

**LOUIS R. RIGBY**  
Mayor  
**JOHN ZEMANEK**  
Councilmember At Large A  
**DOTTIE KAMINSKI**  
Councilmember At Large B  
**DANNY EARP**  
Councilmember District 1  
**CHUCK ENGELKEN**  
Councilmember District 2



**DARYL LEONARD**  
Councilmember District 3  
**KRISTIN MARTIN**  
Councilmember District 4  
**JAY MARTIN**  
Mayor Pro-Tem  
Councilmember District 5  
**MIKE CLAUSEN**  
Councilmember District 6

## **CITY COUNCIL MEETING AGENDA**

**Notice is hereby given of a Regular Meeting of the La Porte City Council to be held September 28, 2015, beginning at 6:00 PM in the City Hall Council Chambers, 604 W. Fairmont Parkway, La Porte, Texas, for the purpose of considering the following agenda items. All agenda items are subject to action.**

- 1. CALL TO ORDER**
- 2. INVOCATION** – The invocation will be given by Michael Abportus, Congregation Benim Avraham.
- 3. PLEDGE OF ALLEGIANCE** – The Pledge of Allegiance will be led by Councilmember Mike Clausen.
- 4. PUBLIC COMMENTS** (Limited to five minutes per person.)
- 5. CONSENT AGENDA** *(All consent agenda items are considered routine by City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember requests an item be removed and considered separately.)*
  - (a)** Consider approval or other action regarding the minutes of the City Council meeting held on September 14, 2015 - P. Fogarty
  - (b)** Consider approval or other action authorizing the City Manager to execute an Agreement with Bay Point Townhomes for a new neighborhood entryway sign as part of the Community Cooperation Projects - T. Leach
  - (c)** Consider approval or other action regarding recommendation by the La Porte Fire Control Board to approve the La Porte Fire Control, Prevention, and Emergency Medical Services District's proposed budget adjustment in the amount of \$15,287.62 for EKG monitor maintenance - D. Ladd
  - (d)** Consider approval or other action authorizing the City Manager to execute an agreement with the Houston-Galveston Area Council (H-GAC) for participation in the Regional DWI Task Force - K. Adcox
  - (e)** Consider approval or other action regarding a resolution to commit \$2,000,000.00 to the General Fund balance for Health Insurance - M. Dolby
  - (f)** Consider approval or other action regarding a Routine Airport Maintenance (RAMP) grant authorizing the City Manager to enter into a fifty percent cost share grant agreement with the Texas Department of Transportation (TxDOT) Aviation Division in the amount of \$10,000.00 plus a \$20,000.00 contingency for a total of \$30,000.00 - D. Mick
- 6. AUTHORIZATIONS**
  - (a)** Consider approval or other action regarding recommendation by Staff to adopt a resolution to nominate a single candidate to the Harris County Appraisal District Board of Directors - P. Fogarty

- (b) Consider approval or other action regarding recommendation by the Chapter 172 Board to implement a tobacco use rate structure for medical insurance premiums, in connection with City of La Porte Health Plan, effective for the plan year beginning January 1, 2016 - C. Alexander
- (c) Consider approval or other action regarding an ordinance authorizing the issuance of approximately \$8,000,000.00 in City of La Porte, Texas, Certificates of Obligations, Series 2015 and other related matters - M. Dolby
- (d) Consider approval or other action regarding recommendation of the La Porte Area Water Authority (LPAWA), to authorize the City Manager, serving as General Manager of the La Porte Area Water Authority (LPAWA), to reimburse the City of Houston \$293,763.82 for the La Porte Area Water Authority's (LPAWA), share of the final 2007 - 2011 Southeast Water Purification Plant expansion project cost - D. Mick
- (e) Consider approval or other action authorizing the City Manager to enter into a professional services agreement with Dunham Engineering in the amount of \$110,000.00 for design, bidding, and construction services related to painting the interior and exterior of the Fairmont elevated water storage tower and the exterior of the Main and Fourth Street elevated water storage tower - D. Mick
- (f) Consider approval or other action authorizing the City Manager to enter into a professional services agreement with JBS Water, Inc., for an audit of the City's water system loss and meter management programs in the amount of \$56,000.00 - D. Mick

## 7. **REPORTS**

- (a) Receive report of the Fiscal Affairs Committee - Councilmember Engelken

## 8. **ADMINISTRATIVE REPORTS**

- Drainage and Flooding Committee Meeting, Monday, October 5, 2015
- City Council Meeting, Monday, October 12, 2015
- Planning and Zoning Commission Meeting, Thursday, October 15, 2015
- Zoning Board of Adjustment Meeting, Thursday, October 22, 2015

9. **COUNCIL COMMENTS** regarding matters appearing on the agenda; recognition of community members, city employees, and upcoming events; inquiry of staff regarding specific factual information or existing policies – Councilmembers Clausen, J. Martin, K. Martin, Kaminski, Zemanek, Leonard, Engelken, Earp and Mayor Rigby

## 10. **EXECUTIVE SESSION**

The City Council reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code, in accordance with the authority contained in:

**Texas Government Code, Section 551.072** – For the purpose of deliberating the purpose of the purchase, exchange, lease or value of real property: Meet with City Manager and City Attorney to discuss a Joint Ordinance and Boundary Adjustment Agreement and Joint Ordinance and Revenue Sharing Agreement with the City of Morgan's Point regarding a 4.42 acre tract of land currently within the City of La Porte's corporate boundary and proposed to be annexed within the City of Morgan's Point corporate boundary

**Texas Government Code, Section 551.071(2)** - Consultation with City Attorney: Meet with City Attorney to discuss Joint Ordinance and Boundary Adjustment Agreement and Joint Ordinance and Revenue Sharing Agreement with the City of Morgan's Point

11. **RECONVENE** into regular session and consider action, if any, on item(s) discussed in executive session.

12. **ADJOURN**

**In compliance with the Americans with Disabilities Act, the City of La Porte will provide for reasonable accommodations for persons attending public meetings. To better serve attendees, requests should be received 24 hours prior to the meeting. Please contact Patrice Fogarty, City Secretary, at 281.470.5019.**

**CERTIFICATION**

I certify that a copy of the September 28, 2015, agenda of items to be considered by the City Council was posted on the City Hall bulletin board on September 22, 2015.

*Patrice Fogarty*



**Council Agenda Item  
September 28, 2015**

1. **CALL TO ORDER**
2. **INVOCATION** – The invocation will be given by Michael Abportus, Congregation Benim Avraham.
3. **PLEDGE OF ALLEGIANCE** – The Pledge of Allegiance will be led by Councilmember Mike Clausen.
4. **PUBLIC COMMENTS** (Limited to five minutes per person.)

\*\*\*\*\*



## Council Agenda Item September 28, 2015

5. **CONSENT AGENDA** *(All consent agenda items are considered routine by City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember requests an item be removed and considered separately.)*
- (a) Consider approval or other action regarding the minutes of the City Council meeting held on September 14, 2015 - P. Fogarty
  - (b) Consider approval or other action authorizing the City Manager to execute an Agreement with Bay Point Townhomes for a new neighborhood entryway sign as part of the Community Cooperation Projects - T. Leach
  - (c) Consider approval or other action regarding recommendation by the La Porte Fire Control Board to approve the La Porte Fire Control, Prevention, and Emergency Medical Services District's proposed budget adjustment in the amount of \$15,287.62 for EKG monitor maintenance - D. Ladd
  - (d) Consider approval or other action authorizing the City Manager to execute an agreement with the Houston-Galveston Area Council (H-GAC) for participation in the Regional DWI Task Force - K. Adcox
  - (e) Consider approval or other action regarding a resolution to commit \$2,000,000.00 to the General Fund balance for Health Insurance - M. Dolby
  - (f) Consider approval or other action regarding a Routine Airport Maintenance (RAMP) grant authorizing the City Manager to enter into a fifty percent cost share grant agreement with the Texas Department of Transportation (TxDOT) Aviation Division in the amount of \$10,000.00 plus a \$20,000.00 contingency for a total of \$30,000.00 - D. Mick

\*\*\*\*\*

**LOUIS RIGBY**  
Mayor  
**JOHN ZEMANEK**  
Councilmember At Large A  
**DOTTIE KAMINSKI**  
Councilmember At Large B  
**DANNY EARP**  
Councilmember District 1  
**CHUCK ENGELKEN**  
Councilmember District 2



**DARYL LEONARD**  
Councilmember District 3  
**KRISTIN MARTIN**  
Councilmember District 4  
**JAY MARTIN**  
Mayor Pro-Tem  
Councilmember District 5  
**MIKE CLAUSEN**  
Councilmember District 6

## **MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF LA PORTE SEPTEMBER 14, 2015**

The City Council of the City of La Porte met in a regular meeting on **Monday September 14, 2015**, at the City Hall Council Chambers, 604 West Fairmont Parkway, La Porte, Texas, at **6:00 p.m.** to consider the following items of business:

**1. CALL TO ORDER**

Mayor Rigby called the meeting to order at 6:00 p.m. Members of Council present: Councilmembers Kaminski, Earp, J. Martin, Leonard, Zemanek, K. Martin and Clausen. Also present were City Secretary Patrice Fogarty and City Manager Corby Alexander. Councilmember Engelken joined the meeting at 6:22 p.m.

**2. INVOCATION** – The invocation was given by Thomas Park, Fairmont Park Church.

**3. PLEDGE OF ALLEGIANCE** – The Pledge of Allegiance was led by Councilmember Danny Earp.

**4. PUBLIC COMMENTS** (Limited to five minutes per person.)

Chuck Rosa, 812 S. Virginia St., addressed Council suggesting funds from the La Porte Development Corporation be used to invest in restoring dangerous buildings in the City versus demolishing the dangerous buildings; he also addressed concerns of dogs no longer being allowed on the pier at Sylvan Beach.

Alan Ward, 10022 Roseberry Dr., addressed Council in support of the proposed Brigadoon Brewery coming to the City.

Cheyenne Sprouse, 410 S. Lobit, addressed Council in support of the proposed Brigadoon Brewery coming to the City.

Barbara Norwine, 202 S. Lobit, addressed Council with concerns of an EMS invoice she received from the City after calling 911 for medical attention and no transportation to a hospital. Ms. Norwine also spoke in opposition to the proposed Brigadoon Brewery coming to the City.

**5. CONSENT AGENDA** *(All consent agenda items are considered routine by City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Councilmember requests an item be removed and considered separately.)*

**(a)** Consider approval or other action regarding the minutes of the Regular City Council Meeting held on August 24, 2015 and Special Called Meeting held on September 3, 2015 – P. Fogarty

**(b)** Consider approval or other action adopting an Ordinance repealing Ordinance No. 2015-3592 concerning condemnation of structures located at 313 S. 7<sup>th</sup> Street – P. Fogarty

**(c)** Consider approval or other action regarding appointment of Lia Ferrell to the La Porte Police Reserve Force – K. Adcox

- (d) Consider approval or other action regarding an Ordinance authorizing the execution by the City of La Porte of an Industrial District Agreement with Hydro-Fairmont Real Estate, LLC, for property located at 11802 Fairmont Parkway in the Bayport Industrial District, for the term commencing January 1, 2008 and ending December 31, 2019 – K. Powell
- (e) Consider approval or other action authorizing the City Manager to execute a Water Service Agreement and a Sanitary Sewer Service Agreement with Hydro-Fairmont Real Estate, LLC for its development at 11802 Fairmont Parkway in the Bayport Industrial District – T. Tietjens

Regarding Item C, Councilmember Zemanek questioned the order of the Reserve Force. Police Chief Ken Adcox responded 10 unpaid commissioned officers without benefits are allowed to serve 16 hours per month, per the City Charter. Councilmember K. Martin questioned the ranking if an officer decides to come off the Reserve Force. Chief Adcox responded if an officer returns within two years in good status, the ranking and seniority will remain the same. Councilmember Zemanek asked if an officer decides to return and there is not a position available, will the officer then filling the position be demoted? Mr. Adcox responded Council and City Administrative can decide to fill the position through attrition.

Regarding Item D, Mayor Rigby questioned the representative of Hydro-Fairmont Real Estate, LLC. Tax Manager Kathy Powell responded a subsidiary of Kelly Fairmont. Mayor Rigby asked what type of business is Kelly Fairmont. City Manager Corby Alexander responded industrial pumps and motors.

Prior to council action, Assistant City Attorney Clark Askins read the caption of **Ordinance 2015-3599: AN ORDINANCE REPEALING ORDINANCE 2015-3592, CONCERNING CONDEMNATION OF BOTH THE ACCESSORY STORAGE BUILDING AND THE PRIMARY DWELLING LOCATED AT BLK 19: SOUTH 10' OF LOT 6, AND ALL OF LOTS 7 AND 8 TOWN OF LA PORTE, HARRIS COUNTY, TEXAS, MORE COMMONLY KNOWN AS 313 S 7<sup>TH</sup> STREET; CONTAINING A SEVERABILITY CLAUSE; FINDING COMPLIANCE WITH THE OPEN MEETINGS LAW; AND PROVIDING AN EFFECTIVE DATE HEREOF.**

Prior to council action, Assistant City Attorney Clark Askins read the caption of **Ordinance 2015-3600: AN ORDINANCE AUTHORIZING THE EXECUTION BY THE CITY OF LA PORTE OF AN INDUSTRIAL DISTRICT AGREEMENT WITH HYDRO-FARIMONT REAL ESTATE, LLC, FOR PROPERTY LOCATED AT 11802 FAIRMONT PARKWAY FOR THE TERM COMMENCING JANUARY 1, 2008, AND ENDING DECEMBER 31, 2019, MAKING VARIOUS FINDINGS AND PROVISIONS RELATING TO THE SUBJECT; FINDING COMPLIANCE WITH THE OPEN MEETINGS LAW; AND PROVIDING AN EFFECTIVE DATE HEREOF.**

Councilmember Leonard moved to approve all Consent Agenda items pursuant to staff recommendations. Councilmember J. Martin seconded. **MOTION PASSED.**

Ayes:	Mayor Rigby, Councilmembers J. Martin, Leonard, Zemanek, K. Martin, Clausen, Kaminski and Earp
Nays:	None
Absent:	Councilmember Engelken

**6. PUBLIC HEARINGS AND ASSOCIATED ORDINANCES**

(a) Public hearing to receive comments regarding a request to approve Special Conditional Use Permit (SCUP) # 15-91000005 to allow construction of an approximately 240,000 square foot warehouse/distribution facility at the southeastern corner of 2. 16<sup>th</sup> Street and the W. M Street intersection; and consider an Ordinance amending Chapter 106, "Zoning" of the Code of Ordinances by approving SCUP #15-91000005, in accordance with Planning and Zoning Commission recommendation to approve subject to conditions – E. Ensey

The public hearing opened at 6:21 p.m.

City Planner Eric Ensey presented a summary.

Councilmember Engelken arrived at 6:22 p.m.

President of Generational Commercial Properties, Joe Llamas, spoke and advised Council the business will occupy only one tenant but is designed to occupy multiple tenants.

There being no public comments, the public hearing closed at 6:26 p.m.

Councilmember Leonard moved approve Special Conditional Use Permit (SCUP) # 15-91000005 to allow construction of an approximately 240,000 square foot warehouse/distribution facility at the southeastern corner of 2. 16<sup>th</sup> Street and the W. M Street intersection; and consider an Ordinance amending Chapter 106, "Zoning" of the Code of Ordinances by approving SCUP #15-91000005, in accordance with Planning and Zoning Commission recommendation to approve subject to conditions. Councilmember Kaminski seconded. **MOTION PASSED.**

Ayes:	Mayor Rigby, Councilmembers J. Martin, Clausen, Kaminski, Earp, K. Martin, Leonard, Zemanek and Engelken
Nays:	None
Absent:	None

Prior to council action, Assistant City Attorney Clark Askins read the caption of **Ordinance 2015-3601: AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF LA PORTE, CHAPTER 106, MORE COMMONLY REERRED TO AS THE ZONING ORDINANCE OF THE CITY OF LA PORTE, BY GRANTING SPECIAL CONDITIONAL USE PERMIT NO. 15-91000005 FOR THAT CERTAIN PARCEL OF LAND HEREIN DESCRIBED, FOR THE PURPOSE OF CONSTRUCTING A WAREHOUSE/DISTRIBUTION FACILITY AT SOUTHEAST CORNER OF SOUTH 16<sup>TH</sup> STREET AND WEST M STREET INTERSECTION; MAKING CERTAIN FINDINGS OF FACT RELATED TO THE SUBJECT CONTAINING A SERVABILITY CLAUSE; FINDING COMPLIANCE WITH THE OPEN MEETINGS LAW; AND PROVIDING AN EFFECTIVE DATE HEREOF.**

**(b)** Public hearing to receive comments regarding the City of La Porte, Texas' Fiscal Year 2015-2016 Proposed Budget – M. Dolby

The public hearing opened at 6:27 p.m.

Finance Director Michael Dolby presented a summary.

Councilmember Leonard asked if the delayed Vehicle Replacement is on hold until next budget year. Mr. Dolby responded yes

Councilmember Earp questioned why the added \$107,669 for Enhancement Grants. Economic Development Coordinator Scott Livingston responded the funds have not been committed and the program parameters were expanded to include all businesses in La Porte by the La Porte Development Corporation Board.

Councilmember Zemanek asked if \$169,000.00 was taken away for the equestrian trail and added back for the L Street Proposed Safe Sidewalk Design. Mr. Dolby responded yes. Councilmember Zemanek asked if that is a realistic amount for the L Street Proposed Safe Sidewalk Design. City Manager Corby Alexander responded the amount is a placeholder and can be zeroed out, and staff can come back to Council with an amount. Regarding insurance, Councilmember Zemanek questioned the amount of medical claims for in-network versus out-of-network. City Manager Corby Alexander responded 80% of the claims are in-network.

Chuck and Samantha Rosa, 812 S. Virginia St., spoke and asked Council to eliminate the rule of dogs not begin allowed on the pier.

There being no additional public comments, the public hearing closed at 7:15 p.m.

(c) Consider approval or other action regarding an Ordinance approving and adopting the City of La Porte Texas' Fiscal Year 2015-2016 Proposed Budget – M. Dolby

Councilmember Clausen moved to adopt the City of La Porte Texas' Fiscal Year 2015-2016 Proposed Budget as presented with no amendments. There was no second. Motion failed.

Councilmember Earp moved to amend the budget by removing the L Street Proposed Safe Sidewalk Design from the City of La Porte, Texas' Fiscal Year 2015-2016 Proposed Budget. Councilmember Leonard seconded. **MOTION PASSED.**

Ayes: Mayor Rigby, Councilmembers Zemanek, Leonard, J. Martin, Kaminski, K. Martin, Earp and Engelken  
Nays: Councilmember Clausen  
Absent: None

Prior to council action, Assistant City Attorney Clark Askins read the caption of **Ordinance 2015-3602: AN ORDINANCE APPROVING AND ADOPTING THE BUDGET FOR THE CITY OF LA PORTE, TEXAS, FOR THE PERIOD OF OCTOBER 1, 2015 THROUGH SEPTEMBER 30, 2016; FINDING THAT ALL THINGS REQUISITE AND NECESSARY HAVE BEEN DONE IN PREPARATION AND PRESENTMENT OF SAID BUDGET; FINDING COMPLIANCE WITH THE OPEN MEETINGS LAW; AND PROVIDING AN EFFECTIVE DATE HEREOF.**

## 7. ORDINANCES/RESOLUTIONS/AUTHORIZATIONS

(a) Consider approval or other action ratifying property tax revenue increase reflected in 2015-2016 Fiscal Year Budget – M. Dolby

Finance Director Michael Dolby presented a summary.

Councilmember Zemanek moved to ratify property tax revenue increase reflected in 2015-2016 Fiscal Year Budget. Councilmember Kaminski seconded. **MOTION PASSED.**

Ayes: Mayor Rigby, Councilmembers Zemanek, Leonard, J. Martin, Clausen, Kaminski, K. Martin, Earp and Engelken  
Nays: None  
Absent: None

(b) Consider approval or other action regarding a Resolution adopting the 2015 Appraisal Roll of the Harris County Appraisal District – M. Dolby

Finance Director Michael Dolby presented a summary.

Councilmember Clausen moved to adopt the 2015 Appraisal Roll of the Harris County Appraisal District. Councilmember J. Martin seconded. **MOTION PASSED.**

Ayes: Mayor Rigby, Councilmembers Zemanek, Leonard, J. Martin, Clausen, Kaminski, K. Martin, Earp and Engelken  
Nays: None  
Absent: None

Prior to council action, Assistant City Attorney Clark Askins read the caption of **Resolution 2015-14: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA PORTE, TEXAS, ADOPTING THE 2015 APPRAISAL ROLL OF THE HARRIS COUNTY APPRAISAL DISTRICT.**

(c) Consider approval or other action regarding an Ordinance establishing the tax rate for the current tax year (2015) for a total tax rate of \$0.71 per hundred dollar valuation – M. Dolby

Finance Director Michael Dolby presented a summary.

Councilmember Leonard moved to approve an Ordinance establishing the tax rate for the current tax year (2015) for a total tax rate of \$0.71 per hundred dollar valuation. Councilmember Clausen seconded. **MOTION PASSED.**

Ayes: Mayor Rigby, Councilmembers Zemanek, Leonard, J. Martin, Clausen, Kaminski, K. Martin, Earp and Engelken  
Nays: None  
Absent: None

Prior to council action, Assistant City Attorney Clark Askins read the caption of **Ordinance 2015-3603: AN ORDINANCE LEVYING TAXES UPON TAXABLE PROPERTY LOCATED WITHIN AND SUBJECT TO TAXATION IN THE CITY OF LA PORTE, TEXAS MAKING APPROPRIATIONS FOR SUPPORT, MAINTENANCE, AND IMPROVEMENT OF THE CITY GOVERNMENT OF SAID CITY OF LA PORTE, FINDING THAT ALL REQUIRED NOTICES HAVE BEEN PUBLISHED AND ALL REQUIRED HEARINGS HELD; CONTAINING A REPEALING CLAUSE; CONTAINING A SEVERABILITY CLAUSE; FINDING COMPLIANCE WITH THE OPEN MEETINGS LAW; AND PROVIDING AN EFFECTIVE DATE HEREOF.**

**(d)** Consider approval or other action regarding proposed salary adjustment for Civil Service Personnel, under terms of Meet and Confer Agreement – K. Adcox

Police Chief Ken Adcox presented a summary.

Mayor Rigby requested that during the next negotiating period, the cities being compared be more closely related to the City of La Porte's Police Department.

Councilmember Leonard moved to approve the proposed salary adjustment for Civil Service Personnel, under terms of Meet and Confer Agreement. Councilmember Zemanek seconded. **MOTION PASSED.**

Ayes: Mayor Rigby, Councilmembers Zemanek, Leonard, J. Martin, Clausen, Kaminski, K. Martin, Earp and Engelken  
Nays: None  
Absent: None

**(e)** Consider approval or other action authorizing the City Manager, as General of the La Porte Area Water Authority to formally dispute portions of the FY 2016 budget for the Southeast Water Purification Plant, and the authorize a \$15,000.00 increase in the La Porte Area Water Authority budget for professional services – D. Mick

Public Works Director Dave Mick presented a summary.

