivery of such Bonds to the credit of the Interest and Sinking Account to be held to pay interest on such Bonds.

(b) Debt Service Payments. Semiannually on or before each principal or interest payment date while any of the Bonds are outstanding and unpaid, commencing on the first interest payment date for the Bonds, the City shall make available from the Interest and Sinking Account to the Paying Agent/Registrar, money sufficient to pay such interest on and such principal of the Bonds as will accrue or mature, or be subject to mandatory redemption prior to maturity, on such principal, redemption, or interest payment date. The Paying Agent/Registrar shall cancel all paid Bonds and shall furnish the City with an appropriate certificate of cancellation.

Section 4.02. REBATE ACCOUNT. A separate and special account to be known as the Rebate Account is hereby established by the City pursuant to the requirements of Section 148(f) of the Code and the tax covenants of the City contained in Section 5.01 of this Second Supplement for the benefit of the United States of America and the City, as their interests may appear pursuant to this Second Supplement. Such amounts shall be deposited therein and withdrawn therefrom as is necessary to comply with the provisions of Section 5.01. Any moneys held within the Rebate Account shall not constitute Security under the Master Ordinance.

Section 4.03. RESERVE ACCOUNT. (a) To accumulate and maintain a reserve for the payment of the Bonds equal to the average Annual Debt Service Requirements of the Bonds (calculated by the City at the beginning of each Fiscal Year) (the "Required Reserve Amount"), the Reserve Account has been established and shall be maintained by the City. Earnings and income derived from the investment of amounts held for the credit of the Reserve Account shall be retained in the Reserve Account until the Reserve Account contains the Required Reserve Amount; thereafter, such earnings and income shall be deposited to the credit of the System Account. The City shall deposit and credit to the Reserve Account amounts required to maintain the balance in the Reserve Account in an amount equal to the Required Reserve Amount by making monthly deposits and credits in amounts equal to not less than 1/60th of the Required Reserve Amount or by the deposit of a Reserve Account Obligation. There shall be deposited into the Reserve Account any Reserve Account Obligations so designated by the City. All funds, investments and Reserve Account Obligations on deposit and credited to the Reserve Account shall be used solely for (i) the payment of the principal of and interest on the Bonds, when and to the extent other funds available for such purposes are insufficient, (ii) to make Reserve Account Obligation Payments and (iii) to retire the last Stated Maturity or Stated Maturities of or interest on the Bonds. The Reserve Account is solely for the benefit of this series of Bonds and is not available to pay Annual Debt Service Requirements on any other Parity Debt.

(b) When and for so long as the cash, investments and Reserve Account Obligations in the Reserve Account equal the Required Reserve Amount, no deposits need be made to the credit of the Reserve Account; but, if and when the Reserve Account at any time contains less than the Required Reserve Amount, the City covenants and agrees that the City shall cure the deficiency in the Reserve Account by resuming the deposits to such Account from the Pledged Revenues by monthly deposits and credits in amounts equal to not less than 1/60th of the Required Reserve Amount with any such deficiency payments being made on or before each interest payment date until the Required Reserve Amount has been fully restored; provided, however, that no such deposits shall be made into the Reserve Account during any six (6) month period beginning on an interest payment date until there has been deposited into the Interest and Sinking Account the full amount required to be deposited therein by the next following semi-annual payment date, as the case may be. In addition, in the event that a portion of the Required Reserve Amount is represented by a Reserve Account Obligation, the Required Reserve Amount shall be restored as soon as possible from monthly deposits of Pledged Revenues on deposit in the System Account, but subject to making the full deposits and credits to the Interest and Sinking Account required to be made by the next following interest payment date, as the case may be. The City further covenants and agrees that, subject only to the prior deposits and credits to be made to the Interest and Sinking Account, the Pledged Revenues shall be applied and appropriated and used to establish and

maintain the Required Reserve Amount, including by paying Reserve Account Obligation Payments when due, and to cure any deficiency in such amounts as required by the terms of this Second Supplement.

During such time as the Reserve Account contains the Required Reserve Amount, the obligation to maintain the Required Reserve Amount has been suspended pursuant to subsection (d) below, or any cash is replaced with a Reserve Account Obligation pursuant to subsection (c) below, the City may, at its option, withdraw all surplus funds in the Reserve Account and deposit such surplus in the Interest and Sinking Account or otherwise use such amount in any manner permitted by law unless such surplus is required to be rebated in which case such event shall be deposited into the Rebate Account.

(c) A Reserve Account Obligation issued in an amount equal to all or part of the Required Reserve Amount for the Bonds may be used in lieu of depositing cash into the Reserve Account. In addition, a Reserve Account Obligation may be substituted for monies and investments in the Reserve Account if the substitution of the Reserve Account Obligation will not, in and of itself, cause any ratings then assigned to the Bonds by any rating agency to be lowered and the ordinance authorizing the substitution of the Reserve Account Obligation for all or part of the Required Reserve Amount contains a finding that such substitution is cost effective.

(d) Notwithstanding anything to the contrary contained herein, the requirement set forth in subsection (a) above to maintain the Required Reserve Amount in the Reserve Account shall be suspended for such time as the Net Revenues for each Fiscal Year are equal to at least 1.35 times the average Annual Debt Service Requirements. In the event that the Net Revenues for any Fiscal Year are less than 1.35 times the average Annual Debt Service Requirements, the City will be required to commence making Required Reserve Account Deposits, as provided in subsection (b) above, and to continue such Required Reserve Account Deposits until the earlier of (i) such time as the Reserve Account contains the Required Reserve Amount or (ii) the Net Revenues in each of two consecutive years have been equal to not less than 1.35 times the average Annual Debt Service Requirements. Notwithstanding the provisions of Section 4.03(a) of this section, if the City commences deposits in the Reserve Account and later is authorized to suspend payments into the fund under this section any funds so accumulated may, at the discretion of the City: (i) remain in the Reserve Account or (ii) be used for any lawful purpose including additional projects or to pay debt service on the Bonds.

(e) A Reserve Account Obligation permitted under (a) above, must be in the form of a surety bond or insurance policy meeting the requirements described below.

(1) (i) A surety bond or insurance policy issued to the Paying Agent/Registrar, as agent of the Holders, by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Bonds (a "municipal bond insurer") if the claims paying ability of the issuer thereof shall be rated "A" by S&P or Moody's, or (ii) a surety bond or insurance policy issued to the Paying Agent/Registrar, as agent of the Holders, by an entity other than a municipal bond insurer, if the form and substance of such instrument and the issuer thereof shall be approved in writing by each Bond Insurer of record.

(2) The obligation to reimburse the issuer of a Reserve Account Obligation for any claims or draws upon such Reserve Account Obligation in accordance with its terms, including expenses incurred in connection with such claims or draws, to the extent permitted by law, (a Reserve Account Obligation Payment) shall be made from the deposits made to the Reserve Account as provided in this Section. The Reserve Account Obligation shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Account Obligation to reimbursement will be subordinated to the cash replenishment of the Reserve Account to an amount equal to the difference between the full original amount available under the Reserve Account Obligation and the amount then available for further draws or claims. In the event (a) the issuer of a Reserve Account Obligation becomes insolvent, or (b) the issuer of a Reserve Account Obligation defaults in its payment obligations thereunder, or (c) the claims paying ability of the issuer of the insurance policy or surety bond falls below "A" by S&P or Moody's, respectively, the obligation to reimburse the issuer of the Reserve Account Obligation shall be subordinated to the cash replenishment of the Reserve Account.

(3) In the event (a) the revolving reinstatement feature described in the preceding paragraph is suspended or terminated, or (b) the rating of the claims paying ability of the issuer of the surety bond or insurance policy falls below "A" by S&P or Moody's, respectively, or (c) the issuer of the Reserve Account Obligation defaults in its payment obligations hereunder or (d) the issuer of the Reserve Account Obligation becomes insolvent, the City shall either (i) deposit into the Reserve Account, in accordance with this Section, an amount sufficient to cause the cash or investments credited to the Reserve Account to accumulate to the Required Reserve Amount, or (ii) replace such instrument with a surety bond or insurance policy meeting the requirements of 1 and 2 above, within six months of such occurrence.

(4) The Paying Agent/Registrar shall ascertain the necessity for a claim or draw upon any Reserve Account Obligation and provide notice to the issuer of the Reserve Account Obligation in accordance with its terms not later than three days (or such appropriate time period as will, when combined with the timing of required payment under the Reserve Account Obligation, ensure payment under the Reserve Account Obligation on or before the interest payment date) prior to each date upon which the principal of or interest on the Parity Obligations will be due.

It is recognized that a Reserve Account Obligation may be issued which is payable only with respect to a part of the Bonds with the remainder of the Required Reserve Amount being satisfied by monies and investments and in that case any draws upon the Reserve Account will have to be made on a pro-rata basis. Therefore, (i) draws upon one or more such Reserve Account Obligations shall be made on a pro-rata basis with cash and investments available in the Reserve Account and (ii) deposits and credits to the Reserve Account to restore it to the Required Reserve Amount shall be utilized on a pro-rata basis to pay Reserve Account Obligation Payments to

reimburse the issuers of the Reserve Account Obligations, thus restoring that part of the Required Reserve Amount, and to restore with cash and investments the balance of the Required Reserve Amount.

ARTICLE V COVENANTS REGARDING TAX EXEMPTION

Section 5.01. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. (a) Covenants. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the 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 City covenants as follows:

(1) to take any action to assure that no more than ten (10) percent of the proceeds of the Bonds 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 ten (10) percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Second Supplement or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than ten (10) percent of the debt service on the Bonds, 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 five (5) percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of five (5) percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

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

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

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

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a

materially higher yield over the term of the Bonds, other than investment property acquired with --

(A) proceeds of the Bonds invested for a reasonable temporary period 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 Treasury Regulations, and

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

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

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

(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 Bonds) an amount that is at least equal to ninety (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 sixty (60) days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The City 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). It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the City 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 Bonds under section 103 of the Code.

In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Chief Financial Officer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. This Second Supplement is intended to satisfy the official intent requirements set forth in Section 1.150-2 of the Treasury Regulations.

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

Section 5.02. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR PROJECT. The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Second Supplement (the "Project") on its books and records in accordance with the requirements of the Internal Revenue Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within eighteen (18) months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than sixty (60) days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 5.03. DISPOSITION OF PROJECT. The City covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the City 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 Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City 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.

ARTICLE VI AMENDMENTS AND MODIFICATIONS

Section 6.01. AMENDMENTS OR MODIFICATIONS WITHOUT CONSENT OF OWNERS OF BONDS. Subject to the provisions of the Master Ordinance, this Second Supplement and the rights and obligations of the City and of the Owners of the Outstanding Bonds may be modified or amended at any time without notice to or the consent of any Owner of the Bonds or any other Parity Debt, solely for any one or more of the following purposes:

- (i) To add to the covenants and agreements of the City contained in this Second Supplement, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the City in this Second Supplement;
- (ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Second Supplement, upon receipt by the City of an Opinion of Counsel, that the same is needed for such purpose, and will more clearly express the intent of this Second Supplement;
- (iii) To supplement the Security for the Bonds;
- (iv) To make such other changes in the provisions hereof, as the City may deem necessary or desirable and which shall not, in the judgment of the City, materially adversely affect the interests of the Owners of the Outstanding Bonds;
- (v) To make any changes or amendments requested by the State Attorney General's Office as a condition to the approval of the Bonds, which changes or amendments do not, in the judgment of the City, materially adversely affect the interests of the Owners of the Outstanding Bonds; or
- (vi) To make any changes or amendments requested by any bond rating agency then rating or requested to rate the Bonds, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the City, materially adversely affect the interests of the Owners of the Outstanding Bonds.

