

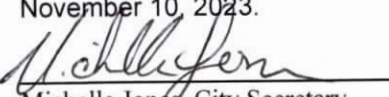
AGENDA

The City Council of the City of Daingerfield shall meet in Regular Session Monday, November 13, 2023, at 6:00 p.m. in the Daingerfield Volunteer Fire Department located at 823 W.W.M. Watson Blvd. The order of business will be as follows:

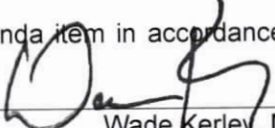
1. **Call Meeting to Order.**
2. **Invocation, Pledge of Allegiance and Texas Pledge.**
3. **Public Comments.**
4. **Consent Agenda**
All Consent items are considered to be routine and will be enacted by one motion and vote.
 - A. Deliberate and Act to Approve Minutes of October 9, 2023, and October 24, 2023.
5. **Business**
Discuss, Consider, and Possibly Take Action Regarding:
 - A. Discuss and Consider Awarding Contracts for Bond Counsel, Financial Advisory Services and Engineering in Connection with Texas Water Development Board Project and Authorize and Direct Interim City Manager to Execute Contracts with each such Firm.
 - B. Discuss and Consider Adoption of an Ordinance Authorizing the Issuance of City of Daingerfield, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Series 2023, In the Principal Amount of \$1,950,000 and Awarding the Sale of Such Certificates of Obligation to the Texas Water Development Board.
 - C. Discuss and Consider Adoption of a Resolution Approving the Execution and Delivery of a Principal Forgiveness Agreement for \$1,000,000 for Sewer System Improvements; and Resolving Other Matters Relating to the Subject.
 - D. Discuss and Consider Adoption of a Resolution authorizing Interim City Manager to open new bank accounts related to TWDB Loans and Grant Monies
 - E. Deliberate and Possibly Act to Approve Resolution 2023-12 to enact a Charter Commission to review the City Charter for revisions.
 - F. Deliberate and Possibly Act to Appoint Citizens to the City Charter Review Commission
 - G. Deliberate and Possibly Act to Approve a Resolution Authorizing Interim City Manager Michelle Jones as the City's Executive Officer and Authorized Representative Pertaining to the City's Participation in the Home Program.
 - H. Deliberate and Act on Ordinance Voting for Candidate(s) for the Morris County Appraisal District Board of Directors for 2024-2025
6. **Monthly Departmental Reports:** *Informational reports only; no action to be taken:*
 - A. Animal Shelter, Code Enforcement, Electrical, EMS, Fire, Library, Municipal court, Police, Public Works
 - B. Financial
 - C. City Manager
7. **Monthly Boards and Commissions Minuets:** *Informational reports only; no action to be taken:*
 - A. Economic Development Corporation and Northeast Texas Municipal Water District
8. **Executive Session**
The City Council of Daingerfield has the right to adjourn into executive session at any time during the course of this meeting to discuss any matter as authorized by Texas Government Code Sections 551.071 (Consultation with City Attorney), 551.072 (Deliberations Regarding Real Property), 551.073 (Deliberations Regarding Gifts and Donations), 551.074 (Personnel Matters), and 551.076 (Deliberations Regarding Security Devices)
 - A. Convene into Executive Session pursuant to Section 551.074 (Personnel Matters) of the Government Code to deliberate regarding the salary of the Interim City Manager and review submitted applications for City Manager.
 - B. Reconvene into public session and take action as appropriate at the City Council's discretion regarding the salary of the Interim City Manager and submitted applications for City Manager.
9. **Adjournment.**

Note: The City of Daingerfield reserves the right to conduct closed meetings on any agenda item in accordance with §551.071 -- §551.076 of the Government Code.

I, Michelle Jones, certify that the above notice of meeting was posted in a public place before 4:30 p.m. on Friday, November 10, 2023.


Michelle Jones, City Secretary




Wade Kerley, Mayor

CITY SECRETARY'S AGENDA NOTES
November 13, 2023

2. Invocation, Pledge of Allegiance and Texas Pledge.

- 3. Public Comments.:** *At this time, anyone will be allowed to speak on any matter other than personnel matters and matters under litigation, for length of time not to exceed three minutes. No Council discussion or action may take place on a matter until such matter has been placed on an agenda and posted in accordance with the law.*

If, at a meeting of a governmental body, a member of the public or of the governmental body inquiries about a subject for which notice has not been given as required by this subchapter, the notice provisions of this subchapter do not apply to:

- (1) a statement of specific factual information given in response to the inquiry; or
- (2) a recitation of existing policy in response to the inquiry.

4. Consent Agenda

All consent items are considered to be routine and will be enacted by one motion and vote.

- A. Deliberate and Act to Approve Minutes of October 9, 2023, and October 24, 2023:** Drafts of the minutes are on pages 5 through 11 of your packets.

5. Business

Discuss, Consider, and Possibly Take Action Regarding

- A. Discuss and Consider Awarding Contracts for Bond Counsel, Financial Advisory Services and Engineering in Connection with Texas Water Development Board Project and Authorize and Direct Interim City Manager to Execute Contracts with each such Firm:** The deadline to submit proposals for Bond Counsel, Financial Advisory Services and Engineering in connection with the City's TWDB Project was Monday, November 13, 2023, at 3:00 p.m.
- B. Discuss and Consider Adoption of an Ordinance Authorizing the Issuance of City of Daingerfield, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Series 2023, In the Principal Amount of \$1,950,000 and Awarding the Sale of Such Certificates of Obligation to the Texas Water Development Board:** Ordinance on pages 14 through 23. The sources, pricing summary and debt service schedule for Series 2023 are listed on page 15. Steven Adams with Specialized Public Finance will be in attendance.
- C. Discuss and Consider Adoption of a Resolution Approving the Execution and Delivery of a Principal Forgiveness Agreement for \$1,000,000 for Sewer System Improvements; and Resolving Other Matters Relating to the Subject.** The resolution is on pages 44 and 45.
- D. Discuss and Consider Adoption of a Resolution authorizing Interim City Manager to open new bank accounts related to TWDB Loans and Grant Monies:** The resolution is on pages 46 and 47.
- E. Deliberate and Possibly Act to Approve Resolution 2023-12 to enact a Charter Commission to review the City Charter for revisions:** Since the City Council has previously called for a Charter election to determine a revision to the Charter is an appropriate time to appoint a Charter Commission to review the Charter in its entirety for recommendations to Council for revisions. The Texas Constitution provides that a city charter shall not be altered, amended, or repealed more often than every two years. (The term "year" refers to a calendar year, so essentially it would be 3 years before another charter amendment could be called). The City Attorney has stated that he will review and provide suggestions to the appointed commission. Ordinance provided by the City Attorney is on pages 48 through 49. Council is not required to appoint a charter commission to do this, however, it is advised to do so to allow for public input.
- F. Deliberate and Possibly Act to Appoint Citizens to the City Charter Review Commission.:** Our City Attorney advised that if the Ordinance to enact a Charter Commission is approved then it would be in the City's best interest to go ahead and appoint members to ensure that proper time is given and allowed for a full review. Recommendations from the Commission will need to be presented to the Council for review by January to follow the appropriate election timeline.

Rona Elwell, Martha Campbell, Jim Goodman, Stan Wyatt, Wendy Loupee, Pam Spann and Bob Scaff have all agreed to serve at the councils' discretion.

- G. **Deliberate and Possibly Act to Approve a Resolution Authorizing Interim City Manager Michelle Jones as the City's Executive Officer and Authorized Representative Pertaining to the City's Participation in the Home Program:** Resolution is on page 50.
- H. **Deliberate and Act on Ordinance Voting for Candidate(s) for the Morris County Appraisal District Board of Directors for 2024-2025:** Information from the Appraisal District is on pages 51 through 53. Nominees for the 2024-2025 Morris County Appraisal District Board of Directors are: Joe Austin II, Randy Claton, Jim Goodman, Miguel Larsen, Danny Lilley, Fernando Lucha, and Randy Sutton. The City of Daingerfield has 222 votes to cast. You may split your votes between nominees.

6. **Monthly Departmental Reports: *Informational reports only; no action to be taken:***

- A. **Animal Shelter, Code Enforcement, Electrical, EMS, Fire, Library, Municipal court, Police, Public Works:** Monthly Reports are on pages 54 through 64.
- B. **Financial:** Located on pages 65 through 74
- C. **City Manager:** Report on page 4

7. **Monthly Boards and Commissions Minuets: *Informational reports only; no action to be taken:***

- A. **Economic Development Corporation, Northeast Texas Municipal Water District:** Copies of the NTMWD minutes are on pages 75 and 76.

8. **Executive Session**

The City Council of Daingerfield has the right to adjourn into executive session at any time during the course of this meeting to discuss any matter as authorized by Texas Government Code Sections 551.071 (Consultation with City Attorney), 551.072(Deliberations Regarding Real Property), 551.073 (Deliberations Regarding Gifts and Donations), 551.074 (Personnel Matters), and 551.076 (Deliberations Regarding Security Devices)

- A. Convene into Executive Session pursuant to Section 551.074(Personnel Matters) of the Government Code to deliberate regarding the salary of the Interim City Manager and review submitted applications for City Manager.
- B. Reconvene into public session and take action as appropriate at the City Council's discretion regarding the salary of the Interim City Manager and submitted applications for City Manager.

9. **Adjournment**



Interim City Manager's Report

On October 25, 2023, a letter was sent to all residents affected by the ongoing boil water notice. This letter contains information about the developments related to the issue and outlines the City's plans to resolve it. Our primary objective is to maintain transparency and keep our residents well-informed.

We met with engineers to discuss the next step for resolving our boil water notice. During this discussion, it was decided to initiate a project to install pipes at the Union Pump station, which will establish a direct connection from the ground storage to our distribution lines. We have a meeting scheduled with the contractor on November 9th, and I will provide further updates on this project during our meeting on Monday.

We met with the contractor responsible for the new convenience store project on Cotton St. to explore the possibility of replacing the sewer line that runs through the property. The contractor has agreed to mark the line and include it in the survey, and they will share this information with the City once it's available. Initial discussions suggest that it might be necessary to install two new manholes for this sewer line. Further conversations are required to determine the associated costs and decide on the responsible party for covering these expenses.

The City has been informed that we will be receiving funds for the CDBG Grant we applied for in May. It appears that the City is slated for the second round of funding, and meetings to discuss this are expected to commence in August or September of the coming year.

We hired two new employees for the Public Works department. Kenneth Riddle brings with him over a decade of experience in the Public Works department, while Johnnie Sawyer holds licenses in Surface Water, Ground Water, and Wastewater, with over two decades of experience. We are excited to work with both of them and extend a warm welcome to them within our City.

The recently installed 4 x 8 sign at Irvin Ballpark now identifies the Animal Shelter, Wastewater Plant, and the Baseball Park.

Our employee Christmas Party is happening on December 1st. Plus, don't miss out on the Annual Christmas in the Park event hosted by the Chamber of Daingerfield on December 4th. There'll be a festive Christmas parade, vendor booths, food trucks, and more.

Michelle Jones
Interim City Manager



MINUTES OF REGULAR MEETING
OF CITY COUNCIL
CITY OF DAINGERFIELD
October 9, 2023

City Council Present: Mayor Wade Kerley Councilmembers, Vicki Smith, David Hood, Ben Ramirez and Mike Carter

Absent: Councilmember Jessie Ayers, City Manager Keith Whitfield

City Staff Present: City Secretary Michelle Jones, Police Chief Tracey Climer, Public Works Director Kiersten Wiley, Fire Chief Jimmy Cornileus, Assistant Chief Travis Miller

Others: Phyllis Mills, Carolyn Adkins, Marty Walker, Leanna Walker, David Adkins, Jim Goodman,

Mayor Kerley called the meeting to order at 6:00 p.m.