Councilmember Leonard asked the amount of water fee increase for the City due to the FY2016 budget for the Southeast Water Purification Plant. Mr. Mick responded the fees can approach an estimated \$80,000.00-\$100,000.00.

Councilmember Zemanek moved to authorize the City Manager, as General of the La Porte Area Water Authority, to formally dispute portions of the FY 2016 budget for the Southeast Water Purification Plant, and the authorize a \$15,000.00 increase in the La Porte Area Water Authority budget for professional services. Councilmember Earp seconded. **MOTION PASSED.**

Ayes: Mayor Rigby, Councilmembers Zemanek, Leonard, J. Martin, Clausen, Kaminski, K. Martin, Earp and Engelken  
Nays: None  
Absent: None

**8. REPORTS**

- (a)** Receive report of the La Porte Development Corporation Board – Councilmember Engelken

Councilmember Engelken provided a report of the La Porte Development Corporation Board meeting held on August 26, 2015.

- (b)** Receive Strategic Plan Update – T. Leach

Assistant City Manager Traci Leach provided an update.

**9. ADMINISTRATIVE REPORTS**

There were no additional reports. Mr. Alexander advised Council he will reach out to Ms. Norwine regarding her concern for the EMS invoice with no transportation to a medical facility.

- 10. COUNCIL COMMENTS** regarding matters appearing on the agenda; recognition of community members, city employees, and upcoming events; inquiry of staff regarding specific factual information or K. Martin, Clausen and Mayor Rigby

Councilmembers Earp and Kaminski thanked staff for preparing the budget; Councilmember Clausen thanked everyone for attending the meeting and welcomed Councilmember Kristin Martin aboard; Councilmember J. Martin congratulated Lia Ferrell on the birth of her first child and Cameron Briscoe on his promotion; Councilmember K. Martin thanked District 4 for voting in the Special Election and City Staff and everyone for welcoming her as an elected official; Councilmember Zemanek welcomed Councilmember Kristin Martin; Councilmembers Leonard and Engelken thanked staff for preparing the budget and welcomed Councilmember Kristin Martin; and Mayor Rigby welcomed Councilmember Kristin Martin, thanked staff for preparing the budget, advised of his attendance to the Ceremonial Exchange of SCBA equipment, the event supporting Law Enforcement Officers held at La Porte Police Department, and his participation in the 2015 Full Scale Exercise.

Councilmember Leonard advised everyone to view the La Porte Police Department recruitment video on YouTube.

- 11. EXECUTIVE SESSION** The City reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code, including, but not limited to, the following:

**Texas Government Code, Section 551.072** – For the purpose of deliberating the purchase, exchange, lease or value of real property: former Parks and Wildlife Building and surrounding property.

City Council recessed the regular Council meeting to convene an executive session at 7:35 p.m. regarding the item listed above.

- 12. RECONVENE** into regular session and consider action, if any on item(s) discussed in executive session.

Council reconvened into the regular Council meeting at 8:18 p.m.

Councilmember Leonard moved to direct staff to provide additional information. Councilmember J. Martin seconded. **MOTION PASSED.**

Ayes:	Mayor Rigby, Councilmembers Leonard, J. Martin, K. Martin, Clausen, Zemanek, Kaminski, Earp and Engelken
Nays:	None
Absent:	None

13. **ADJOURN** - There being no further business, Councilmember Engelken made a motion to adjourn the meeting at 8:19 p.m. Councilmember Zemanek seconded. Motion passed unanimously.

---

Patrice Fogarty, City Secretary

Passed and approved on September 28, 2015.

---

Mayor Louis R. Rigby

## REQUEST FOR CITY COUNCIL AGENDA ITEM

Agenda Date Requested:	September 28, 2015	Appropriation	
Requested By:	T. Leach	Source of Funds:	Fund 015
Department:	Administration	Account Number:	N/A
Report: <input checked="" type="radio"/>	Resolution: <input type="radio"/>	Amount Budgeted:	\$20,000.00
Other: <input type="radio"/>	Ordinance: <input type="radio"/>	Amount Requested:	\$5,000.00
		Budgeted Item:	<input checked="" type="radio"/> YES <input type="radio"/> NO

### Attachments :

1. Agreement with Bay Point Townhomes
2. Verification of Officers
3. Proposed Design versus Existing Design

---

### SUMMARY & RECOMMENDATIONS

As part of the FY 2015 budget, the Council approved funding for Community Co-op projects, where the City would partner with HOAs and other neighborhood groups to complete small beautification and quality of life projects. A total of \$20,000 was budgeted with a maximum City contribution per project of \$5,000. All projects would be considered on a first come, first served basis. At this time, projects with Shady River HOA, Fairmont Park HOA, and Bayside Terrace Civic Club have been completed or are in progress now. A total of \$5,000 is currently unencumbered. The final project for Council consideration for FY15 is a new neighborhood entryway sign for Bay Point Townhomes.

Several quotes have been obtained for a neighborhood entryway sign. The total project cost is estimated to be \$10,000. The HOA is asking for the City to contribute \$5,000. The HOA would handle all logistics, scheduling, and oversight of installation of the new sign and any landscaping.

As this would **not** be an addition to a City-owned and maintained facility, the on-going maintenance responsibility would lie with the Bay Point Townhomes.

---

### Action Required of Council:

Consider approval or other action authorizing the City Manager to execute an Agreement with Bay Point Townhomes for a Community Cooperation project (new neighborhood entryway sign).

---

**Approved for City Council Agenda**

---

**Corby D. Alexander, City Manager**

---

**Date**



## MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (MOA) is made by and entered into this \_\_\_\_ day of \_\_\_\_\_, 2015 (the "Effective Date") between the City of La Porte, Texas, a home-rule municipality under the laws of the State of Texas ("the City") and the Bay Point Townhome Homeowners Association, a Texas nonprofit corporation, ("BPTOA"), to establish each party's obligations under the Community Cooperation Project, as defined herein.

The terms acceptable to both Parties to begin the Community Cooperation Project are as follows:

The City and BPTOA agree that the Community Cooperation Project shall consist of the construction of a neighborhood entryway monument. The monument is proposed to be comprised of two composite plastic signs (approximately 8' x 4' and 6' x 4') with wooden/metal columns on both sides of the sign, hereinafter referred to as the "Improvements". The total estimated cost of the Project is \$10,000.00.

The City's responsibilities for the Improvements are limited to:

- Procurement of the sign.
- Assistance in procuring and selecting landscape material, as budget allows

The BPTOA's responsibilities for the Improvements will include:

- Construction oversight and installation of the sign
- Procurement of any supplies required for completion of installation of sign, such as concrete and any other equipment necessary
- Installation of any and all landscaping and lighting, as budget allows.

The BPTOA shall be responsible for the scheduling of work and installation of all Improvements. The City's share of the Project's costs shall be limited to \$5,000.00, which is the maximum funding amount allowed under this program. The BPTOA's share of the Project's costs shall be \$5,000.00.

Upon completion of the Improvements, the neighborhood entryway monument will be owned, operated, and maintained by BPTOA.

The City assumes no ongoing maintenance responsibility for the Improvements once completed, and is not responsible for contributing towards the cost of replacement of the Improvements if damaged or destroyed. Furthermore, BPTOA agrees to release, indemnify, and hold harmless City from any liability in connection with claims for damages or loss brought against City in relation to the purchase, installation, or condition of the Improvements.

This MOA constitutes the complete understanding between the parties in order to begin the procurement and installation process for the Project.

**For the City of La Porte, Texas:**

\_\_\_\_\_  
Corby D. Alexander  
City Manager

\_\_\_\_\_  
Attest: Patrice Fogarty, City Secretary

**For the Bay Point Townhome HOA:**

\_\_\_\_\_  
Maggie Anderson  
President

Bay Point Town Homes Association

La Porte, Texas

Margaret Anderson, President, 2015-2016 has the authority to sign the agreement between the City of La Porte and Bay Point TOA.

Rena Garrett Rena Garrett, Vice President

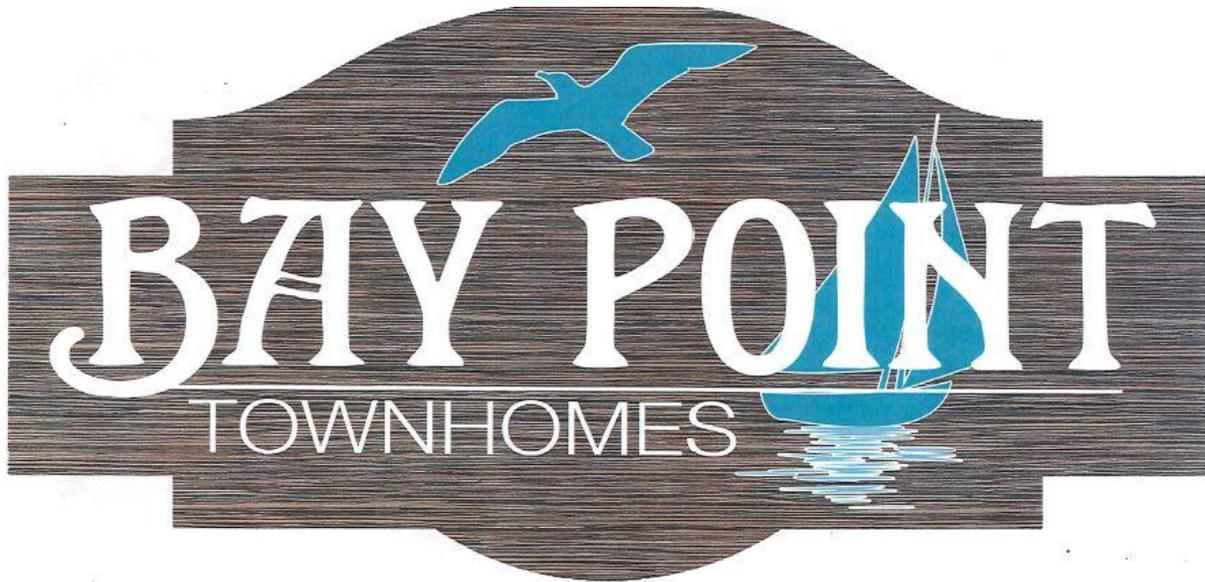
Kay Gold Kay Gold, Treasurer

Wanda Sue Pomonis Wanda Pomonis, Secretary

Current Entryway Sign



Proposed Design



## REQUEST FOR CITY COUNCIL AGENDA ITEM

Agenda Date Requested:	September 28, 2015	Appropriation	
Requested By:	D. Ladd	Source of Funds:	ESD Fund (034)
Department:	Fire	Account Number:	N/A
Report: <input checked="" type="radio"/>	Resolution: <input type="radio"/>	Amount Budgeted:	NA
Other: <input type="radio"/>	Ordinance: <input type="radio"/>	Amount Requested:	\$15,287.62
		Budgeted Item:	<input type="radio"/> YES <input type="radio"/> NO

### Attachments :

1. ESD Board Minutes
2. Budget Worksheet Impacted

---

### SUMMARY & RECOMMENDATIONS

On August 27, 2015, the La Porte Fire Control Board was asked to consider approval for additional funding in amount of 15,287.62 to provide for EKG monitor maintenance. The additional funds were left out of the original budget approval process due to a difference in interpreting the last contract expiration date. It was believed that the funding originally requested in the budget would be adequate to continue the maintenance agreement through the next fiscal year. However, this was discovered to not be the case and additional funds would be required to continue maintenance on these essential pieces of equipment. This expenditure is usually covered by the Fire Control District and the board unanimously approved the adjustment for the expenditure.

Staff is now requesting Council's approval of the budget adjustment as passed by the La Porte Fire Control Board.

---

### **Action Required of Council:**

Consider approval or other action on the La Porte Fire Control, Prevention, and Emergency Medical Services District budget adjustment, as approved by the Board of Directors of the District at its meeting of August 27, 2015.

---

**Approved for City Council Agenda**

\_\_\_\_\_  
**Corby D. Alexander, City Manager**

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

**La Porte Fire Control, Prevention, and Emergency Medical Services District  
Minutes from August 27, 2015**

Meeting held at Fire Admin – 125 South 3rd St., La Porte, Texas.

Meeting called to order @ 5:55pm by Johnny Jones

Members present – Johnny Jones, Robert Eldridge, Tom Dye, Dottie Kaminski, Ron Nowetner, Rick Guzman, Danny Campise

Also present- Donald Ladd, Kaitlyn Hartis, Ray Nolen

Minutes from May 26, 2015 were read with a motion to approve minutes by Johnny Jones, second by Tom Dye. Minutes accepted.

Considered approval for additional funding in amount of 15,287.62 to provide for EKG monitor maintenance.

Questions from board were addressed by Ladd and Nolen. Additional funding was approved.

Second agenda item in regards to command vehicle was tabled until numbers for cost are received by Ladd.

A motion to adjourn the meeting was made by Dottie Kaminski and seconded by Danny Campise. The motion carried, meeting adjourned @ 6:04pm.

Approved:

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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

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

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	ACTUAL 2012-13	ACTUAL 2013-14	BUDGET 2014-15	Y-T-D ACTUAL	ESTIMATE 2014-15	REQUESTED 2015-16
FUND 034	EMERGENCY SERVICES DIST						
DEPT 50	EMERGENCY SERVICES						
DIV 59	EMS						
034-5059-522.40-01	OFFICE EQUIPMENT	0	0	0	0	0	0
034-5059-522.40-02	MACHINERY/TOOLS/EQUIP	12,153	14,280	25,150	19,957	25,150	18,150
LEVEL	TEXT						
15ES	CURRENTLY 79% EXPENDED WITH 58% YEAR LAPSED. ACCOUNT APPEARS TO BE TRACKING CONSISTENTLY WITH CURRENT BUDGETED EMS NEEDS FOR MAINTENANCE AND SERVICE CONTRACTS.				25,150		
					25,150		
LEVEL	TEXT						
16DI	BIO-HAZARD DISPOSAL CONTRACT - MEDICAL WASTE ANNUAL				4,000		
	* EMS POWER STRETCHER/COT - MAINTENANCE CONTRACT ANNUAL				11,200		
	* FIRE ALARM INSPECTION - EMS HEADQUARTERS ANNUAL				350		
	* LUCAS CHEST COMPRESSION DEVICE - MAINTENANCE CONTRACT ANNUAL				2,600		
					18,150		
034-5059-522.40-03	RADIOS/BASE STATIONS	0	0	0	0	0	0
034-5059-522.40-06	HEATING & A/C EQUIPMENT	0	0	0	0	0	0
034-5059-522.40-11	BUILDING	0	0	6,300	6,300	0	0
034-5059-522.40-19	RENTAL OF EQUIPMENT	0	0	0	0	0	0
034-5059-522.40-20	MOTOR POOL:LEASE FEES	77,280	104,220	95,241	55,557	95,241	147,430
LEVEL	TEXT						
15ES	CURRENTLY 50% EXPENDED WITH 58% YEAR LAPSED. ACCOUNT TRACKING CONSISTENTLY WITH BUDGETED REQUESTS.				95,241		
					95,241		

They will be adding \$15,287.62 for EKG maintenance, making a total of \$33,437.62

## REQUEST FOR CITY COUNCIL AGENDA ITEM

Agenda Date Requested: <u>September 28, 2015</u>	<u>Appropriation</u>
Requested By: <u>K. Adcox</u>	Source of Funds: <u>Grant</u>
Department: <u>Police</u>	Account Number: <u>03252535211020</u>
Report: <input checked="" type="radio"/> Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	Amount Budgeted: <u>6,000.00</u>
Other: <input type="radio"/>	Amount Requested: <u>6,000.00</u>
	Budgeted Item: <input checked="" type="radio"/> YES <input type="radio"/> NO

**Attachments :**

1. Scope of Services
2. H-GAC General Provisions
3. H-GAC Special Provisions

---

### SUMMARY & RECOMMENDATIONS

The La Porte Police Department has once again been invited to participate in the Regional DWI Task Force which is administered by Houston-Galveston Area Council (HGAC) and is awarded by TXDOT. This grant will be utilized for specific DWI enforcement during designated dates. This year's grant will allow the City to be reimbursed for expenses up to a maximum of six thousand dollars (\$6,000) in overtime costs, with City contributions for employee benefits, administrative and vehicle usage costs.

---

**Action Required of Council:**

Consider approval or other action authorizing the City Manager to sign an agreement for participation in the Regional DWI Task Force.

---

**Approved for City Council Agenda**

\_\_\_\_\_  
**Corby D. Alexander, City Manager**

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

**ATTACHMENT A - SCOPE OF SERVICES  
REGIONAL DWI TASK FORCE  
RESPONSIBILITIES OF PARTICIPATING AGENCIES:**

The following are a list of expectations for officers and agencies interested in participating in the Regional DWI Task Force. This list is based on TxDOT's requirements for Selective Traffic Enforcement Program (STEP) Grants:

- A. H-GAC will serve as the administrator of the STEP Grant. H-GAC will be responsible for the following activities in the grant's administration:
  - 1. Setting up pre-Task Force meetings with participating agencies to discuss participation, protocols, and operational specifics;
  - 2. Setting up post-Task Force meetings to debrief enforcement activities;
  - 3. Determining how many officers will be participating on an enforcement weekend;
  - 4. Collecting requests for reimbursement, along with associated backup documentation;
  - 5. Submitting requests for reimbursement to TxDOT;
  - 6. Reimbursing agencies for work performed upon receipt of funds from TxDOT;
  - 7. Report on Task Force performance to TxDOT and to Task Force members.
  
- B. Task Force activities will occur during the following periods:
  - 1. Halloween – October 23 - November 2, 2015
  - 2. Christmas/New Years – December 18, 2015 - January 3, 2016
  - 3. Spring Break/Rodeo/St. Patrick's Day – March 4-21, 2016
  - 4. Memorial Day – May 23 - June 5, 2016
  - 5. July 4<sup>th</sup> – June 24 - July 5, 2016
  - 6. Labor Day – August 19 - September 5, 2016
  
- C. Participating agencies will be expected to assist H-GAC in carrying out all performance measures established in the grant, including fulfilling the law enforcement objectives by implementing the Operational Plan contained in this Grant Agreement.
  
- D. Participating agencies will be expected to submit all required reports to H-GAC fully completed with the most current information, and within the required times, as defined in the agency's Agreement with H-GAC and as required by TxDOT. This includes reporting to H-GAC on progress, achievements, and problems in post-operational Performance Reports and attaching necessary source documentation to support all costs claimed in Requests for Reimbursement (RFR).
  
- E. Participating agencies will be expected to attend H-GAC and TxDOT grant management training, when required.

- F. Participating agencies will be expected to attend meetings according to the following:
1. H-GAC will arrange for Task Force meetings in order to meet with participating agencies prior to an enforcement event to discuss procedures, protocols, and operational specifics relating to the event (e.g. enforcement area determination, intake facility locations, etc.). Depending on the enforcement wave timing, two waves may be addressed at the same meeting.
  2. H-GAC will arrange for Task Force meetings to meet with participating agencies to present status of activities and to discuss problems and the schedule for the following enforcement event's work.
  3. H-GAC's project director or other appropriate qualified persons will be available to represent participating agencies at meetings requested by the TxDOT.
- G. Participating agencies will be expected to support grant enforcement efforts with public information and education (PI&E) activities. Salaries being claimed for PI&E activities must be included in the budget.
- H. Participating agencies must maintain verification that all expenses, including wages or salaries, for which reimbursement is requested is for work exclusively related to this project and adhere to the respective overtime policies established by each agency.
- I. Participating agencies, to comply with TxDOT matching fund requirements, will supply the following information (if applicable) associated with the time worked by agency personnel:
1. Retirement match paid by agency
  2. Workers Compensation insurance
  3. Social Security Tax
  4. Medicare Tax
  5. Health Insurance
  6. Vehicle Mileage for shift
  7. Indirect Costs
- J. Participating agencies will be expected to ensure that this grant will in no way supplant (replace) funds from other sources. Supplanting refers to the use of federal funds to support personnel or any activity already supported by local or state funds, or other sources of agency revenue.
- K. Participating agencies will be expected to ensure that each officer working on the STEP project will complete an officer's daily report form. The form should include at a minimum: name, date, badge or identification number, mileage (including starting and ending mileage), hours worked, type of citation issued or arrest made, officer and supervisor signatures. Each officer will need to complete an overtime slip from his or her agency as well, which must be approved by the supervisor.
- L. Participating agencies will be required to identify a supervising officer for each shift being worked by the agency.
- M. Participating agencies will be expected to ensure that no officer above the rank of Lieutenant (or equivalent title) will be reimbursed for enforcement duty, unless the participating agency received specific written authorization from both H-GAC and TxDOT, through eGrants system messaging, prior to incurring costs.

- N. Participating agencies must submit a summary reimbursement request form to H-GAC within eighteen (18) days of the end of the enforcement weekend for reimbursement. With this reimbursement request form shall be attached all of the agency's daily report forms, copies of overtime slips, and copies of the agency's CAD system shift report for the shifts worked. The reimbursement submission must be certified by the agency's financial officer. Failure to submit this information in a timely manner will hold up reimbursements for all participating agencies.
- O. Participating agencies may work additional STEP enforcement hours on holidays or special events not covered under the Operational Plan. However, additional work must be approved in writing by H-GAC and TxDOT, through eGrants system messaging, prior to enforcement. Additional hours must be reported in the Performance Report for the time period for which the additional hours were worked.
- P. An enforcement shift shall be no longer than **eight (8) hours**. Shift length will be determined prior to the shift. However, if an officer makes a STEP-related DWI arrest during the shift, but does not complete the arrest before the shift is scheduled to end, the officer can continue working under the grant to complete that arrest.
- Q. Participating agencies should have a safety belt use policy. If a participating agency does not have a safety belt use policy in place, a policy should be implemented, and a copy maintained for verification during the grant year.
- R. Officers working DWI enforcement must be trained in the National Highway Traffic Safety Administration/International Association of Chiefs of Police Standardized Field Sobriety Testing (SFST).
- S. Participating agencies should have a procedure in place for contacting and using drug recognition experts (DREs) when necessary.
- T. Participating agencies will be expected to follow its own policies and procedures, as well as to enforce and comply with all federal, state, and local laws and regulations.
- U. This grant is a multi-agency effort, requiring all participants to make a diligent effort to patrol and apprehend offenders. Failure of an officer to do so may result in the overall non-achievement of goals, jeopardizing the future ability of being awarded similar grants in the future. If it is deemed that an officer is not producing results, that officer may be denied future shifts during the grant period.

**HOUSTON-GALVESTON AREA COUNCIL  
GENERAL PROVISIONS  
INTERGOVERNMENTAL AGREEMENT**

This Intergovernmental Agreement is made and entered into this 1st day of October, 2015, by and between the Houston-Galveston Area Council, hereinafter referred to as H-GAC, having its principal place of business at 3555 Timmons Lane, Suite 120, Houston, Texas 77027 and The City of La Porte, hereinafter referred to as the Contractor, having its principal place of business at 604 Fairmont Parkway, La Porte, TX 77571.

**WITNESSETH:**

**WHEREAS**, H-GAC hereby engages the Contractor to perform certain services in accordance with the specifications of the Agreement; and

**WHEREAS**, the Contractor has agreed to perform such services in accordance with the specifications of the Agreement;

**NOW, THEREFORE**, H-GAC and the Contractor do hereby agree as follows:

**ARTICLE 1 LEGAL AUTHORITY**

The Contractor warrants and assures H-GAC that it possesses adequate legal authority to enter into this Agreement. The Contractor's governing body, where applicable, has authorized the signatory official(s) to enter into this Agreement and bind the Contractor to the terms of this Agreement and any subsequent amendments hereto.