Section 6.02. AMENDMENTS OR MODIFICATIONS WITH CONSENT OF OWNERS OF BONDS. (a) Amendments. Subject to the other provisions of this Second Supplement, the Master Ordinance and the consent of the Bond Insurer, the Owners of Outstanding Bonds aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described in Section 6.01 hereof, to this Second Supplement that may be deemed necessary or desirable by the City, provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the Owners of all of the Outstanding Bonds, the amendment of the terms and conditions in this Second Supplement or in the Bonds so as to:

- (i) Make any change in the maturity of the Outstanding Bonds;

- (ii) Reduce the rate of interest borne by Outstanding Bonds;
- (iii) Reduce the amount of the principal payable on Outstanding Bonds;
- (iv) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;
- (v) Affect the rights of the Owners of less than all Bonds then Outstanding; or
- (vi) Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

(b) Notice. If at any time the City shall desire to amend this Second Supplement pursuant to Subsection (a), the City shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in the City of New York, New York (including, but not limited to, The Bond Buyer or The Wall Street Journal) or in the State (including, but not limited to, The Texas Bond Reporter), once during each calendar week for at least two successive calendar weeks or disseminated by electronic means customarily used to convey notices of redemption. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all Owners of Bonds. Such publication is not required, however, if the City gives or causes to be given such notice in writing to each Owner of Bonds. A copy of such notice shall be provided in writing to each rating agency maintaining a rating on the Bonds and to the Bond Insurer.

(c) Receipt of Consents. Whenever at any time the City shall receive an instrument or instruments executed by all of the Owners or the Owners of Outstanding Bonds aggregating a majority in Outstanding Principal Amount, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the City may adopt the amendatory resolution in substantially the same form.

(d) Consent Irrevocable. Any consent given by any Owner pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future Owners of the same Bond during such period. Such consent may be revoked at any time after six (6) months from the date of the first publication of such notice by the Owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent/Registrar and the City, but such revocation shall not be effective if the Owners of Outstanding Bonds aggregating a majority in Outstanding Principal Amount prior to the attempted revocation consented to and approved the amendment. Notwithstanding the foregoing, any consent given at the time of and in connection with the initial purchase of Bonds shall be irrevocable.

(e) Ownership. For the purpose of this Section, the ownership and other matters relating to all Bonds registered as to ownership shall be determined from the Security Register kept by the Paying Agent/Registrar therefor. The Paying Agent/Registrar may conclusively assume that such ownership continues until written notice to the contrary is served upon the Paying Agent/Registrar.

Section 6.03. EFFECT OF AMENDMENTS. Upon the adoption by the City of any resolution to amend this Second Supplement pursuant to the provisions of this Article, this Second Supplement shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the City and all the Owners of Outstanding Bonds shall thereafter be determined, exercised, and enforced under the Master Ordinance and this Second Supplement, as amended.

ARTICLE VII MISCELLANEOUS

Section 7.01. DISPOSITION OF BOND PROCEEDS AND OTHER FUNDS. Proceeds from the sale of the Bonds shall, promptly upon receipt thereof, be applied by the Chief Financial Officer as follows:

- (i) any underwriting discount or fees and any Credit Agreement fees for the Bonds may be retained by and/or wired directly to such parties;
- (ii) any accrued interest and sale proceeds to be used to pay capitalized interest for the Bonds, if any, shall be deposited as provided in Section 4.01;
- (iii) an amount sufficient to pay the remaining costs of issuance of the Bonds and the cost of acquiring, purchasing, constructing, improving, enlarging, and equipping the improvements being financed with the proceeds of the Bonds shall be deposited in the Bond Proceeds Account to be used for such purposes.

Any sale proceeds of the Bonds remaining after making all deposits and payments provided for above shall be deposited into the Interest and Sinking Account and applied to the payment of principal of and interest on the Bonds.

Section 7.02. MAILED NOTICES. Except as otherwise required herein, all notices required or authorized to be given to the City, any Bond Insurer (as defined in, and pursuant to, Section 3.06 hereof) or the Paying Agent/Registrar pursuant to this Second Supplement shall be in writing and shall be sent by registered or certified mail, postage prepaid, to the following addresses or otherwise given in a manner deemed, in writing, acceptable to the party to receive the notice:

1. to the City:
City of Bastrop, Texas
1311 Chestnut Street
Bastrop, Texas 78602

Attn: City Manager
Telephone: (512) 332-8800
Facsimile: (512) 332-8819

2. to the Paying Agent/Registrar:
Regions Bank
3773 Richmond Avenue, Suite 1100
Houston, Texas 77046
Attn: Doug Milner
Telephone: (713) 244-8041
Facsimile: (713) 960-4058

3. to any Bond Insurer:
Municipal Assurance Corp.
1633 Broadway
New York, NY 10019
Attn: Audrey Udit
Telephone: (212) 974-0100
Facsimile: (212) 688-33101

The address, phone number and fax number specified by the Bond Insurer or to such other addresses as may from time to time be furnished to the parties, effective upon the receipt of notice thereof given as set forth above.

Section 7.03. DEFEASANCE OF BONDS. (a) Deemed Paid. The principal of and/or the interest and redemption premium, if any, on any Bonds shall be deemed to be Defeased Debt within the meaning of the Master Ordinance, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bonds, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or the establishment of irrevocable provisions for the giving of such notice) 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 for such Bonds or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the City with the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank for the payment of its services until all Defeased Debt shall have become due and payable or (3) any combination of (1) and (2). At such time as Bonds shall be deemed to be a Defeased Debt hereunder, as aforesaid, such Bonds and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of the Security as provided in the

Master Ordinance and this Second Supplement, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) Investments. The deposit under clause (ii) of subsection (a) of this Section shall be deemed a payment of Bonds as aforesaid when proper notice of redemption of such Bonds shall have been given or upon the establishment of irrevocable provisions for the giving of such notice, in accordance with the Master Ordinance and this Second Supplement. Any money so deposited with the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank as provided in this Section may at the discretion of the City also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank pursuant to this Section which is not required for the payment of such Bonds and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be remitted to the City for deposit to the General Account of the System Account.

(c) Continuing Duty of Paying Agent and Registrar. Notwithstanding any provision of any other Section of this Second Supplement which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Debt shall have become due and payable, the Paying Agent/Registrar for such Defeased Debt shall perform the services of Paying Agent/Registrar for such Defeased Debt the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Second Supplement.

(d) Amendment of this Section. Notwithstanding anything elsewhere in this Second Supplement, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank pursuant to this Section for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bonds affected thereby.

(e) Retention of Rights. Notwithstanding the provisions of subsection (a) of this Section, to the extent that, upon the defeasance of any Defeased Debt to be paid at its maturity, the City retains the right under State law to later call that Defeased Debt for redemption in accordance with the provisions of this Second Supplemental Ordinance relating to the Defeased Debt, the City may call such Defeased Debt for redemption upon complying with the provisions of State law and upon the satisfaction of the provisions of subsection (a) of this Section with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

Section 7.04. PAYING AGENT/REGISTRAR AGREEMENT, SALE OF BONDS, OFFICIAL STATEMENT AND VOTED AUTHORIZATION. (a) The Paying Agent/Registrar Agreement by and between the City and the Paying Agent/Registrar is hereby approved and the Mayor is hereby authorized to execute, and deliver such Paying Agent/Registrar Agreement.

(b) The Bonds are hereby initially sold and shall be delivered to _____, (the "Purchaser") at the price and in accordance with the terms and provisions of the winning bid form, which the Mayor of the City is hereby authorized and directed to execute and deliver and the City Secretary or Deputy City Secretary is further authorized and directed to attest. It is hereby officially found, determined, and declared that the bid received by the Purchaser is the best bid in accordance with the Notice of Sale and Preliminary Official Statement dated _____, 2020. The Initial Bond shall be registered in the name of Cede & Co. The true interest cost of the Bonds is _____%.

(c) The City hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Bonds by the Underwriters in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Notice of Sale and Preliminary Official Statement dated _____, 2020, prior to the date hereof is ratified and confirmed. The City Council of the City hereby finds and determines that the Preliminary Official Statement and the Official Statement were and are "deemed final" (as that term is defined in 17 C.F.R. Section 240.15c-12) as of their respective dates.

(d) The \$_____ premium received in connection with the sale of the Bonds will be used as follows: \$_____ for costs of issuance including compensation to the Purchaser and bond insurance premium and \$_____ deposited into the Bond Proceeds Account for project costs.

Section 7.05. FURTHER PROCEDURES. Each Authorized Representative is 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 City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Second Supplement, the Bonds, the sale and delivery of the Bonds, and fixing all details in connection therewith, and the Paying Agent/Registrar Agreement. In connection with the issuance and delivery of each the Bonds, the above-stated officers, with the advice of the City Attorney and Bond Counsel to the City, are hereby authorized to approve, subsequent to the date of the adoption of this Second Supplement, any amendments to the above named documents, and any technical amendments to this Second Supplement as permitted by Section 6.01 (v) or (vi) and a Authorized Representative is hereby authorized to execute this Second Supplement to evidence approval of such changes.

Section 7.06. NONPRESENTMENT OF BONDS. If any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise if moneys

sufficient to pay such Bond shall have been deposited with the Paying Agent/Registrar, it shall be the duty of the Paying Agent/Registrar to hold such moneys, without liability to the City, any Owner, or any other person for interest thereon, for the benefit of the Owner of such Bond.

Any moneys so deposited with and held by the Paying Agent/Registrar due to nonpresentment of Bonds must be retained by the Paying Agent/Registrar for a period of at least two years after the final maturity date of the Bonds or advance refunding date, if applicable. Thereafter, to the extent permitted by the unclaimed property laws of the State, such amounts shall be paid by the Paying Agent/Registrar to the City, free from the trusts created by this Second Supplement and Owners shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid by the Paying Agent/Registrar.

Section 7.07. EFFECT OF SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS.

Whenever this Second Supplement requires any action to be taken on a Saturday, Sunday, or legal holiday, such action shall be taken on the first business day occurring thereafter. Whenever in this Second Supplement the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday, or legal holiday, such time shall continue to run until midnight on the next succeeding business day.

Section 7.08. PARTIAL INVALIDITY. If any one or more of the covenants or agreements or portions thereof provided in this Second Supplement on the part of the City should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this Second Supplement and the invalidity thereof shall in no way affect the validity of the other provisions of this Second Supplement or of the Bonds, but the Owners of the Bonds shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

Section 7.09. CONTINUING DISCLOSURE UNDERTAKING. (a) Annual Reports. The City shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the City ending in or after 2020, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 7.04 of this Second Supplement, being information of the type described in Exhibit C hereto, including financial statements of the City if audited financial statements of the City are then available, and (2) if not provided as part of such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and in substantially the form included in the Official Statement, and (ii) audited, if the City commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the City shall file unaudited financial statements within such twelve (12) month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

If the City changes its fiscal year, it will file notice of the change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

(b) Event Notices. The City shall file notice of any of the following events with respect to the Bonds with the MSRB in a timely manner and not more than ten (10) business days after the occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the City;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

- (15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

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

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

The City shall file notice with the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (a) of this Section by the time required by such subsection.