Mayor Kerley gave the Invocation.

The Pledge of Allegiance and Texas Pledge.

Public Comments:

Carolyn Adkins spoke about the length of time the citizens have been on a Boil Water Notice. Ms. Adkins wanted more information to be relayed to citizens on the boil water notice, such as why are we under a boil notice, what happened, what is being done to fix it and when is it estimated to be fixed.

Phyllis Mills spoke about the boil water notification and status of the boil water. Ms. Mills stated that letters or door hangers should have been sent out. Ms. Mills stated that the current notification is not enough. Ms. Mills requested to have the water fixed, they are tired of boiling water.

Marty Walker spoke on three topics. Mr. Walker provided City Council with three pages of information on his topics. Information is retained with the packet for record keeping. Mr. Walker spoke on the 10.10% increase on water rates, he stated he does not support the charter amendment allowing the City Manager to live outside of the city limits of Daingerfield, and he stated that he believes that the Council may make the change to the charter themselves regarding Election Run Off for the position of Mayor.

4. Consent Agenda

All Consent items are considered to be routine and will be enacted by one motion and vote.

- A. Deliberate and Act to Approve Minutes of September 11, 2023, and September 18, 2023:** Motion made by Councilmember Carter to approve consent agenda as presented, seconded by Councilmember Hood and all voted for. Motion carried.

5. Business

Discuss, Consider, and Possibly Take Action Regarding:

- A. Deliberate and Possibly Take Action on Preliminary Lease Agreement with Dixie Youth:** No action taken. Preliminary lease to be sent to Dixie Youth association for input.
- B. Deliberate, Discuss and Possibly Take Action to Adopt Policy, Guidelines and Criteria for granting Tax Abatement in Enterprise or Reinvestment Zone for City of Daingerfield:** Motion made by Councilmember Hood to adopt the policy, guidelines and criteria for granting Tax Abatement in Enterprise or Reinvestment Zone for the City of Daingerfield as presented, seconded by Councilmember Smith and all voted for. Motion carried.
- C. Deliberate and Possibly Act on Resolution to Approve Maintenance Agreement with the Texas Department of Transportation:** Motion made by Councilmember Carter to approve the Resolution for the Maintenance Agreement with the Texas Department of Transportation, seconded by Councilmember Hood and all voted for. Motion carried.
- D. Deliberate and Act on Ordinance Nominating Candidate(s) for the Morris County Appraisal District Board of Directors for 2024-2025:** Candidates nominated by council are Jim Goodman, Randy Sutton, and Sheran West. Councilmember Carter moved to cease nominations at three, seconded by Councilmember Hood and all voted for, motion carried.
- E. Deliberate and Possibly Act on City Charter Amendment to Article XI, Section 2 of the Home Rule Charter Relating to the Residency Requirements for City Manager extending the distance to 20 miles:** Motion made by Councilmember Hood to place City Charter Amendment to Article XI, Section 2 of the Home Rule Charter Relating to the Residency Requirements for City Manager extending the distance to 20 miles on the May election, seconded by Councilmember Ramirez and Councilmembers Hood, Ramirez, and Smith voted for, Councilmember Carter voted against. Motion carried 3 to 1.

F. Deliberate and Possibly Act on City Charter Amendment to Article VI., Section 9 to allow a run-off election for the position of Mayor: Motion made by Councilmember Ramirez to leave the City Charter Article VI., Section 9 as it is currently written in the City Charter, seconded by Councilmember Hood and all voted for.

G. Addendum: Deliberate and Act on Tax Roll Approval and Tax Levy Resolution: Motion made by Councilmember Carter to approve the Tax Roll Approval and Tax Levy Resolution, seconded by Councilmember Hood and all voted for, motion carried.

6. Monthly Departmental Reports: *Informational reports only; no action to be taken:*

- a. Animal Shelter, Code Enforcement, Electrical, EMS, Fire, Library, Municipal court, Police, Public Works
- b. Financial
- c. City Manager

7. Monthly Boards and Commissions Minuets: *Informational reports only; no action to be taken:*

- a. Economic Development Corporation and Northeast Texas Municipal Water District

8. Executive Session

The City Council of Daingerfield has the right to adjourn into executive session at any time during the course of this meeting to discuss any matter as authorized by Texas Government Code Sections 551.071 (Consultation with City Attorney), 551.072(Deliberations Regarding Real Property), 551.073 (Deliberations Regarding Gifts and Donations), 551.074 (Personnel Matters), and 551.076 (Deliberations Regarding Security Devices)

A. Convene into Executive Session pursuant to Section 551.074(Personnel Matters) of the Government Code to deliberate regarding the resignation of the City Manager and to deliberate the appointment of an interim City Manager: Mayor Kerley convened the City Council into a Closed meeting to deliberate the resignation of the City manager and to deliberate the appointment of an interim City Manager beginning at 6:53p.m. Mayor Kerley adjourned the executive session at 7:14p.m. No action was taken.

B. Reconvene into public session and take action as appropriate at the City Council's discretion regarding the resignation of the City Manager and the appointment of an interim City Manager: Mayor Kerley reconvened into public session at 7:14p.m. and Councilmember Hood made a motion to accept the City Manager Keith Whitfield's resignation as presented, seconded by Councilmember Carter and all voted for, motion carried. Councilmember Rameriz motioned to appoint City Secretary Michelle Jones as the Interim City Manager, seconded by Councilmember Smith and all voted for, motion carried.

9. Adjournment.

There being no further business before the Council, the meeting was adjourned at 7:16 p.m. on motion by Councilmember Carter seconded by Councilmember Hood and all voted for, motion carried.

Wade Kerley, Mayor

ATTEST:

Michelle Jones
City Secretary

**Certified Agenda of the Proceedings of
An Executive Session of the
City Council of the City of Daingerfield, Texas
on October 9, 2023**

In accordance with the provisions of Chapter 551 of the Texas Local Government Code, as amended, the City Council of the City of Daingerfield, convened an open meeting at 6:00 PM on the day of **October 9, 2023**. The City Council, pursuant to an announcement made by the Presiding officer, then convened to an executive session, closed to the public, at 6:53PM in accordance with the Texas Local Government Code,.

Those present: Mayor Wade Kerley, Council Members Vicki Smith, Ben Ramirez, David Hood, Mike Carter, and City Secretary Michelle Jones

The following matters were discussed during the said executive session:

8A. Section 551.074 of the Government Code to Deliberate the resignation of the City Manager and to deliberate the appointment of an interim City Manager (551.074)

The Presiding Officer announced the end of the executive session at 7:14PM on **October 9, 2023**, and the City Council reconvened in open session. No action was taken and no vote was called during the Executive Session, and any action taken regarding the above agenda items after Executive Session is reflected in the attached minutes.

Certification

The undersigned, as Presiding Officer of the above indicated executive session of the City Council of the City of Daingerfield, Texas does hereby certify that the agenda of said executive session as set forth above is a true and correct record of such proceeding and that no other items of business or deliberation was conducted other than as set forth in the above agenda. Any final action taken on the items discussed was only taken in an Open Meeting in accordance with the Open Meetings Act, Chapter 551 of the Texas Local Government Code, and is recorded in the minutes of the open meeting.

By: _____
Mayor Wade Kerley
Presiding Officer

MINUTES OF REGULAR MEETING
OF CITY COUNCIL
CITY OF DAINGERFIELD
October 24, 2023

City Council Present: Mayor Wade Kerley Councilmembers, David Hood, Ben Ramirez and Mike Carter

Absent: Councilmember Vicki Smith and Jessie Ayers

City Staff Present: City Secretary Michelle Jones, Fire Chief Jimmy Cornileus, Assistant Chief Travis Miller

Others: Carolyn Adkins, Darrell Vickers-STV, David Stanley-STV, Lou Irvin, Jim Goodman, Duane Grisset-LifeNet, Jess Gibbs-LifeNet

Mayor Kerley called the meeting to order at 6:00 p.m.

Mayor Kerley gave the Invocation.

The Pledge of Allegiance and Texas Pledge.

Public Comments:

Carolyn Adkins spoke about the length of time the citizens have been on a Boil Water Notice. Mrs. Adkins also spoke about the frustration and difficulties in having to boil water for this length of time. Mrs. Adkins implored Council to make getting this issue corrected the only priority of the City. Mrs. Adkins also asked council to consider granting the discount to the residents affected by the boil water notice.

4. Business

Discuss, Consider, and Possibly Take Action Regarding:

- A. Deliberate and Possibly Act to Approve the Scope of the Proposed EMS Facility:** Motion made by Councilmember Carter to consult with members of LifeNet, Air Methods and the Fire Department on the specifics of the building and to relay that information to STV (formerly CP&Y), seconded by Councilmember Ramirez and all voted aye. Motion carried.
- B. Deliberate and Possibly Act to Approve an Ordinance allowing a Discount on Water Rates to the Residents Affected by the ongoing Boil Water Notice located at Wildwood Dr., Freeman Ave., Ewan Blvd., Rutledge Blvd., Irvin Pkwy., Gifford Ave and West Elementary:** Motion made by Councilmember Carter to approve the ordinance as presented with a 30% discount for a period of 90 days to

end on February 1, 2024, seconded by Councilmember Hood and all voted aye.
Motion carried.

5. Adjournment.

There being no further business before the Council, the meeting was adjourned at 6:38 p.m. on motion by Councilmember Carter seconded by Councilmember Hood and all voted for, motion carried.

Wade Kerley, Mayor

ATTEST:

Michelle Jones
City Secretary

CERTIFICATE FOR ORDINANCE

We, the undersigned officers of the City of Daingerfield, Texas, hereby certify as follows:

1. The City Council of said City convened in Regular Session on the 13th day of November, 2023, at the scheduled meeting place thereof, and the roll was called of the duly constituted officers and members of said City Council, to-wit:

Wade Kerley, Mayor	Ben Ramirez
Jessie Ayers, Mayor Pro-Tem	Mike Carter
David Hood	Vicki Smith

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

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF \$1,950,000 CITY OF DAINGERFIELD, TEXAS COMBINATION TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2023 TO THE TEXAS WATER DEVELOPMENT BOARD TO FUND SEWER SYSTEM IMPROVEMENTS; LEVYING AD VALOREM TAXES FOR THE PAYMENT OF SUCH CERTIFICATES; AND ENACTING OTHER MATTERS RELATING TO THE SUBJECT

was duly introduced for consideration and passage. It was then duly moved and seconded that said Ordinance be passed; and, after due discussion, said motion, carrying with it the passage of said Ordinance, prevailed and carried by the following vote:

AYES: _____ NOES: _____ ABSTENTIONS: _____

2. A true, full and correct copy of the aforesaid Ordinance passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Ordinance has been duly recorded in the official minutes of said City Council; the above and foregoing paragraph is a true and correct excerpt from said minutes of said meeting pertaining to the passage of said Ordinance; the persons named in the above and foregoing paragraph, at the time of said meeting and the passage of said Ordinance, were the duly chosen, qualified and acting members of said City Council as indicated therein; each of said officers and member was duly and sufficiently notified officially and personally in advance, of the time, place and purpose of the aforesaid meeting and that said Ordinance would be introduced and considered for passage at said meeting; and said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Texas Government Code Chapter 551.

3. That the Mayor of said City has approved and hereby approves the aforesaid Ordinance; that the Mayor and the City Secretary of said City have duly signed said Ordinance; and that the Mayor and the City Secretary of said City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Ordinance for all purposes.

SIGNED AND SEALED THE 13TH DAY OF NOVEMBER, 2023.