**ARTICLE 2 APPLICABLE LAWS**

The Contractor agrees to conduct all activities under this Agreement in accordance with all applicable rules, regulations, directives, standards, ordinances and laws in effect or promulgated during the term of this Agreement. Such standards and laws shall include, to the extent applicable, the Uniform Grant and Contract Management Standards ("UGMS") promulgated by the State of Texas and the state and federal statutes referenced therein.

**ARTICLE 3 INDEPENDENT CONTRACTOR**

The execution of this Agreement and the rendering of services prescribed by this Agreement do not change the independent status of H-GAC or the Contractor. No provision of this Agreement or act of H-GAC in performance of the Agreement shall be construed as making the Contractor the agent, servant or employee of H-GAC, the State of Texas or the United States Government. Employees of the Contractor are subject to the exclusive control and supervision of the Contractor. The Contractor is solely responsible for employee payrolls and claims arising therefrom. The Contractor shall notify H-GAC of the threat of lawsuit or of any actual suit filed against the Contractor pertaining to this Agreement or which would adversely affect the contractor's ability to perform services under this Agreement.

**ARTICLE 4 WHOLE AGREEMENT**

The General Provisions, Special Provisions and Attachments, as provided herein, constitute the complete agreement between the parties hereto, and supersede any and all oral and written agreements between the parties relating to matters herein. Except as otherwise provided herein, this Agreement cannot be modified without written consent of the parties.

**ARTICLE 5 SCOPE OF SERVICES**

The services to be performed by the Contractor are outlined in the Special Provisions of this Agreement.

**ARTICLE 6 PERFORMANCE PERIOD**

This Agreement shall be performed during the period which begins **October 1, 2015** and ends **September 30, 2016**. The work under this Agreement shall begin immediately following a formal Notice to Proceed.

**ARTICLE 7 REPORTING REQUIREMENTS**

Reporting requirements are set forth in the Special Provisions of this Agreement. If the Contractor fails to submit to H-GAC in a timely and satisfactory manner any report required by this Agreement, or otherwise fails to satisfactorily render performances hereunder, H-GAC may withhold payments otherwise due and owing the Contractor hereunder. If H-GAC withholds such payments, it shall notify the Contractor of its decision and the reasons therefor. Payments withheld pursuant to this Article may be held by H-GAC until such time as the delinquent obligations for which funds are withheld are fulfilled by the Contractor. The Contractor's failure to timely submit any report may also be considered cause for termination of this Agreement.

**ARTICLE 8 PAYMENTS**

The Contractor agrees that payments are predicated upon properly documented and verified proof of performance delivered and costs incurred by the Contractor in accordance with the terms of this Agreement and shall be paid in accordance with the Compensation Schedule in the Special Provisions.

**ARTICLE 9 NON FUNDING CLAUSE**

Each payment obligation of H-GAC created by this Agreement is conditioned upon the availability of state or federal funds appropriated or allocated for the payment of such obligations. H-GAC shall not be otherwise obligated or liable for any future payments due or for any damages as a result of interruption of payment or termination under this Article.

**ARTICLE 10 INSURANCE**

The Contractor shall maintain insurance coverage for work performed or services rendered under this Agreement as specified in the Special Provisions.

**ARTICLE 11 REPAYMENTS**

The Contractor understands and agrees that it shall be liable to repay and shall repay upon demand to H-GAC any amounts determined by H-GAC, its independent auditors, or any agency of state or federal government to have been paid in violation of the terms of this Agreement.

#### **ARTICLE 12 SUBCONTRACTS**

Except as may be set forth in the Special Provisions, the Contractor agrees not to subcontract, assign, transfer, convey, sublet or otherwise dispose of this Agreement or any right, title, obligation or interest it may have therein to any third party without prior written approval of H-GAC.

The Contractor acknowledges that H-GAC is not liable to any subcontractor(s) of the Contractor.

The Contractor shall ensure that the performance rendered under all subcontracts shall result in compliance with all the terms and provisions of this Agreement as if the performance rendered was rendered by the Contractor.

#### **ARTICLE 13 AUDIT**

As a recipient of state or federal assistance through this Agreement, the Contractor acknowledges that it is subject to the Single Audit Act of 1996, P.L. 98-502, (hereinafter referred to as "Audit Act"), OMB Circular No. A-133, and the State of Texas Single Audit Circular incorporated in UGMS.

The Contractor shall have an audit made in accordance with the Single Audit, requirements of the most recently adopted UGMS and OMB Circular A-133 for any of its fiscal years in which Contractor expends more than \$500,000 in state or federal financial assistance.

The Contractor will provide H-GAC a copy of the single audit, including management letter and reporting package required by federal and state rules within 30 days after receipt of the auditor's report, or nine months after the end of the audit period.

H-GAC reserves the right to conduct or cause to be conducted an independent audit of all funds received under this Agreement which may be performed by the local government audit staff, a certified public accountant firm, or other auditors as designated by the H-GAC. Such audit will be conducted in accordance with State law, regulations, and policy, and generally accepted auditing standards and established procedures and guidelines of the reviewing or audit agency(ies).

The Contractor understands and agrees that the Contractor shall be liable to the H-GAC for any costs disallowed or overpayment as a result of audit or inspection of records kept by the Contractor on work performed under this Agreement.

#### **ARTICLE 14 EXAMINATION OF RECORDS**

The Contractor shall maintain during the course of the work, complete and accurate records of all of the Contractor's costs and documentation of items which are chargeable to H-GAC under this Agreement. H-GAC, through its staff or designated public accounting firm, the State of Texas and the United States Government, including the U.S. Department of Transportation and the U.S. Office of the Inspector General, shall have the right at any reasonable time to inspect, copy and audit those records on or off the premises by authorized representatives of its own or any public accounting firm selected by it. The right of access to records is not limited to the required retention period, but shall last as long as the records are retained. Failure to provide access to records may be cause for termination of the Agreement. The records to be thus maintained and retained by the Contractor shall include (without limitation): (1) personnel and payroll records, including social security numbers and labor classifications, accounting for total time distribution of the Contractor's employees working full or part time on the work, as well as cancelled payroll checks, signed receipts for payroll payments in cash, or other evidence of disbursement of payroll payments; (2) invoices for purchases, receiving and issuing documents, and all other unit inventory records for the Contractor's stocks or capital items; and (3) paid invoices and cancelled checks for materials purchased and for subcontractors' and any other third parties' charges. Additionally, the State, the United States Government, and their duly-authorized representatives shall have

access to all the governmental records that are directly applicable to this agreement for the purpose of making audits, examinations, excerpts, and transcriptions.

The Contractor further agrees to include in all its subcontracts permitted pursuant to Article 12 hereof, a provision to the effect that the subcontractor agrees that H-GAC and its duly authorized representatives shall, until the expiration of four (4) years after final payment under the subcontract or until all audit findings have been resolved, have access to and the right to examine and copy any directly pertinent books, documents, papers, invoices and records of such subcontractor involving transactions relating to the subcontract.

#### **ARTICLE 15 RETENTION OF RECORDS**

The Contractor shall maintain all records pertinent to this Agreement, including but not limited to those records enumerated in Article 14, and all other financial, statistical, property, participant records, and supporting documentation for a period of no less than four (4) calendar years from the later of the date of acceptance of the final contract closeout or the date of the final audit required under Article 13 of this Agreement. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the retention period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular four (4) year period, whichever is later.

#### **ARTICLE 16 CHANGES AND AMENDMENTS**

Any alterations, additions, or deletions to the terms of this Agreement which are required by changes in federal law or regulations are automatically incorporated into this Agreement without written amendment hereto, and shall become effective on the date designated by such law or regulation; provided if the Contractor may not legally comply with such change, the contractor may terminate its participation herein as authorized by Article 17.

H-GAC may, from time to time, require changes in the scope of the services of the Contractor to be performed hereunder. Such changes that are mutually agreed upon by and between H-GAC and the Contractor in writing shall be incorporated into this Agreement.

#### **ARTICLE 17 TERMINATION PROCEDURES**

The Contractor acknowledges that this Agreement may be terminated under the following circumstances:

A. Convenience

H-GAC may terminate this Agreement in whole or in part without cause at any time by written notice by certified mail to the Contractor whenever for any reason H-GAC determines that such termination is in the best interest of H-GAC. Upon receipt of notice of termination, all services hereunder of the Contractor and its employees and subcontractors shall cease to the extent specified in the notice of termination. In the event of termination in whole, the Contractor shall prepare a final invoice within 30 day days of such termination reflecting the services actually performed which have not appeared on any prior invoice, such invoice shall be satisfactory to the Executive Director or his designee. H-GAC agrees to pay the Contractor, in accordance with the terms of the Agreement, for services actually performed and accruing to the benefit of H-GAC, less payment of any compensation previously paid.

The Contractor may cancel or terminate this Agreement upon thirty (30) days written notice by certified mail to H-GAC. The Contractor may not give notice of cancellation after it has received notice of default from H-GAC. In the event of such termination prior to completion of the Agreement provided for herein, H-GAC agrees to pay services herein specified on a prorated basis for work actually performed and invoiced in accordance with the terms of this Agreement, less payment of any compensation previously paid.

B. Default

H-GAC may, by written notice of default to the Contractor, terminate the whole or any part of the Agreement in any one of the following circumstances:

- (1) If the Contractor fails to perform the services herein specified within the time specified herein or any extension thereof;  
or
- (2) If the Contractor fails to perform any of the other provisions of this Agreement for any reason whatsoever, or so fails to make progress or otherwise violates the Agreement that completion of the services herein specified within the agreement term is significantly endangered, and in either of these two instances does not cure such failure within a period of ten (10) days (or such longer period of time as may be authorized by H-GAC in writing) after receiving written notice by certified mail of default from H-GAC.

In the event of such termination, all services of the Contractor and its employees and subcontractors shall cease and the Contractor shall prepare a final invoice reflecting the services actually performed pursuant to the Agreement which have not appeared on any prior invoice. Such invoice must be satisfactory to the Executive Director of H-GAC or his designee. H-GAC agrees to pay the Contractor, in accordance with the terms of this Agreement, for services actually performed and accruing to the benefit of H-GAC as reflected on said invoice, less payment of any compensation previously paid and less any costs or damages incurred by H-GAC as a result of such default, including incremental costs that H-GAC will incur to have the Agreement completed by a person other than the contractor.

#### **ARTICLE 18 SEVERABILITY**

All parties agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not affect any other term of this Agreement, which shall continue in full force and effect.

#### **ARTICLE 19 COPYRIGHTS**

The state or federal awarding agency and H-GAC reserve a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for state or federal government or H-GAC purposes:

- (a) The copyright of all maps, data, reports, research or other work developed under this Agreement; and
- (b) Any copyrights or rights of use to copyrighted material which the Contractor purchases with funding under this Agreement. All such data and material shall be furnished to H-GAC on request.

#### **ARTICLE 20 OWNERSHIP OF MATERIALS**

Except as may be specified in the Special Provisions, all data, reports, research, etc., developed by the Contractor as a part of its work under this Agreement shall become the property of the H-GAC upon completion of this Agreement, or in the event of termination or cancellation hereof, at the time of payment under ARTICLE 8 for work performed. All such data and material shall be furnished to H-GAC on request.

#### **ARTICLE 21 FORCE MAJEURE**

To the extent that either party to this Agreement shall be wholly or partially prevented from the performance within the term specified of any obligation or duty placed on such party by reason of or through strikes, stoppage of labor, riot, fire, flood, acts of war, insurrection, accident, order of any court, act of God, or specific cause reasonably beyond the party's control and not attributable to its neglect or

nonfeasance, in such event, the time for the performance of such obligation or duty shall be suspended until such disability to perform is removed. Determination of force majeure shall rest solely with the H-GAC.

#### **ARTICLE 22 NON-DISCRIMINATION AND EQUAL OPPORTUNITY**

The Contractor agrees to comply with all federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of handicaps and the Americans with Disabilities Act of 1990; (d) the Age Discrimination Act of 1974, as amended (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to the nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (I) any other nondiscrimination provisions in any specific statute(s) applicable to any Federal funding for this Agreement; (j) the regulations of the United States Department of Transportation as they relate to non-discrimination (49 CFR Part 21 and 23 CFR Part 200), and Executive Order 11246 titled "Equal Employment Opportunity," as amended by Executive Order 11375 and supplemented in the Department of Labor Regulations (41 CFR Part 60); and (k) the requirements of any other nondiscrimination statute(s) which may apply to this Agreement.

#### **ARTICLE 23 CONFLICT OF INTEREST**

No officer, member or employee of the Contractor or subcontractors, no member of the governing body of the Contractor, and no other public officials of the Contractor who exercise any functions or responsibilities in the review or approval of this Agreement, shall participate in any decision relating to this Agreement which affects his or her personal interest, or shall have any personal or pecuniary interest, direct or indirect, in this Agreement.

#### **ARTICLE 24 POLITICAL ACTIVITY; LOBBYING CERTIFICATION**

No funds provided under this Agreement may be used in any way to attempt to influence in any manner a member of Congress to favor or oppose any legislation or appropriation by Congress, or for lobbying with state or local legislators. The Contractor, if a recipient of federal assistance exceeding \$100,000 through an H-GAC subcontract, will comply with section 319, Public Law 101-121 (31 U.S.C. 1352).

In executing this agreement, each signatory certifies to the best of that signatory's knowledge and belief, that:

- (a) No federal appropriated funds have been paid or will be paid by or on behalf of the parties to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with federal contracts, grants, loans, or cooperative agreements, the signatory for the Local Government shall complete and submit the Federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (c) The parties shall require that the language of this certification shall be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and all sub-recipients shall certify and disclose accordingly. Submission of this certification is a prerequisite for making or entering into

this transaction imposed by Title 31 U.S.C. §1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**ARTICLE 25 SECTARIAN INVOLVEMENT PROHIBITED**

The Contractor shall ensure that no funds under this Agreement are used, either directly or indirectly, in the support of any religious or anti-religious activity, worship, or instruction.

**ARTICLE 26 CRIMINAL PROVISIONS AND SANCTIONS**

The Contractor agrees that it will perform the Agreement activities in conformance with safeguards against fraud and abuse as set forth by the H-GAC, the State of Texas, and the acts and regulations of the funding entity. The Contractor agrees to promptly notify H-GAC of suspected fraud, abuse or other criminal activity through the filing of a written report within twenty-four (24) hours of knowledge thereof and to notify H-GAC of any accident or incident requiring medical attention arising from its activities under this Agreement within twenty-four (24) hours of such occurrence.

Theft or willful damage to property on loan to the Contractor from H-GAC, if any, shall be reported to local law enforcement agencies and H-GAC within two (2) hours of discovery of any such act.

The Contractor further agrees to cooperate fully with H-GAC, local law enforcement agencies, the State of Texas, the Federal Bureau of Investigation and any other duly authorized investigative unit in carrying out a full investigation of all such incidents.

**ARTICLE 27 TITLES NOT RESTRICTIVE**

The titles assigned to the various Articles of this Agreement are for convenience only. Titles shall not be considered restrictive of the subject matter of any Article, or part of this Agreement.

**ARTICLE 28 ACKNOWLEDGEMENT OF FUNDING SOURCE**

The Contractor shall give credit to Federal Transit Administration (FTA), Federal Highway Administration (FHWA), Texas Department of Transportation (TxDOT), National Highway Traffic Safety Administration (NHTSA) and H-GAC as the funding source for this Agreement in all oral presentations, written documents, publicity, and advertisements regarding any of the Contractor's activities which arise from this Agreement.

**ARTICLE 29 DISPUTES**

Any and all disputes concerning questions of fact or of law arising under this Agreement which are not disposed of by agreement shall be decided by the Executive Director of H-GAC or his designee, who shall reduce his decision to writing and provide notice thereof to the Contractor. The decision of the Executive Director or his designee shall be final and conclusive unless, within thirty (30) days from the date of receipt of such copy, the Contractor requests a rehearing from the Executive Director of H-GAC. In connection with any rehearing under this Article, the Contractor shall be afforded an opportunity to be heard and offer evidence in support of its position. The decision of the Executive Director after any such rehearing shall be final and conclusive. The Contractor may, if it elects to do so, appeal the final and conclusive decision of the Executive Director to a court of competent jurisdiction. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the Agreement and in accordance with H-GAC's final decision.

**ARTICLE 30 GOVERNING LAW; VENUE**

This Agreement shall be governed by the laws of the State of Texas. Venue and jurisdiction of any suit or cause of action arising under or in connection with the Agreement shall lie exclusively in Harris County, Texas, unless the laws of the State of Texas specifically establish venue in some other county.

**ARTICLE 31 ORDER OF PRIORITY**

In the case of any conflict between the General Provision, the Special Provisions, and Attachments to this Agreement, the following order of priority shall be utilized: Special Provision, General Provisions, and Attachments.

H-GAC and the Contractor have executed the Agreement as of the date first written above.

\_\_\_\_\_  
Jack Steele, Executive Director  
Houston-Galveston Area Council

\_\_\_\_\_  
Corby Alexander  
City Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## **SPECIAL PROVISIONS**

<b><u>INDEX</u></b>	<b><u>PAGE</u></b>
1. Compensation	1
2. Contractor Personnel	2
3. Inspection of Work	2
4. Proprietary Rights	2
5. Insurance	2
6. Progress Reports	2
7. Disadvantaged Business Enterprises	3
8. Title VI Assurance	3
9. Compliance with Laws	4
10. Energy Policy	4
11. Clean Air Act and Federal Water Pollution Control Act Requirements	4
12. Debarred Bidders	4
13. Drug-Free Workplace	5

## 1. COMPENSATION

The Contractor shall be reimbursed by H-GAC for authorized costs in accordance with 48 CFR, Ch 1, Part 31 incurred in performance of the work set out in this contract as specifically described in Attachment A. Detailed records must be maintained to show actual time devoted and costs incurred.

The Contractor will submit a final invoice within 30 days after the completion of work. Invoices submitted after this time will not be honored unless prior arrangements are made and approved in writing by H-GAC.

- A. **Maximum Compensation.** The total reimbursement under this contract shall not exceed \_\_\_\_\_ **Six Thousand Dollars (\$6,000).**
- B. **Travel Expenses and Subsistence.** The Contractor shall be paid the actual cost incurred by personnel working on this project for travel expenses and subsistence that are certified as being correct and necessary for and directly associated with performance of this Contract. In-state travel shall be reimbursed at rates established by the State Comptrollers Office: (<http://www.cpa.state.tx.us/>). Transportation costs shall be reimbursed for Coach or comparable airfare or for private automobile, whichever is less. Out-of-state travel shall be reimbursed not to exceed current Federal Per Diem rates as allowed by 41 CFR Part 301-7 and Chapter 301 Federal Travel Regulations; Maximum Per Diem rates; Final Rule. Rental vehicle expenses shall be reimbursed at actual cost of compact car or smaller, unless approved by H-GAC in advance. (Note: Itemized receipt(s) for food is necessary)
- C. **Method of Payment.** H-GAC will reimburse the Contractor for services rendered on the basis of allowable costs up to the amount specified in Section 1, Part A above. Reimbursement shall be made monthly within forty-five (45) days after the receipt of the Contractor's invoice and support documentation, except as stipulated in paragraph E below. An invoice must arrive each month whether or not any expenses have occurred. In addition to documentation for travel and equipment each invoice must be accompanied by a progress report as described in Section 6, Activity Reports, below.
- D. **Billings.** The Contractor shall submit a Request for Reimbursement reflecting the overtime worked within eighteen (18) days of an enforcement period. The Request for Reimbursement shall include the following set of reports, where applicable, reflecting the enforcement activities conducted as part of the Regional DWI Task Force grant:
- i. Agency Enforcement Summary Sheet (which will serve as the Agency's Request for Reimbursement);
  - ii. Officers' Shift Reports;
  - iii. Official Overtime Slips from law enforcement agency;
  - iv. Shift Reports from agency computer-aided dispatch (CAD) systems reflecting time worked;
  - v. Financial printouts from agency accounting system;
  - vi. List of public events attended where DWI and the DWI Task Force were discussed
- E. **Matching Fund Certification.** The Contractor shall record and report benefits and taxes that have been paid on the overtime pay accrued by participating staff during the enforcement period, as well as the number of miles driven by participating staff in the vehicle used for the enforcement activities. The rates for these items are as follows:
- i. Retirement Match: **14.0 percent of wages - \$840.00**
  - ii. Social Security Tax: **6.2 percent of wages - \$372.00**
  - iii. Medicare Tax: **1.45 percent of wages - \$87.00**
  - iv. Workers' Compensation: **1.71 percent of wages - \$102.00**
  - v. Vehicle Mileage Rate: **\$0.575 per mile**

These rates may be subject to change based on legislative or local governmental action. H-GAC must be notified of any change

in the above-listed rates made by the Contractor.

## 2. CONTRACTOR PERSONNEL

The Contractor agrees to assign qualified staff members including a Project Manager who shall be responsible for the task administration and work performance. The Project Manager shall be **Bennie Boles**. In the event the Project Manager becomes no longer available to this project, a substitution of like personnel with similar qualifications can only be made after obtaining prior written approval of H-GAC.

## 3. INSPECTION OF WORK

H-GAC shall have the right to review and inspect the progress of the work described herein at all times.

## 4. PROPRIETARY RIGHTS

Contractor agrees not to release data or information about the results of the project to any person outside of H-GAC without first obtaining written authorization to release such information from H-GAC. Contractor shall be permitted to list H-GAC as a client for marketing purposes.

## 5. INSURANCE

H-GAC acknowledges that Contractor is governed by the Texas Tort Claims Act, which sets forth certain limitations and restrictions on the types of liability and the types of insurance coverage that can be required of Contractor. The Contractor represents to H-GAC that it either has adequate General Liability and Property insurance policies in place or sufficient resources to self-insure for all claims for which it may be responsible under the Texas Tort Claims Act. The Contractor further represents to H-GAC that it either has workers' compensation insurance in the amount required by statute or is entitled to self-insure for workers compensation coverage under Texas law and has elected to do so.

## 6. ACTIVITY REPORTS

The Contractor shall submit to H-GAC activity reports as described in Section One, Parts C and D above. The reports shall reflect enforcement activities accomplished during the previous enforcement period. These reports will include, but not be limited to the list of items required under Section One, Part D.

## 7. DISADVANTAGED BUSINESS ENTERPRISES

- (1) **Policy.** It is the policy of the Department of Transportation (DOT) that disadvantaged business enterprises as defined in 49 CFR Part 26 shall have the maximum opportunity to participate in the performance of contracts financed in whole or part with Federal funds under this Agreement. Consequently, the DBE requirements of 49 CFR Part 26 apply to this Agreement.
- (2) **DBE Obligation.** The Contractor agrees to ensure that disadvantaged business enterprises as defined in 49 CFR Part 26 have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds provided under this Agreement. In this regard the Contractor shall take all necessary and reasonable steps in accordance with 49 CFR Part 26 to ensure that disadvantaged business enterprises have the maximum opportunity to compete for and

perform contracts. The Contractor shall not discriminate on the basis of race, creed, color, national origin, age, or sex in the award and performance of DOT-assisted contracts.