(c) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit that causes the Bonds to be no longer Outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City makes

no representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Second Supplement for purposes of any other provision of this Second Supplement.

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

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The City may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (i) such provisions as so amended and (ii) any amendments or interpretations of the Rule. If the City so amends the provisions of this Section, the City shall include with any amended financial information or operating data next provided in accordance with this subsection (a) of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

(d) Format, Identifying Information, and Incorporation by Reference. All financial information, operating data, financial statements, and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

Financial information and operating data to be provided pursuant to subsection (a) of 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) available to the public on the MSRB's Internet Web site or filed with the SEC.

Section 7.10. CREDIT AGREEMENT. To the extent permitted by law, the City reserves the right to enter into Credit Agreements in connection with the Bonds, upon the written opinion of the Chief Financial Officer that such Credit Agreements are in the best interest of the City given the market conditions at the time. The Credit Agreements will constitute a Credit Agreement as defined in the Master Ordinance. Credit Agreements and the obligations thereunder may, pursuant to their terms, constitute (i) Parity Debt secured by a pledge of the Security on parity with the Bonds and other Parity Debt, (ii) Subordinated Debt secured by a pledge of the Security subordinate to the Bonds and other Parity Debt or (iii) partially Parity Debt and partially Subordinated Debt.

Section 7.11. DEFAULT AND REMEDIES. (a) Events of Default. Each of the following occurrences or events for the purpose of this Second Supplement 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 Bonds when the same becomes due and payable; or

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

(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 City, or any official, officer or employee of the City in their official capacity, for the purpose of protecting and enforcing the rights of the Registered Owners under this Second Supplement, 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 Bonds 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 Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Second Supplement, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Second Supplement.

(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 Bond authorized under this Second Supplement, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Second Supplement do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the City or the City Council.

(iv) None of the members of the City Council, nor any other official or officer, agent, or employee of the City, shall be charged personally by the Registered Owners with any liability, or be held personally liable to the Registered Owners under any term or provision of this Second Supplement, or because of any Event of Default or alleged Event of Default under this Second Supplement.

Section 7.12. RULES OF INTERPRETATION. For purposes of this Second Supplement, except as otherwise expressly provided or the context otherwise requires:

(a) The words "herein," "hereof" and "hereunder" and other similar words refer to this Second Supplement as a whole and not to any particular Article, Section, or other subsection.

(b) The definitions in an Article are applicable whether the terms defined are used in the singular or the plural.

(c) All accounting terms that are not defined in this Second Supplement have the meanings assigned to them in accordance with then applicable accounting principles.

(d) Any pronouns used in this Second Supplement include both the singular and the plural and cover both genders.

(e) Any terms defined elsewhere in this Second Supplement have the meanings attributed to them where defined.

(f) The captions or headings are for convenience only and in no way define, limit or describe the scope or intent, or control or affect the meaning or construction, of any provisions or sections hereof.

(g) Any references to Section numbers are to Sections of this Second Supplement unless stated otherwise.

Section 7.13. INDIVIDUALS NOT LIABLE. All covenants, stipulations, obligations, and agreements of the City contained in this Second Supplement shall be deemed to be covenants, stipulations, obligations, and agreements of the Financing Program, the Utility System and the City to the full extent authorized or permitted by State law. No covenant, stipulation, obligation, or agreement herein contained shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the City Council or agent or employee of the City in his or her individual capacity and neither the members of the City Council, nor any officer, employee, or agent of the City shall be liable personally on the Bonds when issued, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 7.14. PAYMENT OF ATTORNEY GENERAL FEE. The City hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Bonds or (ii) \$9,500, provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The Authorized Representative is hereby instructed to take the necessary measures to make this payment. The City is also authorized to reimburse the appropriate City funds for such payment from proceeds of the Bonds.

IN ACCORDANCE WITH SECTION 1201.028, Texas Government Code, finally passed, approved and effective this 9th day of June, 2020.

Connie Schroeder, Mayor
City of Bastrop, Texas

ATTEST:

Ann Franklin, City Secretary
City of Bastrop, Texas

[CITY SEAL]

The City has caused this Second Supplement to be executed by an Authorized Representative.

CITY OF BASTROP, TEXAS

By: _____
Authorized Representative

EXHIBIT A DEFINITIONS

As used in this Second Supplement, the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"Authorized Denominations" - Means \$5,000 or any integral multiple thereof.

"Authorized Representative" - Means the City Manager, any Assistant City Manager, Chief Financial Officer or such other individuals so designated by the City to perform the duties of an Authorized Representative under this Second Supplement.

"Bonds" - The Bonds issued pursuant to and governed by this Second Supplement, as described in Article II hereof.

"Bond Insurer" - One or more companies, if any, insuring all or any portion of the Bonds (or any portion thereof) or any successor thereof or assignee thereof.

"Chief Financial Officer" - Means the Finance Director or such other officer or employee of the City or such other individual so designated by the City to perform the duties of Chief Financial Officer under this Second Supplement.

"Current Interest Bonds" - The Bonds paying current interest and maturing in each of the years and in the aggregate principal amounts set forth in this Ordinance.

"Defeasance Securities" - Means (i) Federal Securities; (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; and, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the City adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bonds.

"DTC" - The Depository Trust Company, New York, New York, or any successor securities depository.

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

"Federal Securities" - Direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America.

"Second Supplement" - This Second Supplemental Ordinance, which was adopted pursuant to authority reserved by the City under the Master Ordinance.

"Issuance Date" - The date of delivery of the Bonds to the initial purchaser(s) thereof against payment therefor.

"Master Ordinance" - The "Master Ordinance Establishing the Water and Wastewater Utility System Revenue Financing Program," adopted by the City on April 9, 2019, as may be amended or supplemented from time to time.

"Maturity" - When used with respect to the Bonds, the scheduled maturity of the Bonds.

"Maximum Rate" - A net effective interest rate (as defined in and calculated in accordance with the provisions of the Chapter 1204, Texas Government Code, as amended not to exceed fifteen percent (15%)).

"MSRB" - The Municipal Securities Rulemaking Board.

"Owner" - The registered owners of the Bonds as shown on the Security Register and to the extent set forth in a Credit Agreement relating to the Bonds, the party contracting with the City under a Credit Agreement.

"Paying Agent" - The agent selected and appointed by the City for purposes of paying the principal of, premium, if any, and interest on the Bonds to the Owners thereof, as identified in Section 2.03 hereof and any successor to such agent.

"Paying Agent/Registrar" - Collectively, the Paying Agent and the Registrar designated in Section 2.03 of this Second Supplement or any successor to such agent.

"Paying Agent/Registrar Agreement" - The agreement having such name executed by and between the City and the Paying Agent/Registrar.

"Predecessor Bonds" - Predecessor Bonds as defined in Section 2.05(a) hereof.

"Rebate Account" - The account by that name described in Section 4.02 hereof.

"Record Date" - With respect to each interest payment date of a Bond, the last business day of the next preceding month.

"Registrar" - The agent selected and appointed by the City for purposes of keeping and maintaining books and records relating to the registration, transfer, exchange, and payment of the Bonds and interest thereon, as identified in Section 2.03 hereof and any successor to such agent.

"Reserve Account" - The account that was described in Section 4.03 hereof.

"Reserve Account Obligation" - Means a surety bond or insurance policy deposited in the Reserve Account to satisfy the Required Reserve Amount whereby the issuer is obligated to provide funds up to and including the maximum amount and under the conditions specified in such agreement or instrument.

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

"SEC" - The United States Securities and Exchange Commission.

"Section" - Unless the context clearly requires otherwise, refers to a Section of this Second Supplement.

"Security Register" - The books and records kept and maintained by the Registrar relating to the registration, transfer, exchange, and payment of the Bonds and the interest thereon.

EXHIBIT B

FORM OF BONDS

**UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF BASTROP
CITY OF BASTROP, TEXAS
WATER AND WASTEWATER UTILITY SYSTEM REVENUE BONDS,
SERIES 2020**

No. R- _____ \$ _____

<u>BOND DATE:</u>	<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CUSIP:</u>
July 2, 2020	_____	_____	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Bastrop, Texas (the "City") hereby promises to pay, solely from the sources hereinafter identified and as hereinafter stated, to the Registered Owner named above, or the registered assigns thereof, the Principal Amount specified above on the Maturity Date specified above and to pay interest on the unpaid principal amount hereof from the Bond Date specified above at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____ and _____ of each year, commencing _____, 2020. Principal of this Bond shall be payable to the Registered Owner hereof, upon presentation and surrender, at the designated office of the Paying Agent/Registrar named in the registration certificate appearing hereon, or its successor. Interest shall be payable to the Registered Owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the fifteen day of the next preceding month. All payments of principal of, premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America, without exchange or collection charges, and interest payments shall be made by the Paying Agent/Registrar by check sent on or before the appropriate date of payment, by United States mail, first-class postage prepaid, to the Registered Owner hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner hereof.

This Bond is one of a duly authorized issue of bonds designated as "City of Bastrop, Texas Water and Wastewater System Revenue Bonds, Series 2020" (the "Bonds"), in the aggregate

principal amount of \$_____ issued pursuant to the laws of the State of Texas, including specifically the Enabling Act (the "Act"), and initially under and pursuant to an ordinance of the City adopted on June 9, 2020, and entitled Second Supplemental Ordinance to the Master Ordinance establishing the City of Bastrop, Texas Utility System Revenue Financing Program (the "Second Supplement") for the purpose of (i) paying costs for water and wastewater system improvements and (ii) paying the costs of issuing such Bonds. The Bonds are secured by a first lien on and pledge of the Security as defined in the Master Ordinance adopted on April 9, 2019 (the "Master Ordinance"), on a parity with all other Parity Debt (as defined in the Master Ordinance and the Second Supplement).

The Master Ordinance, as supplemented by the Second Supplement, is referred to in this Bond as the "Ordinance." Terms used herein and not otherwise defined shall have the meanings given in the Ordinance.

The Bonds are issued as "Current Interest Bonds," which total in principal amount \$_____, and which pay accrued interest at stated intervals to the Registered Owners.

Redemption Provisions

The City reserves the right, at its option, to redeem Bonds having stated maturities on and after August 1, 20___, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on August 1, 20___, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If the Bonds are redeemed, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, and if less than all of a maturity is to be redeemed the Paying Agent/Registrar shall determine by lot the Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in integral multiples of \$5,000 of principal amount).

THE BONDS maturing on August 1, 20___, (the "Term Bonds") are subject to mandatory sinking fund redemption by lot prior to maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date.

Bonds Maturing August 1, 20___

Redemption Date	Principal Amount
------------------------	-------------------------

*	\$*
---	-----

*Final Maturity

THE PRINCIPAL AMOUNT of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the District by the principal amount of any Term Bonds of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the District, at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District with monies in the Interest and Sinking Fund at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

At least 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity, a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least 30 days prior to the date fixed for any such redemption to the Registered Owner of each Bond to be redeemed at its address as it appeared on the Registration Books maintained by the Paying Agent/Registrar on the day such notice of redemption is mailed. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Bond Ordinance.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Bond Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds 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 City, 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 City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Notice of redemption shall be given at the times and in the manner provided in the Second Supplement.