ATTEST:

Mayor

City Secretary

(SEAL)

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF \$1,950,000 CITY OF DAINGERFIELD, TEXAS COMBINATION TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2023 TO THE TEXAS WATER DEVELOPMENT BOARD TO FUND SEWER SYSTEM IMPROVEMENTS; LEVYING AD VALOREM TAXES FOR THE PAYMENT OF SUCH CERTIFICATES; AND ENACTING OTHER MATTERS RELATING TO THE SUBJECT

STATE OF TEXAS §
COUNTY OF MORRIS §
CITY OF DAINGERFIELD §

WHEREAS, the City Council of the City of Daingerfield, Texas (the "Issuer") deems it advisable to issue certificates of obligation (the "Certificates of Obligation" or the "Certificates") in the amount of \$1,950,000 for the purpose of paying all or a portion of the Issuer's contractual obligations incurred in connection with: (i) acquiring, constructing, and installing additions, improvements, extensions, and equipment for the Issuer's sewer system, including repairs, rehabilitation and/or improvements to wastewater treatment plant, sewer lines, lift stations, manholes, valves, fittings, and related infrastructure improvements; and (ii) legal, fiscal and engineering fees in connection with such projects; and

WHEREAS, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Texas Local Government Code, as amended, and Chapter 1502, Government Code, as amended; and

WHEREAS, the City Council has heretofore passed a resolution authorizing and directing the City Secretary to give notice of intention to issue the Certificates of Obligation; and

WHEREAS, said notice has been duly published in a newspaper of general circulation in the Issuer, said newspaper being a "newspaper" as defined in § 2051.044, Texas Government Code, as amended; and

WHEREAS, the Issuer received no petition from the qualified electors of the Issuer protesting the issuance of such Certificates of Obligation; and

WHEREAS, no bond proposition to authorize the issuance of bonds for the same purpose as any of the projects being financed with the proceeds of the Certificates of Obligation was submitted to the voters of the Issuer during the preceding three years and failed to be approved; and

WHEREAS, it is considered to be to the best interest of the Issuer that said Certificates of Obligation be issued.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DAINGERFIELD:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The Certificates of Obligation of the City of Daingerfield, Texas are hereby authorized to be issued and delivered in the aggregate principal amount of

\$1,950,000 for the purpose of paying all or a portion of the Issuer’s contractual obligations incurred in connection with: (i) acquiring, constructing, and installing additions, improvements, extensions, and equipment for the Issuer’s sewer system, including repairs, rehabilitation and/or improvements to wastewater treatment plant, sewer lines, lift stations, manholes, valves, fittings, and related infrastructure improvements; and (ii) legal, fiscal and engineering fees in connection with such projects (collectively, the “Project”).

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS AND MATURITIES OF THE CERTIFICATES. Each Certificate of Obligation issued pursuant to this Ordinance shall be designated: “CITY OF DAINGERFIELD, TEXAS COMBINATION TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2023” and initially there shall be issued, sold and delivered hereunder one fully registered certificate, without interest coupons, dated November 15, 2023, in the aggregate principal amount stated above and in the denominations hereinafter stated, numbered T-1, with certificates issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the initial certificate being made payable to the initial purchaser as described in Section 12 hereof), or to the registered assignee or assignees of said certificate or any portion or portions thereof (in each case, the “Registered Owner”). The Certificates of Obligation shall mature on February 15 in the years and in the principal amounts and interest rates set forth below. Interest on each Certificate shall accrue on the basis of a 360-day year consisting of twelve 30-day months from the date of initial delivery or the most recent interest payment date to which interest has been paid or provided for at the per annum rates of interest, payable semiannually on February 15 and August 15 of each year until the principal amount shall have been paid or provision for such payment shall have been made, commencing August 15, 2024, as follows:

<u>Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>	<u>Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2025	\$40,000	2.36%	2040	\$65,000	2.97%
2026	45,000	2.30%	2041	65,000	2.99%
2027	45,000	2.30%	2042	65,000	3.02%
2028	45,000	2.32%	2043	70,000	3.07%
2029	45,000	2.36%	2044	70,000	3.10%
2030	50,000	2.45%	2045	75,000	3.13%
2031	50,000	2.47%	2046	75,000	3.15%
2032	50,000	2.52%	2047	80,000	3.18%
2033	50,000	2.55%	2048	80,000	3.22%
2034	55,000	2.63%	2049	85,000	3.22%
2035	55,000	2.71%	2050	85,000	3.23%
2036	55,000	2.79%	2051	90,000	3.23%
2037	55,000	2.86%	2052	90,000	3.24%
2038	60,000	2.92%	2053	95,000	3.25%
2039	60,000	2.95%	2054	100,000	3.25%

Section 3. CHARACTERISTICS OF THE CERTIFICATES. (a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the corporate trust office of BOKF, NA, in Dallas, Texas (the “Paying Agent/Registrar”), books or

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

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

(b) Payment of Certificates and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the past due

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

(c) In General. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the Registered Owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 35 days prior to any such redemption date), (iii) may be converted and exchanged for other Certificates, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth in this Ordinance. The Certificate initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange for any Certificate or Certificates issued under this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF CERTIFICATE.

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

With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates only to or upon the order

of the Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Registered Owner at the close of business on the Record Date (hereinafter defined), the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(e) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representations letter of the Issuer to DTC or that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate certificated Certificates to DTC Participants having Certificates credited to their DTC accounts; provided that while the Texas Water Development Board (the "Board") is the holder of the Certificates, the DTC services shall not be discontinued by the Issuer until the Issuer has received the written consent thereto of the Board. In such event, the Certificates shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

(f) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the representations letter of the Issuer to DTC.

(g) Successor Paying Agents. The Issuer covenants with the Registered Owners of the Certificates that at all times while the Certificates are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other entity having trust powers to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 50 days written notice to the Paying Agent/Registrar, to be effective not later than 30 days prior to the next principal payment or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar,

the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(h) Cancellation of Initial Certificates. On the closing date, one initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the purchaser designated in Section 12 or its designee, executed by manual or facsimile signature of the Mayor or the Mayor Pro-tem and City Secretary of the Issuer, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to such purchaser or its designee. Upon payment for the initial Certificates, the Paying Agent/Registrar shall cancel the initial Certificate and deliver to the Depository Trust Company on behalf of such purchaser one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all of the Certificates for such maturity.

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

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

(a) [Form of Certificate]

NO. R-____ UNITED STATES OF AMERICA PRINCIPAL
STATE OF TEXAS AMOUNT
CITY OF DAINGERFIELD, TEXAS \$ _____
COMBINATION TAX AND
SURPLUS REVENUE CERTIFICATES OF OBLIGATION,
SERIES 2023

<u>Interest Rate</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>CUSIP No.</u>
_____%	November 15, 2023	February 15, 20__	

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

ON THE MATURITY DATE specified above, the City of Daingerfield, in Morris County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the date of delivery hereof (which date appears in the Delivery Certificate endorsed on this Certificate) at the Interest Rate per annum specified above. Interest is payable on August 15, 2024 and semiannually on each February 15 and August 15 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date, such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

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

fifteenth calendar day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Texas Water Development Board, or such other Registered Owner, requested by, and at the risk and expense of, the Registered Owner; provided, however, that if this Certificate of Obligation is owned by the Texas Water Development Board, principal and interest will be paid by wire transfer or other method acceptable to the Texas Water Development Board, and there will be no charge. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

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

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

THIS CERTIFICATE is one of a series of Certificates dated as of November 15, 2023, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$1,950,000 for the purpose of paying all or a portion of the Issuer's contractual obligations incurred in connection with: (i) acquiring, constructing, and installing additions, improvements, extensions, and equipment for the Issuer's sewer system, including repair, replacement and/or rehabilitation of wastewater treatment plant, sewer lines, lift stations, manholes, valves, fittings, SCADA upgrades, related infrastructure improvements and development of an asset management plan; and (ii) paying legal, fiscal and engineering fees in connection with such projects.

ON FEBRUARY 15, 2034, or on any date thereafter, the Certificates may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the Issuer shall select and designate the maturity or maturities and the amount that is to be redeemed, and if less than a whole maturity is to be called, the Issuer shall direct the Paying Agent/Registrar to call by lot (provided

that a portion of a Certificate may be redeemed only in an integral multiple of \$1,000), at the redemption price of the principal amount thereof, plus accrued interest to the date fixed for redemption.

AT LEAST 30 days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least 30 days prior to the date fixed for any such redemption, to the Registered Owner of each Certificate to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure of the Registered Owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Certificates or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$1,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Certificate Ordinance.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the denomination of any integral multiple of \$1,000. As provided in the ordinance authorizing the issuance of this Certificate (the "Certificate Ordinance"), this Certificate may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered certificates, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$1,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of \$1,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the Issuer. In any circumstance, any

taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

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

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

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

City Secretary

Mayor

(SEAL)

(b) [Form of Delivery Certificate]

DELIVERY CERTIFICATE

This Certificate of Obligation was delivered to and paid for by the Purchaser thereof on _____.

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

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Certificate is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

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

Dated: _____

BOKF, NA
Dallas, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

(d) [Form of Assignment]

ASSIGNMENT

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

Please insert Social Security or Taxpayer Identification Number of Transferee

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

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

Dated: _____

Signature Guaranteed:

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

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

(e) [Form of Registration Certificate of the Comptroller of Public Accounts]

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that there is on file and of record in my office a true and correct copy of the opinion of the Attorney General of the State of Texas approving this Certificate and that this Certificate has been registered this day by me.

Witness my signature and seal this

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

(f) [Initial Certificate Insertions]

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

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

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

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

<u>Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
(Information from Section 2 to be inserted)		

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the date of delivery hereof (which date appears in the Delivery Certificate endorsed on this Certificate) at the respective Interest Rate per annum specified above. Interest is payable on February 15,

2024 and semiannually on each August 15 and February 15 thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.”

C. The Initial Certificate shall be numbered “T-1”.

Section 5. INTEREST AND SINKING FUND. A special “Interest and Sinking Fund” has been created and shall be established and maintained by the Issuer at an official depository bank of the Issuer. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the Issuer, and shall be used only for paying the interest on and principal of the Certificates. All amounts received from the sale of the Certificates as accrued interest shall be deposited upon receipt to the Interest and Sinking Fund, and all ad valorem taxes levied and collected for and on account of the Certificates shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of the Certificates are outstanding and unpaid, the governing body of the Issuer shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on the Certificates as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of the Certificates as such principal matures (but never less than 2% of the original amount of the Certificates as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of the Issuer, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the Issuer, for each year while any of the Certificates are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

Section 6. PLEDGE OF SURPLUS REVENUES. (a) The Certificates, together with other obligations of the Issuer, are additionally secured by a pledge of the revenues of the Issuer’s Waterworks and Sewer System (the “System”) that remain (i) after payment of all operation and maintenance expenses of the System (constituting the “Net Revenues” of the System) and (ii) after payment of all debt service, reserve and other requirements in connection with all of the Issuer’s revenue obligations (now or hereafter outstanding) that are payable from the Net Revenues (such revenues, constituting the “Surplus Revenues” of the System). The Surplus Revenues are hereby pledged to secure the payment of the Certificates. The Issuer shall maintain sufficient rates and charges for the payment of System operations and, if Surplus Revenues are used in lieu of ad valorem taxes for the payment of the debt service requirements of System debt, such rates and charges shall produce sufficient Surplus Revenues therefor. If Surplus Revenues are required for the payment of debt service on the Certificates, the Issuer shall deposit Surplus Revenues to the

credit of the Interest and Sinking Fund created pursuant to Section 5, to the extent necessary to pay the principal of the Certificates.

(b) Notwithstanding the requirements of Section 5, if Surplus Revenues or other lawfully available funds of the Issuer are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes which otherwise would have been required to be levied pursuant to Section 5 may be reduced to the extent and by the amount of the revenues then on deposit in the Interest and Sinking Fund.