H-GAC has established a goal of 22% DBE participation in its FTA third party contracting opportunities. There, any contract issued under this Agreement will carry a 22% DBE participation goal.

## 8. TITLE VI ASSURANCE

During the performance of this Contract, the Contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "Contractor") agrees as follows:

- (a) Compliance with Regulations. The Contractor shall comply with the regulations relative to nondiscrimination in Federally-assisted programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this Contract.
- (b) Nondiscrimination. The Contractor, with regard to the work performed by it during the Contract, shall not discriminate on the grounds of race, color, religion, sex, age, or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulation including employment practices when the Contract covers a program set forth in Appendix B of the Regulations.
- (c) Solicitation for Subcontracts, including Procurement of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by the Contractor for work to be performed under the subcontract, including procurement of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Contract and the Regulations relative to nondiscrimination on the grounds of race, color, religion, age, sex, or national origin.
- (d) Information and Reports. The Contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by H-GAC or the Department of Transportation (DOT) to be pertinent to ascertain compliance with such regulations, orders, and instructions. Where any information is required of a Contractor and is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to H-GAC or the Department of Transportation, as appropriate and shall set forth what efforts it has made to obtain the information.
- (e) Sanctions for Noncompliance. In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Contract, the District shall impose such contract sanctions as it or the Department of Transportation may determine to be appropriate, including, but not limited to:
  - (1) Withholding of payments to the Contractor under the Contract until the Contractor complies, and/or
  - (2) Cancellation, termination, or suspension of the Contract, in whole or in part.
- (f) Incorporation of Provisions. The Contractor shall include the provisions of paragraphs (a) through (f) in every subcontract, including procurement of materials and leases of equipment, unless exempt by the Regulations, or directives issued pursuant hereto. The Contractor shall take such action with respect to any subcontract or procurement as H-GAC may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a Contractor becomes involved in or is threatened with litigation with a subcontractor or supplier as a result of such direction, the Contractor may request H-GAC to enter into such litigation to protect the interests of H-GAC and, in addition, the Contractor may request the

United States to enter into such litigation to protect the interests of the United States.

## **9. COMPLIANCE WITH LAWS**

The Contractor shall comply with all Federal, State and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any matter affecting the performance of this Agreement, including without limitation, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Contractor shall furnish H-GAC with satisfactory proof of its compliance therewith.

## **10. ENERGY POLICY**

Contracts shall recognize mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163).

## **11. CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT REQUIREMENTS**

Contractor agrees to comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 USC 1857 (h)), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR, Part 15) which prohibit the use under nonexempt federal contracts, grants or loans, of facilities included on the EPA list for Violating Facilities.

## **12. DEBARRED BIDDERS**

Contractor, including any of its officers or holders of a controlling interest, is obligated to inform H-GAC whether or not it is or has been on any debarred bidders' list maintained by the United States Government. Should the Contractor be included on such a list during the performance of this project, it shall so inform H-GAC.

The parties are prohibited from making any award at any tier to any party that is debarred or suspended or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549, "Debarment and Suspension." By executing this agreement, the Local Government certifies that it is not currently debarred, suspended, or otherwise excluded from or ineligible for participation in Federal Programs under Executive Order 12549 and further certifies that it will not do business with any party that is currently debarred, suspended, or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549. The parties to this contract shall require any party to a subcontract or purchase order awarded under this contract to certify its eligibility to receive federal funds and, when requested by the State, to furnish a copy of the certification.

## **13. DRUG-FREE WORKPLACE**

The Contractor agrees that if the Contractor is a recipient of more than \$25,000 in federal assistance through an H-GAC subcontract, the Contractor shall provide a "drug-free" workplace in accordance with the Drug-free Workplace Act (DFWA), March 18, 1989. For purposes of this Section, "drug-free" means a worksite at which employees are prohibited from engaging in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance. The Contractor shall:

1. Publish a policy statement prohibiting the manufacture, distribution, dispensation, possession, or use of a controlled substance and notify employees of the consequences for violating this prohibition;

2. Establish a drug-free awareness program;
3. Provide each employee with a copy of its policy statement; and
4. Notify employees that, as a condition of employment, the employee must adhere to the terms of the statement and must notify the employer of any criminal drug offense within five days of conviction.

## REQUEST FOR CITY COUNCIL AGENDA ITEM

Agenda Date Requested: September 28, 2015 Appropriation  
Requested By: M. Dolby Source of Funds: N/A  
Department: Finance Account Number: N/A  
Report:  Resolution:  Ordinance:  Amount Budgeted: N/A  
Other:  Amount Requested: N/A  
Budgeted Item:  YES  NO

### Attachments :

#### 1. Resolution

---

### SUMMARY & RECOMMENDATIONS

GASB 54 requires that the City commit fund balance of the General Fund prior to the end of the fiscal year. The General Fund fund balance can only be committed for a specific purpose by formal action of the City council. Committed fund balance does not lapse at year-end. The formal action required to commit fund balance shall be by resolution. The \$5,000,000 committed in fiscal year 2014 for utility improvements will remain committed and will be used in the 2015-2016 budget. Two million dollars will be committed as of September 30, 2015 from the General Fund for Health Insurance

The total committed funds as of September 30, 2015 will be \$2,000,000.

Health Insurance	\$2,000,000
------------------	-------------

---

### Action Required of Council:

Consider approval or other action of a resolution to commit General Fund fund balance in an amount of \$2,000,000 for Health Insurance.

---

### Approved for City Council Agenda

\_\_\_\_\_  
Corby D. Alexander, City Manager

\_\_\_\_\_  
Date

RESOLUTION NO. 2015-\_\_\_\_\_

A RESOLUTION OF THE CITY OF LA PORTE, TEXAS, APPROVING GENERAL FUND COMMITMENTS OF FUND BALANCE FOR FISCAL YEAR 2014-2015; FINDING COMPLIANCE WITH THE OPEN MEETINGS LAW; AND SETTING AN EFFECTIVE DATE THEREOF.

**WHEREAS**, the Governmental Accounting Standards Board (GASB) has issued its Statement No. 54, Fund Balance Reporting and Governmental Fund type definitions with the intent of improving financial reporting by providing fund balance categories that will be more easily understood; and

**WHEREAS**, the City Council may adopt a resolution to commit General Fund fund balance for specific purposes by taking formal action and those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same formal action taken to establish the commitment; and

**WHEREAS**, the City Manager has recommended to the City Council that the following commitment of the General Fund fund balance for Fiscal Year 2014-2015 be established and approved as follows:

Health Insurance	\$2,000,000.00
------------------	----------------

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

**SECTION 1.** The findings and recitations set out in the preamble to this Resolution are found to be true and correct and that they are hereby adopted by the City Council of the City of La Porte, Texas and made a part hereof for all purposes.

**SECTION 2.** The City Council officially finds, determines, recites, and declares that a sufficient written notice of the date, hour place and subject of this meeting of the City Council was posted at a place convenient to the public at City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code; and that this meeting has been open to the public as required by law at all times during which this Resolution and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

**INTRODUCED, READ and PASSED** by the affirmative vote of a majority of the City Council of the City of La Porte, Texas, on this the 28th day of September 2015.

---

Louis R. Rigby  
Mayor

---

Patrice Fogarty  
City Secretary



---

A handwritten signature in cursive script, appearing to read "Clark T. Askins", is written over a horizontal line.

Clark T. Askins  
Assistant City Attorney

## REQUEST FOR CITY COUNCIL AGENDA ITEM

Agenda Date Requested:	<u>September 28, 2015</u>	<u>Appropriation</u>
Requested By:	<u>D. Mick</u>	Source of Funds: <u>Airport Fund (010)</u>
Department:	<u>Public Works</u>	Account Number: <u>N/A</u>
Report: <input checked="" type="radio"/>	Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	Amount Budgeted: <u>9,675.00</u>
Other: <input type="radio"/>		Amount Requested: <u>15,000.00</u>
		Budgeted Item: <input type="radio"/> YES <input type="radio"/> NO

### Attachments :

#### 1. Grant Document

---

### SUMMARY & RECOMMENDATIONS

Staff submitted a \$30,000 (\$15,000 TxDOT/\$15,000 City) Routine Airport Maintenance (RAMP) grant request to the Texas Department of Transportation (TxDOT) Aviation Division. Final expenditures are expected to be less than \$10,000. A \$20,000 contingency is added so that there would be no need to reapply to TxDOT if an unanticipated repairs/needs arose during the year.

The approved FY 2016 airport fund budget includes a combined \$9,675 total in line items 20-07 (chemicals including herbicide, weed killer), 40-02 (fence repair, maintenance of electronic gates), 40-03 (beacon inspection/maintenance), 40-15 (crack seal, pavement repair). TxDOT will reimburse the city for 50% of the out-of-pocket expense associated with these items.

Staff utilized \$0 of the \$20,000 contingency added to last year's FY 2015 RAMP grant.

### **Other Considerations:**

All FAA/TxDOT airport grant agreements include a stipulation that the city agrees to maintain the airport for at least 20-years. This grant stipulation is less restrictive than the airport deed restriction indicating that the city will maintain the property as a public airport or the property reverts back to the FAA.

---

### **Action Required of Council:**

Consider approval or other action to authorize the City Manager to enter into a 50% cost share grant agreement with TxDOT Aviation in the amount of \$10,000 plus a \$20,000 contingency for a total of \$30,000 split \$15,000 TxDOT/\$15,000 Airport Fund.

---

**Approved for City Council Agenda**

---

**Corby D. Alexander, City Manager**

---

**Date**

**TEXAS DEPARTMENT OF TRANSPORTATION  
GRANT FOR ROUTINE AIRPORT MAINTENANCE PROGRAM**

**(State Assisted Airport Routine Maintenance)**

**TxDOT CSJ No.: M1612LPRT**

**Part I - Identification of the Project**

TO:           The City of La Porte, Texas

FROM:        The State of Texas, acting through the Texas Department of Transportation

This Grant is made between the Texas Department of Transportation, (hereinafter referred to as the "State"), on behalf of the State of Texas, and the City of La Porte, Texas, (hereinafter referred to as the "Sponsor").

This Grant Agreement is entered into between the State and Sponsor shown above, under the authority granted and in compliance with the provisions of the Transportation Code Chapter 21.

The project is for **airport maintenance** at the La Porte Municipal Airport.

**Part II - Offer of Financial Assistance**

1. For the purposes of this Grant, the annual routine maintenance project cost, Amount A, is estimated as found on Attachment A, Scope of Services, attached hereto and made a part of this grant agreement.

State financial assistance granted will be used solely and exclusively for airport maintenance and other incidental items as approved by the State. Actual work to be performed under this agreement is found on Attachment A, Scope of Services. State financial assistance, Amount B, will be for fifty percent (50%) of the eligible project costs for this project or \$50,000.00, whichever is less, per fiscal year and subject to availability of state appropriations.

Scope of Services, Attachment A, of this Grant, may be amended, subject to availability of state funds, to include additional approved airport maintenance work. Scope amendments require submittal of an Amended Scope of Services, Attachment A.

Services will not be accomplished by the State until receipt of Sponsor's share of project costs.

**Only work items as described in Attachment A, Scope of Services of this Grant are reimbursable under this grant.**

Work shall be accomplished by August 31, 2016, unless otherwise approved by the State.

2. The State shall determine fair and eligible project costs for work scope. Sponsor's share of estimated project costs, Amount C, shall be as found on Attachment A and any amendments.

It is mutually understood and agreed that if, during the term of this agreement, the State determines that there is an overrun in the estimated annual routine maintenance costs, the State may increase the grant to cover the amount of the overrun within the above stated percentages and subject to the maximum amount of state funding.

The State will not authorize expenditures in excess of the dollar amounts identified in this Agreement and any amendments, without the consent of the Sponsor.

3. Sponsor, by accepting this Grant certifies and, upon request, shall furnish proof to the State that it has sufficient funds to meet its share of the costs. The Sponsor grants to the State the right to audit any books and records of the Sponsor to verify expended funds.

Upon execution of this Agreement and written demand by the State, the Sponsor's financial obligation (Amount C) shall be due in cash and payable in full to the State. State may request the Sponsor's financial obligation in partial payments. Should the Sponsor fail to pay their obligation, either in whole or in part, within 30 days of written demand, the State may exercise its rights under Paragraph V-3. Likewise, should the State be unwilling or unable to pay its obligation in a timely manner, the failure to pay shall be considered a breach and the Sponsor may exercise any rights and remedies it has at law or equity.

The State shall reimburse or credit the Sponsor, at the financial closure of the project, any excess funds provided by the Sponsor which exceed Sponsor's share (Amount C).

4. The Sponsor specifically agrees that it shall pay any project costs which exceed the amount of financial participation agreed to by the State. It is further agreed that the Sponsor will reimburse the State for any payment or payments made by the State which are in excess of the percentage of financial assistance (Amount B) as stated in Paragraph II-1.
5. Scope of Services may be accomplished by State contracts or through local contracts of the Sponsor as determined appropriate by the State. All locally contracted work must be approved by the State for scope and reasonable cost. Reimbursement requests for locally contracted work shall be submitted on forms provided by the State and shall include copies of the invoices for materials or services. Payment shall be made for no more than 50% of allowable charges.

The State will not participate in funding for force account work conducted by the Sponsor.

6. This Grant shall terminate upon completion of the scope of services.

### **Part III - Sponsor Responsibilities**

1. In accepting this Grant, if applicable, the Sponsor guarantees that:
  - a. it will, in the operation of the facility, comply with all applicable state and federal laws, rules, regulations, procedures, covenants and assurances required by the State in connection with this Grant; and
  - b. the Airport or navigational facility which is the subject of this Grant shall be controlled by the Sponsor for a period of at least 20 years; and
  - c. consistent with safety and security requirements, it shall make the airport or air navigational facility available to all types, kinds and classes of aeronautical use without discrimination between such types, kinds and classes and shall provide adequate public access during the period of this Grant; and
  - d. it shall not grant or permit anyone to exercise an exclusive right for the conduct of aeronautical activity on or about an airport landing area. Aeronautical activities include, but are not limited to scheduled airline flights, charter flights, flight instruction, aircraft sales, rental and repair, sale of aviation petroleum products and aerial applications. The landing area consists of runways or landing strips, taxiways, parking aprons, roads, airport lighting and navigational aids; and
  - e. it shall not enter into any agreement nor permit any aircraft to gain direct ground access to the sponsor's airport from private property adjacent to or in the immediate area of the airport. Further, Sponsor shall not allow aircraft direct ground access to private property. Sponsor shall be subject to this prohibition, commonly known as a "through-the-fence operation," unless an exception is granted in writing by the State due to extreme circumstances; and
  - f. it shall not permit non-aeronautical use of airport facilities without prior approval of the State; and
  - g. the Sponsor shall submit to the State annual statements of airport revenues and expenses when requested; and
  - h. all fees collected for the use of the airport shall be reasonable and nondiscriminatory. The proceeds from such fees shall be used solely for the development, operation and maintenance of the airport or navigational facility; and
  - i. an Airport Fund shall be established by resolution, order or ordinance in the

treasury of the Sponsor, or evidence of the prior creation of an existing airport fund or a properly executed copy of the resolution, order, or ordinance creating such a fund, shall be submitted to the State. The fund may be an account as part of another fund, but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of moneys identified in the fund as a whole. All fees, charges, rents, and money from any source derived from airport operations must be deposited in the Airport Fund and shall not be diverted to the general revenue fund or any other revenue fund of the Sponsor. All expenditures from the Airport Fund shall be solely for airport purposes. Sponsor shall be ineligible for a subsequent grant or loan by the State unless, prior to such subsequent approval of a grant or loan, Sponsor has complied with the requirements of this subparagraph; and

- j. the Sponsor shall operate runway lighting at least at low intensity from sunset to sunrise; and
  - k. insofar as it is reasonable and within its power, Sponsor shall adopt and enforce zoning regulations to restrict the height of structures and use of land adjacent to or in the immediate vicinity of the airport to heights and activities compatible with normal airport operations as provided in Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Sponsor shall also acquire and retain aviation easements or other property interests in or rights to use of land or airspace, unless sponsor can show that acquisition and retention of such interest will be impractical or will result in undue hardship to Sponsor. Sponsor shall be ineligible for a subsequent grant or loan by the State unless Sponsor has, prior to subsequent approval of a grant or loan, adopted and passed an airport hazard zoning ordinance or order approved by the State.
  - l. mowing services will not be eligible for state financial assistance. Sponsor will be responsible for 100% of any mowing services.
2. The Sponsor, to the extent of its legal authority to do so, shall save harmless the State, the State's agents, employees or contractors from all claims and liability due to activities of the Sponsor, the Sponsor's agents or employees performed under this agreement. The Sponsor, to the extent of its legal authority to do so, shall also save harmless the State, the State's agents, employees or contractors from any and all expenses, including attorney fees which might be incurred by the State in litigation or otherwise resisting claim or liabilities which might be imposed on the State as the result of those activities by the Sponsor, the Sponsor's agents or employees.
3. The Sponsor's acceptance of this Offer and ratification and adoption of this Grant shall be evidenced by execution of this Grant by the Sponsor. The Grant shall comprise a contract, constituting the obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the project and the operation and maintenance of the airport.

If it becomes unreasonable or impractical to complete the project, the State may void this agreement and release the Sponsor from any further obligation of project costs.

4. Upon entering into this Grant, Sponsor agrees to name an individual, as the Sponsor's Authorized Representative, who shall be the State's contact with regard to this project. The Representative shall receive all correspondence and documents associated with this grant and shall make or shall acquire approvals and disapprovals for this grant as required on behalf of the Sponsor, and coordinate schedule for work items as required.
5. By the acceptance of grant funds for the maintenance of eligible airport buildings, the Sponsor certifies that the buildings are owned by the Sponsor. The buildings may be leased but if the lease agreement specifies that the lessee is responsible for the upkeep and repairs of the building no state funds shall be used for that purpose.
6. Sponsor shall request reimbursement of eligible project costs on forms provided by the State. All reimbursement requests are required to include a copy of the invoices for the materials or services. The reimbursement request will be submitted no more than once a month.
7. The Sponsor's acceptance of this Agreement shall comprise a Grant Agreement, as provided by the Transportation Code, Chapter 21, constituting the contractual obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the airport maintenance and compliance with the assurances and conditions as provided. Such Grant Agreement shall become effective upon the State's written Notice to Proceed issued following execution of this agreement.

#### **PART IV - Nomination of the Agent**

1. The Sponsor designates the State as the party to receive and disburse all funds used, or to be used, in payment of the costs of the project, or in reimbursement to either of the parties for costs incurred.
2. The State shall, for all purposes in connection with the project identified above, be the Agent of the Sponsor. The Sponsor grants the State a power of attorney to act as its agent to perform the following services:
  - a. accept, receive, and deposit with the State any and all project funds granted, allowed, and paid or made available by the Sponsor, the State of Texas, or any other entity;
  - b. enter into contracts as necessary for execution of scope of services;
  - c. if State enters into a contract as Agent: exercise supervision and direction of the project work as the State reasonably finds appropriate. Where there is an

irreconcilable conflict or difference of opinion, judgment, order or direction between the State and the Sponsor or any service provider, the State shall issue a written order which shall prevail and be controlling;

- d. receive, review, approve and pay invoices and payment requests for services and materials supplied in accordance with the State approved contracts;
- e. obtain an audit as may be required by state regulations; the State Auditor may conduct an audit or investigation of any entity receiving funds from TxDOT directly under this contract or indirectly through a subcontract under this contract. Acceptance of funds directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.
- f. reimburse sponsor for approved contract maintenance costs no more than once a month.

#### **PART V - Recitals**

- 1. This Grant is executed for the sole benefit of the contracting parties and is not intended or executed for the direct or incidental benefit of any third party.
- 2. It is the intent of this grant to not supplant local funds normally utilized for airport maintenance, and that any state financial assistance offered under this grant be in addition to those local funds normally dedicated for airport maintenance.
- 3. This Grant is subject to the applicable provisions of the Transportation Code, Chapters 21 and 22, and the Airport Zoning Act, Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Failure to comply with the terms of this Grant or with the rules and statutes shall be considered a breach of this contract and will allow the State to pursue the remedies for breach as stated below.
  - a. Of primary importance to the State is compliance with the terms and conditions of this Grant. If, however, after all reasonable attempts to require compliance have failed, the State finds that the Sponsor is unwilling and/or unable to comply with any of the terms of this Grant, the State, may pursue any of the following remedies: (1) require a refund of any financial assistance money expended pursuant to this Grant, (2) deny Sponsor's future requests for aid, (3) request the Attorney General to bring suit seeking reimbursement of any financial assistance money expended on the project pursuant to this Grant, provided however, these remedies shall not limit the State's authority to enforce its rules, regulations or

orders as otherwise provided by law, (4) declare this Grant null and void, or (5) any other remedy available at law or in equity.

- b. Venue for resolution by a court of competent jurisdiction of any dispute arising under the terms of this Grant, or for enforcement of any of the provisions of this Grant, is specifically set by Grant of the parties in Travis County, Texas.
4. The State reserves the right to amend or withdraw this Grant at any time prior to acceptance by the Sponsor. The acceptance period cannot be greater than 30 days after issuance unless extended by the State.
5. This Grant constitutes the full and total understanding of the parties concerning their rights and responsibilities in regard to this project and shall not be modified, amended, rescinded or revoked unless such modification, amendment, rescission or revocation is agreed to by both parties in writing and executed by both parties.
6. All commitments by the Sponsor and the State are subject to constitutional and statutory limitations and restrictions binding upon the Sponsor and the State (including Sections 5 and 7 of Article 11 of the Texas Constitution, if applicable) and to the availability of funds which lawfully may be applied.

**Part VI - Acceptances**

**Sponsor**

The City of La Porte, Texas, does ratify and adopt all statements, representations, warranties, covenants, agreements, and all terms and conditions of this Grant.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

The City of La Porte, Texas  
Sponsor

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Sponsor Signature

\_\_\_\_\_  
Witness Title

\_\_\_\_\_  
Sponsor Title

**Certificate of Attorney**

I, CLARK T. ASKINS, acting as attorney for the City of La Porte, Texas, do certify that I have fully examined the Grant and the proceedings taken by the Sponsor relating to the acceptance of the Grant, and find that the manner of acceptance and execution of the Grant by the Sponsor, is in accordance with the laws of the State of Texas.

Dated at LA PORTE, Texas, this 2 day of SEPTEMBER, 2015.

Ann May  
Witness Signature

Clark T. Askins  
Attorney's Signature

Legal Assistant  
Witness Title

**Acceptance of the State**

Executed by and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs and grants heretofore approved and authorized by the Texas Transportation Commission.

STATE OF TEXAS  
TEXAS DEPARTMENT OF TRANSPORTATION

By: \_\_\_\_\_

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

**Attachment A  
Scope of Services  
TxDOT CSJ No.:M1612LPRT**

<b>Eligible Scope Item:</b>	<b>Estimated Costs Amount A</b>	<b>State Share Amount B</b>	<b>Sponsor Share Amount C</b>
<b>GENERAL MAINTENANCE</b>	\$30,000.00	\$15,000.00	\$15,000.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
<b>TOTAL</b>	<b>\$30,000.00</b>	<b>\$15,000.00</b>	<b>\$15,000.00</b>

Accepted by: The City of La Porte, Texas

\_\_\_\_\_  
Signature

Title: \_\_\_\_\_

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

GENERAL MAINTENANCE: As needed, Sponsor may contract for services/purchase materials for routine maintenance/improvement of airport pavements, signage, drainage, AWOS systems, approach aids, lighting systems, utility infrastructure, fencing, herbicide/application, sponsor owned and operated fuel systems, hangars, terminal buildings and security systems; professional services for environmental compliance, approved project design. Special projects to be determined and added by amendment.