If this Bond is in a denomination in excess of \$5,000, portions of the principal sum hereof in principal amount of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Registered Owner hereof, upon the surrender of this Bond at the principal office of the Paying Agent/Registrar, a new Bond or Bonds of like maturity, series and interest rate in any authorized denominations provided by the Resolution for the then unredeemed balance of the principal amount hereof. If this Bond is selected for redemption, in whole or in part, neither the City nor the Paying Agent/Registrar shall be required to transfer this Bond to an assignee of the Registered Owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to any exchange by the Registered Owner of the unredeemed balance hereof in the event of its redemption in part.

The Bonds are special obligations of the City payable solely from and equally secured by a lien on and pledge of the Security. The Bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the City, except with respect to the Security.

The pledge of the Security and the other obligations of the City under the Ordinance may be discharged at or prior to the maturity of the Bonds upon the making of provision for their payment on the terms and conditions set forth in the Ordinance.

Subject to satisfying the terms and conditions stated in the Ordinance, the City has reserved the right to issue additional Parity Debt payable solely from and equally and ratably secured by a parity lien on and pledge of the Security and other moneys and securities pledged under the Ordinance to the payment of the Bonds.

Reference is hereby made to the Ordinance, a copy of which is on file in the designated office of the Paying Agent/Registrar, and to all of the provisions of which any Registered Owner of this Bond by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds; the Security; the nature and extent and manner of enforcement of the pledge; the terms and conditions for the issuance of additional Parity Debt; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Registered Owners of the Bonds; the rights and remedies of the Registered Owner hereof with respect hereto and thereto; the rights, duties and obligations of the City; the terms and provisions upon which the liens, pledges, charges, and covenants made therein may be discharged at or prior to the maturity or redemption of this Bond and this Bond thereafter no longer to be secured by the Ordinance or be deemed to be outstanding thereunder; and for the other terms and provisions thereof.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred only upon its presentation and surrender at the designated office of the Paying Agent/Registrar named below, or its successor with the Assignment hereon duly endorsed by, or accompanied by

a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Registered Owner hereof, or his duly authorized agent, and such transfer is noted on the Security Register by the Paying Agent/Registrar. When a transfer occurs, one or more new fully-registered Bonds of the same Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the Registered Owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, nor any agent of either, shall be affected by notice to the contrary. In the event of 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 City. 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 appearing on the Security Register at the close of business on the 15th day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented, and declared that the City is a duly organized and legally existing home-rule city, organized under and by virtue of the Constitution and laws of the State of Texas; that the issuance of this Bond and the series of which it is a part are duly authorized by law; that all acts, conditions, and things required to exist and be done precedent to and in the issuance of this Bond to render the same lawful and valid have been properly done, have happened, and have been performed in regular and due time, form, and manner as required by the Constitution and laws of the State of Texas and the Ordinance; that this series of bonds does not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of this Bond and the Series of which it is a part as aforesated. In case any provision in this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas. The holder of this Bond is not entitled to demand payment of this Bond out of any money raised by taxation.

IN TESTIMONY WHEREOF, the City has caused its seal to be impressed or a facsimile thereof to be printed hereon and this Bond to be executed in the name of and on behalf of the City with the manual or facsimile signatures of its Mayor, and attested by the City Secretary.

CITY OF BASTROP, TEXAS

By: _____ By: _____
Ann Franklin, City Secretary Connie Schroeder, Mayor

(SEAL)

[INSERTIONS FOR THE INITIAL BOND]

The Initial Bond shall be in the form set forth in this exhibit, except that:

- A. Immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below", and the heading "CUSIP NO." shall be deleted.
- B. The first paragraph of the Bond shall be deleted and the following will be inserted (with all blanks and bracketed items to be completed with information contained in this Ordinance):

"The City of Bastrop, Texas (the "City") hereby promises to pay, solely from the sources hereinafter identified and as hereinafter stated, to the Registered Owner named above, or the registered assigns thereof, on _____ in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Amount</u>	<u>Year</u>	<u>Rate</u>
(Information from Section 2.02 to be inserted)		

The City promises to pay interest on the unpaid principal amount hereof from the Bond Date specified above at the respective per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____ and _____ of each year, commencing _____, 2020. Principal of this Bond shall be payable to the Registered Owner hereof, upon presentation and surrender, at the principal office of the Paying Agent/Registrar named in the registration certificate appearing hereon, or its successor. Interest shall be payable to the Registered Owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the last business day of the next preceding month. All payments of principal of, premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America, without exchange or collection charges, and interest payments shall be made by the Paying Agent/Registrar by check sent on or before the appropriate date of payment, by United States mail, first-class postage prepaid, to the Registered Owner hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner hereof."

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

Form of Registration Certificate of Comptroller of Public Accounts
to Appear on Initial Bond only.

**REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS**

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS §
THE STATE OF TEXAS § **REGISTER NO. _____**

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

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

**AUTHENTICATION CERTIFICATE OF
PAYING AGENT/REGISTRAR**

This Bond has been duly issued and registered under the provisions of the within-mentioned Resolution; the bond or bonds of the above titled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

Regions Bank
as Paying Agent/Registrar

Registered this date:

By: _____

Authorized Signature

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

DATED: _____

Signature guaranteed by:

NOTICE: The signature on this assignment must correspond with the name of the Registered Owner as it appears on the face of the within Bond in every particular.

EXHIBIT "C"

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 7.09 of this Ordinance.

Annual Financial Statements and Operating Data

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

- (1) Table 1 - Water Usage;
- (2) Table 2 – Ten Largest Water Customers;
- (3) Table 3 - Monthly Water Rates;
- (4) Table 4 – Daily Flow;
- (5) Table 5 – Ten Largest Wastewater Customers
- (6) Table 6 - Monthly Wastewater Rates;
- (7) Table 7 – Waterworks and Sewer System Condensed Statement of Operations;
- (8) Table 8 – Coverage and Fund Balances;
- (9) Table 9 –Utility System Revenue Debt Service Requirements;
- (10) Table 10 – Current Investments; and
- (11) Appendix B – Excerpts from the City's Annual Financial Report

Accounting Principles

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



STAFF REPORT

MEETING DATE: June 9, 2020

AGENDA ITEM: 9C

TITLE:

Consider action to approve Resolution No. R-2020-47 of the city council of the city of Bastrop, Texas to approve grant administration service providers to provide grant writing services for but not limited to a complete application and project implementation for grant projects, including but not limited to the GLO CDBGMIT, to include 2015, 2016, hurricane Harvey state mitigation competition and method of distribution and; authorizing the city manager to execute all necessary documents; providing for a repealing clause; and establishing an effective date.

STAFF REPRESENTATIVE:

Trey Job, Assistant City Manager of Development Services

BACKGROUND/HISTORY:

The United States Department of Housing and Urban Development (HUD) allocated \$4,297,189,000 in Community Development Block Grant (CDBG) - Mitigation (MIT) funds to the state of Texas through their notice published in the Federal Register, 84 FR 45838 (August 30, 2019).

The Texas General Land Office (GLO) has been designated by Governor Greg Abbott to administer CDBG-MIT funds on behalf of the state of Texas. In their Federal Register notice, HUD defines mitigation as:

“Those activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.”

CDBG-MIT represents an opportunity to fund strategic and high-impact activities to mitigate disaster risks identified by a community and reduce future losses in those areas.

GLO’s *The State of Texas CDBG Mitigation Action Plan: Building Stronger for a Resilient Future* (the Action Plan) outlines the use of funds, programs, eligible applicants, and eligibility criteria for these CDBG-MIT funds. The Action Plan divides the \$4,297,189,000 CDBG-MIT funds among eleven mitigation programs. Each program provides the opportunity for entities throughout the state to develop, construct and/ or implement activities allowed under CDBG-MIT; Housing and Community Development Act (HCDA) Section 105(a) (1-5), 105(a) (7-9), and 105(a) (11). These activities may include but are not limited to natural and green infrastructure, public facilities, housing, buyouts or acquisition, activities designed to relocate families outside of floodplains, and public service activities.

Three of the state's eleven programs are competitions, these three competitions provide the opportunity for local applicants to identify potential mitigation projects within their own communities and apply directly to the GLO for funds.

The City Staff advertised for grant writing service and received five proposals in early May from the Following:

- Langford Community Management Services
- Traylor Associates Inc.
- Resources Mobility Associates Inc.
- APSI Construction Management
- TLC Engineering

A committee reviewed the proposals and scored them based on the following criteria, Experience, Work Performance, Capacity to Perform, HUB/Affirmative Action, and Cost. The top two were Langford Community Management Services and Traylor Associates Inc.

City Council has repeatedly challenged staff to find grant opportunities to fund the needs of the community, with that in mind we propose executing a professional service agreement with the top two applicants to be used for not only GLO-CDBGMIT funding but other community needs.

The resolution you have before you tonight are for the approval of a grant consultant(s) that will provide administration services to complete the application and implementation for approved projects including, but not limited to, the GLO-CDBGMIT for the past events shown below.

- 2015 Floods State Mitigation Competition
- 2016 Floods State Mitigation Competition
- Hurricane Harvey State Mitigation Competition

POLICY EXPLANATION:

In the past the City of Bastrop City Council has encouraged staff to find new funding sources to promote fiscal sustainability, protect the public health and life safety.

FUNDING SOURCE:

N/A

RECOMMENDATION:

Consider action to approve Resolution No. R-2020-47 of the city council of the city of Bastrop, Texas to approve a grant administration service provider to complete application and project implementation for grant projects, including but not limited to, the GLO CDBGMIT, to include 2015, 2016, hurricane Harvey state mitigation competition and method of distribution and; authorizing the city manager to execute all necessary documents; providing for a repealing clause; and establishing an effective date.

ATTACHMENTS:

- Resolution

RESOLUTION NO. R-2020-47

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS TO APPROVE GRANT ADMINISTRATION SERVICE PROVIDERS TO PROVIDE GRANT WRITING SERVICES TO COMPLETE APPLICATION AND PROJECT IMPLEMENTATION FOR GRANT PROJECTS, INCLUDING BUT NOT LIMITED TO, THE GLO CDBG-MIT, TO INCLUDE 2015, 2016, HURRICANE HARVEY STATE MITIGATION COMPETITION AND METHOD OF DISTRIBUTION AND; AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS; PROVIDING FOR A REPEALING CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, The City Council of the City of Bastrop, Texas has appointed the City Manager as the Chief Administrative Officer of the City; and

WHEREAS, The City Manager is responsible for the proper administration of all affairs of the City; and

WHEREAS, The City Council of the City of Bastrop, Texas is committed to improving drainage, response time, and resiliency around the City following several overwhelming flood events; and

WHEREAS, The City of Bastrop, Texas has found Langford Community Management Services to be qualified to provide application and implementation services for grant programs including the GLO-CDBGMIT program; and

WHEREAS, The City of Bastrop, Texas participated in the Bastrop County Flood Protection Planning grant in 2017 and will continue to seek out funding opportunities.

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

Section 1: That the City Manager is hereby authorized to execute an Agreement for Professional Services with Langford Community Management Services, to provide application and implementation services for the GLO-CDBGMIT program.

Section 2: All orders, ordinances, and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 3: That this Resolution shall take effect immediately upon its passage, and it is so resolved.