(c) Notwithstanding the requirements of Section 5 and Section 6(b), if Surplus Revenues and/or other lawfully available funds of the Issuer are not on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, but there are budgeted for collection revenues ("Budgeted Revenues") in sufficient amounts to pay the principal and interest coming due on the Certificates in any year, then, subject to the requirements set forth below, the amount of taxes which otherwise would have been required to be levied pursuant to Section 5 may be reduced to the extent and by the amount of the Budgeted Revenues. In the event that Budgeted Revenues are to be used to pay principal and interest coming due on the Certificates in any year, the Issuer:

- (i) shall transfer and deposit in the Interest and Sinking Fund each month an amount of not less than 1/12th of the annual debt service on the Certificates until the amount on deposit in the Interest and Sinking Fund equals the amount required for annual debt service on the Certificates; further, the Issuer shall not transfer any funds from the Issuer's Waterworks and Sewer System Fund to any fund other than the Interest and Sinking Fund until such time as an amount equal to the annual debt service on the Certificates for the then current fiscal year has been deposited in the Interest and Sinking Fund; and, provided further that transfers may be made from the Waterworks and Sewer System Fund to an interest and Interest and Sinking Fund, debt service reserve fund, contingency fund or other fund or account established for the benefit of any revenue obligations of the Issuer that are secured by a pledge of the Net Revenues (which transfers shall be made in accordance with the provisions of the Ordinance pursuant to which such obligations were issued or incurred) and to any other interest and sinking fund established for the benefit of any revenue obligations of the Issuer that are secured by a pledge of the Surplus Revenues (and any such transfers shall be made on a pro rata basis as the transfers made for the benefit of the Certificates);
- (ii) shall establish, adopt and maintain an annual budget that provides for either the monthly deposit of sufficient Surplus Revenues and/or tax revenues, the monthly deposit of any other legally available funds on hand at the time of the adoption of the annual budget, or a combination thereof, into the Interest and Sinking Fund for the repayment of the Certificates; and
- (iii) shall at all times maintain and collect sufficient System rates and charges in conjunction with any other legally available funds that, after payment of the costs of operating and maintaining the System, produce revenues in an amount not less than 1.10 times debt service requirements of all outstanding System revenue obligations of the Issuer and other obligations of the Issuer which are secured in

whole or in part by a pledge of revenues of the System, for which the Issuer is budgeting the repayment of such obligations from the revenues of the System, or the Issuer shall prepare and provide documentation to any holder of a Certificate who requests same, which evidences the levy of an ad valorem tax rate dedicated to the Interest and Sinking Fund, in conjunction with any other legally available funds except System rates and charges, sufficient for the repayment of System debt service requirements.

Section 7. DEFEASANCE OF CERTIFICATES. (A) Any Certificate of Obligation and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate of Obligation shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate of Obligation and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged or the pledge of the Surplus Revenues as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates that is made in conjunction with the payment arrangements specified in subsection 7(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer also be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates of Obligation and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 7(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Certificates, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

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

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

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

(f) In the event that the Issuer establishes a defeasance escrow for the Certificates in accordance with Section 7, written notice thereof shall be promptly given to the Texas Water Development Board.

Section 8. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES. (a) Replacement Certificates. In the event any outstanding Certificate is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new certificate of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

(b) Application for Replacement Certificates. Application for replacement of damaged, mutilated, lost, stolen or destroyed Certificates shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Certificate, the Registered Owner applying for a replacement certificate shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Certificate, the Registered Owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Certificate, as the case may be. In every case of damage or mutilation of a Certificate, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate so damaged or mutilated.

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

(d) Charge for Issuing Replacement Certificates. Prior to the issuance of any replacement certificate, the Paying Agent/Registrar shall charge the Registered Owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer

whether or not the lost, stolen or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates. In accordance with Chapter 1201, Texas Government Code, as amended, this Section 8 of this Ordinance shall constitute authority for the issuance of any such replacement certificate without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

Section 9. CUSTODY, APPROVAL AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS; AND CONTINGENT INSURANCE PROVISION, IF OBTAINED. The Mayor (or in the Mayor's absence, the Mayor Pro-Tem) of the Issuer is hereby authorized to have control of the Certificates initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Certificates issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Certificates. In addition, if bond insurance is obtained, the Certificates may bear an appropriate legend as provided by the insurer. The officers, employees and agents of the Issuer, and each of them, shall be and each is expressly authorized, empowered and directed from time to time and at any time to do and perform all acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer all certificates, financing statements, instruments, agreements and other papers, whether or not herein mentioned, as they may determine to be necessary or desirable in order to carry out the terms and provisions of this Ordinance. In the absence of the Mayor, the Mayor Pro-tem is directed to sign as Mayor on behalf of the Issuer.

Section 10. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Internal Revenue Code of 1986 (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

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

arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

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

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

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

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

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

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

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

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

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

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

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

percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code;

(j) to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Certificates are issued, an information statement concerning the Certificates, all under and in accordance with section 149(e) of the Code and the applicable Treasury Regulations promulgated thereunder;

(k) the Issuer will not acquire any of the Texas Water Development Board's source series bonds in an amount related to the amount of Certificates acquired by the Texas Water Development Board;

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

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

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

(o) Unless superseded by another action of the Issuer, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the Issuer hereby adopts and establishes the instructions attached hereto as Exhibit B as its written procedures.

Section 11. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

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

(b) Except as provided in paragraph (a) above, the holders of Certificates aggregating in principal amount 51% of the aggregate principal amount of then outstanding Certificates that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Certificates, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Certificates so as to:

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

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to each Registered Owner of the affected Certificates a copy of the proposed amendment and cause notice of the proposed amendment to be published at least once in a financial publication published in the City of New York, New York or in the State of Texas. Such published notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the Issuer for inspection by all holders of such Certificates.

(d) Whenever at any time within one year from the date of publication of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all of the Certificates then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

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

(f) Any consent given by the holder of a Certificate pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Certificate during such period. Such consent may be revoked at any time after six months from the date of the publication of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

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

(g) Notwithstanding any provision of this Section 11, there shall be no modification of this Ordinance without the written consent of the Texas Water Development Board (while it is a Registered Owner of the Certificates).

Section 12. SALE OF CERTIFICATES OF OBLIGATION. The Certificates of Obligation are hereby sold and shall be delivered to the Texas Water Development Board for cash for the principal amount thereof. In accordance with its Resolution No. 23-069, the Texas Water Development Board will purchase the Certificates, with an amount approved by the Texas Water Development Board to be deposited to the Construction Fund authorized by Section 13 hereof (the "Construction Fund") upon initial delivery of the Certificates, and the balance of the proceeds to be deposited to the Escrow Account authorized by Section 24 hereof until authorized for transfer to the Construction Fund by the Texas Water Development Board.

Section 13. CONSTRUCTION FUND. There shall be established by the Issuer a separate fund to be designated the "Series 2023 CO Construction Fund" (the "Construction Fund") to be held by the Issuer's depository bank, and upon the delivery of the purchase price for the Certificates, the proceeds from the sale of the Certificates shall be deposited into the Construction Fund. The costs of issuance of the Certificates, which include legal, fiscal and engineering fees, may be paid from the Construction Fund. The cost of the construction of the Project will be paid from this Construction Fund upon direction of the City Council of the Issuer. All interest and profits from investments made with moneys in the Construction Fund shall remain on deposit in the Construction Fund as a part thereof. After completion of the payment of all costs of the Project, any residue remaining in the Construction Fund shall be applied in accordance with Section 15 hereof.

Section 14. INVESTMENTS; COLLATERALIZATION OF PROCEEDS. Proceeds of the Certificates shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Chapter 2256,

Texas Government Code (the "PFIA"), and the Public Funds Collateral Act, Chapter 2257, Texas Government Code, (the "PFCA"). Money in any fund established pursuant to this Ordinance may, at the option of the Issuer, be invested in eligible investments described in the PFIA, consistent with the investment policy of the Issuer, as approved by the City Council of the Issuer. All investments shall be made in such manner as will, in the opinion of the Issuer, permit the money required to be expended from any fund to be available at the proper time or times as expected to be needed. Any uninvested, uninsured proceeds of the Certificates shall be subject to the PFCA.

Section 15. SURPLUS PROCEEDS. Notwithstanding any other provision of this Ordinance or the Certificates restricting early redemption of the Certificates, the Issuer shall use any surplus proceeds from the Certificates that are determined to be surplus funds remaining after completion of the project and completion of a final accounting in a manner as approved by the Texas Water Development Board's ("TWDB") Executive Administrator (the "Executive Administrator"), including without limitation to redeem, on any date, the Certificates owned by the TWDB, at a price of par plus accrued interest to the date fixed for redemption.

Section 16. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council of the Issuer.

Section 17. COMPLIANCE WITH THE TEXAS WATER DEVELOPMENT BOARD'S RULES AND REGULATIONS. The provisions of this Section shall apply so long as the Certificates, or any of them, are owned by the Texas Water Development Board. The Issuer hereby agrees to comply with all conditions set forth in TWDB Resolution No. 23-069, which conditions are incorporated herein.

(a) Annual Audit Reporting. The Issuer shall provide the Texas Water Development Board with an annual report prepared in accordance with generally accepted auditing standards by a certified public accountant or licensed public accountant, to be submitted without charge within 180 days of the close of each fiscal year.

(b) Covenant to Abide with Rules. The Issuer will abide with all applicable laws of the State of Texas and Rules of the Texas Water Development Board relating to the loan of funds evidenced by the Certificates and the Project for which the Certificates are issued, sold and delivered.

(c) Water Conservation Program. The Issuer agrees and covenants that it will implement an approved water conservation program in accordance with 31 TAC § 371.71.

(d) Records and Accounts. The Issuer agrees and covenants that it will maintain current, accurate and complete records and accounts regarding the System in accordance with 31 TAC § 371.71.

(e) Environmental Determinations. The Issuer agrees and covenants that it will comply with any special conditions of the environmental determination of the Executive Administrator in accordance with 31 TAC § 371.71.

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

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

(h) Conveyance of Obligations. Prior to any action by the Issuer to convey its obligations under the Certificates to another entity, if permitted by law, the conveyance and the assumption of such obligations must be approved by the Texas Water Development Board. The Issuer shall notify the Executive Administrator prior to taking any actions to alter its legal status in any manner, such a sale-transfer-merger with another retail public utility.

(i) Davis-Bacon Act Compliance. All laborers and mechanics employed by contractors and subcontractors for the Project who are paid from proceeds of the Certificates on deposit in the Construction Fund shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality of the Issuer in accordance with the federal Davis-Bacon Act and the U.S. Department of Labor's implementing regulations pertaining thereto.

(j) Federal Funding Accountability and Transparency Act. The Issuer shall provide the Texas Water Development Board with all information required by the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282.

(k) DUNS Number and CAGE Code. The Issuer shall obtain a Data Information Numbering System (DUNS) Number and shall register with the System for Award Management to obtain a Commercial and Government Entity (CAGE) Code, and maintain current registration at all times during which the Certificates are outstanding.

(l) Timely Expenditures. All proceeds of the Certificates will be timely and expeditiously used, as required by applicable federal statutes and U.S. Environmental Protection Agency regulations, and the Issuer shall adhere to a project construction schedule acceptable to the Executive Administrator that facilitates timely use of funds and project completion.

(m) As-Built Plans. The Issuer shall provide to the Texas Water Development Board a full and complete set of "as-built" plans relating to the Project, promptly upon completion of the Project.

(n) Final Accounting. The Issuer shall render a final accounting of the cost of the Project to the Texas Water Development Board within 60 days of the completion of the Project. If the total cost of the Project, as finally completed, is less than originally estimated, so that the proper share of the participation by the Texas Water Development Board in the Project is reduced, such surplus proceeds shall be used in accordance with Section 15 hereof.