**Only work items as described in Attachment A, Scope of Services of this Grant are reimbursable under this grant.**

**CERTIFICATION OF AIRPORT FUND**

TxDOT CSJ No.: M1612LPRT

The City of La Porte does certify that an Airport Fund has been established for the Sponsor, and that all fees, charges, rents, and money from any source derived from airport operations will be deposited for the benefit of the Airport Fund and will not be diverted for other general revenue fund expenditures or any other special fund of the Sponsor and that all expenditures from the Fund will be solely for airport purposes. The fund may be an account as part of another fund, but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of moneys identified in the fund as a whole.

\_\_\_\_\_  
The City of La Porte, Texas  
(Sponsor)

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

**Certification of State Single Audit Requirements**

I, \_\_\_\_\_, do certify that the City of La Porte will comply with all  
(Designated Representative)  
requirements of the State of Texas Single Audit Act if the City of La Porte spends or receives more than the threshold amount in any grant funding sources during the most recently audited fiscal year. And in following those requirements, the City of La Porte will submit the report to the audit division of the Texas Department of Transportation. If your entity did not meet the threshold in grant receivables or expenditures, please submit a letter indicating that your entity is not required to have a State Single Audit performed for the most recent audited fiscal year.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**DESIGNATION OF SPONSOR'S AUTHORIZED REPRESENTATIVE**

TxDOT CSJ Number: M1612LPRT

The City of La Porte designates, \_\_\_\_\_  
(Name, Title)

as the Sponsor's authorized representative, who shall receive all correspondence and documents associated with this grant and who shall make or shall acquire approvals and disapprovals for this grant as required on behalf of the Sponsor.

\_\_\_\_\_  
The City of La Porte, Texas  
(Sponsor)

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

**DESIGNATED REPRESENTATIVE**

Mailing Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Overnight Mailing Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Telephone/Fax Number: \_\_\_\_\_

\_\_\_\_\_  
Email address: \_\_\_\_\_

## REQUEST FOR CITY COUNCIL AGENDA ITEM

Agenda Date Requested:	September 28, 2015	Appropriation
Requested By:	P. Fogarty	Source of Funds: N/A
Department:	City Secretary's Office	Account Number: N/A
Report: <input type="radio"/>	Resolution: <input checked="" type="radio"/> Ordinance: <input type="radio"/>	Amount Budgeted: N/A
Other: <input type="radio"/>		Amount Requested: N/A
		Budgeted Item: <input type="radio"/> YES <input checked="" type="radio"/> NO

### Attachments :

1. Harris County Appraisal District Memo
2. Letter from Ed Heathcott
3. Resolution

---

### SUMMARY & RECOMMENDATIONS

The procedures for selecting members of the board of directors of the Harris County Appraisal District are as follows: cities and towns other than the City of Houston appoint one member by majority vote of their city council. The process for cities and towns involves two steps: nomination and election. The City is at the nomination stage.

The City of La Porte is authorized to nominate by Resolution a single candidate to the Harris County Appraisal District Board of Directors for a two-year term commencing January 1, 2016. In the past, the City nominated Ed Heathcott. Mr. Heathcott is seeking re-election to the Board, and he asks the City for support and nomination. A copy of his letter is attached. The City has received no other requests for support.

A resolution nominating the City's candidate must be sent to the Chief Appraiser of the HCAD no later than Thursday, October 15, 2015.

Should Council desire to nominate someone to the HCAD board of directors, staff recommends Council adopt this resolution naming their nominee.

---

### Action Required of Council:

Consider approval or other action of a Resolution appointing \_\_\_\_\_ as the City's representative to the Harris County Appraisal District Board of Directors.

---

**Approved for City Council Agenda**

---

**Corby D. Alexander, City Manager**

---

**Date**



Harris County Appraisal District  
Interoffice Memorandum

OFFICE OF CHIEF APPRAISER

---

TO: PRESIDING OFFICERS OF TAXING UNITS  
SERVED BY THE HARRIS COUNTY APPRAISAL DISTRICT

FROM: SANDS STIEFER, CHIEF APPRAISER

SUBJECT: SELECTION OF APPRAISAL DISTRICT BOARD MEMBERS

DATE: AUGUST 17, 2015

Your taxing unit participates in selecting members of the Harris County Appraisal District's board of directors. The board is composed of six members who serve two-year terms, all of which expire December 31, 2015. This memorandum describes the process of selecting directors for the two-year term that begins January 1, 2016.

**Functions of the Board**

The appraisal district appraises all property in the county for ad valorem tax purposes. The board of directors is the governing body for the district. This board employs the chief appraiser, sets general policies for the district, and adopts the budget for the district. By law, board members cannot communicate with the chief appraiser regarding appraisals. There is no compensation for service on the appraisal district board of directors; however, directors are reimbursed for travel expenses if incurred. The board of directors typically meets once a month.

**Participating Units**

The current method of selecting directors was established by resolutions of the county, cities, and school districts participating in the appraisal district in 1981. The method of selection was modified in 1991 after the law was changed to provide a voting entitlement to conservation and reclamation districts and has also been modified to provide a voting entitlement for junior college districts. Sec. 6.031, Tax Code, authorizes an appraisal district to vary both the size and the method of selecting its board members.

The six members of the Harris County Appraisal District's board of directors are selected as follows:

- One member appointed by the Harris County Commissioners Court.
- One member appointed by the Houston City Council.
- One member appointed by the board of trustees of the Houston Independent School District.
- One member appointed by votes of the city councils of the cities other than Houston. Each city council casts a single vote. The candidate who receives the most votes is elected.
- One member appointed by vote of the boards of trustees of the school districts other than Houston Independent School District and by the boards of directors of the junior colleges with territory in Harris County. Each school district board casts a single vote. The junior college districts collectively cast a single vote. The candidate who receives the most votes is elected.
- One member appointed by vote of the governing bodies of the conservation and reclamation districts that participate in the appraisal district. Each body casts a single vote. The candidate who receives the most votes is elected.

In the event the county appoints someone other than the county assessor-collector to the board, the county assessor-collector will serve ex officio in a non-voting capacity as a seventh member.

Board members whose terms expire December 31, 2015, are:

- Ed Heathcott, Chairman, representing cities & towns, except City of Houston
- Ray Holtzapple, Secretary, representing City of Houston
- Mike Sullivan, Assistant Secretary, representing Harris County
- Glenn E. Peters, Member, representing conservation and reclamation districts
- Toni Trumbull, Member, representing junior college districts and school districts other than Houston ISD
- Michael Lunceford, Member, representing Houston ISD

### **Eligibility Requirements**

An individual must satisfy certain residency, employment, and conflict-of-interest requirements to be eligible to serve on the board of directors.

**Residency:** The candidate must be a resident of Harris County, and must have resided in the county for at least two years immediately preceding the date he or she takes office. The appraisal district's boundaries are the same as those for Harris County.

**Employment:** An employee of a taxing unit served by the appraisal district may not serve, with one exception. An employee may serve if the employee is also a member of the governing body or an elected official of a taxing unit that participates in the district. For example, a member of the governing body of a school district who is also a city employee would be *eligible* to serve on the appraisal district's board of directors. Elected officials or members of governing bodies who are not employed by taxing units are also *eligible* to serve on the board.

An individual is *ineligible* to serve on an appraisal district board of directors if the individual has engaged in the business of appraising property for compensation for use in proceedings under this title or of representing property owners for compensation in proceedings under this title in the appraisal district at any time during the preceding five years.

**Conflict-of-interest:** A candidate may not serve if the candidate is related to a person who is in the business of appraising property or represents property owners for a fee in proceedings in the appraisal district. Relatives barred are those within the second degree by consanguinity (blood) or affinity (marriage). These persons include: spouse; children; brothers and sisters; parents; grandparents; and grandchildren. The spouse's relatives in the same degree are included.

A candidate who contracts with the appraisal district for any purpose, or who contracts with a taxing unit served by the district for a property tax related purpose, may not serve. The same rule applies to candidates who have a substantial interest in businesses contracting with the appraisal district (for any purpose) or with the taxing unit (for property tax purposes). A candidate has a substantial interest if the candidate or the candidate's spouse has combined ownership of at least ten percent (10%) of the voting stock or shares of the business. A candidate also has a substantial interest if the candidate or the candidate's spouse is a partner, limited partner, or an officer of the business. These prohibitions on contracting continue for the duration of the affected director's term of office.

The appraisal district may not employ any person who is related to an appraisal district director within the second degree by affinity or the third degree by consanguinity. The provision applies to existing employees at the time the director takes office and to employees hired during the director's term.

**Delinquent taxes:** Texas law makes a person ineligible to serve as an appraisal district director if he or she has delinquent property taxes owing to any taxing unit 60 days after the person knew or should have known of the delinquency.

### **Selection Procedures**

The procedures for selecting members of the board of directors for the two-year term beginning on January 1, 2016, are as follows:

#### **For Cities and Towns Other Than the City of Houston**

The cities and towns other than the City of Houston appoint one member by majority vote of their city council. The process for these cities and towns involves two steps: nomination and election.

### **Nomination**

The city council of each city and town has the right to nominate a single candidate for the position. To nominate, the governing body must adopt a resolution nominating the candidate by formal action. The mayor, as presiding officer of the city council, must submit the nominee's name to the chief appraiser of the Harris County Appraisal District no later than **Thursday, October 15, 2015**. The mayor must provide a certified copy of the resolution and may include a cover letter naming the nominee.

## **Election**

Before Friday, October 30, 2015, the chief appraiser will prepare a ballot listing the nominees in alphabetical order. The chief appraiser will deliver a copy of the ballot to the mayor of each voting city or town.

*No later than Tuesday, December 1, 2015*, each city council must cast its vote for one of the nominees, formally adopt a resolution naming the person for whom it votes, and submit an official copy to the chief appraiser. *Ballots received by the chief appraiser after December 1 may not be counted.*

By Tuesday, December 15, 2015, the chief appraiser will count the votes, declare the results, and notify the winner, the nominees, and the managers of each city and town. A tie vote will be resolved by a method of chance chosen by the chief appraiser.

### **For Junior Colleges and School Districts Other Than the Houston Independent School District**

With the exception described below for junior college districts, exactly the same procedure described for cities and towns above applies to the selection of the member who represents junior colleges and school districts other than Houston ISD. The board of trustees of the school districts must nominate and elect following the deadlines and procedures described above.

The four junior college districts with territory in Harris County may participate in the selection of the member who represents school districts other than Houston ISD and the junior colleges. However, the junior college districts collectively have the same voting authority as a single school district. The boards of trustees of junior college districts may each nominate a candidate following the deadlines and procedures described above. However, the four junior colleges collectively have a single vote in the election. Each board of trustees may cast a vote by resolution and file the resolution with the chief appraiser. The collective vote will be automatically cast for the candidate who receives the most votes from among the junior colleges. As an example, if one candidate receives three votes and another receives one vote, the junior colleges will be deemed to have collectively cast their vote for the candidate who received the three votes.

### **For Conservation and Reclamation Districts**

The procedure and timetable for selecting the member who represents the conservation and reclamation districts are the same as that described above for small cities and school districts.

The conservation and reclamation districts that participate in the appraisal district may cast a single vote. The candidate who receives the most votes is elected.

**For Harris County, the City of Houston,  
and the Houston Independent School District**

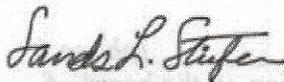
By **December 1, 2015**, the governing body of each of these entities appoints a single person to represent it on the board. Each governing body must formally adopt a resolution naming the person who will serve as a board member and submit it to the chief appraiser at the address shown below:

Sands L. Stiefer  
Chief Appraiser  
Harris County Appraisal District  
13013 Northwest Freeway  
P. O. Box 920975  
Houston, TX 77292-0975

To assist you in this process, I have enclosed a suggested form of resolution for the nomination of a candidate to the board of directors of the Harris County Appraisal District.

We invite your questions or comments on the board selection process. Please do not hesitate to call me at (713) 957-5274.

Sincerely,



Sands L. Stiefer, RPA  
Chief Appraiser

Attachments

- cc: HCAD Board Members
- Tax Assessors
- Attorneys

PASSED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

Mayor

ATTEST:

City Secretary



# Harris County Appraisal District

13013 Northwest Freeway  
Houston TX 77040  
Telephone: (713) 812-5800

P.O. Box 920975  
Houston TX 77292-0975  
Information Center: (713) 957-7800

## Office of Chief Appraiser

Sands L. Stiefer  
Chief Appraiser

August 18, 2015

City of LaPorte

Re: HCAD Board of Directors

Dear Mayor and Council:

I am nearing the end of my fourth term of service on the Harris County Appraisal District (HCAD) Board representing suburban cities. With this letter, I am seeking re-election for my fifth term commencing January 1, 2016.

By now you should have received a letter from HCAD with instructions as to how to submit a nominee for the ballot for your representative to serve on the Board of Directors. It would be my hope your city would place my name in nomination along with the other 33 cities I represent. To nominate, the governing body must adopt a resolution nominating the candidate by formal action. The mayor, as presiding officer of the city council, must submit the nominee's name to the Chief Appraiser of HCAD no later than **Thursday, October 15, 2015**.

The Chief Appraiser of HCAD will then compile a list of nominees and draft a ballot which will be mailed to each city at the end of October. Each city must cast its vote by resolution for one of the nominees and this ballot must be returned to the Chief Appraiser no later than **Tuesday, December 1, 2015** in order to be counted.

It has been my privilege and honor to serve you these past eight years and I seek your city's support in my re-election. Should you have any questions, please do not hesitate to call.

Sincerely,

Ed Heathcott  
Cell 281-435-2446

## Board of Directors

Ed Heathcott, *Chairman*  
Ray Holtzapple, *Secretary*  
Mike Sullivan, *Assistant Secretary*  
Glenn E. Peters  
Toni Trumbull  
Michael Lunceford

## Chief Appraiser

Sands L. Stiefer

## Deputy Chief Appraiser

Roland Altinger

## Taxpayer Liaison Officer

Teresa S. Terry

RESOLUTION NO. 2015-\_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA PORTE, TEXAS, NOMINATING A CANDIDATE FOR A POSITION ON THE BOARD OF DIRECTORS OF THE HARRIS COUNTY APPRAISAL DISTRICT FOR A TERM COMMENCING JANUARY 1, 2016, AND EXTENDING THROUGH DECEMBER 31, 2017.

\* \* \* \*

**WHEREAS**, those cities and towns other than the City of Houston within the Harris County Appraisal District have the right and responsibility to elect one person to the board of directors of the Harris County Appraisal District for a term of office commencing on January 1, 2016, and extending through December 31, 2017; and

**WHEREAS**, the City of La Porte desires to exercise its right to nominate a candidate for such position on said board of directors; now, therefore

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LA PORTE, TEXAS:**

**Section 1.** That the facts and recitations set forth in the preamble of this Resolution are hereby adopted.

**Section 2.** That the following named person is hereby nominated as a candidate for a position on the Board of Directors of the Harris County Appraisal District to be filled by those cities and towns other than the City of Houston within the Harris County Appraisal District for the a two-year term commencing January 1, 2016, and extending through December 31, 2017.

**Nominee:** \_\_\_\_\_

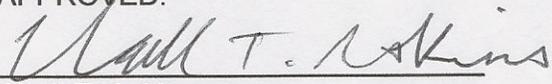
**Section 3.** That the presiding officer of the governing body of the City of La Porte is hereby directed to forward a certified copy of this Resolution to the chief appraiser of the Harris County Appraisal District no later than October 15, 2015.

**PASSED and APPROVED** this 28<sup>th</sup> day of September, 2015.

CITY OF LA PORTE

By: \_\_\_\_\_  
Louis R. Rigby  
Mayor

ATTEST:  
  
\_\_\_\_\_  
Patrice Fogarty  
City Secretary

APPROVED:  
  
\_\_\_\_\_  
Clark T. Askins  
Assistant City Attorney

## REQUEST FOR CITY COUNCIL AGENDA ITEM

Agenda Date Requested:	September 28, 2015	Appropriation
Requested By:	C. Alexander	Source of Funds: N/A
Department:	Administration	Account Number: N/A
Report: <input checked="" type="radio"/>	Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	Amount Budgeted: N/A
Other: <input type="radio"/>		Amount Requested: N/A
		Budgeted Item: <input type="radio"/> YES <input type="radio"/> NO

### Attachments :

1. Proposed Rate Structure
2. Prevalence of Medical Conditions

---

### SUMMARY & RECOMMENDATIONS

As part of the City's efforts to contain costs incurred by the Employee Health Insurance Fund, staff has been evaluating a number of initiatives with the hope of improving employee health and thus, reducing employee claims. Staff is recommending initiatives that would address two issues: being proactive in management of chronic conditions and improving employee health by reducing tobacco use.

**Proactive Health Management:** Funding for biometric screening is included in the FY2016 budget and will provide free screenings for conditions such as high blood pressure, high cholesterol, diabetes, skin cancer, and osteoporosis.

**Tobacco Use** (including smokeless tobacco products): Staff is proposing a rate structure to medical insurance premiums that charge tobacco users more than non-tobacco users. The rates for non-tobacco users would be \$50 less per month than what tobacco users will pay for the plan year that begins in January 2016. The non-tobacco rate would be unchanged from the current year medical insurance premiums. The City is providing several free, optional screening opportunities for employees wishing to obtain the non-tobacco user premium between October 15 and November 15, 2015.

The details for implementing this new rate structure are as follows:

- Applicable to employees only. Dependents, spouses, and retirees are not proposed to be impacted by this change.
- Default premium will be the tobacco user rate, which is \$50 more per month than the current rates.
- Employees that would like the non-tobacco rate will have several opportunities to take a tobacco screen.
  - If the employee's tobacco screen is tobacco free, the employee is eligible for the lower, non-tobacco premium.
  - If the employee's tobacco screen is NOT tobacco free, the employee is not eligible for the lower premium.
  - Employees that are currently in a smoking cessation program will show as a positive test. The City will work with those individuals that fall into this category.
  - If an employee feels the test presented a false positive, he/she will be able to appeal and re-

- take a test.
- For employees that refuse to take the tobacco screen, the City will offer enrollment in a Wellness Program focused on smoking cessation and will include regular biometric screens and completion of a smoking cessation program.

At the recommendation of the Chapter 172 Board, staff will be looking at other ways to incentivize employees that are non-smokers and staying healthy.

The Chapter 172 Board approved the rate structure at the September 3, 2015 meeting, pending additional information regarding implementation. Staff presented additional information at the September 16, 2015 meeting and the Board recommended that the Council approve the tobacco use rate structure for medical insurance premiums as outlined above, effective the plan year beginning January 1, 2016.

---

**Action Required of Council:**

Consider approval or other action to implement a tobacco use rate structure for medical insurance premiums, effective for the plan year beginning January 1, 2016.

---

**Approved for City Council Agenda**

---

**Corby D. Alexander, City Manager**

---

**Date**

Tobacco versus Non-Tobacco User Medical Premium Rate Chart:

Plan Year 2016

Plan	Elections	Per Pay Period Non-Tobacco User	Monthly Premium Non-Tobacco User	Per Pay Period Tobacco User	Monthly Premium Tobacco User	City's 2016 Monthly Contribution	2016 Total Monthly Cost
<b>PPO 500</b>	Employee	\$23.18	\$50.22	\$46.26	\$100.22	\$786.78	\$837.00
	Employee & Spouse	\$76.50	\$165.75	\$99.58	\$215.75	\$1,675.64	\$1,841.39
	Employee & Child(ren)	\$71.61	\$155.16	\$94.69	\$205.16	\$1,351.43	\$1,506.59
	Employee & Family	\$85.53	\$185.32	\$108.61	\$235.32	\$2,241.97	\$2,427.29
<b>HF 1000</b>	Employee	\$10.48	\$22.71	\$33.56	\$72.71	\$578.59	\$601.30
	Employee & Spouse	\$60.16	\$130.35	\$83.24	\$180.35	\$1,192.52	\$1,322.87
	Employee & Child(ren)	\$55.42	\$120.08	\$78.50	\$170.08	\$962.27	\$1,082.35
	Employee & Family	\$71.82	\$155.61	\$94.90	\$205.61	\$1,588.17	\$1,743.78
<b>HF 1500</b>	Employee	\$6.76	\$14.65	\$29.84	\$64.65	\$568.51	\$583.16
	Employee & Spouse	\$48.46	\$105.00	\$71.40	\$155.00	\$1,177.96	\$1,282.96
	Employee & Child(ren)	\$43.96	\$95.25	\$67.04	\$145.25	\$954.44	\$1,049.69

	Employee & Family	\$55.70	\$120.68	\$78.78	\$170.68	\$1,570.49	\$1,691.17
--	-------------------	---------	----------	---------	----------	------------	------------

# City of La Porte

## Top Conditions By Claims Paid - 2015

*January 1, 2015-July, 31, 2015*

<b>Condition/Disease</b>	<b>Unique Claimants</b>	<b>Prevalence</b>	<b>Aetna Prevalence</b>
Hypertension	193	<b>22.8%</b>	14.7%
Hyperlipidemia	157	<b>18.5%</b>	13.9%
Nonspecific Gastritis/Dyspepsia	91	<b>10.7%</b>	7.4%
Allergy	81	<b>9.6%</b>	7.4%
Diabetes Mellitus	68	<b>8.0%</b>	5.3%
Chronic Thyroid Disorders	66	<b>7.8%</b>	6.0%
Obesity	61	<b>7.2%</b>	2.9%
Low Back Pain	58	<b>6.8%</b>	6.3%
Depression	56	<b>6.6%</b>	6.3%
Asthma	53	<b>6.3%</b>	4.8%
Otitis Media	42	<b>5.0%</b>	2.8%
Anxiety	34	4.0%	4.3%
Metabolic Syndrome	32	<b>3.8%</b>	1.9%
Migraine and Other Headaches	29	3.4%	3.6%
Ischemic Heart Disease	28	<b>3.3%</b>	1.8%
Benign Prostatic Hypertrophy	17	<b>2.0%</b>	1.2%
Heart Failure	16	<b>1.9%</b>	0.7%
Osteoarthritis	15	1.8%	2.1%
ADHD and other Childhood Disruptive Disorders	15	1.8%	2.2%
Kidney Stones	14	<b>1.7%</b>	0.7%
Diverticular Disease	9	<b>1.1%</b>	0.4%
Peripheral Artery Disease	8	<b>0.9%</b>	0.5%
Atrial Fibrillation	7	<b>0.8%</b>	0.6%
Iron Deficiency Anemia	5	<b>0.6%</b>	0.5%
Inflammatory Bowel Disease	4	<b>0.5%</b>	0.4%

*Includes only continuously enrolled members*



## REQUEST FOR CITY COUNCIL AGENDA ITEM

Agenda Date Requested:	September 28, 2015	Appropriation
Requested By:	M. Dolby	Source of Funds: N/A
Department:	Finance	Account Number: N/A
Report: <input checked="" type="radio"/>	Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	Amount Budgeted: N/A
Other: <input type="radio"/>		Amount Requested: N/A
		Budgeted Item: <input type="radio"/> YES <input type="radio"/> NO

### Attachments :

1. Ordinance
2. Five (5) Year Capital Plan
3. Preliminary Official Statement
4. Notice of Sale

---

### SUMMARY & RECOMMENDATIONS

At the August 24, 2015 City Council meeting, the City Council approved the Notice of Intent to sell approximately \$8 million in bonds for the construction of utility and street improvements throughout the City. These projects are part of the Five-Year Capital plan for the City's street and utility system. Staff published the Notice of Intention to Issue Certificates of Obligation in the amount of \$8,000,000 the week of August 24, 2015; the week of September 14, 2015, and the week of September 21, 2015.