DULY RESOLVED AND ADOPTED by the City Council of the City of Bastrop this 9th day of June, 2020.

APPROVED:

Connie B. Schroeder, Mayor

ATTEST:

Ann Franklin, City Secretary

APPROVED AS TO FORM:

Alan Bojorquez, City Attorney



STAFF REPORT

MEETING DATE: June 9, 2020

AGENDA ITEM: 9D

TITLE:

Consider action to approve Resolution No. R-2020-48 of the City Council of the City of Bastrop, Texas approving a Public Improvement Plan Agreement with KB Home Lone Star, Inc. for phase two of Piney Creek Bend as attached in Exhibit A; authorizing the City Manager to execute all necessary documents; providing for a repealing clause; and establishing an effective date.

STAFF REPRESENTATIVE:

Trey Job, Assistant City Manager of Development Services

BACKGROUND/HISTORY:

The Public Improvement Plan Agreement was developed as part of the City of Bastrop's Development Manual. This standardized agreement is a tool that can be used by staff. It allows a developer to final plat lots within the approved section of the subdivision prior to the completion of all public improvements.

POLICY EXPLANATION:

Texas Local Government Code Section 51.001 provides the City general authority to adopt an Ordinance or policy regulations that are for the good government, peace, or order of the City and is necessary or proper for carrying out a power granted by law to the City.

FUNDING SOURCE:

N/A

RECOMMENDATION:

Consider action to approve Resolution No. R-2020-48 of the City Council of the City of Bastrop, Texas approving a Public Improvement Plan Agreement with KB Home Lone Star, Inc. for phase two of Piney Creek Bend as attached in Exhibit A; authorizing the City Manager to execute all necessary documents; providing for a repealing clause; and establishing an effective date.

ATTACHMENTS:

- Resolution No. 2020-48
- Draft Public Improvement Plan Agreement

RESOLUTION NO. R-2020-48

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS APPROVING A PUBLIC IMPROVEMENT PLAN AGREEMENT WITH KB HOME LONE STAR, INC FOR PHASE TWO OF PINEY CREEK BEND AS ATTACHED IN EXHIBIT A; AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS; PROVIDING FOR A REPEALING CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, The City Council has appointed the City Manager as the Chief Administrative Officer of the City; and

WHEREAS, The City Manager is responsible for the proper administration of all affairs of the City; and

WHEREAS, The City Council understands the importance of making housing available in a timely manner; and

WHEREAS, The City Council also understands the importance of the required public improvements and the value they bring in regard to the public safety of neighborhoods.

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

Section 1: That the City Manager will execute the Public Improvement Plan Agreement, attached as Exhibit A, once an engineering estimate is approved by the City Engineer and upon posting the fiscal surety to complete any and all Public Improvements.

Section 2: All orders, ordinances, and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 3: That this Resolution shall take effect immediately upon its passage, and it is resolved

DULY RESOLVED AND ADOPTED by the City Council of the City of Bastrop this 9th day of June, 2020.

APPROVED:

Connie B. Schroeder, Mayor

ATTEST:

Ann Franklin, City Secretary

APPROVED AS TO FORM:

Alan Bojorquez, City Attorney

CITY OF BASTROP, TEXAS
Subdivision Improvement Plan Agreement
Piney Creek Bend Phase II

The State of Texas

County of Bastrop

WHEREAS, KB Home Lone Star, Inc. hereinafter referred to as, "Developer", is the developer of the following described property and desires to make certain improvements to the following lots and blocks in Piney Creek Bend Phase II, a proposed addition to the City of Bastrop, Texas: being Block B Lots 38-70, 73-75, Block D Lots 102-109, Block E Lots 115-138, Block F Lots 148-170, Block G Lot 2; and

WHEREAS, the said Developer has requested the City of Bastrop, a Home Rule Municipality of Bastrop County, Texas, hereinafter referred to as, "City", to provide approvals and cooperative arrangements in connection with said improvements:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That said Developer, acting herein by and through Gary E. Jones, Engineer, Binkley & Barfield, Inc., its duly authorized officer, and the City, acting herein by and through Robert Wood it's City Manager, for and in consideration of the covenants and agreements herein performed and to be performed, do hereby covenant and agree as follows regarding assurance of construction of sanitary sewer facilities, streets, drainage, street lights and street signs, and park/trail improvements; summary of infrastructure (development) amounts; assurance payments to the City; payment of impact fees; and miscellaneous provisions relating to the acceptable completion of said construction according to the plans for Piney Creek Bend Phase II approved by the City on **November 19, 2019**.

Subdivision Improvement Plan Agreement – Piney Creek Bend Phase II

1.00 Assurance of Infrastructure Construction

1.10 Employment of Contractors

In accordance with this agreement, the Developer agrees to employ a general contractor or contractors in accordance with the conditions set forth in Section 4.00 for work for which the Developer is providing as stated herein and indicated in the Summary of Infrastructure (Development) Assurance Amounts, Section 2.30 on page 4 of this agreement.

1.11 Payment of Developer Infrastructure Assurance Fees

The Developer and the City agree that the final plat of Piney Creek Bend Phase II will not be filed for record until payment of the Final Assurance Amount. Except as otherwise provided in Section 4.40 of this contract, no building permits will be issued for any lots prior to the plat recording.

1.12 Payment of Miscellaneous Construction Costs

It is further agreed and understood that additional costs may be required of the Developer to cover such additional work, materials and/or other costs as may be made necessary by conditions encountered during construction and within the scope of this project.

1.13 Compliance with Tree Preservation Ordinance

The Developer is responsible to fully comply with the City's Tree Preservation Ordinance during all phases of construction. The Developer submitted a tree protection plan and protected tree survey on **November 19, 2019**, showing the protected trees on site and the measures of tree protection to be employed during

Subdivision Improvement Plan Agreement – Piney Creek Bend Phase II

construction prior to any site work on the project. The Developer submitted landscape, hardscape, irrigation, and materials plans that were approved by the City on **November 19, 2019** and these plans have been included in the final Subdivision Improvement Plans which were approved on **November 19, 2019**.

2.00 Infrastructure (Development) Improvement Costs

All infrastructure (development) improvement costs are the full responsibility of the Developer. The following improvement costs have been developed using the Developer's plans and specifications and recommendations by the City in accordance with the construction guidelines set forth by the City:

2.10 Sanitary Sewer Improvements

The distribution of costs between the City and the Developer for all sanitary sewer improvements are as follows:

ON-SITE IMPROVEMENTS:

	Full Project Cost	Developer's Assurance Amount	City Participation
Sanitary Sewer Facilities	\$265,650.20	\$265,650.20	\$0.00
Other Related Facilities	\$0.00	\$0.00	\$0.00
Total Construction Cost	\$265,650.20	\$265,650.20	\$0.00

2.20 Water Infrastructure Improvements

The distribution of costs between the City and the Developer for all sanitary sewer improvements are as follows:

Subdivision Improvement Plan Agreement – Piney Creek Bend Phase II

ON-SITE IMPROVEMENTS:

	Full Project Cost	Developer's Assurance Amount	City Participation
Water Line Improvements	\$250,470.00	\$250,470.00	\$0.00
Other Related Facilities	\$0.00	\$0.00	\$0.00
Total Construction Cost	\$250,470.00	\$250,470.00	\$0.00

2.30 Street and Storm Drainage Improvements

The distribution of costs between the City and the Developer for all street and drainage improvements are as follows:

	Full Project Cost	Developer's Assurance Amount	City Participation
Storm Drainage Facilities	\$239,733.15	\$239,733.15	\$0.00
Streets & Sidewalks	\$740,197.60	\$740,197.60	\$0.00
Total Construction Cost	\$979,930.75	\$979,930.75	\$0.00

2.40 Summary of Infrastructure (Development) Assurance Amounts

	Final Assurance Amount
Sanitary Sewer Facilities	\$265,650.20
Water Line Improvements	\$250,470.00
Storm Drainage Facilities	\$239,733.15
Streets & Sidewalks	\$740,513.60
Total Construction Cost	\$1,496,366.95

Subdivision Improvement Plan Agreement – Piney Creek Bend Phase II

ASSURANCE FEES TO BE PAID PRIOR TO PRE-CONSTRUCTION MEETING*:

	Percentage of Construction	Construction Cost	Final Assurance Amount
Water & Sewer Inspection Fee	3.5%	\$516,120.20	\$18,064.21
Storm Drainage Inspection Fee	3.5%	\$239,733.15	\$8,390.66
Streets & Sidewalks Inspection Fee	3.5%	\$740,197.30	\$25,906.91
Payment to the City			\$52,361.77

The final construction amount is **\$1,496,366.95**, and the final assurance amount is **\$52,361.77** (the “Final Assurance Amount”).

RECOMMENDED:

 Tony Buonodono, P. E. Date
 City Engineer

Subdivision Improvement Plan Agreement – Piney Creek Bend Phase II

3.00 Miscellaneous Improvements

3.10 Sidewalks

The Developer shall be responsible for installing sidewalks along right-of-ways on open space lots and other lots that will not contain single family residential units within Piney Creek Bend Phase II as shown on the approved Subdivision Improvement Plans by the City on **November 19, 2019**. The Developer shall also be responsible for installing a public trail within as shown on the approved Subdivision Improvement Plans by on the City on **November 19, 2019**. All sidewalks and trails shall conform to the City of Bastrop Standard Construction Details included within the details of the approved Subdivision Improvement Plans.

3.20 Screening Wall, Landscaping, and Irrigation

The Developer shall be responsible for installing screening walls, retaining walls, landscaping, and irrigation in accordance with the approved Subdivision Improvement Plans, landscape plans approved on **November 19, 2019**

3.30 Street Lights and Street Name and Regulatory Signs

The Developer has paid in full for the City Bastrop through Bastrop Power & Light to design, install and maintain the Electric Distribution System including street lights within Piney Creek Bend Phase II. The Piney Creek Bend Phase II Electric Distribution System plans and specification were Issued for Construction on August 2019. Installation and energizing of the electric Distribution System shall not affect the inspection or acceptance of the public subdivision improvements by the City of Bastrop. Electrical system installation and energizing of the community is outside the control of the Developer and shall not delay the issuance building permits or home inspections

Subdivision Improvement Plan Agreement – Piney Creek Bend Phase II

3.50 Land Dedication

The Developer shall dedicate to the City the area shown as public open space on the Piney Creek Bend, Section Two, Final Plat attached to **Ordinance 201X-XX** (the "Public Open Space"), including, but not limited to, the Block G Lot 2 parcel identified on the Parcel Plan attached to **Ordinance 201X-XX**. KB Home Lone Star, Inc., as Declarant, shall establish a private homeowners' association or property owners' association and enter into a License Agreement with the City of Bastrop to provide maintenance of the Public Open Space as attached to **Resolution 201X-XX**. The Developer through the dedication of Piney Creek Bend, Section Two, Final Plat, Block G, Lot 2, being 39.892 +/- acres of public open space shall be credited \$75,000.00 toward Park Development Fees and other fees owed as part of the development.

The following table identifies the Park Development Fees due by the Developer for this project at the time of single family building permit issuance, subject to a credit reduction as described above in this Section 3.50:

Number of Lots	Fee Per Lot	Total Amount of Park Development Fees Owed (Subject to Credits)
93	\$500.00	\$46,500 (\$75,000.00 Credits)

The above open space dedications and fees in lieu of shall fully satisfy all City requirements for dedication of park land or payment of fees in lieu of dedication.