(o) Insurance. Insurance coverage be obtained and maintained by the Issuer in an amount sufficient to protect the interest of the Texas Water Development Board in the Project.

(p) Remedies. The TWDB may exercise all remedies available to it in law or equity, and any provision of the Certificates or this Ordinance that restricts or limits the TWDB's full exercise of such remedies shall be of no force and effect.

(q) American Iron and Steel Requirements. The Issuer will abide by all applicable construction contract requirements related to the use of iron and steel products in the United States, as required by the 2014 Federal Appropriations Act and related State Revolving Fund Policy Guidelines.

(r) Covenant Regarding Taxes and System Rates. The Issuer hereby agrees that, for so long as the Certificates are outstanding, to levy a tax and/or maintain and collect sufficient rates and charges to produce System revenues in an amount necessary to meet the debt service requirements of all outstanding obligations and to maintain the funds established and required by the Certificates.

(s) Outlay Reports. The Issuer shall submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with TWDB outlay report guidelines.

(t) Operating Reserves. The Issuer hereby agrees that, for so long as the TWDB is the holder of the Certificates, the Issuer will maintain thirty (30) days' of cash operating expenses restricted for use by the System.

Section 18. ALLOCATION OF CERTIFICATE PROCEEDS. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Project on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the sale of the Certificates or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of the Certificates or the interest thereon. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest on the Certificates, if any.

Section 19. DISPOSITION OF PROJECT. The Issuer covenants that the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not

adversely affect the excludability for federal income tax purposes from gross income of the interest on the Certificates, if any.

Section 20. INTEREST EARNINGS ON CERTIFICATE PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Certificates shall be used along with other Certificate proceeds for the Project; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be used as directed in Section 15. It is further provided, however, that any interest earnings on Certificate proceeds that are required to be rebated to the United States of America pursuant to Section 10 hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 21. COMPLIANCE WITH RULE 15c2-12. (a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“MSRB” means the Municipal Securities Rulemaking Board or any successor to its functions under the Rule.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

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

(b) Annual Reports.

The Issuer shall provide annually to the MSRB, within twelve months after the end of each fiscal year ending in or after 2023, financial information and operating data with respect to the Issuer to the extent that such information is customarily prepared by the Issuer and is publicly available. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in the notes to the financial statements filed with the Texas Water Development Board as part of the Issuer’s application to the Texas Water Development Board, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall provide unaudited financial information that is available to the Issuer by the required time and will provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available. Such information shall be transmitted electronically to the MSRB, in such format and accompanied by such identifying information as prescribed by the MSRB.

If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an

official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

(c) Notice of Certain Events. (i) The Issuer shall file notice of any of the following events with respect to the Certificates with the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- (7) Modifications to rights of holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

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

assets or business of the Issuer., and (ii) the Issuer intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

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

(d) Limitations, Disclaimers, and Amendments. (i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the Issuer in any event will give the notice required by Subsection (a) hereof of any Certificate calls and defeasance that cause the Issuer to no longer be such an “obligated person”.

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

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

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under the Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount

(or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Certificates. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates.

Section 22. PUBLIC NOTICE. It is hereby officially found and determined that public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code, and that no petition was received from the qualified electors of the Issuer protesting the issuance of the Certificates.

Section 23. ESCROW AGREEMENT. The Mayor (or in the Mayor's absence, the Mayor Pro-Tem) is hereby authorized and directed to execute and deliver an Escrow Agreement substantially in the form attached hereto as Exhibit A, with such changes as may be approved by the Mayor (or in the Mayor's absence, the Mayor Pro-Tem), such approval to be evidenced by his execution thereof.

Section 24. ESCROW ACCOUNT. An escrow account is hereby authorized to be created pursuant to the Escrow Agreement referred to in Section 23. Proceeds of the Certificates shall be deposited to the escrow account and disbursed to the Construction Fund created pursuant to Section 13 upon the authorized release of moneys from the escrow account in accordance with the Escrow Agreement.

Section 25. EVENTS OF DEFAULT. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an event of default (an "Event of Default"):

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

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

Section 26. REMEDIES FOR DEFAULT. (a) Upon the happening of any Event of Default, then and in every case, any Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any

relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

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

Section 27. REMEDIES NOT EXCLUSIVE. (a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

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

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

Section 28. SEVERABILITY. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 29. APPROPRIATION. To pay the debt service coming due on the Certificates prior to receipt of the taxes levied to pay such debt service, if any, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount, which together with capitalized interest received from the sale of the Certificates, if any, will be sufficient to pay such debt service, and such amount shall be used for no other purpose.

EXHIBIT A
FORM OF ESCROW AGREEMENT

[See attached]

RESOLUTION APPROVING THE EXECUTION AND DELIVERY OF A PRINCIPAL FORGIVENESS AGREEMENT WITH THE TEXAS WATER DEVELOPMENT BOARD IN THE AMOUNT OF \$1,000,000 FOR SEWER SYSTEM IMPROVEMENTS; AND RESOLVING OTHER MATTERS RELATING TO THE SUBJECT

THE STATE OF TEXAS §
COUNTY OF MORRIS §
CITY OF DAINGERFIELD §

WHEREAS, the City of Daingerfield, Texas (the "City") has received approval from the Texas Water Development Board ("TWDB") for financial assistance from TWDB to the City in the amount of \$2,950,000 (the "Loan"), consisting of the City's Combination Tax and Surplus Revenue Certificates of Obligation, Series 2023, in the amount of \$1,950,000, and Principal Forgiveness in the amount of \$1,000,000;

WHEREAS, TWDB has presented to the City a Principal Forgiveness Agreement (the "Principal Forgiveness Agreement") in connection with the Loan, in which the City agrees to certain conditions with respect to the Loan;

WHEREAS, this City Council hereby finds and determines that it is a public benefit to and in the best interests of the City and its residents to enter into the Principal Forgiveness Agreement in order to obtain the Loan to fund needed sanitary sewer improvements within the City; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Resolution has been adopted was open to the public, and public notice of the date, hour, place and subject of said meeting, including this Resolution, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code; Now, Therefore

BE IT RESOLVED BY THE CITY COUNCIL OF CITY OF DAINGERFIELD, TEXAS THAT:

1. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.
2. The Principal Forgiveness Agreement, in substantially the form presented at this meeting, is hereby approved and the Mayor or Mayor Pro-Tem of the City Council is hereby authorized and directed to execute and deliver the Principal Forgiveness Agreement. The Escrow Agreement relating to the Principal Forgiveness Agreement between the City and BOKF, NA (the "Escrow Agent"), substantially in the form and content presented at this meeting, is hereby approved and the Mayor or Mayor Pro-Tem of the City Council is hereby authorized and directed to execute the Escrow Agreement on behalf of the City. The Escrow Agent is hereby appointed as the Escrow Agent pursuant to such Escrow Agreement.
3. The Mayor, Mayor Pro-Tem and City Secretary of the City, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to take such actions and to execute and deliver in the name and on behalf of the City all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution.
4. This Resolution shall become effective immediately upon adoption.

DULY PASSED AND APPROVED by the City Council of the City of Daingerfield, Texas, on November 13, 2023.

ATTEST

Mayor

City Secretary

**Resolution Approving the Execution and Delivery of a
Principal Forgiveness Agreement – Clean Water State Revolving Fund
Between the Texas Water Development Board and the City of Daingerfield, Texas**

RESOLUTION AUTHORIZING AND DIRECTING ESTABLISHMENT OF TWO CONSTRUCTION ACCOUNTS WITH DEPOSITORY BANK PURSUANT TO BOND ORDINANCE AND PRINCIPAL FORGIVENESS AGREEMENT WITH THE TEXAS WATER DEVELOPMENT BOARD; APPOINTING AUTHORIZED SIGNATORIES WITH RESPECT TO SUCH ACCOUNTS; AND RESOLVING OTHER MATTERS RELATING TO THE SUBJECT

THE STATE OF TEXAS :
 COUNTY OF MORRIS :
 CITY OF DAINGERFIELD :

WHEREAS, the City of Daingerfield, Texas (the "City") has authorized notice of its intention to adopt an Ordinance (the "Bond Ordinance") authorizing the issuance of \$1,950,000 City of Daingerfield, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Series 2023 (the "Bonds") to the Texas Water Development Board ("TWDB") for a loan in the amount of \$1,950,000 (the "Loan"), and as required by the terms of said Loan, the City will enter into that certain Principal Forgiveness Agreement – Clean Water State Revolving Fund with the TWDB for a grant in the amount of \$2,950,000 (the "Grant Agreements", and together with the Bond Ordinance, the "Agreements");

WHEREAS, in each of the Agreements, the City has agreed to maintain at its depository bank, being Texas Heritage National Bank (the "Bank"), an account separate from all other funds and accounts to be known as the "Series 2023 Construction Fund" and a "Construction Account", respectively (collectively, the "Construction Accounts");

WHEREAS, this City Council hereby finds and determines that it is a public benefit to and in the best interests of the City and its residents to open at the Bank a Series 2023 Construction Fund and a Construction Account, as required by the Agreements, respectively, and to authorize signatories with respect to such accounts; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Resolution has been adopted was open to the public, and public notice of the date, hour, place and subject of said meeting, including this Resolution, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code; Now, Therefore

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DAINGERFIELD:

1. That two new accounts be established at the Bank, which shall be designated as "City of Daingerfield Series 2023 Construction Fund" and "City of Daingerfield, Texas, Principal Forgiveness Agreement, Texas Water Development Board Commitment LF1001676 Construction Account", respectively (collectively, the "Bank Accounts").

2. That any account opening documentation as required from time to time be executed by the signatories designated hereunder (the "Authorized Signatories"), binding the City to the terms and conditions governing the Bank Accounts.

3. That instructions relating to banking transactions may be given electronically or by fax to the Bank for execution and to this end any electronic or facsimile indemnity letter authorizing the Bank to act upon such instructions may be signed by the Authorized Signatories.

4. That the following officers and directors are hereby appointed as Authorized Signatories with respect to the Bank Accounts: all three of the following officials, acting collectively:

- a.) Mayor
- b.) City Manager
- c.) City Secretary

5. That the Authorized Signatories are hereby authorized to enter into, make, sign, execute, perform and do all such acts, consents, signature cards and other agreements necessary in connection with establishment of the Bank Accounts at the Bank.

DULY PASSED AND APPROVED by the City Council of the City of Daingerfield, Texas on November 13, 2023.

Mayor
City of Daingerfield, Texas

ATTEST:

City Secretary,
City of Daingerfield, Texas

RESOLUTION NO. 2023-12

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF DAINGERFIELD, TEXAS, AUTHORIZING THE FORMATION OF A CHARTER COMMISSION TO PRESENT PROPOSED AMENDMENTS TO THE CITY CHARTER TO THE CITY COUNCIL; APPOINTING THE MEMBERS OF THE CHARTER COMMISSION; PROVIDING THAT THE COMMISSION SHALL CONDUCT OPEN MEETINGS; AND PROVIDING FOR EFFECTIVE DATE AND OPEN MEETINGS CLAUSES.

WHEREAS, the City of Daingerfield (the “City”) is a Home Rule City governed by a City Charter;

WHEREAS, the Home Rule Charter of the City of Daingerfield may be amended in accordance with state law;

WHEREAS, the City Charter may be amended by the vote of the qualified voters of the City by the submission of proposed amendments to the City Charter to the voters to either vote for the adoption or rejection of the proposed amendments;

WHEREAS, amendments to the Charter shall be formulated by or presented to the Commission who shall then make a report to the City Council; the City Council shall thereafter vote as to the submission of the amendment(s) at the next reasonable date among the uniform election dates, at which time the amendment(s) shall be submitted to the voters for adoption or rejection;

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

Section 1. Authority. The City Council is authorized by applicable state law, specifically, Chapter 9 of the Texas Local Gov’t. Code, to create and appoint members to serve upon a Charter Commission to review the City Charter and to submit proposed amendments of the City Charter to the City Council.