RBC Capital Markets, the City's Financial Advisors, has prepared and made available to the City a Notice of Sale and Preliminary Official Statement, which have been reviewed and are being updated by staff for use in the offering and sale of the Certificates. The use of the Preliminary Official Statement and the preparation of a final Official Statement are ratified and approved by the Ordinance. On Page 3 of the Ordinance, there are blanks for the principal amount and maturity schedule, which will be completed on the date of pricing.

Therefore, staff is requesting consideration and approval of an ordinance authorizing the issuance of approximately \$8,000,000 in City of La Porte, Texas, Certificates of Obligations, Series 2015 and other related matters.

---

### Action Required of Council:

Consider approval or other action of an Ordinance authorizing the issuance of Certificates of Obligation Series 2015 and containing other matters incident thereto.

---

**Approved for City Council Agenda**

---

**Corby D. Alexander, City Manager**

---

**Date**

**ORDINANCE AUTHORIZING ISSUANCE OF**

**CITY OF LA PORTE, TEXAS,  
CERTIFICATES OF OBLIGATION, SERIES 2015**

**Dated September 15, 2015**

## TABLE OF CONTENTS

	Page
ARTICLE I FINDINGS AND DETERMINATIONS.....	1
Section 1.1: Findings and Determinations.....	1
ARTICLE II DEFINITIONS AND INTERPRETATIONS .....	2
Section 2.1: Definitions .....	2
Section 2.2: Interpretations.....	3
ARTICLE III TERMS OF THE CERTIFICATES.....	3
Section 3.1: Amount, Purpose and Authorization .....	3
Section 3.2: Designation, Date and Interest Payment Dates .....	3
Section 3.3: Numbers, Denomination, Interest Rates and Maturities .....	4
Section 3.4: Redemption Prior to Maturity .....	4
Section 3.5: Manner of Payment, Characteristics, Execution and Authentication.....	5
Section 3.6: Authentication .....	5
Section 3.7: Ownership .....	5
Section 3.8: Registration, Transfer and Exchange .....	6
Section 3.9: Book-Entry Only System .....	6
Section 3.10: Replacement Certificates.....	8
Section 3.11: Cancellation.....	9
ARTICLE IV FORM OF CERTIFICATES .....	9
Section 4.1: Form of Certificates.....	9
ARTICLE V SECURITY FOR THE CERTIFICATES.....	9
Section 5.1: Pledge and Levy of Taxes and Revenues .....	9
Section 5.2: Debt Service Fund .....	10
Section 5.3: Further Proceedings.....	10
ARTICLE VI CONCERNING THE PAYING AGENT/REGISTRAR .....	10
Section 6.1: Acceptance .....	10
Section 6.2: Trust Funds.....	11
Section 6.3: Certificates Presented .....	11
Section 6.4: Unclaimed Funds Held by the Paying Agent/Registrar .....	11
Section 6.5: Paying Agent/Registrar May Own Certificates .....	11
Section 6.6: Successor Paying Agents/Registrars .....	11
ARTICLE VII PROVISIONS CONCERNING SALE AND APPLICATION OF PROCEEDS OF CERTIFICATES.....	12
Section 7.1: Sale of Certificates; Insurance.....	12
Section 7.2: Approval, Registration and Delivery.....	12
Section 7.3: Offering Documents; Ratings.....	12

Section 7.4:	Application of Proceeds of Certificates; Appropriation.....	13
Section 7.5:	Covenants to Maintain Tax Exemption.....	13
Section 7.6:	Qualified Tax-Exempt Obligations .....	16
Section 7.7:	Related Matters.....	16
ARTICLE VIII CONTINUING DISCLOSURE UNDERTAKING.....		16
Section 8.1:	Annual Reports.....	16
Section 8.2:	Material Event Notices.....	17
Section 8.3:	Identifying Information. All documents shall be provided to the MSRB in an electronic format and accompanied by identifying information, as prescribed by the MSRB.	18
Section 8.4:	Limitations, Disclaimers and Amendments .....	18
Section 8.5:	Definitions .....	19
ARTICLE IX MISCELLANEOUS .....		19
Section 9.1:	Defeasance.....	19
Section 9.2:	Ordinance a Contract - Amendments .....	20
Section 9.3:	Legal Holidays .....	20
Section 9.4:	Power to Revise Form of Documents.....	20
Section 9.5:	No Recourse Against City Officials.....	21
Section 9.6:	Further Proceedings.....	21
Section 9.7:	Severability.....	21
Section 9.8:	Open Meeting.....	21
Section 9.9:	Repealer.....	21
Section 9.10:	Effective Date.....	21
EXHIBIT A - FORM OF CERTIFICATE		
EXHIBIT B - FORM OF PAYING AGENT/REGISTRAR AGREEMENT		
EXHIBIT C – WINNING BID		

ORDINANCE NO. \_\_\_\_

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF LA PORTE,  
TEXAS, CERTIFICATES OF OBLIGATION, SERIES 2015; AND  
CONTAINING OTHER MATTERS INCIDENT THERETO

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA PORTE, TEXAS:

ARTICLE I

FINDINGS AND DETERMINATIONS

**Section 1.1: Findings and Determinations.** The City Council hereby officially finds and determines that:

(a) The City of La Porte, Texas (the “City”), acting through its City Council, is authorized pursuant to and in accordance with the provisions of Texas Local Government Code, Chapter 271, Subchapter C, as amended (the “Act”), to issue certificates of obligation to provide all or part of the funds to pay contractual obligations to be incurred for the construction of public works and the purchase of materials, supplies, equipment, machinery, buildings, land and rights-of-way for authorized needs and purposes and for the payment of contractual obligations for professional services, to wit: (i) improvements and extensions to the City’s water and sewer system, (ii) street improvements, (iii) drainage improvements, and (iv) professional services rendered in connection with the above listed projects.

(b) The City Council authorized the publication of a notice of intention to issue its City of La Porte, Texas, Certificates of Obligation, Series 2015 (the “Certificates”) to the effect that the City Council was tentatively scheduled to meet at 6:00 p.m. on September 28, 2015, at its regular meeting place to adopt an ordinance authorizing the issuance of the Certificates to be payable from an ad valorem tax levied, within the limits prescribed by law, on the taxable property located within the City, and a limited and subordinate pledge of certain revenues of the City’s waterworks and sewer system (the “System”) in an amount not to exceed \$1,000.

(c) Such notice was published on August 27, 2015, September 17, 2015, and September 24, 2015 in the Bay Area Observer.

(d) No petition signed by at least five percent (5%) of the qualified voters of the City has been filed with or presented to any official of the City protesting the issuance of such Certificates on or before the date of passage of this Ordinance.

(e) The City has determined that it is in the best interests of the City and that it is otherwise desirable to issue the Certificates to provide all or part of the funds to pay contractual obligations to be incurred for the purposes authorized by the Act.

ARTICLE II

DEFINITIONS AND INTERPRETATIONS

**Section 2.1: Definitions.** As used herein, the following terms shall have the meanings specified, unless the context clearly indicates otherwise:

“Act” shall mean Texas Local Government Code, Chapter 271, Subchapter C, as amended.

“Attorney General” shall mean the Attorney General of the State of Texas.

“Certificate” or “Certificates” shall mean any or all of the City of La Porte, Texas, Certificates of Obligation, Series 2015, authorized by this Ordinance.

“City” shall mean the City of La Porte, Texas, and, where appropriate, its City Council.

“City Council” shall mean the governing body of the City.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Comptroller” shall mean the Comptroller of Public Accounts of the State of Texas.

“Debt Service Fund” shall mean the fund by that name created pursuant to Section 5.2 hereof.

“Fiscal Year” shall mean the City’s then designated fiscal year, which currently is the twelve-month period beginning on the first day of October of a calendar year and ending on the last day of September of the next succeeding calendar year and each such period may be designated with the number of the calendar year in which such period ends.

“Interest Payment Date,” when used in connection with any Certificate, shall mean March 15, 2016, and each September 15 and March 15 thereafter until maturity or earlier redemption of such Certificate.

“Issuance Date” shall mean the date on which the Certificates are delivered to and paid for by the Purchaser.

“Ordinance” shall mean this Ordinance and all amendments hereof and supplements hereto.

“Outstanding,” when used with reference to the Certificates, shall mean, as of a particular date, all Certificates theretofore and thereupon delivered pursuant to this Ordinance except: (a) any Certificates canceled by or on behalf of the City at or before such date; (b) any Certificates defeased pursuant to the defeasance provisions of this Ordinance or otherwise defeased as permitted by applicable law; and (c) any Certificates in lieu of or in substitution for which a replacement Certificate shall have been delivered pursuant to this Ordinance.

“Paying Agent/Registrar” shall mean Amegy Bank National Association, and its successors in that capacity.

“Purchaser” shall mean the entity or entities specified in Section 7.1 hereof.

“Record Date” shall mean the close of business on the first day of the month in which the applicable Interest Payment Date occurs.

“Register” shall mean the registration books for the Certificates kept by the Paying Agent/Registrar in which are maintained the names and addresses of, and the principal amounts registered to, each Registered Owner of Certificates.

“Registered Owner” shall mean the person or entity in whose name any Certificate is registered in the Register.

**Section 2.2: Interpretations.** All terms defined herein and all pronouns used in this Ordinance shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Certificates and the validity of the levy of ad valorem taxes to pay the principal of and interest on the Certificates.

### ARTICLE III

#### TERMS OF THE CERTIFICATES

**Section 3.1: Amount, Purpose and Authorization.** The Certificates shall be issued in fully registered form, without coupons, under and pursuant to the authority of the Act in the total authorized aggregate principal amount of \_\_\_\_\_ AND NO/100 DOLLARS (\$\_\_\_\_\_) for the purpose of providing all or part of the funds to pay contractual obligations to be incurred for the purposes described in paragraph 1.1(a) hereof, and to pay the costs of issuing the Certificates.

**Section 3.2: Designation, Date and Interest Payment Dates.** The Certificates shall be designated as the “City of La Porte, Texas, Certificates of Obligation, Series 2015,” and shall be dated September 15, 2015. The Certificates shall bear interest at the rates set forth in Section 3.3 below, from the later of the Issuance Date, or the most recent Interest Payment Date to which interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, payable on March 15, 2016, and each March 15 and September 15 thereafter until maturity or earlier redemption.

If interest on any Certificate is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Paying Agent/Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be fifteen (15) days

prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Registered Owner as of the close of business on the day prior to mailing of such notice.

**Section 3.3: Numbers, Denomination, Interest Rates and Maturities.** The Certificates shall be initially issued bearing the numbers, in the principal amounts and bearing interest at the rates set forth in the following schedule, and may be transferred and exchanged as set out in this Ordinance. The Certificates shall mature on March 15 in each of the years and in the amounts set out in such schedule. Certificates delivered in transfer of or in exchange for other Certificates shall be numbered in order of their authentication by the Paying Agent/Registrar, shall be in the denomination of \$5,000 or integral multiples thereof and shall mature on the same date and bear interest at the same rate as the Certificate or Certificates in lieu of which they are delivered.

<u>Certificate Number</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
R-1		\$	%

**Section 3.4: Redemption Prior to Maturity.**

(a) The Certificates maturing on and after March 15, 2026, are subject to redemption prior to maturity, at the option of the City, in whole or in part, on March 15, 2025, or any date thereafter, at par plus accrued interest to the date fixed for redemption.

(b) Certificates may be redeemed in part only in integral multiples of \$5,000. If a Certificate subject to redemption is in a denomination larger than \$5,000, a portion of such Certificate may be redeemed, but only in integral multiples of \$5,000. In selecting portions of Certificates for redemption, each Certificate shall be treated as representing that number of Certificates of \$5,000 denomination which is obtained by dividing the principal amount of such Certificate by \$5,000. Upon presentation and surrender of any Certificate for redemption in part, the Paying Agent/Registrar, in accordance with the provisions of this Ordinance, shall

authenticate and deliver in exchange therefor a Certificate or Certificates of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Certificate so surrendered.

(c) Notice of any redemption, identifying the Certificates or portions thereof to be redeemed, shall be sent by United States mail, first class, postage prepaid, to the Registered Owners thereof at their addresses as shown on the Register, not less than thirty (30) days before the date fixed for such redemption. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the redemption price of the Certificates called for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, the Certificates which are to be so redeemed thereby automatically shall be redeemed prior to their scheduled maturities, they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being Outstanding except for the purpose of being paid with the funds so provided for such payment.

**Section 3.5: Manner of Payment, Characteristics, Execution and Authentication.**

The Paying Agent/Registrar is hereby appointed the paying agent for the Certificates. The Certificates shall be payable, shall have the characteristics and shall be executed, sealed, registered and authenticated, all as provided and in the manner indicated in the FORM OF CERTIFICATES set forth in Article IV of and Exhibit A to this Ordinance. If any officer of the City whose manual or facsimile signature shall appear on the Certificates shall cease to be such officer before the authentication of the Certificates or before the delivery of the Certificates, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

The approving legal opinion of Andrews Kurth LLP, Houston, Texas, Bond Counsel, may be printed on the back of the Certificates over the certification of the City Secretary, which may be executed in facsimile. CUSIP numbers also may be printed on the Certificates, but errors or omissions in the printing of either the opinion or the numbers shall have no effect on the validity of the Certificates.

**Section 3.6: Authentication.** Except for the Certificates to be initially issued, which need not be authenticated by the Registrar, only such Certificates as shall bear thereon a certificate of authentication, substantially in the form provided in Article IV of and Exhibit A to this Ordinance, manually executed by an authorized representative of the Paying Agent/Registrar, shall be entitled to the benefits of this Ordinance or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Certificate so authenticated was delivered by the Paying Agent/Registrar hereunder.

**Section 3.7: Ownership.** The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Certificate is registered as the absolute owner of such Certificate for the purpose of making and receiving payment of the principal thereof and interest thereon and for all other purposes, whether or not such Certificate is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Registered Owner of any Certificate in accordance with this Section shall be valid and effective and shall discharge the liability of the City and the Paying Agent/Registrar upon such Certificate to the extent of the sums paid.

**Section 3.8: Registration, Transfer and Exchange.** The Paying Agent/Registrar is hereby appointed the registrar for the Certificates. So long as any Certificate remains Outstanding, the Paying Agent/Registrar shall keep the Register at its office in Houston, Texas, in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of the Certificates in accordance with the terms of this Ordinance.

Each Certificate shall be transferable only upon the presentation and surrender thereof at the principal corporate trust office of the Paying Agent/Registrar, accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Certificate for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, within seventy-two (72) hours after such presentation, a new Certificate or Certificates, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Certificate or Certificates so presented and surrendered.

All Certificates shall be exchangeable upon the presentation and surrender thereof at the principal corporate trust office of the Paying Agent/Registrar for a Certificate or Certificates of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Certificate or Certificates presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Certificates in accordance with the provisions of this Section. Each Certificate delivered by the Paying Agent/Registrar in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such Certificate is delivered.

All Certificates issued in transfer or exchange shall be delivered to the Registered Owners thereof at the principal corporate trust office of the Paying Agent/Registrar or sent by United States mail, first class, postage prepaid.

The City or the Paying Agent/Registrar may require the Registered Owner of any Certificate to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Certificate. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the City.

The Paying Agent/Registrar shall not be required to transfer or exchange any Certificate called for redemption in whole or in part during the forty-five (45) day period immediately prior to the date fixed for redemption; provided, however, that this restriction shall not apply to the transfer or exchange by the Registered Owner of the unredeemed portion of a Certificate called for redemption in part.

**Section 3.9: Book-Entry Only System.** (a) The definitive Certificates 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 DTC, and except as provided in subsection (b) hereof, all of the Outstanding Certificates shall be registered in the name of Cede & Co., as

nominee of DTC. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (b) the delivery to any DTC Participant or any other person, other than a holder of the Certificate, as shown on the Register, of any notice with respect to the Certificates, including any notice of redemption or (c) the payment to any DTC Participant or any other person, other than a holder of the Certificate, as shown in the Register of any amount with respect to principal of Certificates, premium, if any, or interest on the Certificates.

Except as provided in subsection (c) of this Section 3.9, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Register as the absolute owner of such Certificate for the purpose of payment of principal of, premium, if any, and interest on Certificates, for the purpose of giving notices of redemption and other matters with respect to such Certificate, for the purpose of registering transfer with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of Certificates, premium, if any, and interest on the Certificates only to or upon the order of the respective owners, as shown in the Register 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 City's obligations with respect to payment of principal of, premium, if any, and interest on the Certificates to the extent of the sum or sums so paid. No person other than an owner shall receive a Certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance.

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

(c) Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC, and that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certified Certificates, the City or the Paying Agent/Registrar shall (a) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (b) notify DTC of the availability through DTC of Certificates and transfer one or more

separate Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names holders of the Certificates transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

**Section 3.10: Replacement Certificates.** Upon the presentation and surrender to the Paying Agent/Registrar of a damaged or mutilated Certificate, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Certificate, of the same maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Registered Owner of such Certificate to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Paying Agent/Registrar and the City.

If any Certificate is lost, apparently destroyed or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas and ordinances of the City, and in the absence of notice or knowledge that such Certificate has been acquired by a bona fide purchaser, shall execute, and the Paying Agent/Registrar shall authenticate and deliver, a replacement Certificate of the same maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding, provided that the Registered Owner thereof shall have:

- (a) furnished to the City and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Certificate;
- (b) furnished such security or indemnity as may be required by the Paying Agent/Registrar and the City to save and hold them harmless;
- (c) paid all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that may be imposed; and
- (d) met any other reasonable requirements of the City and the Paying Agent/Registrar.

If, after the delivery of such replacement Certificate, a bona fide purchaser of the original Certificate in lieu of which such replacement Certificate was issued presents for payment such original Certificate, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Certificate from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Certificate has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Certificate, authorize the Paying Agent/Registrar to pay such Certificate.

Each replacement Certificate delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such replacement Certificate is delivered.

**Section 3.11: Cancellation.** All Certificates paid or redeemed in accordance with this Ordinance, and all Certificates in lieu of which exchange Certificates or replacement Certificates are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment or redemption. The Paying Agent/Registrar shall periodically furnish the City with certificates of destruction of such Certificates.

#### ARTICLE IV

##### FORM OF CERTIFICATES

**Section 4.1: Form of Certificates.** The Certificates, including the Form of Comptroller's Registration Certificate, Form of Paying Agent/Registrar Authentication Certificate, Form of Assignment and Form of Statement of Insurance, if any, shall be in substantially the form set forth in Exhibit A hereto, with such omissions, insertions and variations as may be necessary or desirable, and not prohibited by this Ordinance.

#### ARTICLE V

##### SECURITY FOR THE CERTIFICATES

**Section 5.1: Pledge and Levy of Taxes and Revenues.** (a) To provide for the payment of principal of and interest on the Certificates, there is hereby levied, within the limits prescribed by law, for the current year and each succeeding year thereafter, while the Certificates or any part of the principal thereof and the interest thereon remain outstanding and unpaid, an ad valorem tax upon all taxable property within the City sufficient to pay the interest on the Certificates and to create and provide a sinking fund of not less than 2% of the principal amount of the Certificates or not less than the principal payable out of such tax, whichever is greater, with full allowance being made for tax delinquencies and the costs of tax collection, and such taxes, when collected, shall be applied to the payment of principal of and interest on the Certificates by deposit to the Debt Service Fund and to no other purpose.

(b) The City hereby declares its purpose and intent to provide and levy a tax legally sufficient to pay the principal of and interest on the Certificates, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax. As long as any Certificates remain outstanding, all moneys on deposit in, or credited to, the Debt Service Fund shall be secured by a pledge of security, as provided by law for cities in the State of Texas.

(c) In addition, pursuant to the authority of Chapter 1502, Texas Government Code, the City also hereby pledges the revenues to be derived from the City's waterworks and sewer system, after the payment of all operation and maintenance expenses thereof (the "Net Revenues"), in an amount not to exceed \$1,000, to the payment of the principal of and interest on the Certificates, provided that the pledge of Net Revenues is and shall be junior and

subordinate in all respects to the pledge of Net Revenues to the payment of any obligation of the City, whether authorized heretofore or hereafter, which the City designates as having a pledge senior to the pledge of the Net Revenues to the payment of the Certificates. The City also reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind, secured in whole or in part by a pledge of Net Revenues, that may be prior and superior in right to, on a parity with, or junior and subordinate to the pledge of Net Revenues securing the Certificates.

(d) To pay the interest coming due on the Certificates prior to receipt of the taxes levied to pay such interest, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such interest, and such amount shall be used for no other purpose.

**Section 5.2: Debt Service Fund.** The “Certificates of Obligation, Series 2015, Debt Service Fund” (the “Debt Service Fund”) is hereby created as a special fund solely for the benefit of the Certificates. The City shall establish and maintain such fund at an official City depository and shall keep such fund separate and apart from all other funds and accounts of the City. Any amount on deposit in the Debt Service Fund shall be maintained by the City in trust for the Registered Owners of the Certificates. Such amount, plus any other amounts deposited by the City into such fund and any and all investment earnings on amounts on deposit in such fund, shall be used only to pay the principal of, premium, if any, and interest on the Certificates.

**Section 5.3: Further Proceedings.** After the Certificates to be initially issued have been executed, it shall be the duty of the Mayor to deliver the Certificates to be initially issued and all pertinent records and proceedings to the Attorney General for examination and approval. After the Certificates to be initially issued shall have been approved by the Attorney General, they shall be delivered to the Comptroller for registration. Upon registration of the Certificates to be initially issued, the Comptroller (or a deputy lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller’s registration certificate prescribed herein to be affixed or attached to the Certificates to be initially issued, and the seal of said Comptroller shall be impressed, or placed in facsimile, thereon.

## ARTICLE VI

### CONCERNING THE PAYING AGENT/REGISTRAR

**Section 6.1: Acceptance.** Amegy Bank National Association, is hereby appointed as the initial Paying Agent/Registrar for the Certificates pursuant to the terms and provisions of the Paying Agent/Registrar Agreement by and between the City and the Paying Agent/Registrar. The Paying Agent/Registrar Agreement shall be substantially in the form attached hereto as Exhibit B, the terms and provisions of which are hereby approved, and the Mayor is hereby authorized to execute and deliver such Paying Agent/Registrar Agreement on behalf of the City in multiple counterparts and the City Secretary is hereby authorized to attest thereto and affix the City’s seal. Such initial Paying Agent/Registrar and any successor Paying Agent/Registrar, by undertaking the performance of the duties of the Paying Agent/Registrar hereunder, and in consideration of the payment of any fees pursuant to the terms of any contract between the

Paying Agent/Registrar and the City and/or the deposits of money pursuant to this Ordinance, shall be deemed to accept and agree to abide by the terms of this Ordinance.