RECOMMENDED:

Subdivision Improvement Plan Agreement – Piney Creek Bend Phase II

Date
Director of Planning and Development

Subdivision Improvement Plan Agreement – Piney Creek Bend Phase II

3.60 Impact Fees

Water Impact Fees and Wastewater Impact Fees as set forth by City ordinances will be assessed at the time of final plat recording and shall be paid by the builder, property owner or developer at the time of Building Permit issuance for each individual lot within Piney Creek Bend Phase II and shall be based on the Water and Wastewater Impact Fee for Service as set forth in the City of Bastrop Impact Fee Ordinance that is in effect as of the final plat recording date.

IMPACT FEES TO BE PAID AT THE TIME OF BUILDING PERMIT ISSUANCE:

	<u>Lots</u>	<u>Fee per Lot</u>	<u>Final Assessment Amount</u>
Waste Water Impact Fee	93	\$5,020.00	\$466,860.00
Water Impact Fee	93	\$1,785.00	\$166,005.00
Total Impact Fees To Be Collected			\$632,865.00

RECOMMENDED:

Date
Assistant Director of Public Works

4.00 Miscellaneous Provisions

4.10 Bonds

The Developer agrees to require the contractor(s) to furnish the City with a payment and performance bond if the contract cost exceeds \$25,000.00. The payment and performance bonds shall be submitted prior to the City issuing the Notice to Proceed.

The Developer agrees to require the contractor(s) to furnish the City with a two (2) year maintenance bond in the name of the City, subject to City approval for one hundred twenty-five percent (125%) of the contract price of the residential streets, sanitary sewer, and underground stormwater drainage facilities improvements. The maintenance bond(s) shall be submitted and approved prior to the final acceptance of the improvements.

The developer will provide the City with proof of payment to the surety and that all other obligations of the developer or contractor have been met in order for the bonds to be binding upon the surety.

4.20 Public Liability

The Developer shall further require the contractor(s) to secure Public Liability Insurance. The amount of Insurance required shall include Public Liability, Bodily Injury and Property Damage of not less than \$100,000 one person, \$300,000 one accident and \$100,000 property damage. The minimum requirements for automobile and truck public liability, bodily injury and property damage shall also include not less than \$100,000 one person, \$300,000 one accident, and \$100,000 property damage.

Subdivision Improvement Plan Agreement – Piney Creek Bend Phase II

The Contractor shall provide Worker's Compensation Insurance in accordance with the most recent Texas Workers' Compensation Commission's rules.

4.30 General Indemnity Provisions

The Developer shall waive all claims, fully release, indemnify, defend and hold harmless the City and all of its officials, officers, agents, consultants, employees and invitees in both their public and private capacities, from any and all liability, claims, suits, demands or causes of action, including all expenses of litigation and/or settlement which may arise by injury to property or person occasioned by error, omission, intentional or negligent act of Developer, its officers, agents, consultants, employees, invitees, or other person, arising out of or in connection with the Agreement, or on or about the property, and Developer will, at its own cost and expense, defend and protect the City and all of its officials, officers, agents, consultants, employees and invitees in both their public and private capacities, from any and all such claims and demands. Also, Developer agrees to and shall indemnify, defend and hold harmless the City and all of its officials, officers, agents, consultants, employees and invitees in both their public and private capacities, from and against any and all claims, losses, damages, causes of action, suit and liability of every kind, including all expenses of litigation, court costs and attorney fees for injury to or death of any person or for any damage to any property arising out of or in connection with this Agreement or any and all activity or use pursuant to the Agreement, or on or about the property. This indemnity shall apply whether

Subdivision Improvement Plan Agreement – Piney Creek Bend Phase II

the claims, suits, losses, damages, causes of action or liability arise in whole or in part from the intentional acts or negligence of developer or any of its officers, officials, agents, consultants, employees or invitees, whether said negligence is contractual, comparative negligence, concurrent negligence, gross negligence or any other form of negligence. The City shall be responsible only for the City's sole negligence. Provided, however, that nothing contained in this Agreement shall waive the City's defenses or immunities under Section 101.001 et seq. of the Texas Civil Practice and Remedies Code or other applicable statutory or common law. Notwithstanding anything to the contrary in this section, the Developer shall not be required to indemnify the City in the event the claims, suits, losses, damages, causes of action or liability arise in whole or in part as a result of the City's breach of this agreement or a separate agreement pertaining to the property governed by this agreement.

4.31 Indemnity Against Design Defects

Approval of the City Engineer or other City employee, official, consultant, employee, or officer of any plans, designs or specifications submitted by the Developer under this Agreement shall not constitute or be deemed to be a release of the responsibility and liability of the Developer, its engineer, contractors, employees, officers, or agents for the accuracy and competency of their design and specifications. Such approval shall not be deemed to be an assumption of such responsibility or liability by the City for any defect in the design and specifications prepared by the consulting engineer, his officers, agents, servants,

Subdivision Improvement Plan Agreement – Piney Creek Bend Phase II

or employees, it being the intent of the parties that approval by the City Engineer or other City employee, official, consultant, or officer signifies the City's approval of only the general design concept of the improvements to be constructed. In this connection, the Developer shall indemnify and hold harmless the City, its officials, officers, agents, servants and employees, from any loss, damage, liability or expense on account of damage to property and injuries, including death, to any and all persons which may arise out of any defect, deficiency or negligence of the engineer's designs and specifications incorporated into any improvements constructed in accordance therewith, and the Developer shall defend at his own expense any suits or other proceedings brought against the City, its officials, officers, agents, servants or employees, or any of them, on account thereof, to pay all expenses and satisfy all judgments which may be incurred by or rendered against them, collectively or individually, personally or in their official capacity, in connection herewith. Notwithstanding anything to the contrary in this section, the Developer shall not be required to indemnify the City in the event the claims, suits, losses, damages, causes of action or liability arise in whole or in part as a result of the City's breach of this agreement or a separate agreement pertaining to the property governed by this agreement.

4.32 Approval of Plans

The Developer and City agree that the approval of plans and specifications by the City shall not be construed as representing or implying that improvements built in accordance therewith shall be free of defects. Any such approvals shall in no event be construed as representing or guaranteeing that any improvement built in accordance therewith will be designed or built in a good and workmanlike manner.

Subdivision Improvement Plan Agreement – Piney Creek Bend Phase II

Neither the City nor its elected officials, officers, employees, contractors and/or agents shall be responsible or liable in damages or otherwise to anyone submitting plans and specifications for approval by the City for any defects in any plans or specifications submitted, revised, or approved, in the loss or damages to any person arising out of approval or disapproval or failure to approve or disapprove any plans or specifications, for any loss or damage arising from the non-compliance of such plans or specifications with any governmental ordinance or regulation, nor any defects in construction undertaken pursuant to such plans and specifications.

4.33 Venue

Venue of any action brought hereunder shall be in Bastrop, Bastrop County, Texas.

4.40 Release of Building Permits

The Developer may request, and the Director of Planning and Development may approve, the release of up to ten percent (10%) of the total building permits for the lots listed on pg. 1 of this agreement upon completion of the public streets and final acceptance of the sanitary sewer and underground stormwater drainage facilities that are not deemed private. Building permits for all lots will be released upon final acceptance of all public and private infrastructure improvements, park and trail construction, screening walls, retaining walls, landscaping, irrigation, and tree mitigation in accordance with the Subdivision Improvement Plans that were approved by the City on **INSERT APPROVAL DATE.**

Subdivision Improvement Plan Agreement – Piney Creek Bend Phase II

4.50 Dedication of Infrastructure Improvements

Upon final acceptance of Piney Creek Bend Phase II, the public streets, sanitary sewer, and underground stormwater drainage facilities shall become the property of the City.

4.60 Assignment

This agreement, any part hereof, or any interest herein shall not be assigned by the Developer without written consent of the City Manager, said consent shall not be unreasonably withheld, and it is further agreed that such written consent will not be granted for the assignment, transfer, pledge and/or conveyance of any refunds due or to become due to the Developer except that such assignment, transfer, pledge and/or conveyance shall be for the full amount of the total of all such refunds due or to become due hereunder nor shall assignment release assignor or assignee from any and all Development assurances and responsibilities set forth herein.

4.70 Conflicts

In the event of a conflict between this agreement and that certain Development Agreement between the City of Bastrop and KB Home Lone Star, Inc. effective **INSERT DATE** (the "Development Agreement"), the Development Agreement shall control.

Subdivision Improvement Plan Agreement – Piney Creek Bend Phase II

IN TESTIMONY WHEREOF, the City of Bastrop has caused this instrument to be executed in duplicate in its name and on its behalf by its City Manager, attested by its City Secretary, with the corporate seal of the City affixed, and said Developer has executed this instrument in duplicate, at the City of Bastrop, Texas this the XX day of XXXXXXXXXX, 20__.

INSERT DEVELOPMENT NAME

City of Bastrop, Texas

John Zinsmeyer, VP Land Development
KB Home Lone Star, Inc.

City Manager

ATTEST:

Ann Franklin
City Secretary

Date

APPROVED AS TO FORM AND LEGALITY:

Alan Bojorquez
City Attorney

Date

Distribution of Originals: Developer
 City Secretary
 Planning and Development Department



STAFF REPORT

MEETING DATE: June 9, 2020

AGENDA ITEM: 9E

TITLE:

Consider action to approve the first reading of Ordinance No. 2020-16 of the City Council of the City of Bastrop, Texas, amending the BEDC budget for the Fiscal Year 2020 in accordance with existing statutory requirements; appropriating the various amounts herein as attached in Exhibit A; repealing all prior ordinances and actions in conflict herewith; establishing an effective date, and move to include on the June 23, 2020 City Council Consent agenda for a second reading.

STAFF REPRESENTATIVE:

Tracy Waldron, Chief Financial Officer

BACKGROUND/HISTORY:

The FY2020 budget was approved by City Council on September 24, 2019. Since that approval, the Economic Development Corporation (EDC) made the following amendment:

Budget Amendment #1: Economic Development Corporation-Expenditures

The EDC passed Resolution R-2020-0015 on June 1, 2020 to amend their FY2020 budget to allocate \$270,000 from reserve funds for a 20% match on an Economic Development Administration Assistance Grant to facilitate the capital and facilities to provide immediate workforce training and development courses and certifications.

POLICY EXPLANATION:

The Texas Local Government Code Sec. 501.073 states the corporation's authorizing unit (the city) will approve all programs and expenditures of a corporation.

The City Charter requires that when the budget is amended, that the amendment be made by Ordinance.

FUNDING SOURCE:

EDC

RECOMMENDATION:

Consider action to approve the first reading of Ordinance No. 2020-16 of the City Council of the City of Bastrop, Texas, amending the BEDC budget for the Fiscal Year 2020 in accordance with existing statutory requirements; appropriating the various amounts herein as attached in Exhibit A; repealing all prior ordinances and actions in conflict herewith; establishing an effective date, and move to include on the June 23, 2020 City Council Consent agenda for a second reading.