Section 2. Creation of Charter Commission; Appointment of Members. The City Council authorizes the creation of a commission to be known as a Charter Commission (“Charter Commission” or “Commission”) which shall consist of seven (7) residents of the City to present proposed amendments to the City Charter to the City Council in accordance with applicable state law. The City Council appoints the following seven (7) persons to serve on the Commission:

1. Rona Elwell
2. Martha Campbell
3. Jim Goodman
4. Stan Wyatt
5. Wendy Loupee
6. Pamela Spann
7. Bob Scaff

Section 3. Meetings and Term of Charter Commission; Election Code Applies.

The Commission shall meet as needed and the term of the Charter Commission shall be for a term of _____. An election to consider the adoption of any amendments to the City Charter shall comply with the Texas Election Code.

Section 4. Authority of Charter Commission.

The Charter Commission shall be authorized to meet and discuss proposed amendments to the City Charter and to thereafter make a report to the City Council on proposed amendments to the City Charter. All meetings of the Charter Commission shall be subject to and held in compliance with the Texas Open Meetings Act.

Section 5. City Council Submission of Subjects for Charter Commission Review.

The City Council may identify specific issues and items that the City Council desires that the Commission shall consider, and the City Council may submit, those matters to the Commission through the Mayor or the City Manager's office. The Mayor shall likewise be authorized to submit issues and items to the Charter Commission that the Mayor desires for the Commission to consider.

Section 6. Public Hearings.

The Charter commission shall hold at least two (2) public hearings to receive public input on the proposed amendments to the City Charter to be submitted to the City Council. Notice of the date and time of the public hearings shall be posted and published in a manner to ensure as much of the public as possible is aware of and may attend and participate in the public hearings.

Section 7. Effective Date.

This Resolution shall take effect immediately upon its adoption by the City Council and its publication as required by the Texas *Local Gov't. Code*.

Section 8. Open Meetings.

That it is hereby officially found and determined that the meeting at which this Resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapt. 551, *Tex. Gov't. Code*.

PASSED AND APPROVED this the 13th day of November, 2023.

ATTEST:

CITY OF DAINGERFIELD, TEXAS

Michelle Jones, City Secretary

Wade Kerley, Mayor

RESOLUTION No. 2023-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAINGERFIELD, TEXAS, AUTHORIZING THE INTERIM CITY MANAGER, MICHELLE JONES, TO ACT AS THE CITY'S EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE CITY'S PARTICIPATION IN THE HOME PROGRAM.

WHEREAS, the City Council of the City of Daingerfield desires to develop a viable urban community, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low/moderate income; and

WHEREAS, certain conditions exist which represent a threat to the public health and safety; and

WHEREAS, it is necessary and in the best interests of the City of Daingerfield to be a participant in the HOME Program;

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

That the City Council directs and designates the Interim City Manager, Michelle Jones, as the City's Chief Executive Officer and Authorized Representative to act in all matters in connection with the City's participation in the HOME Program.

Passed and approved this 13th day of November 2023.

Wade Kerley, Mayor
City of Daingerfield, Texas

Michelle Jones, City Secretary
City of Daingerfield, Texas



MORRIS COUNTY APPRAISAL DISTRICT

501 Crockett, Suite 1
P.O. Box 563
Daingerfield, Texas 75638
Phone 903-645-5601
FAX 903-645-2694

*Summer Golden, RPA • CCA • RTA
Chief Appraiser*

October 16, 2023

Re: Selection of Board of Directors 2024-2025

Jurisdictions;

Listed below are the nominees for the 2024-25 Morris County Appraisal District Board of Directors:

Joe Austin II
Randy Clayton
Jim Goodman
Miguel Larsen
Danny Lilley
Fernando Lucha
Randy Sutton

Attached please find the total votes for each taxing unit and a list of the nominations as received by each taxing unit. **You may split your votes between nominees.**

Please return your vote, by resolution or ordinance, to this office ~~before~~ **December 15, 2023.**

Once I receive the votes, I will then notify the taxing units and the candidates of the outcome by December 31st. If you have any questions, please don't hesitate to reach out.

With kindest regards,

Summer Golden
Chief Appraiser

Encl.

MORRIS COUNTY APPRAISAL DISTRICT 2024-25

BOARD OF DIRECTORS ELECTION 2023

TAX UNIT	2022 TAX LEVY	TAX UNIT % TOTAL LEVY	NUMBER OF VOTES
Morris County	\$ 3,894,669.36	27.80%	1390
Northeast Texas Community College	\$ 1,031,491.63	7.36%	368
Daingerfield-Lone Star ISD	\$ 4,744,362.46	33.87%	1693
City of Daingerfield	\$ 622,539.41	4.44%	222
City of Lone Star	\$ 307,301.38	2.19%	110
City of Naples	\$ 384,550.91	2.75%	138
City of Omaha	\$ 192,819.28	1.38%	69
Pewitt CISD	\$ 2,396,397.70	17.11%	855
Hughes Springs ISD	\$ 434,730.64	3.10%	155
TOTALS	\$ 14,008,862.77	100.00%	5000

BASED ON 2022 LEVIES

1000 VOTES = ONE NOMINEE

We have 5 members to be elected. Each nominee who receives the # of votes closest to 1000 will be elected. Taxing Units have the option to contact other taxing units to select the same nominee and combine their number of votes (or cast votes) for the same nominee if they wish.

**ORDINANCE
VOTING FOR CANDIDATES
FOR
THE MORRIS COUNTY APPRAISAL DISTRICT
BOARD OF DIRECTORS**

BE IT ORDERED: By the Authority of the State of Texas, given by the Texas Property Tax Laws under Section 6:03 (f) the City of Daingerfield, submit their votes to the following candidate for the Morris County Appraisal District Board of Directors, for term beginning, January 1, 2024:

NAME	# VOTES
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

This ORDINANCE is adopted by the City of Daingerfield, on this _____ day of _____, 2023.

Mayor
City of Daingerfield

Attest:

Secretary
City of Daingerfield

Daingerfield Animal Shelter Statistics - October 2023

Pet's Name	Intake Date	Species	Gender	Breed	Age On Intake	Disposition	Disposition Date	Notes
Kaya	10/12/2018	Dog	Female	Pit Bull Mix	6 Months	N/A	N/A	
Betty	8/14/2019	Dog	Female	Pit Bull Mix	1 Year	N/A	N/A	
Violet	4/28/2022	Cat	Female	DSH (Black & White)	1 Year	N/A	N/A	
Cornbread	11/23/2022	Dog	Male	Mixed Breed	3 Years	N/A	N/A	
Unity	4/13/2023	Dog	Female	Mixed Breed	10 Months	N/A	N/A	
Soos	6/1/2023	Cat	Female	DSH (Grey Tabby & White)	8 Weeks	N/A	N/A	Returned Adoption (7/26/2023)
Cedar	6/16/2023	Dog	Male	Mixed Breed	8 Weeks	N/A	N/A	
Huckleberry	7/6/2023	Dog	Male	Retriever Mix	4 Years	N/A	N/A	
Luke	7/14/2023	Dog	Male	Pit Bull Mix	2 Years	Adopted	10/20/2023	
Freckles	7/31/2023	Dog	Male	Heeler Mix	1 Year	N/A	N/A	
Shep	7/31/2023	Dog	Male	Shepherd Mix	5 Months	N/A	N/A	
Nylah	8/7/2023	Dog	Female	Mixed Breed	9 Months	N/A	N/A	
Waffles	8/7/2023	Dog	Male	Pit Bull Mix	2 Years	N/A	N/A	
Cyrus	8/9/2023	Cat	Male	DSH (Grey Tabby & White)	4 Months	N/A	N/A	
Bellatrix	8/11/2023	Cat	Female	DSH (Grey)	4 Weeks	Adopted	10/20/2023	
Taco	9/8/2023	Cat	Male	DMH (Grey & White)	5 Weeks	Adopted	10/23/2023	
Padme	9/13/2023	Cat	Female	DSH (Black)	1 Year	N/A	N/A	
Sugar Smacks	9/19/2023	Dog	Female	Lab Mix	2 Years	N/A	N/A	
Pebbles	9/19/2023	Dog	Female	Lab/Pit Bull Mix	8 Weeks	Adopted	10/20/2023	
Trix	9/19/2023	Dog	Female	Lab/Pit Bull Mix	8 Weeks	N/A	N/A	
Honey Smacks	9/19/2023	Dog	Female	Lab/Pit Bull Mix	8 Weeks	Adopted	10/14/2023	
Cap'n Crunch	9/19/2023	Dog	Male	Lab/Pit Bull Mix	8 Weeks	Adopted	10/13/2023	
Kix	9/19/2023	Dog	Male	Lab/Pit Bull Mix	8 Weeks	N/A	N/A	
Apple Jacks	9/21/2023	Dog	Male	Lab/Pit Bull Mix	8 Weeks	N/A	N/A	
Hemlock	9/22/2023	Cat	Male	DMH (Black w/ White)	10 Weeks	Adopted	10/18/2023	
Lilith	9/22/2023	Cat	Female	DMH (Black)	10 Weeks	Adopted	10/18/2023	
Noire	9/22/2023	Cat	Female	DMH (Grey Tabby)	10 Weeks	N/A	N/A	
N/A	9/25/2023	Cat	N/A	DSH (Grey Tabby & White)	Newborn	N/A	N/A	Born at Shelter
N/A	9/25/2023	Cat	N/A	DSH (Grey & White)	Newborn	N/A	N/A	Born at Shelter
N/A	9/25/2023	Cat	N/A	DSH (Black & White)	Newborn	N/A	N/A	Born at Shelter
Nala	9/28/2023	Dog	Female	Pit Bull Mix	3 Years	Reclaimed	10/2/2023	PD Call
Ted	10/4/2023	Cat	Male	DSH (White)	3 Weeks	Rescued	10/4/2023	Kitty Cove Rescue
Pumpkin	10/6/2023	Cat	Male	DSH (Orange Tabby & White)	9 Weeks	N/A	N/A	
Candy Corn	10/6/2023	Cat	Female	DSH (Orange Tabby & White)	9 Weeks	N/A	N/A	
N/A	10/10/2023	Dog	Female	German Shepherd Mix	8 Months	Euthanized	10/10/2023	Feral
Dotty	10/11/2023	Dog	Female	Mixed Breed	11 Weeks	Reclaimed	10/11/2023	

Daingerfield Animal Shelter Statistics - October 2023

Species	Stray	Owner Surrender	Born At Shelter	Total Intake	Adopted	Rescued	Reclaimed	Euthanized	Relocated	Expired	Total Outcome	Total Left At Shelter	ACO Calls	Event Visitors	Total Visitors
Cats	3	0	0	3	4	1	0	0	0	0	5	10	1		
Dogs	2	0	0	2	4	0	2	1	0	0	7	14	31		
Other	0	0	0	0	0	0	0	0	0	0	0	0	11		
														0	38

TRACEY CLIMER
CHIEF OF POLICE



DEANNA HARRISON
ADMINISTRATIVE ASSISTANT

Daingerfield Police Department
101 LINDA DRIVE • DAINGERFIELD, TX 75638

OCTOBER 2023

CODE

- **High Grass 2**
- **Tethering 1**
- **Animal Nuisance 2**
- **Single Dwelling 1**

Total Corrected: 7

CALLS OF SERVICE:	158
NUMBER OF TRAFFIC CONTACTS:	22
CRASH INVESTIGATIONS:	9
ARREST:	8

Daingerfield Fire Department

October 2023

Structure Fire	1		
Grass/Woods Fire	2		
Vehicle Fire	1		
Vehicle Collision/Crash	3		
1 st Responder/assist EMS	1		
Gas Leak	1		
Smoke Odor/Scare	1		
CO2 Alarm	3		
	Total	13	YTD 172
Responses inside City	8	YTD 94	
Outside City	5	YTD 78	
Estimated Water usage:	5,500 Gallons		