**Section 6.2: Trust Funds.** All money transferred to the Paying Agent/Registrar in its capacity as Paying Agent/Registrar for the Certificates under this Ordinance (except any sums representing Paying Agent/Registrar's fees) shall be held in trust for the benefit of the City, shall be the property of the City and shall be disbursed in accordance with this Ordinance.

**Section 6.3: Certificates Presented.** Subject to the provisions of Section 6.4, all matured Certificates presented to the Paying Agent/Registrar for payment shall be paid without the necessity of further instructions from the City. Such Certificates shall be canceled as provided herein.

**Section 6.4: Unclaimed Funds Held by the Paying Agent/Registrar.** Funds held by the Paying Agent/Registrar that represent principal of and interest on the Certificates remaining unclaimed by the Registered Owner thereof after the expiration of three years from the date such funds have become due and payable (a) shall be reported and disposed of by the Paying Agent/Registrar in accordance with the provisions of Title 6 of the Texas Property Code, as amended, to the extent such provisions are applicable to such funds, or (b) to the extent such provisions do not apply to the funds, such funds shall be paid by the Paying Agent/Registrar to the City upon receipt by the Paying Agent/Registrar of a written request therefor from the City.

The Paying Agent/Registrar shall have no liability to the Registered Owners of the Certificates by virtue of actions taken in compliance with this Section.

**Section 6.5: Paying Agent/Registrar May Own Certificates.** The Paying Agent/Registrar in its individual or any other capacity, may become the owner or pledgee of Certificates with the same rights it would have if it were not the Paying Agent/Registrar.

**Section 6.6: Successor Paying Agents/Registrars.** The City covenants that at all times while any Certificates are Outstanding it will provide a legally qualified bank, trust company, financial institution or other agency to act as Paying Agent/Registrar for the Certificates. The City reserves the right to change the Paying Agent/Registrar for the Certificates on not less than sixty (60) days' written notice to the Paying Agent/Registrar, as long as any such notice is effective not less than 60 days prior to the next succeeding principal or interest payment date on the Certificates. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or a copy thereof to the new Paying Agent/Registrar, and the new Paying Agent/Registrar shall notify each Registered Owner, by United States mail, first class, postage prepaid, of such change and of the address of the new Paying Agent/Registrar. Each Paying Agent/Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Ordinance.

## ARTICLE VII

### PROVISIONS CONCERNING SALE AND APPLICATION OF PROCEEDS OF CERTIFICATES

**Section 7.1: Sale of Certificates; Insurance.** The sale of the Certificates to \_\_\_\_\_ (the “Purchaser”) at a price of the par value thereof plus a cash premium of \$ \_\_\_\_\_, plus accrued interest on the Certificates, is hereby approved, and delivery of the Certificates to the Purchaser, registered in its name, shall be made upon payment therefor in accordance with the Winning Bid attached hereto as Exhibit C. It is hereby officially found, determined and declared that the Purchaser is the highest bidder for the Certificates as a result of invitations for competitive bids. It is further officially found, determined and declared that the Certificates have been sold at public sale to the bidder offering the lowest interest cost, which is hereby determined to be a net effective interest rate of \_\_\_\_\_%, after receiving sealed bids pursuant to an Official Notice of Sale and Preliminary Official Statement prepared and distributed in connection with the sale of the Certificates.

**Section 7.2: Approval, Registration and Delivery.** The Mayor is hereby authorized to have control and custody of the Certificates and all necessary records and proceedings pertaining thereto pending their delivery, and the Mayor and other officers and employees of the City are hereby authorized and directed to make such certifications and to execute such instruments as may be necessary to accomplish the delivery of the Certificates and to assure the investigation, examination and approval thereof by the Attorney General and the registration of the initial Certificates by the Comptroller. Upon registration of the Certificates, the Comptroller (or the Comptroller’s certificates clerk or an assistant certificates clerk lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller’s Registration Certificates prescribed herein to be attached or affixed to each Certificates initially delivered and the seal of the Comptroller shall be impressed or printed or lithographed thereon.

**Section 7.3: Offering Documents; Ratings.** The use of the Notice of Sale and the Preliminary Official Statement in the offering and sale of the Certificates is hereby ratified, confirmed and approved in all respects. It is further hereby officially found, determined and declared that, as of the date thereof, the Preliminary Official Statement was an official statement of the City with respect to the Certificates that was deemed “final” by an authorized official of the City except for the omission of no more than the information permitted by subsection (b)(1) of SEC Rule 15c2-12.

The City Council hereby approves the preparation of the final Official Statement, in substantially the form of the Preliminary Official Statement, with such revisions as are necessary to reflect the terms of the sale of the Certificates, and ratifies and approves the distribution of such Official Notice of Sale and Preliminary Official Statement and approves the distribution of the final Official Statement and any addenda, supplement or amendment thereto, in the offer and sale of the Certificates and in the reoffering of the Certificates by the Purchaser, with such changes therein or additions thereto as the officials executing same may deem advisable, such determination to be conclusively evidenced by their execution thereof. The Mayor is hereby authorized and directed to execute, and the City Secretary is hereby authorized and directed to attest, the final Official Statement.

Further, the City Council hereby ratifies, authorizes and approves the actions of the Mayor, the City's financial advisor and other consultants in seeking a rating on the Certificates from Standard & Poor's Ratings Services and such actions are hereby ratified and confirmed.

**Section 7.4: Application of Proceeds of Certificates; Appropriation.** Proceeds from the sale of the Certificates shall, promptly upon receipt by the City, be applied as follows:

(1) Accrued interest shall be deposited into the Debt Service Fund created in Section 5.2 of this Ordinance;

(2) A portion of the proceeds shall be applied to pay expenses arising in connection with the issuance of the Certificates; and

(3) The remaining proceeds shall be applied, together with other funds of the City, to provide funds to pay contractual obligations to be incurred for the purposes set forth in Section 3.1 of this Ordinance.

**Section 7.5: Covenants to Maintain Tax Exemption.**

(a) Definitions. When used in this PART, the following terms have the following meanings:

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, enacted on or before the Issue Date.

“Computation Date” has the meaning stated in section 1.148 1(b) of the Regulations.

“Gross Proceeds” has the meaning stated in section 1.148 1(b) of the Regulations.

“Investment” has the meaning stated in section 1.148 1(b) of the Regulations.

“Issue Date” for the Certificates or other obligations of the City is the respective date on which such Certificates or other obligations of the City is delivered against payment therefor.

“Net Sale Proceeds” has the meaning stated in section 1.148 1(b) of the Regulations.

“Nonpurpose Investment” has the meaning stated in section 1.148 1(b) of the Regulations.

“Proceeds” has the meaning stated in section 1.148-1(b) of the Regulations.

“Rebate Amount” has the meaning stated in section 1.148-3 of the Regulations.

“Regulations” means the temporary or final Income Tax Regulations applicable to the Certificates issued pursuant to sections 141 through 150 of the Code. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to sections 141 through 150 of the Code and applicable to the Certificates.

“Yield of”

(1) any Investment shall be computed in accordance with section 1.148-5 of the Regulations, and

(2) the Certificates shall be computed in accordance with section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause the interest on any Certificates to become includable in the gross income, as defined in section 61 of the Code, of the owner for federal income tax purposes. Unless and until the City has received a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Certificate, the City shall comply with the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by section 141 of the Code and the regulations and rulings relating to section 141 of the Code, the City shall, at all times prior to the last stated maturity of the Certificates,

(1) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds of the Certificates and not use or permit the use of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public, or

(2) not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds of the Certificates or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such Gross Proceeds other than taxes of general application and interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by section 141 of the Code and the regulations and rulings relating to section 141 of the Code, the City shall not use Gross Proceeds of the Certificates to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be “loaned” to a person or entity if (1) property acquired, constructed or improved with Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such person or entity under a take or pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the regulations and rulings relating to section 148 of the Code, the City shall not, at any time prior to the earlier of the final stated maturity or final payment of the Certificates, directly or indirectly invest Gross Proceeds of such Certificates in any Investment (or use such Gross Proceeds to replace money so invested), if as a result of such investment the Yield of all Investments allocated to such Gross Proceeds whether then held or previously disposed of, exceeds the Yield on the Certificates.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the regulations and rulings relating to section 149(b) of the Code, the City shall not take or omit to take any action which would cause the Certificates to be federally guaranteed within the meaning of section 149(b) of the Code and the regulations and rulings relating to section 149(b) of the Code.

(g) Information Report. The City shall timely file with the Secretary of the Treasury the information required by section 149(e) of the Code with respect to the Certificates on such forms and in such place as such Secretary may prescribe.

(h) Payment of Rebate Amount. Except to the extent otherwise provided in section 148(f) of the Code and the regulations and rulings relating to section 148(f) of the Code, the City shall:

(1) account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of such accounting for at least six years after the final Computation Date. The City may, however, to the extent permitted by law, commingle Gross Proceeds of the Certificates with other money of the City, provided that the City separately accounts for each receipt and expenditure of such Gross Proceeds and the Certificates acquired with these proceeds.

(2) calculate the Rebate Amount with respect to the Certificates, not less frequently than each Computation Date, in accordance with rules set forth in section 148(f) of the Code, section 1.148-3 of the Regulations, and the rulings thereunder. The City shall maintain a copy of such calculations for at least six years after the final Computation Date.

(3) as additional consideration for the purchase of the Certificates by the initial purchaser and the loan of the money represented by this purchase, and in order to induce such purchase by measures designed to ensure the excludability of the interest from the gross income of the owners for federal income tax purposes, pay to the United States the amount described in paragraph (2) above at the times, in the installments, to the place, in the manner and accompanied by such forms or other information as is or may be required by section 148(f) of the Code and the regulations and rulings relating to section 148(f) of the Code, and

(4) exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (2) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time, including payment to the United States of any interest and any penalty required by the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the regulations and rulings relating to section 148 of the Code, the City shall not, at any time prior to the earlier of the final stated maturity or final payment of the Certificates, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Certificates not been relevant to either party.

(j) Not Hedge Bonds. The City will not invest more than 50 percent of the Proceeds of the Certificates in Nonpurpose Investments having a guaranteed yield for four years or more. On the Closing Date, the City will reasonably expect that at least 85 percent of the Net Sale Proceeds of the Certificates will be used to carry out the governmental purpose of such series within three years after the Closing Date.

**Section 7.6: Qualified Tax-Exempt Obligations.** The City hereby designates the Certificates as "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. With respect to such designation, the City represents the following: (a) that during the calendar year 2015, the City (including all entities which issue obligations on behalf of the City), has not designated nor will designate obligations, which when aggregated with the Certificates will result in more than \$10,000,000 of "qualified tax-exempt obligations" being issued and (b) that the City has examined its financing needs for the calendar year 2015, and reasonably anticipates that the amount of bonds, leases, loans or other obligations, together with the Certificates and any other tax-exempt obligations heretofore issued by the City (plus those of all entities which issue obligations on behalf of the City) during the calendar year 2015, when the higher of the face amount or the issue price of each such tax-exempt obligation issued for the calendar year 2009 by the City is taken into account, will not exceed \$10,000,000.

**Section 7.7: Related Matters.** In order that the City shall satisfy in a timely manner all of its obligations under this Ordinance, the Mayor, the Mayor Pro-Tem, City Secretary and all other appropriate officers, agents, representatives and employees of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance and delivery of the Certificates, including, without limitation, executing and delivering on behalf of the City all certificates, consents, receipts, requests, notices, and other documents as may be reasonably necessary to satisfy the City's obligations under this Ordinance and to direct the transfer and application of funds of the City consistent with the provisions of this Ordinance.

## ARTICLE VIII

### CONTINUING DISCLOSURE UNDERTAKING

**Section 8.1: Annual Reports.** The City shall provide annually to the MSRB, (A) within six months after the end of each fiscal year of the City, financial information and

operating data with respect to the City of the general type included in the final Official Statement authorized by Section 7.3 of this Ordinance, being the financial information and operating data described in the Official Statement in Tables 1-6 and 8-14 and in Appendix B to the Official Statement, if audited financial statements of the City are then available, and (B) if not provided as part such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Appendix B to the Official Statement and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not so provided, then the City shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if audited financial statements become available. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City 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.

**Section 8.2: Material Event Notices.** The City shall notify the MSRB, in a timely manner, of any of the following events with respect to the Certificates, if such event is material within the meaning of the federal securities laws:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (g) Adverse tax opinions or events affecting the tax-exempt status of the Certificates;
- (h) Modifications to rights of holders of the Certificates;
- (i) Certificate calls;
- (j) Defeasances;
- (k) Release, substitution, or sale of property securing repayment of the Certificates; and

(l) Rating changes.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 8.1 of this Ordinance by the time required by such Section.

**Section 8.3: Identifying Information.** All documents shall be provided to the MSRB in an electronic format and accompanied by identifying information, as prescribed by the MSRB.

**Section 8.4: Limitations, Disclaimers and Amendments.** The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the City in any event will give the notice required by Section 8.2 of any Certificate calls and defeasance that cause the City to be no longer such an “obligated person.”

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

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER 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 CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

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

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

The provisions of this Article may be amended by the City from time to time to adapt the changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or

sell the Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount (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 City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holder and beneficial owners of the Certificates. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 8.1 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this Article if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Article in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule.

**Section 8.5: Definitions.** As used in this Article, the following terms have the meanings ascribed to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.

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

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

## ARTICLE IX

### MISCELLANEOUS

**Section 9.1: Defeasance.** The City may defease the provisions of this Ordinance and discharge its obligations to the Registered Owners of any or all of the Certificates to pay the principal of and interest thereon in any manner now or hereafter permitted by law, including by depositing with the Paying Agent/Registrar, a trust company or commercial bank other than the Paying Agent/Registrar, or with the Comptroller of Public Accounts of the State of Texas either:

(a) cash in an amount equal to the principal amount of such Certificates and premium, if any, and interest thereon to the date of maturity or redemption; or

(b) pursuant to an escrow or trust agreement, cash and/or (i) direct noncallable obligations of United States of America, including obligations that are unconditionally guaranteed by the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; or (iii)

noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, which, in the case of (i), (ii) or (iii), may be in book-entry form, and the principal of and interest on which will, when due or redeemable at the option of the holder, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, provide money in an amount which, together with other moneys, if any, held in such escrow at the same time and available for such purpose, shall be sufficient to provide for the timely payment of the principal of and interest thereon to the date of maturity or earlier redemption;

provided, however, that if any of the Certificates are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in this Ordinance. Upon such deposit, such Certificates shall no longer be regarded to be Outstanding or unpaid. Any surplus amounts not required to accomplish such defeasance shall be returned to the City.

**Section 9.2: Ordinance a Contract - Amendments.** This Ordinance shall constitute a contract with the Registered Owners from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Registered Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Registered Owners who own in the aggregate 51% of the principal amount of the Certificates then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Registered Owners of Outstanding Certificates, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Certificates, (ii) give any preference to any Certificate over any other Certificate, or (iii) reduce the aggregate principal amount of Certificates required to be held by Registered Owners for consent to any such amendment, addition, or rescission.

**Section 9.3: Legal Holidays.** In any case where the date interest accrues and becomes payable on the Certificates or principal of the Certificates matures or the date fixed for redemption of any Certificates or a Record Date shall be in the City a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date, or the Record Date shall not occur on such date, but payment may be made or the Record Date shall occur on the next succeeding day which is not in the City a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized by law to close with the same force and effect as if (i) made on the date of maturity or the date fixed for redemption and no interest shall accrue for the period from the date of maturity or redemption to the date of actual payment or (ii) the Record Date had occurred on the fifteenth calendar day of that month.

**Section 9.4: Power to Revise Form of Documents.** Notwithstanding any other provision of this Ordinance, the Mayor is hereby authorized to make or approve such revisions,

additions, deletions, and variations to this Ordinance and in the form of the documents attached hereto as exhibits as, in the judgment of the Mayor, and in the opinion of Bond Counsel to the City, may be necessary or convenient to carry out or assist in carrying out the purposes of this Ordinance, the Preliminary Official Statement, the final Official Statement, or as may be required for approval of the Certificates by the Attorney General of Texas; provided, however, that any changes to such documents resulting in substantive amendments to the terms and conditions of the Certificates or such documents shall be subject to the prior approval of the City Council.

**Section 9.5: No Recourse Against City Officials.** No recourse shall be had for the payment of principal of or interest on any Certificates or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Certificates.

**Section 9.6: Further Proceedings.** The Mayor, Mayor Pro-Tem, City Secretary and other appropriate officials of the City are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Ordinance.

**Section 9.7: Severability.** If any Section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

**Section 9.8: Open Meeting.** It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at City Hall for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

**Section 9.9: Repealer.** All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

**Section 9.10: Effective Date.** This Ordinance shall be in force and effect from and after its passage on the date shown below.

*[Signature page follows.]*

**DULY PASSED AND APPROVED** this the 28th day of September, 2015.

---

Mayor

ATTEST:

---

City Secretary

APPROVED AS TO FORM AND CONTENT:

---

City Attorney



September 15 and March 15 thereafter until maturity or earlier redemption of this Certificate, by check sent by United States mail, first class, postage prepaid, by the Paying Agent/Registrar to the Registered Owner of record as of the close of business on the fifteenth calendar day of the month immediately preceding the applicable interest payment date, as shown on the registration books kept by the Paying Agent/Registrar. Any accrued interest payable at maturity or earlier redemption shall be paid upon presentation and surrender of this Certificate at the principal corporate trust office of the Paying Agent/Registrar.

THIS CERTIFICATE IS ONE OF A DULY AUTHORIZED SERIES OF CERTIFICATES (the "Certificates") in the aggregate principal amount of \$\_\_\_\_\_ issued pursuant to an ordinance adopted by the City Council of the City on September 28, 2015 (the "Ordinance"), for the purpose of providing all or part of the funds to pay contractual obligations to be incurred for the construction of public works and the purchase of materials, supplies, equipment, machinery, buildings, land and rights-of-way for authorized needs and purposes and for the payment of contractual obligations for professional services, to wit (i) improvements and extensions to the City's water and sewer system, (ii) street improvements, (iii) drainage improvements, and (iv) professional services rendered in connection with the above listed projects.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS CERTIFICATE SET FORTH ON THE REVERSE HEREOF, WHICH PROVISIONS SHALL HAVE THE SAME FORCE AND EFFECT AS IF SET FORTH AT THIS PLACE.<sup>4</sup>

THIS CERTIFICATE shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Certificate is authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.<sup>5</sup>

---

<sup>4</sup> This paragraph shall be omitted from the initial Certificate and any other Certificate for which text does not appear on the back of a printed certificate.

<sup>5</sup> In the initial Certificate, this paragraph shall read:

"THIS CERTIFICATE shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Certificate is registered by the Comptroller of Public Accounts of the State of Texas by due execution of the registration certificate endorsed hereon."

IN WITNESS WHEREOF, the City has caused its corporate seal to be impressed or placed in facsimile hereon and this Certificate to be signed by the Mayor, countersigned by the City Secretary by their manual, lithographed or printed facsimile signatures.

CITY OF LA PORTE, TEXAS

---

Mayor

(SEAL)

COUNTERSIGNED:

---

City Secretary

\* \* \* \*

[REVERSE OF CERTIFICATE]

THE CITY RESERVES THE RIGHT, at its option, to redeem, prior to their maturity, Certificates maturing on or after March 15, 2026, in whole or in part, on March 15, 2025, or any date thereafter, at par plus accrued interest to the date fixed for redemption.

THE CERTIFICATES MAY BE REDEEMED IN PART only in integral multiples of \$5,000. If a Certificate subject to redemption is in a denomination larger than \$5,000, a portion of such Certificate may be redeemed, but only in integral multiples of \$5,000. In selecting portions of Certificates for redemption, each Certificate shall be treated as representing that number of Certificates of \$5,000 denomination which is obtained by dividing the principal amount of such Certificate by \$5,000. Upon surrender of any Certificate for redemption in part, the Paying Agent/Registrar, in accordance with the provisions of the Ordinance, shall authenticate and deliver in exchange therefor a Certificate or Certificates of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Certificate so surrendered.

NOTICE OF ANY SUCH REDEMPTION, identifying the Certificates or portions thereof to be redeemed, shall be sent by United States mail, first class, postage prepaid, to the Registered Owners thereof at their addresses as shown on the books of registration kept by the Paying Agent/Registrar, not less than thirty (30) days before the date fixed for such redemption. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the redemption price of the Certificates called for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, the Certificates which are to be so redeemed thereby automatically shall be redeemed prior to their scheduled maturities, they shall not bear interest after the date fixed for redemption, and they

shall not be regarded as being outstanding except for the purpose of being paid with the funds so provided for such payment.

THIS CERTIFICATE IS TRANSFERABLE only upon presentation and surrender at the principal corporate trust office of the Paying Agent/Registrar, accompanied by an assignment duly executed by the Registered Owner or its authorized representative, subject to the terms and conditions of the Ordinance.

THIS CERTIFICATE IS EXCHANGEABLE at the principal corporate trust office of the Paying Agent/Registrar for a Certificate or Certificates of the same maturity and interest rate and in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance.

THE PAYING AGENT/REGISTRAR is not required to accept for transfer or exchange any Certificate called for redemption, in whole or in part, during the forty-five (45) day period immediately prior to the date fixed for redemption; provided, however, that such limitation shall not apply to the transfer or exchange by the Registered Owner of an unredeemed portion of a Certificate called for redemption in part.

THE CITY OR PAYING AGENT/REGISTRAR may require the Registered Owner of any Certificate to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of a Certificate. Any fee or charge of the Paying Agent/Registrar for a transfer or exchange shall be paid by the City.

THE REGISTERED OWNER of this Certificate by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Ordinance.

IT IS HEREBY DECLARED AND REPRESENTED that this Certificate has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, exist and to be done precedent to or in the issuance and delivery of this Certificate have been performed, exist and have been done in accordance with law; that the Certificates do not exceed any constitutional or statutory limitation; 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, within the limits prescribed by law, against all taxable property in the City and have been irrevocably pledged for such payment.

IT IS FURTHER DECLARED AND REPRESENTED that the revenues to be derived from the City's waterworks and sewer system, after the payment of all operation and maintenance expenses thereof (the "Net Revenues"), in an amount not to exceed \$1,000, are pledged to the payment of the principal of and interest on the Certificates, provided that the pledge of Net Revenues is and shall be junior and subordinate in all respects to the pledge of Net Revenues to the payment of any obligation of the City, whether authorized heretofore or hereafter, which the City designates as having a pledge senior to the pledge of the Net Revenues to the payment of the Certificates. The City also reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind, secured in whole or in part by a pledge of Net Revenues, that may be prior and superior in right to, on a parity with, or junior and subordinate to the pledge of Net Revenues securing the Certificates.

REFERENCE IS HEREBY MADE TO THE ORDINANCE, a copy of which is filed with the Paying Agent/Registrar, for the full provisions thereof, to all of which the Registered Owners of the Certificates assent by acceptance of the Certificates.