ATTACHMENTS:

- Ordinance No. 2020-16
- Exhibit A
- EDC Resolution R-2020-0015

ORDINANCE NO. 2020-16

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, AMENDING THE BEDC BUDGET FOR THE FISCAL YEAR 2020 IN ACCORDANCE WITH EXISTING STATUTORY REQUIREMENTS; APPROPRIATING THE VARIOUS AMOUNTS HEREIN, AS ATTACHED IN EXHIBIT A; REPEALING ALL PRIOR ORDINANCES AND ACTIONS IN CONFLICT HEREWITH; AND ESTABLISHING FOR AN EFFECTIVE DATE.

WHEREAS, the City Manager of the City of Bastrop, Texas has submitted to the Mayor and City Council proposed amendment(s) to the budget of the revenues and/or expenditures/expenses of conducting the affairs of said city and providing a complete financial plan for Fiscal Year 2020; and

WHEREAS, the Mayor and City Council have now provided for and conducted a public hearing on the budget as provided by law.

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

Section 1: That the proposed budget amendment(s) for the Fiscal Year 2020, as submitted to the City Council by the City Manager and which budget amendment(s) are attached hereto as Exhibit A, are hereby adopted and approved as the amended budget of said city for Fiscal Year 2020.

Section 2: If any provision of this ordinance or application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions, or application thereof, of this ordinance, which can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are hereby declared to be severable.

Section 3: This ordinance shall take effect upon the date of final passage noted below, or when all applicable publication requirements, if any, are satisfied in accordance with the City's Charter, Code of Ordinances, and the laws of the State of Texas.

READ and APPROVED on First Reading on the 9th day of June 2020.

READ and ADOPTED on Second Reading on the 23rd day of June 2020.

APPROVED:

Connie B. Schroeder, Mayor

ATTEST:

Ann Franklin, City Secretary

APPROVED AS TO FORM:

Alan Bojorquez, City Attorney

EXHIBIT A

Budget Amendment #1: Economic Development Corporation-Expenditures

FY 2020 Budget Book (Page 314)

Original Budget	\$ 5,243,898
Real Property (601-70-00-6060)	<u>\$ 270,000</u>
New Total Expenditure	\$5,513,898

This amendment is using available reserve funds to set aside the 20% match for an Economic Development Administration Assistance Grant to facilitate the capital and facilities to provide immediate workforce training and development courses and certifications. The Economic Development Corporation is requesting these grant funds to secure a facility to be used for this purpose.

RESOLUTION NO. R-2020-0015

A RESOLUTION OF THE BASTROP ECONOMIC DEVELOPMENT CORPORATION AUTHORIZING THE CORPORATION'S APPLICATION FOR AN ECONOMIC DEVELOPMENT ADMINISTRATION GRANT AND APPROVING AN AMENDMENT TO THE BASTROP ECONOMIC DEVELOPMENT CORPORATION'S FY 2019/2020 ANNUAL BUDGET TO ALLOCATE \$270,000.00 FROM RESERVE FUNDS FOR A TWENTY PERCENT (20%) MATCH ON AN ECONOMIC DEVELOPMENT ADMINISTRATION ASSISTANCE GRANT IN THE AMOUNT OF \$1,350,000.00 TO FACILITATE THE CAPITAL AND FACILITIES TO PROVIDE IMMEDIATE WORKFORCE TRAINING AND DEVELOPMENT COURSES AND CERTIFICATIONS; AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE ALL NECESSARY PAPERWORK; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Bastrop Economic Development Corporation ("BEDC") is a public instrumentality and non-profit industrial development corporation duly established and operating under Texas Local Government Code, Chapters 501 and 505, *et seq.*, as amended, known as the Development Corporation Act of 1979 (the "Act"), and is acting with the approval of the governing body of the City of Bastrop, Texas (the "City"); and

WHEREAS, on May 7, 2020, the Economic Development Administration ("EDA") announced the FY 2020 Public Works and Economic Adjustment Assistance Notice of Funding Opportunity; and

WHEREAS, eligible applicants include "State, county, city, or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions"; and

WHEREAS, authorized uses of the grant funds include construction of business incubators; co-work spaces; training centers, and workforce development/expansion; and

WHEREAS, in 2019 the BEDC Board approved engaging Garner Economics LLC to perform a Strategic Plan for the BEDC and to make recommendations regarding an economic development action plan to attract talent and investment to the City of Bastrop, Texas; and

WHEREAS, Garner Economics made a presentation at a joint meeting of the Bastrop City Council and the BEDC Board of Directors on January 15, 2020; and

WHEREAS, one of the recommendations was to develop training and higher education opportunities for Bastrop residents; and

WHEREAS, a second recommendation was to create an entrepreneurial center that could include a small business incubator and a makerspace; and

WHEREAS, a third recommendation was to attract an institute of higher learning to the City of Bastrop for technical training skills and certification; and

RESOLUTION NO. R-2020-0015

WHEREAS, Texas Local Government Code Section 501.101(1)-(2)(K) authorizes BEDC to purchase “land, buildings, equipment, facilities, and improvements” for projects that are for the creation of primary jobs and found by the BEDC Board of Directors to be required or suitable for the development, retention, or expansion of “primary job training facilities for use by institutions of higher learning”; and

WHEREAS, the 11,594-square-foot building and four (4) acres of land located at 402 Technology Drive in the Bastrop Business and Industrial Park (“Training Center”) are currently available for purchase at a purchase price of \$1,300,000.00; and

WHEREAS, after careful evaluation and consideration by the Board, it is determined that the BEDC purchasing the Property would be a viable solution to addressing one, two and/or all three of the above three recommendations in the 2020 Strategic Plan, and would allow for the development, retention, and/or expansion of primary job training facilities for use by institutions of higher learning; and

WHEREAS, the Training Center needs very little work and retrofitting and is currently the only property available for purchase in the City limits that meets all criteria, and possesses the required classroom space, square footage, infrastructure, building design, and parking availability for a workforce development and higher education training center; and

WHEREAS, the BEDC authorizes the purchase of the real property and all improvements located at 402 Technology Drive, Bastrop, Texas 78602 for the strict purpose of developing the workforce in the Bastrop area by creating a training and learning certification center through partnerships with Bastrop Independent School District, Austin Community College, Texas Workforce Solutions, area businesses and business leaders, and additional higher learning institutions; and

WHEREAS, the Training Center will be able to train students in both a classroom and workshop environment with the approximate eight (8) traditional classrooms with high speed internet availability, and then the 5,000-square-foot insulated metal building workshop attached to the Training Center provides students the ability to earn their HVAC, welding, and plumbing certifications through Austin Community College’s curriculum and job placement through Texas Workforce Solutions, the BEDC and local businesses and apprenticeships; and

WHEREAS, the BEDC wishes to apply for these grant funds, which application requires a commitment of \$270,000, which is a twenty percent (20%) local match of the total project cost of \$1,350,000 for both the purchase of and improvements to the Training Center; and

WHEREAS, the BEDC adopted its FY 2019/2020 Annual Budget on August 19, 2019, which was subsequently adopted and authorized by the City of Bastrop City Council in September 2019; and

WHEREAS, the FY 2019/2020 Annual Budget did not include funding for the Training Center and the twenty percent (20%) match of \$270,000, so the FY 2019/2020 Annual Budget must be

RESOLUTION NO. R-2020-0015

amended to allocate this \$270,000.00 in reserve funds to provide the twenty percent (20%) match; and

WHEREAS, the FY 2019/2020 Annual Budget must be amended to allocate this \$270,000.00 in reserve funds to provide the twenty percent (20%) match for the purchase, repair and improvements of real property and capital to be used exclusively for workforce training, education, development and certifications at the Training Center at 402 Technology Drive, Bastrop, Texas 78602; and

WHEREAS, the BEDC approves of any restrictions to be placed upon the grant EDA and/or the Training Center as a condition of receiving the EDA grant; and

WHEREAS, the BEDC approves of the EDA grant application and approves of using the funds from the EDA grant in strict accordance with the terms required by the EDA, should it be approved and funded by the EDA, for the purchase and improvement of the Training Center in an amount not to exceed \$1,350,000.00, with the BEDC approving twenty (20%) percent of this sum to be broken down as follows: \$260,000 to be allocated from reserve funds for purchase of the Training Center and \$10,000 to be allocated from reserve funds as the twenty percent (20%) match for the total cost of repairs and improvements in the amount of \$50,000 for the Training Center; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public, and public notice of the time, place and purpose at which it was read was given in accordance with Chapter 551, Texas Government Code.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BASTROP ECONOMIC DEVELOPMENT CORPORATION THAT:

SECTION 1. The Board hereby finds that all of the recitals above are true and correct and are incorporated herein as if restated in full.

SECTION 2. The BEDC Board agrees to apply for the EDA grant herein and approves the request to fund a twenty percent (20%) match to the EDA funds.

SECTION 3. The Board approves an amendment to the FY 2019/2020 Annual Budget to allocate funds from the BEDC Reserve Fund Balance Account in the amount of \$270,000.00 to the appropriate BEDC account, to be determined by the City of Bastrop's Chief Financial Officer (the "Budget Amendment").

SECTION 4. The Board recommends and requests that the Budget Amendment approved hereby by the BEDC be considered and approved by the City of Bastrop City Council for the purposes stated herein.

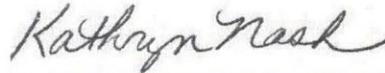
SECTION 5. The Chief Executive Officer is hereby authorized and directed to prepare any instruments and execute all documents needed and reasonably necessary to fulfill the EDA grant paperwork and/or the intent expressed in the recitals herein.

RESOLUTION NO. R-2020-0015

SECTION 6. This Resolution is effective upon passage.

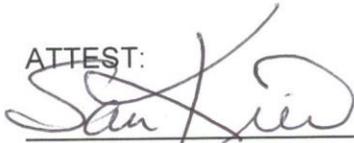
DULY RESOLVED AND ADOPTED on this 3rd day of June 2020 by the Board of Directors of the Bastrop Economic Development Corporation.

BASTROP ECONOMIC
DEVELOPMENT CORPORATION



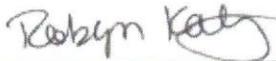
Kathryn Nash, Board Chair

ATTEST:



Sam Kier, Board Secretary

APPROVED AS TO FORM:



Denton, Navarro, Rocha, Bernal & Zech, P.C



STAFF REPORT

MEETING DATE: June 9, 2020

AGENDA ITEM: 9F

TITLE:

Consider action to approve the first reading of Resolution No. R-2020-49 of the City Council of the City of Bastrop, Texas, supporting the Bastrop Economic Development Corporation's application for an Economic Development Administration (EDA) Grant in the amount of one million, three hundred fifty thousand dollars (\$1,350,000.00) to facilitate the capital and facilities to provide immediate workforce training and development courses and certifications; authorizing the BEDC's expenditure of two hundred seventy thousand dollars (\$270,000.00) for the required twenty percent (20%) local match; authorizing the BEDC's Chief Executive Officer to execute all necessary documentation; and establishing an effective date.

STAFF REPRESENTATIVE:

Cameron Cox, Bastrop EDC Chief Executive Officer

BACKGROUND/HISTORY:

Pursuant to Section 505.158(b) of the Local Government Code, prior to the BEDC funding a project involving an expenditure of more than \$10,000, the City Council shall adopt a Resolution authorizing the project, which Resolution shall be read by the City Council on two separate occasions.