October 2023

Detailed Breakdown	
Audio Books	4
Computer	75
DVDs	57
Games & Puzzles	0
Board Books	0
Graphic Novels	22
Easy Reader	0
Spanish	2
Children Fiction	41
Children NonFiction	15
Junior Fiction	66
Junior NonFiction	1
Young Adult Fiction	7
Adult Fiction	139
Adult Non Fiction	20
Christian Fiction	20
Western	0
Total	469
YTD Total	4408

Basic Breakdown	
Audiobooks	4
Computer	75
DVDs	57
Games & Puzzles	0
Books	322
Total	458
YTD Total	4408

Totals	
Fax	\$25.00
Copies	\$206.90
Book Donations	\$11.00
Fines Paid	\$0.00

Checkout Counts (includes renewals)	
Patron Category	Count
Adult	354
Juvenile	29
Young Adults	0
Total	383

New Patron Accounts	
Patron Category	Count
Adult	5
Juvenile	1
Young Adults	0
Renewal	11
Total	17

Total Visitors This Month:			
Attendance of Activities:			
Story/Activity, Chess Club, Book Club, Meet the Author, Multicultural Monday			
Birth to 5yrs	6-11 yrs	12-18 yrs	Adult General Public
6	26	2	4 22

Monthly Council Report

October 2023

Printed: 11/1/2023

Cases Filed

Penal Count	3	Ordinance Count	1
Traffic Count	15	Parking Count	0
Other Count	2	STEP Count	0

Total Filed 21

Amounts Collected

Tech Fund	\$ 44.76	Building Security Fund	\$ 54.85
State	\$ 1,003.93	Fine	\$ 663.10
City	\$ 884.69	Warrant Fee	\$ 50.00

Total Amount \$ 2,651.33

Warrants

Issued	14	Recalled	16
Served	5	Outstanding Amount	\$ 347,090.86

Total Amount \$ 401.10

Dispositions

Paid in Full	5	Credit for Time Served	1
Paid Partial	12	Dismissed	1
Appealed	0	Total Disposed	7

Trials

Jury	0	Total	6
Bench	6		



Citation Offense Count By Stop Type

Number of TRAFFIC Offenses (for *ALL*)		13
Number of CITATIONS		13
No Drivers License (3103 - 3103)		4
Speeding 15+ (6015 - 3001)		3
Speeding 11-15 (6011 - 3001)		2
Possession Of Drug Paraphernalia (7000)		1
Fail to Maintain Financial Responsibility (3049)		1
No License Plate Light (3274 - 3274)		1
Fail To Yield ROW-Stop Sign (3052)		1

Number of NON-TRAFFIC Offenses (for *ALL*)		5
Number of CITATIONS		5
Theft under100.00 First Offense (7012)		2
Animal Nuisance (200)		1
Possession Of Drug Paraphernalia (7000)		1
Criminal Mischief (7011)		1

**Water Accountability
Report Period
SEPTEMBER 10th - OCTOBER 10th
2023**

Location	
City Hall/Police Department	38,200
Library	400
Fire Department	600
Public Works	1,200
Wastewater Treatment Plant	548,400
Roundabout/Coffey St.	30,600
City Park (sprinkler)	9,500
Animal Shelter	1,500
Total City Usage	630,400
Total Gallons Billed	7,682,800
Fire Fighting Gallons estimate	5,500
Line Flushing estimate	3,459,611
Leaks estimate 9 /10 - 10/10	
Bulk Water - 9/10 - 10/10	
	-
	-
	-
Total Gallons Used	11,778,311
Total Gallons Delivered	13,822,900
Difference	2,044,589
Percentage Unaccounted	15%

PUBLIC WORKS REPORT
Report Period October 1st – 31st , 2023

Personnel

- Number 6 full time employees end of September.
- Comments _____

Streets

- Patching Repaired pot holes on N. Peters, Ochiltree, McReynolds, Park Dr, Bert St, Nancy, Freeman Ave, Freeman St, Wildwood Dr, North St, Mt. View, and Bradfield.
- Signage N/A
- Mowing Mowed at City Park
- Tree Trimming Versa boomed at Nancy & Webb, Ochiltree & Coffey St, McReynolds, Colquitt & Hwy 11, Mayberry Rd, Lee St & Freeman St, Freeman St & Hwy 11, Greenwood, Hughes Ave, Glenn Dr, Dale Ave, South St, and Park Ln.
- Drainage N/A
- Miscellaneous N/A

Water

- Leak repairs
 - Service lines _____
 - Main lines Valve repair near 305 Sue St. 2 inch main repair intersection of Huges Ave and Hwy 11.
- Connections 39

- Disconnections 47
- Meter reading start/end 10/10/23
- Total meters read 1242
- Total customers billed 1056
- Re-reads 1
- Meters Replaced 1
- Pressure checks 1
- Taps installed 0
- Lines Flushed 14
- Fire Hydrants
 - Repaired N/A
 - Replaced N/A
 - Flushed 14

City Departmental Usage

- (See Attached Listing)

Wastewater Treatment Plant

- Chlorine usage 472
- Maintenance/Repairs N/A
- Non-Compliance N/A
- Explanation N/A

- Waste Water Treated

- Beginning reading 940817
- Ending reading 947060
- Total treated 6.468 MGD – Avg .208 MGD
- Rainfall 8"
- Sludge Removal N/S

Lift Station

- Maintenance Daily checks to ensure all pumps are running.
- Repairs Had to replace pump at Hervey LS.

Sewer

- Number Calls 7
- Sewer Repairs 0
- Taps installed 0

Miscellaneous Matters

On 10/27/23 found a closed valve at Bradfield and Cason. Opened Valve and it led to increase in pressure for the area. On 10/30/23 closed newly added valve at Webb St and Oak to help area be on its own pressure plane.

Department	Notes- Over 100% of budget in the following line items	Bottom Line Budget as of 9/30/23
Legislative	Workers Comp, Election Supplies, Travel, Publishing and printing, utilities, Elevator Maint., Physical Plant Maint., Software Support	112.25%
Code	Regular Salaries, Special Salaries, Social Security, Medicare, Workers Comp, Postage, Mat/Supplies-Operations, Software Support	126.68%
Animal Control	Regular Salaries, Workers Comp, TMRS, Insurance, Mat/Supplies-Operations, Utilities, Professional Development, Maint/Repairs Equip, Maint/Repairs Physical Plant Maint, Software Support, Nuisance Abatement	101.57%
Sanitation	Workers Comp, TMRS, Postage, Solid Waste Services	114.94%
Water	Reg Salaries, Honorariums, Social Security, Medicare, Workers Comp, TMRS, INS, Office Supplies, Mat/Supplies-Operations, Vehicle Fuel, Mat/Supplies-Equip, Mat/Supplies- Physical Plant, Compliance Testing, Utilities, M&R-Equip, M&R- Physical Plant, Special Services-TCEQ, Treated Water Purchase, Valve Improvements, Line Extensions	113.43%

REVENUE

ACTUAL vs. BUDGET YTD

30-Sep-23

2022-2023

G/L Code	Account	YTD Actual	Budget	Remaining \$	Remaining %
1	General Revenue	\$2,001,401.23	\$2,360,481.00	\$359,079.77	15.21%
2	Water/Sewer	\$1,317,327.15	\$1,441,428.00	\$124,100.85	8.61%
Total		\$3,318,728.38	\$3,801,909.00	\$483,180.62	23.82%

EXPENSES ACTUAL vs. BUDGET YTD 2022-2023 30-Sep-23

G/L Code	Account Title	YTD Actual	Budget	Remaining \$	Remaining %
101	Legislative	\$30,020.19	\$26,743.00		-12.25%
110	Administration	\$72,221.12	\$71,792.00		-0.60%
111	General Office	\$46,499.26	\$48,822.00		4.76%
113	Finance	\$80,931.01	\$81,428.00		0.61%
120	Library	\$65,985.53	\$84,586.00		21.99%
201	Judicial	\$63,234.99	\$67,870.00		6.83%
202	Police Department	\$531,230.88	\$582,537.00		8.81%
203	Code Enforcement	\$27,107.90	\$21,399.00		-26.68%
204	Fire Department	\$195,473.14	\$387,260.00		49.52%
205	Animal Shelter	\$138,253.57	\$136,110.00		-1.57%
301	Streets	\$597,437.33	\$665,499.48		10.23%
401	Sanitation	\$410,629.92	\$357,251.00		-14.94%
602	City Park	\$4,893.10	\$6,298.00		22.31%
601	Water	\$895,839.43	\$789,788.52		-13.43%
608	Sewer	\$458,793.16	\$474,028.00		3.21%
Total		\$3,618,550.53	\$3,801,412.00	\$182,861.47	

CASH BALANCE SHEET

TX HERITAGE Bank/Cypress/TexSTAR

ACCOUNT NAME	BALANCE	RECEIPTS	DISBURSE	TOTALS
Consolidated - THB	\$ 403,954.20	\$ 243,666.64	\$ 357,330.06	\$ 290,290.78
TCDP Grant	\$ 202.09	\$ -	\$ -	\$ 202.09
RBEG LOAN FUND	\$ 204,657.51	\$ 4,825.88		\$ 209,483.39
MCBS CHECKING	\$ 19,571.79	\$ 12.87		\$ 19,584.66
MCTF CHECKING	\$ 7,712.27	\$ 3.38		\$ 7,715.65
DDM CHECKING	\$ 2,057.62	\$ 771.13	\$ -	\$ 2,828.75
CHILD SAFETY-SZ	\$ 12,521.63	\$ 8.23	\$ -	\$ 12,529.86
ANIMAL SHELTER	\$ 35,948.75	\$ 31.52		\$ 35,980.27
HOTEL/MOTEL CHCK	\$ 83,324.52	\$ 1,885.34	\$ -	\$ 85,209.86
PEG FEES SUDDNL	\$ 4,592.28	\$ 2.01	\$ -	\$ 4,594.29
LOCAL TRUANCY PREVENTION	\$ 759.84			\$ 759.84
CYPRESS CD 02-1059	\$ 128,808.08			\$ 128,808.08
4.50% 2/8/2024				
CYPRESS CD 02-1060	\$ 128,882.22		\$ -	\$ 128,882.22
4.60% 8/8/2024				
CYPRESS CD 02-1061	\$ 128,622.83		\$ -	\$ 128,622.83
4.25% 2/8/2025				
CYPRESS CD 01-1037	\$ 128,622.83		\$ -	\$ 128,622.83
4.25% 2/8/2025				
CYPRESS CD 01-1040	\$ 255,267.12		\$ -	\$ 255,267.12
5.00% 4/19/2024				
CYPRESS CD 01-1041	\$ 255,055.42		\$ -	\$ 255,055.42
4.80% 10/18/2024				
CYPRESS CD 02-1062	\$ 255,301.75		\$ -	\$ 255,301.75
5.00% 04/19/2024				
CYPRESS CD 02-1063	\$ 255,055.42		\$ -	\$ 255,055.42
4.80% 10/18/2024				
TX HERITAGE 02-1036	\$ 56,044.84	\$ 207.29	\$ -	\$ 56,252.13
4.5% 6/9/24				
TX HERITAGE 02-1034	\$ 61,139.82	\$ 226.13	\$ -	\$ 61,365.95
4.5% 6/9/24				
TexSTAR-01-1080	\$ 497,906.05	\$ 2,250.71	\$ -	\$ 500,156.76
YIELD- 5.33%				
TexSTAR-02-1080	\$ 372,570.09	\$ 1,684.12		\$ 374,254.21
YIELD- 5.33%				
TX HRTG C.O.B. # 2941	\$ 100.00	\$ -	\$ -	\$ 100.00
TX HRTG C.O.B. # 2968	\$ 100.00	\$ 9,900.00	\$ 9,900.00	\$ 100.00
TX HRTG C.O.B. # 2984	\$ 100.00	\$ 127,506.50	\$ 127,506.50	\$ 100.00
TX HRTG C.O.B. # 2976	\$ 100.00	\$ -	\$ -	\$ 100.00
GRAND TOTAL	\$ 3,298,978.97	\$ 392,981.75	\$ 494,736.56	\$ 3,197,224.16



Monthly Financial Summary Report OCTOBER 2023

This monthly financial report is for the period ending **OCT 31, 2023**, as closed by the Finance department. This represents **1** months into the fiscal year's budget.

General Fund YTD Revenues: \$125,759.64

Water & Sewer YTD Revenues: \$131,101.10

TOTAL YTD REVENUE: \$256,860.74

As of OCT, revenues should be tracking around **8.33%** of the annual budget. Actual YTD revenues are at **6.5%**

General Fund YTD Expenditures : \$159,011.74

Water & Sewer YTD Expenditures: \$93,969.26

TOTAL YTD EXPENDITURES: \$252,981.00

As of OCT, expenses should also be tracking around **8.33%**. Actual YTD expenses are at **9.6%**

Our general fund balance as of 10/31/23: \$290,290.78

NOTES:

Revenues slightly lower this month. November and December we anticipate receiving the 2 largest property tax revenue checks for the fiscal year.

Expenditures slightly above due to several annual payments/memberships all due in October each year.

REVENUE ACTUAL vs. BUDGET YTD

31-Oct-23

2023-2024

G/L Code	Account	YTD Actual	Budget	Remaining \$	Remaining %
1	General Revenue	\$125,759.64	\$2,667,060.00	\$2,541,300.36	95.30%
2	Water/Sewer	\$131,101.10	\$1,595,683.00	\$1,464,581.90	91.80%
Total		\$256,860.74	\$4,262,743.00	\$4,005,882.26	93.50%

EXPENSES ACTUAL vs. BUDGET YTD 31-Oct-23 2023-2024

G/L Code	Account Title	YTD Actual	Budget	Remaining \$	Remaining %
101	Legislative	\$4,313.65	\$26,992.00	\$22,678.35	84.02%
110	Administration	\$34,352.81	\$508,523.00	\$474,170.19	93.25%
120	Library	\$5,584.64	\$58,708.00	\$53,123.36	90.49%
201	Judicial	\$5,944.04	\$67,065.00	\$61,120.96	91.14%
202	Police Department	\$43,622.58	\$642,300.00	\$598,677.42	93.21%
203	Code Enforcement	\$3,134.07	\$102,986.00	\$99,851.93	96.96%
204	Fire Department	\$3,466.77	\$196,289.00	\$192,822.23	98.23%
205	Animal Shelter	\$14,868.67	\$151,133.00	\$136,264.33	90.16%
301	Streets	\$36,791.15	\$955,149.00	\$918,357.85	96.15%
401	Sanitation	\$2,868.62	\$371,813.00	\$368,944.38	99.23%
602	City Park	\$4,064.74	\$9,298.00	\$5,233.26	56.28%
601	Water	\$81,743.65	\$799,771.00	\$718,027.35	89.78%
608	Sewer	\$12,225.61	\$371,902.00	\$359,676.39	96.71%
Total		\$252,981.00	\$4,261,929.00	\$4,008,948.00	90.43%

RURAL BUSINESS ENTERPRISE GRANT
October 1, 2023

Name	LOAN DATE	Loan Matures	Loan Amount	Payment Amount	Delinquent	BALANCE
Richard Chapman	12/2/2011	12/1/2015	\$ 19,566.31	\$ 300.00		\$ 1,056.36 Paid \$300 on 10/9/22
Chris Smith	10/16/2015	11/25/2025	\$ 32,000.00	\$ 301.66		\$ 7,627.31
Beverly Miller & Kaden Miller	10/13/2017	11/1/2027	\$ 35,000.00	\$ 329.00		\$ 15,395.81
Chris Smith-TexSTAR Properties	1/1/2019	1/1/2029	\$ 75,000.00	\$ 708.00		\$ 42,263.05
Chris Smith-TexSTAR Properties #2	7/27/2021	7/27/2031	\$ 76,884.00	\$ 725.00		\$ 61,814.67 **PAID BY GEORGIA NAVA
Austin Luxury Realty	10/15/2021	10/15/2031	\$ 43,000.00	\$ 405.00		\$ 35,154.00
Morris Pharmacy Sean Family Realty	2/15/2022	2/15/2032	\$ 80,000.00	\$ 755.99		\$ 66,573.37
Marty Walker Realty	8/24/2022	8/24/2032	\$ 75,000.00	\$ 707.02		\$ 67,749.81
Start2Finish	12/1/2022	12/1/2027	\$ 35,000.00	\$ 621.16		\$ 29,465.87
			\$ 471,450.31			\$ 327,100.25
RBEG Balance as of 10/31/2023						\$209,483.39

**CITY OF DAINGERFELD
SALES TAX**

	2023-2024	2022-2023	2021 - 2022	2020 - 2021	2019 - 2020	2018 - 2019	2017 - 2018	2016 - 2017	2015-2016	2014-2015
OCT	\$ 48,112.35	\$ 51,443.59	\$ 41,142.45	\$ 34,761.49	\$ 35,300.59	\$ 36,337.88	\$ 35,441.70	\$ 31,704.23	\$ 29,975.70	
NOV	\$ 45,806.14	\$ 46,197.98	\$ 35,612.60	\$ 31,359.30	\$ 33,270.36	\$ 33,577.76	\$ 39,876.78	\$ 33,968.53	\$ 39,130.38	
DEC	\$ 50,182.69	\$ 42,117.81	\$ 37,318.54	\$ 34,762.48	\$ 34,702.95	\$ 36,175.21	\$ 35,973.52	\$ 34,089.97	\$ 32,791.01	
JAN	\$ 66,134.84	\$ 66,649.73	\$ 48,088.61	\$ 42,764.34	\$ 39,807.70	\$ 37,709.62	\$ 34,861.36	\$ 31,676.77	\$ 32,230.22	
FEB	\$ 52,483.27	\$ 47,851.50	\$ 39,490.77	\$ 34,291.95	\$ 31,283.74	\$ 35,127.25	\$ 46,094.85	\$ 64,074.18	\$ 45,917.05	
MAR	\$ 48,145.56	\$ 41,993.69	\$ 36,435.54	\$ 31,536.80	\$ 34,701.53	\$ 31,673.08	\$ 34,438.07	\$ 27,272.25	\$ 30,383.44	
APRIL	\$ 57,440.64	\$ 63,486.11	\$ 53,557.35	\$ 41,293.43	\$ 35,680.32	\$ 39,677.01	\$ 31,459.64	\$ 34,548.22	\$ 30,129.50	
MAY	\$ 57,699.79	\$ 44,380.90	\$ 48,081.93	\$ 44,606.19	\$ 34,907.70	\$ 32,406.71	\$ 41,223.85	\$ 56,468.45	\$ 39,771.67	
JUNE	\$ 44,148.01	\$ 44,395.41	\$ 44,089.79	\$ 39,446.15	\$ 33,957.00	\$ 36,456.88	\$ 34,687.58	\$ 31,820.67	\$ 35,933.95	
JULY	\$ 63,081.26	\$ 53,757.11	\$ 50,913.19	\$ 46,885.21	\$ 40,559.24	\$ 37,165.13	\$ 37,155.79	\$ 36,660.64	\$ 31,903.30	
AUG	\$ 50,077.31	\$ 50,099.53	\$ 45,473.20	\$ 45,864.91	\$ 40,854.16	\$ 31,930.61	\$ 41,511.29	\$ 50,345.73	\$ 41,905.38	
SEPT.	\$ 52,483.12	\$ 47,786.30	\$ 43,148.35	\$ 36,962.28	\$ 31,329.20	\$ 31,432.68	\$ 32,602.90	\$ 39,033.77	\$ 32,054.50	

\$ - \$ 635,794.98 \$ 600,159.66 \$ 523,352.32 \$ 464,534.53 \$ 426,354.49 \$ 419,669.82 \$ 445,327.33 \$ 471,663.41 \$ 422,126.10

Minutes of Regular Meeting
Northeast Texas Municipal Water District
Board of Directors
September 25, 2023 – 10:00 a.m.

The Board of Directors of the Northeast Texas Municipal Water District met in an open meeting on Monday, September 25, 2023, at 10:00 A.M. The meeting was held at Northeast Texas Municipal Water District's Executive Office located at 4180 Farm Road 250, Hughes Springs, Texas 75656. Notice of the meeting was legally posted. A quorum was present. An opportunity was provided for public comments before any action was taken by the Board of Directors.

Present: Jack Salmon - City of Avinger
 Stan Wyatt - City of Daingerfield
 Robyn Shelton - City of Hughes Springs
 George Otstott - City of Jefferson
 Jimmy Cox - City of Ore City
 Patrick Smith - City of Pittsburg

Staff: Wayne Owen - NETMWD
 Osiris Brantley - NETMWD
 Dominik Sobieraj - NETWMD
 Aracely Reyes - NETMWD

Virtual: Sandra Wexler - City of Lone Star
 Brian Sledge

Visitor: Jason Spencer

President George Otstott called the meeting to order at 10:00 a.m. Jack Salmon gave the invocation. Mr. Otstott led the directors in the pledge of allegiance to the United States flag. Jason Spencer made a public comment.

On a motion by Robyn Shelton and a second by Stan Wyatt, minutes of the August 28, 2023 meeting were approved. Motion carried, all voting aye.

Jack Salmon made a motion to approve the monthly investment report, to approve financial reports on all current accounts and funds, and pay invoices for professional services. Jimmy Cox seconded the motion.

Dominik Sobieraj gave the Operations Manager report:

Raw water quality is moderate. We had to go up on Alum dosage to counter water quality issues. Current dosage range (70mg/l – 80mg/l)

PITTSBURG

- Working on chlorine/ammonia feed system (Capital Imp)

TANNER

- Finishing projects on Capital Improvements for 22/23
- Trainees update:
 - Aaron Jedlick is about to take the C License test.
 - Scott Barron is about to take the D License test.
- Longview Journal had a reporter at the Tanner Plant to talk about PFAS and testing for contaminants.
- Preparing annual employee evaluations

Director George Otstott announced at 10:30 A.M. that the Board was recessing into a closed executive session for consultation concerning attorney-client matters with the District's legal counsel under Section 551.071, Texas Government Code, regarding items on today's Board meeting agenda. In addition, the Board would conduct the annual performance evaluation of the General Manager under Section 551.074, Texas Government Code. No final action would be taken in a closed session, and, at the conclusion of the closed session, the Board will reconvene in an open session with the public. At 12:06 P.M., Director Otstott announced the meeting was reconvened in an open public session.

On a motion by Jack Salmon, and a second by Jimmy Cox, Wayne Owen's employment agreement was given a one-year extension. Motion carried, all voting aye except Patrick Smith and Stan Wyatt voting nay.

On a motion by Stan Wyatt and a second by Jimmy Cox, the next meeting of the Board of Directors was set for October 23, 2023. Motion carried, all voting aye.

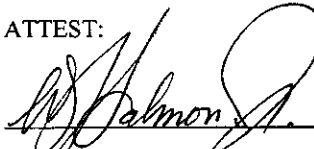
Motion to adjourn was made by Jack Salmon with a second from Robyn Shelton. Motion carried, all voting aye.

APPROVED:



George Otstott, President

ATTEST:



Jack Salmon