Garner Economics conducted a Strategic Plan for the BEDC and made a presentation at a joint meeting of the Bastrop City Council and the BEDC Board of Directors on January 15, 2020. There were three recommendations with regards to workforce training and development. One of the recommendations was to develop training and higher education opportunities for Bastrop residents. A second recommendation was to create an entrepreneurial center that could include a small business incubator and a makerspace. A third recommendation was to attract an institute of higher learning to the City of Bastrop for technical training skills and certification.

The purchase of the DigTech building and partnering with Austin Community College, Bastrop I.S.D. and Texas Workforce Solutions to train and provide classroom certifications to our local workforce accomplishes these three goals. The availability and use of Economic Development Administration (EDA) grant money to fund 80% of the cost would be a true gift to the City of Bastrop during these trying times. For these reasons, we are requesting the City Council approve the application of the grant and the reserve fund match of 20% of the total project cost.

The Training Center would require very little work and retrofitting. It is currently the only property available for purchase in the city limits that meets all criteria. It possesses the required classroom space, square footage, infrastructure, building design, and parking availability for a workforce development and higher education training center.

Texas Local Government Code Section 501.101(1)-(2)(K) authorizes the BEDC to purchase "land, buildings, equipment, facilities, and improvements" for projects that are for the creation of

primary jobs and found by the BEDC Board of Directors to be required or suitable for the development, retention, or expansion of “primary job training facilities for use by institutions of higher learning.”

The total purchase includes the 11,594-square-foot building and four acres of land located at 402 Technology Drive in the Bastrop Business and Industrial Park (“Training Center”). It is currently available at a purchase price of \$1,300,000. The estimated cost for repairs and improvements to the property is an amount not to exceed an additional \$50,000.

Purchasing this Training Center is the best solution to address all three of the above recommendations in the 2020 Strategic Plan, and would allow for the development, retention, and/or expansion of primary job training facilities for use by institutions of higher learning now in this time of high unemployment due to the COVID-19 crisis.

On June 1st, the BEDC Board approved a budget amendment in the amount of \$270,000 for the 20% match. This budget amendment will also require approval by the Bastrop City Council. This documentation is required in order to the BEDC to apply for the grant.

FUNDING SOURCE: The BEDC is requesting a budget amendment to its FY 2019/2020 budget in order to have the 20% match of \$270,000 readily available.

RECOMMENDATION:

Consider action to approve the first reading of Resolution No. R-2020-49 of the City Council of the City of Bastrop, Texas, supporting the Bastrop Economic Development Corporation’s application for an Economic Development Administration (EDA) Grant in the amount of one million, three hundred fifty thousand dollars (\$1,350,000.00) to facilitate the capital and facilities to provide immediate workforce training and development courses and certifications; authorizing the BEDC’s expenditure of two hundred seventy thousand dollars (\$270,000.00) for the required twenty percent (20%) local match; authorizing the BEDC’s Chief Executive Officer to execute all necessary documentation; and establishing an effective date.

Attachments:

Draft Resolution R-2020-49

BEDC Resolution R-2020-15 approving the application and match amount

RESOLUTION NO. R-2020-49

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, SUPPORTING THE BASTROP ECONOMIC DEVELOPMENT CORPORATION'S APPLICATION FOR AN ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) GRANT IN THE AMOUNT OF ONE MILLION, THREE HUNDRED FIFTY THOUSAND DOLLARS (\$1,350,000.00) TO FACILITATE THE CAPITAL AND FACILITIES TO PROVIDE IMMEDIATE WORKFORCE TRAINING AND DEVELOPMENT COURSES AND CERTIFICATIONS; AUTHORIZING THE BEDC'S EXPENDITURE OF TWO HUNDRED SEVENTY THOUSAND DOLLARS (\$270,000.00) FOR THE REQUIRED TWENTY PERCENT (20%) LOCAL MATCH; AUTHORIZING THE BEDC'S CHIEF EXECUTIVE OFFICER TO EXECUTE ALL NECESSARY DOCUMENTATION; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, in recognition of the positive economic benefits which will accrue, and pursuant to the terms of Texas Local Government Code Section 501.101(1)-(2)(K), the Board of Directors of the Bastrop Economic Development Corporation ("BEDC") has authorized the application for an Economic Development Administration (EDA) Grant in the amount of \$1,350,000.00 to facilitate the capital and facilities to provide immediate workforce training and development courses and certifications, in the City of Bastrop, Bastrop County, Texas, through the BEDC's funding of the required twenty percent (20%) local match of \$270,000.00; and

WHEREAS, on May 7, 2020, the Economic Development Administration ("EDA") announced the FY 2020 Public Works and Economic Adjustment Assistance Notice of Funding Opportunity; and

WHEREAS, eligible applicants include "State, county, city, or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions"; and

WHEREAS, authorized uses of the grant funds include construction of business incubators; co-work spaces; training centers, and workforce development/expansion; and

WHEREAS, in 2019 the BEDC Board approved engaging Garner Economics LLC to perform a Strategic Plan for the BEDC and to make recommendations regarding an economic development action plan to attract talent and investment to the City of Bastrop, Texas; and

WHEREAS, Garner Economics made a presentation at a joint meeting of the Bastrop City Council and the BEDC Board of Directors on January 15, 2020; and

WHEREAS, one of the recommendations was to develop training and higher education opportunities for Bastrop residents; and

WHEREAS, a second recommendation was to create an entrepreneurial center that could include a small business incubator and a makerspace; and

WHEREAS, a third recommendation was to attract an institute of higher learning to the City of Bastrop for technical training skills and certification; and

WHEREAS, Texas Local Government Code Section 501.101(1)-(2)(K) authorizes BEDC to purchase “land, buildings, equipment, facilities, and improvements” for projects that are for the creation of primary jobs and found by the BEDC Board of Directors to be required or suitable for the development, retention, or expansion of “primary job training facilities for use by institutions of higher learning”; and

WHEREAS, the 11,594-square-foot building and four (4) acres of land located at 402 Technology Drive in the Bastrop Business and Industrial Park (“Training Center”) are currently available for purchase at a purchase price of \$1,300,000.00; and

WHEREAS, after careful evaluation and consideration by the Board, it is determined that the BEDC purchasing the Property would be a viable solution to addressing all three of the above recommendations in the 2020 Strategic Plan, and would allow for the development, retention, and/or expansion of primary job training facilities for use by institutions of higher learning through Austin Community College’s curriculum and job placement through Texas Workforce Solutions, the BEDC and local businesses and apprenticeships; and

WHEREAS, at a meeting of the BEDC Board of Directors on June 1, 2020, the BEDC approved of the EDA grant application to purchase the building with EDA grant funds, which requires a commitment of \$270,000, or a twenty percent (20%) local match of the total project cost of \$1,350,000 for both the purchase of and improvements to the Training Center; and

WHEREAS, pursuant to Texas Local Government Code Section 505.158 the BEDC is required to obtain approval from the Bastrop City Council for this project and expenditure of these funds, and the BEDC and City Council by separate resolutions shall authorize the application for the grant as well as approval of the funding.

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

SECTION 1. The City Council of the City of Bastrop approves of BEDC Resolution 2020-15 authorizing the Bastrop Economic Development Corporation’s application for an Economic Development Administration Grant requesting funding to facilitate the capital and facilities to provide immediate workforce training and development courses and certifications.

SECTION 2. Open Meeting. The City Council hereby finds and determines that the meeting at which this Resolution was passed was open to the public, and public notice of the time, place and purpose at which it was read was given in accordance with Chapter 551, Texas Government Code.

SECTION 3. Any prior resolution of the City Council in conflict with the provisions contained in this Resolution are hereby repealed and revoked.

SECTION 4. Should any part of this Resolution be held to be invalid for any reason, the remainder shall not be affected thereby, and such remaining portions are hereby declared to be severable.

SECTION 5. Two Readings Required. This Resolution shall take effect immediately from and after its passage upon a subsequent second reading and passage, and it is duly resolved.

This resolution shall be in full force and effect from and after its final adoption.

READ and ACKNOWLEDGED on First Reading on the 9th day of June 2020.

READ and APPROVED on the Second Reading on the ____ day of _____ 2020.

[SIGNATURE PAGE FOLLOWS]

CITY OF BASTROP, TEXAS

APPROVED:

Connie B. Schroeder, Mayor

ATTEST:

Ann Franklin, City Secretary

APPROVED AS TO FORM:

Alan Bojorquez, City Attorney

DRAFT



STAFF REPORT

MEETING DATE: June 9, 2020

AGENDA ITEM: 10A

TITLE:

Pursuant to Texas Government Code Section 551.071 to deliberate upon, seek the legal advice of, and direct its Litigation Counsel regarding Main Street Rehabilitation Project.

STAFF REPRESENTATIVE:

Robert Wood, Interim City Manager





STAFF REPORT

MEETING DATE: June 9, 2020

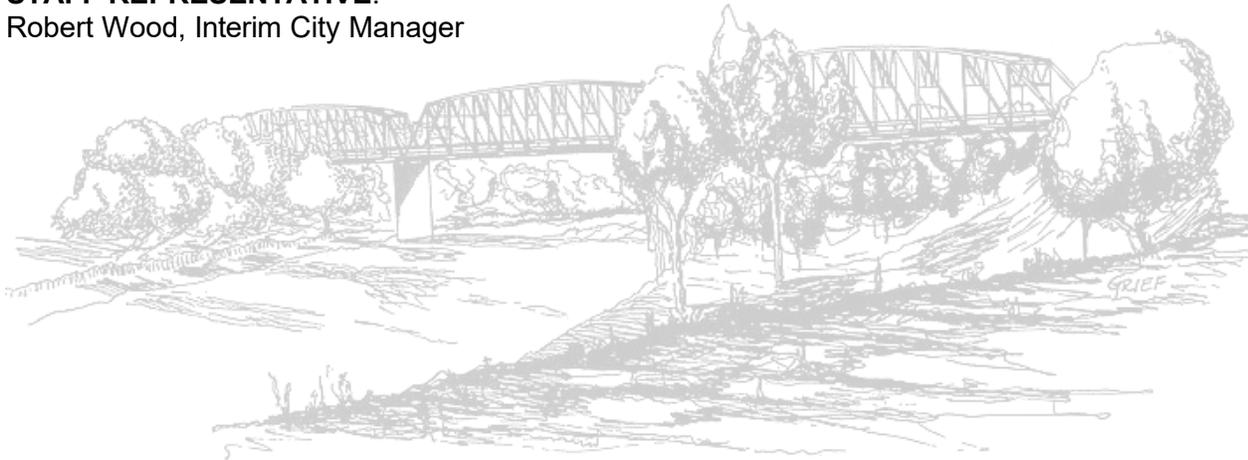
AGENDA ITEM: 10B

TITLE:

City Council shall convene into closed executive session pursuant to Sections 551.071 and 551.072 of the Texas Government Code to confer with legal counsel and deliberate acquisition of real property and easements associated with the construction of Wastewater Treatment Plant #3 and the Westside Collection System, including approval of resolutions supporting continued negotiations and initiating the condemnation process (i.e., eminent domain).

STAFF REPRESENTATIVE:

Robert Wood, Interim City Manager





STAFF REPORT

MEETING DATE: June 9, 2020

AGENDA ITEM: 11

TITLE:

Take any necessary or appropriate action on matters posted for consideration in closed/executive session

STAFF REPRESENTATIVE:

Robert Wood, Interim City Manager