\* \* \*

#### FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE

The following form of Comptroller's Registration Certificate shall be attached or affixed to each of the Certificates initially delivered:

THE STATE OF TEXAS

REGISTER NO. \_\_\_\_\_

OFFICE OF THE COMPTROLLER OF PUBLIC ACCOUNTS

I hereby certify that this certificate has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this certificate has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this \_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

[SEAL]

\* \* \*

#### FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

The following form of authentication certificate shall be printed on the face of each of the Certificates other than those initially delivered:

#### AUTHENTICATION CERTIFICATE

This Certificate is one of the Certificates described in and delivered pursuant to the within-mentioned Ordinance; and, except for the Certificates initially delivered, this Certificate has been issued in exchange for or replacement of a Certificate, Certificates, or a portion of a Certificate or Certificates of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

AMEGY BANK NATIONAL ASSOCIATION,  
as Paying Agent/Registrar

By: \_\_\_\_\_

Authorized Signature

Date of Authentication:

\* \* \* \*

FORM OF ASSIGNMENT

The following form of assignment shall be printed on the back of each of the Certificates:

ASSIGNMENT

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

\_\_\_\_\_  
(Please print or type name, address, and zip code of Transferee)

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

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

DATED: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_  
Registered Owner

NOTICE: The signature above must correspond to the name of the Registered Owner as shown on the face of this certificate in every particular, without any alteration, enlargement or change whatsoever.

\* \* \* \*

**EXHIBIT B**

**FORM OF PAYING AGENT/REGISTRAR AGREEMENT**

**EXHIBIT C**  
**WINNING BID**

**CIP (Streets, Utilities, Drainage)**

	A	I	J	K	L	M	AF
185	<b>(SSO Plan = City/TCEQ Agreed Project Schedule to Eliminate Sanitary Sewer Overflows)</b>						
186							
187							
188		<b>2015-16</b>					
189		<b>Street</b>	<b>Utility</b>	<b>Drain</b>	<b>Grant</b>	<b>Total</b>	<b>Comments</b>
190		<b>CIP</b>	<b>CIP</b>	<b>Fee</b>	<b>or Bond</b>		
191		<b>(\$1000)</b>	<b>(\$1000)</b>	<b>(\$1000)</b>	<b>(\$1000)</b>	<b>(\$1000)</b>	
192	<b>FY 2016</b>						
193							
194							
195	Construct W D. (S. 6th to S. 3rd); S. 4th (W. B to W. D)	650	100	200		950	{** Drainage Bond = \$200K}.
196	Construct Handicap Ramp (Where Sidewalk Exists, Full Height Curb, No Ramps Currently, \$50,000), Sidewalk Repairs	150				150	Including P&E Dept Portion
197	Construct Asphalt Street Surfacing: <del>All or portions of Main Street (146 to S. Broadway)</del> , Kansas, N. 4th (Main to W. B), West A, West B, N. Utah, N. Brownell, East K/Montana/East L, Oregon, Bay Colony (west of Sunrise), McCarty, Browning, N. Lobit, H Street (West of H), C St. (San Jacinto to S. Idaho), <del>West Polk/S 18/S 17 (west of S 16th)</del> . Others TBD Budget Permitting.	1000				1000	Investigate Potential for Main Street Grant for FY 18.
198	Asphalt Streets Reclaimed by City Crews:	150				150	
199	Concrete Street Repair - Remove/Replace (Small Sections)	200				200	
200	Concrete Street Repair - Slab Jacking (Small Sections)	<del>35</del> -50				<del>35</del> -50	
201	Street Repair Materials (City Crew Construction)	75				75	
202	Design Coupland Drive Improvements/R/O/W acquisition	100		100		200	Including R/O/W and Acquisition = \$50K
203	Design Pinebluff Subdivision Improvements	80	70	50		200	
204	<del>Drainage Plan - Area Bounded by Barbour's Cut/Main Street/Hwy 146/N. Broadway and Offsite Improvements Necessary to Drain the Bounded Area. [For use in developing 5-YR Community Block Grant Development Plan (FY 18 - FY 22)]</del>	<del>{25}</del>		<del>{85}</del>		<del>110</del>	Moved to FY 15
205	Thermoplastic Markings/Reflectors Luella, Thermoplastic Markings Other Locations City wide.	80				80	
206							
207	<b>Utility Only Projects</b>						
208							
209	Sewer Rehabilitation (SSO Plan)		350			350	
210							
211							
212	Design Replace Hillridge Booster Pumps, Add Pumping Capacity, New Building		100			100	
213	Interior/Exterior Painting _ Fairmont Elevated Water Tank		<del>350</del> -335			<del>350</del> -335	\$140K Rolled from FY 15. Total \$475K.
214	<del>Exterior Painting _ Main/4th Street Elevated Water Tank</del>		<del>350</del>			<del>350</del>	Moved to FY 18.
215	Water line replacement In-house		45			45	
216	Equipment Replacement Water		20			20	
217	Equipment Replacement Wastewater		40			40	
218	Valve Replacement Program In-house		25			25	
219	Headworks Improvements at the WWTP		300			300	
220	<del>Survey for S. Broadway Sewer (Assume in-house)</del>		<del>20</del> -0			<del>20</del> -0	Preliminary Survey Design Completed FY 15
221	Lift Pump Replacement		60			60	
222	<del>Clarifier Drive Replacement</del>		<del>95</del>			<del>95</del>	Moved to FY 17
223	Lift Station Improvements		35			35	
224	<b>Utility Contingency</b>		<b>40</b>			<b>40</b>	
225	<b>Water Meter Replacement</b>		<b>180</b>			<b>180</b>	\$90K Residential; \$90K Commercial
226	<b>Drainage Only Projects</b>						
227							
228	Construct Mission Estates Storm Sewer Rehabilitation			300		300	
229	Drainage Materials for City Crews			50		50	
230	TV Inspection Storm Sewer System			20		20	
231							
232	<b>Streets/Drainage Contingency</b>	<del>80</del> -10		85		<del>80</del> -95	
233							
234	146 SB Access Water Main Extension Design & Construction		165			165	
235	Union Pacific RR Relocates		100			100	
236							Target = 3,000 Streets + 100 Sidewalks + \$250 Drainage Fee
237							FY 16 Streets + Drainage Target = \$3,350
238							3,350
239	<b>FY 2016 Annual Expenditure Total</b>	<b>\$2,545</b>	<b>\$2,000</b>	<b>\$805</b>	<b>\$0</b>	<b>\$5,350</b>	
240							
241	<b>Other</b>	<b>General</b>	<b>Airport</b>	<b>Loan</b>	<b>Grant</b>	<b>Total</b>	
242	Loan Costs - Texas Water Development Board (Lomax Lift Stations)	170				170	
243	Lomax Lift Station Consolidation Design			765	195	960	
244	Airport Business Study		10		90	100	
245	Airport FY 17 Resurfacing Project Design		30		170	200	
246						6,780	

**CIP (Streets, Utilities, Drainage)**

	A	I	J	K	L	M	AF	
249	<b>(SSO Plan = City/TCEQ Agreed Project Schedule to Eliminate Sanitary Sewer Overflows)</b>							
250								
251								
252		<b>2016-17</b>						
253		<b>Street</b>	<b>Utility</b>	<b>Drain</b>	<b>Grant</b>	<b>Total</b>	<b>Comments</b>	
254		<b>CIP</b>	<b>CIP</b>	<b>Fee</b>	<b>or Bond</b>			
255		<b>(\$1000)</b>	<b>(\$1000)</b>	<b>(\$1000)</b>	<b>(\$1000)</b>	<b>(\$1000)</b>		
256	<b>FY 2017</b>							
257								
258	Construct Coupland Drive Improvements	750	50	350		1150	Slipline vitrified clay sewer.	
259	Construct Pinebluff Subdivision Improvements	750	750	500		2000	Reconstruct/Rehab Water and Sanitary.	
260	Design N. 6th Improvements	70	40	40		150	Anticipate FY 18 CDBG Grant	
261	Design Sommerton Improvements	75	50	25		150		
262								
263	Asphalt Streets Reclaimed/Surfaced: TBD. Utilize FY 17 Streets Inspection.	150				150		
264	Concrete Street Repair - Remove/Replace (Small Sections)	200				200		
265	Concrete Street Repair - Slab Jacking (Small Sections)	40				40		
266	Street Repair Materials (City Crew Construction)	75				75		
267	Construct Handicap Ramp (Where Sidewalk Exists, Full Height Curb, No Ramps Currently, \$50,000), Sidewalk Repairs	150				150	Including P&E Dept Portion	
268	Inspect all City Streets (Contract)	25				25		
269								
270								
271								
272								
273	<b>Utility Only Projects</b>							
274	Sewer Rehabilitation (SSO Plan)		350			350		
275	<del>Big Island Slough Foremain (Phase 1)</del>		<del>60</del>			<del>60</del>	<del>Included with TxWDB Lomax Lift Sta. Project</del>	
276	Bayshore Park Subdivision Water and Service Relocation (incl. design)		200			200		
277	Water line replacement In-house		60			60		
278	Equipment Replacement Water		20			20		
279	Equipment Replacement Wastewater		40			40		
280	Valve Replacement In house		25			25		
281	Lift Station Improvements		35			35		
282	Design S. Broadway Sanitary Sewer Replacement		60			60		
283	<b>Utility Contingency</b>	0	<del>260</del> 40		0	<del>260</del> 40	<b>Move-260K to FY-18</b>	
284	<b>Water Meter Replacement</b>		180			180	<b>\$90K Residential; \$90K Commercial</b>	
285	<b>Clarifier Drive - WWTP</b>		100			100	<b>Moved from FY 16</b>	
286								
287	<b>Drainage Only Projects</b>							
288								
289	Drainage Materials for City Crews			50		50		
290	TV Inspection Storm Sewer System			20		20		
291								
292	<b>Streets/Drainage Contingency</b>	80		0		80		
293							Target = 3,000 Streets + 100 Sidewalks + \$250 Drainage Fee	
294							FY 17 Streets + Drairage Target = \$3,350	
295			2,000				\$3,350	
296	<b>FY 2017 Annual Expenditure Total</b>	\$2,365	<del>\$1,740</del>	\$985	\$0	\$5,350	<b>{Move-260K Utilities to FY-18}</b>	
297								
298								
299	<b>Other</b>	<b>General</b>	<b>Airport</b>	<b>Loan</b>	<b>Grant</b>	<b>Total</b>		
300					<b>Other</b>			
301	Lomax Lift Station Consolidation - Phase 1			5,420	810	6,050		
302	Airport Runway, Taxiway, Tie-Down Apron Rehabilitation		280		2,120	2,400		
303	Fairmont Parkway Intersection/Signal Improvements	1,500			5,500	7,000		
304						20,800		
305								

**CIP (Streets, Utilities, Drainage)**

	A	I	J	K	L	M	AF	
308	<b>(SSO Plan = City/TCEQ Agreed Project Schedule to Eliminate Sanitary Sewer Overflows)</b>							
309								
310								
311		<b>2017-18</b>						
312		<b>Street</b>	<b>Utility</b>	<b>Drain</b>	<b>Grant</b>	<b>Total</b>	<b>Comments</b>	
313		<b>CIP</b>	<b>CIP</b>	<b>Fee</b>	<b>or Bond</b>			
314		<b>(\$1000)</b>	<b>(\$1000)</b>	<b>(\$1000)</b>	<b>(\$1000)</b>	<b>(\$1000)</b>		
315	<b>FY 2018</b>							
316								
317	<b>May 2018 Ballot Issue - Street Tax Renewal (4-years)</b>							
318								
319	Construct Somerton Drive Improvements (Spencer to south line of Brookglen Park). 12" Watermain connection from Bandridge WP to Spencer Hwy and Venture Road Watermain Connection	900	500	300		1700		
320	Construct N. 6th Phase 1 (Main to West Tyler)	{350}	200	{200}	550	750	\$550K CDBG Grant for Streets/Drainage	
321	Construct Asphalt Resurfacing - Utilize FY 17 Updated Street Inspection. Anticipating Work on <b>Main Street</b> and the Spenwick area, areas east of	1500				1500		
322						0		
323	Asphalt Streets Reclaimed/Surfaced: TBD. Utilize FY 17 Street Inspection.	100				100		
324	Concrete Street Repair - Remove/Replace (Small Sections)	100				100		
325	Concrete Street Repair - Slab Jacking (Small Sections)	25				25		
326	Street Repair Materials (City Crew Construction)	0				0		
327	Construct Handicap Ramp (Where Sidewalk Exists, Full Height Curb, No Ramps Currently, \$50,000), Sidewalk Repairs	150				150	Including P&E Dept Portion	
328	<del>Design Collingswood (Farrington to Hillridge) and Hillridge (Fairmont Park Frontage)</del>	<del>70</del>	<del>45</del>	<del>45</del>		<del>400</del>	<del>Several Considerations: FY 19 Funding For Construction Moved up to FY 17 For Fairmont Parkway. Concrete Streets East of Farrington in Equal Condition with Higher Water Main Break History Last 3-years Than Collingswood west of Fairmont Parkway. Wait for FY 17 Citywide Street Inspection.</del>	
329								
330	<b>Utility Only Projects</b>							
331	Sewer Rehabilitation (SSO Plan)		350			350		
332	<del>Big Island Slough Force Main</del>		<del>450</del>				<del>Included with Lomax Lift Stations</del>	
333	<del>Hillridge Pump Station Construction-Phase 1-</del>		<del>500</del>			<del>500</del>	<del>Deferred to FY 19</del>	
334	<del>Lift Station Consolidation-Phase 2</del>				4000	4000	<del>See Below</del>	
335	Valve Replacement {In House}		25			25		
336	Water line replacement In-house		60			60		
337	South Broadway Sanitary Sewer Replacement		350	240		350 240	Based on FY 15 Preliminary Design	
338	Equipment Replacement Water		20			20		
339	Equipment Replacement Wastewater		40			40		
340	Lift Station Improvements		35			35		
341	<b>Utility Contingency</b>		<del>45</del>	90		<del>45</del> 90		
342	<b>Exterior Painting- 4th st. Tower</b>			350		350		
343	<b>Water Meter Replacement</b>			90		30		
344								
345	<b>Drainage Only Projects</b>							
346								
347	Drainage Materials for City Crews				50	50		
348	TV Inspection Storm Sewer System				20	20		
349						0		
350	<b>Streets/Drainage Contingency</b>	<del>420</del> 190		0	15	<del>420</del> 190		
351								
352							\$250 Drainage Fee	
353							FY 18 Streets + Drainage Target = \$3,350	
354								
355		2,965	2,000		550	5900	<del>{260K Utilities Moved into FY 18 from FY 17}</del>	
356	<b>FY 2018 Annual Expenditure Total</b>	<b>\$2,845</b>	<b>\$2,335</b>	<b>\$385</b>	<b>\$4,550</b>	<b>\$9,905</b>		
357								
358								
359	<b>Other</b>	<b>General</b>	<b>Airport</b>	<b>Loan</b>	<b>Other</b>	<b>Total</b>		
360								
361	<b>Lomax Lift Station Consolidation - Phase II</b>			2,675	475	3,150		
362						9,050		

**CIP (Streets, Utilities, Drainage)**

	A	I	J	K	L	M	AF	
376								
377								
378								
379								
380								
381		2018-19						
382		Street CIP	Utility CIP	Drain Fee	Grant or Bond	Total	Comments	
383		(\$1000)	(\$1000)	(\$1000)	(\$1000)	(\$1000)		
384								
385	<b>FY 2019</b>							
386								
387	Contract N. 6th Phase 2 (West Tyler to Barbours Cut)	{350}	200	{200}	550	750	\$550K CDBG Grant for Streets/Drainage	
388	<del>Construct Collingswood (Farrington to Hillridge) and Hillridge (Fairmont Park Frontage) Per FY 17 Inspection</del>	700	150	150		1000	<b>\$1,500 K Fairmont Parkway. See FY 18 Comments</b>	
389						0		
390	Asphalt Streets Reclaimed/Surfaced: TBD. Utilize FY 17 Street Inspection.	100				100		
391	Concrete Street Repair - Remove/Replace (Small Sections)	100	200			100	200	
392	Concrete Street Repair - Slab Jacking (Small Sections)	25	50			25	50	
393	Street Repair Materials (City Crew Construction)	0	75			0	75	
394	Construct Handicap Ramp (Where Sidewalk Exists, Full Height Curb, No Ramps Currently, \$50,000), Sidewalk Repairs	150				150	Including P&E Dept Portion	
395	<del>Design S. Broadway Main to G; A/B/C Streets from Broadway to San Jacinto. Per FY 17 Citywide Inspection.</del>	100		25		125		
396								
397								
398	<b>Utility Only Projects</b>							
399	Sewer Rehabilitation (SSO Plan)		350			350		
400	<del>Lift Station Consolidation Phase 2</del>				4000	4000	<b>Scheduled for Completion Earlier FY's</b>	
401	Water line replacement In-house		60			60		
402	Equipment Replacement Water		20			20		
403	Equipment Replacement Wastewater		40			40		
404	Valve Replacement		25			25		
405	Contract Water Main Replacement (TBD)		400	270		400	270	
406	Lift Station Improvements		35			35		
407	<del>Big Island Slough Forcemain</del>		150			150	<b>Scheduled for Completion Earlier FY's</b>	
408	Paint Interior of Ground Water Tank @ 4th Street		60			60		
409	<b>Utility Contingency</b>		510	0		510	0	
410	Lift Station Evaluation Study		50			50	Per TCEQ SSO Agreement	
411	Hillridge Waterfront Ph II		650			650	\$500K Deferred from FY 18.	
412								
413	<b>Drainage Only Projects</b>							
414								
415	Drainage Materials for City Crews			50		50		
416	TV Inspection Storm Sewer System			20		20		
417	<b>Water Meter Replacement</b>		90			90	Residential Meters	
418	<b>Streets/Drainage Contingency</b>	1590	730	500		1590	1230	
419	<i>Fairmont Parkway Intersection/Signal Improvements</i>	1200	150	150		1500	<i>Moved funding to FY 17</i>	
420								
421								
422							Target = 3,000 Streets + 100 Sidewalks + \$250 Drainage Fee + 160K FY 18 Loan to Utilities	
423							FY 17 Streets + Drainage Target = \$3,510	
424		*2605			550	5,900	\$3,350	
425	<b>FY 2019 Annual Expenditure Total</b>	<b>\$2,765</b>	<b>\$2,000</b>	<b>\$745</b>	<b>\$6,050</b>	<b>\$11,560</b>	<b>* Move 1,500 to FY 17 Fairmont Parkway</b>	
426								
427								
428								
429	<b>Unfunded Consideration:</b>							
430	<b>M Street - 16th to 146</b>	<b>\$750 K</b>						
431								

**CIP (Streets, Utilities, Drainage)**

	A	I	J	K	L	M	AF	
464								
465								
466								
467								
468								
469								
470		2019-20						
		Street CIP (\$1000)	Utility CIP (\$1000)	Drain Fee (\$1000)	Grant or Bond (\$1000)	Total (\$1000)	Comments	
471								
472								
473								
474	<b>FY 2020</b>							
475								
476								
477								
478								
479	Asphalt Streets Reclaimed/Surfaced: TBD. Utilize FY 16 Street Inspection.	100				100		
480	Concrete Street Repair - Remove/Replace (Small Sections)	250				250		
481	Concrete Street Repair - Slab Jacking (Small Sections)	50				50		
482	Street Repair Materials (City Crew Construction)	75				75		
483	Construct Handicap Ramp (Where Sidewalk Exists, Full Height Curb, No Ramps Currently, \$50,000), Sidewalk Repairs	150				150	Including P&E Dept Portion	
484						0		
485						0		
486						0		
487	<b>Utility Only Projects</b>					0		
488								
489	Sewer Rehabilitation (SSO Plan)		350			350		
490	Water line replacement In-house		60			60		
491	Equipment Replacement Water		40			40		
492	Equipment Replacement Wastewater		50			50		
493	Valve Replacement		30			30		
494	Paint Lomax Water Tower Interior/Exterior		475			475		
495	Lift Station Improvements		50			50		
496	Hillridge Water Plant Improvements Phase III		500			500		
497								
498	<b>Utility Contingency</b>		445			445		
499						0		
500						0		
501						0		
502	<b>Drainage Only Projects</b>					0		
503								
504	Drainage Materials for City Crews			50		50		
505	TV Inspection Storm Sewer System			30		30		
506						0		
507	<b>Streets/Drainage Contingency</b>	2475		170		2645		
508								
509								
510								
511					\$0		Target = 3,000 Streets + 100 Sidewalks + \$250 Drainage Fee	
512							FY 20 Streets + Drainage Target = \$3,350	
513								
514	<b>FY 2020 Annual Expenditure Total</b>	\$3,100	\$2,000	\$250	\$0	\$5,350		
515								
516								
517								

**Due to the volume of this contract, a copy  
is available for your review in the City  
Secretary's Office**

**Due to the volume of this contract, a copy  
is available for your review in the City  
Secretary's Office**

## REQUEST FOR CITY COUNCIL AGENDA ITEM

Agenda Date Requested:	September 28, 2015	Appropriation
Requested By:	D. Mick	Source of Funds: LPAWA
Department:	Public Works	Account Number: N/A
Report: <input checked="" type="radio"/>	Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	Amount Budgeted: 0.00
Other: <input type="radio"/>		Amount Requested: 293,763.82
		Budgeted Item: <input type="radio"/> YES <input checked="" type="radio"/> NO

### Attachments :

1. Invoice for the Southeast Water Purification Plant (SEWPP)
2. Back Up Spreadsheet Received September 4, 2015

---

### SUMMARY & RECOMMENDATIONS

In 2007, the City of Houston, acting on behalf of all of the co-participants in the Southeast Water Purification Plant (SEWPP) including the La Porte Area Water Authority (LPAWA), bid a \$168-million project to expand the Southeast Water Purification Plant capacity from 120-million gallons/day to the current plant capacity of \$200-million gallons/day. The final project cost was \$171-million including \$2.85-million in cumulative change orders (1.7%). The majority of the project was constructed over a 2.5 – year period from 2008 – 2010.

While the LPAWA did not purchase additional capacity with the expansion, this \$171-million project also included improvements to the previously existing 120-million gallon/day portion of the plant. The final cost of enhancements to the existing plant that were originally estimated at \$11,457,800 came in at \$15,520,663 for a difference of \$4,062,863. The increase is best attributed to the plant security component cost of the improvements \$4,189,751 higher than the original estimate. The LPAWA share of the increased cost is equal to the invoiced amount.

The LPAWA Board unanimously approved payment of the \$293,763.82 invoice at their September 10, 2015 board meeting.

The projected LPAWA fund balance at the end of FY 2017 is \$1,300,000 after payment of this invoice and the bond debt payments for the member cities planned in FY 2016 and FY 2017.

---

### Action Required of Council:

Consider approval or other action to authorize the City Manager, serving as General Manager of the La Porte Area Water Authority, to reimburse the City of Houston \$293,763.82 for the LPAWA share of the final 2007 – 2011 Southeast Water Purification Plant expansion project cost.

---

**Approved for City Council Agenda**

---

**Corby D. Alexander, City Manager**

---

**Date**



INVOICE

City of Houston  
Public Works & Engineering Department  
Resource Management Division  
Financial Management Branch  
611 Walker, 24th Floor  
Houston, TX 77002

Date: 2/28/2015  
Invoice No.: SEWPP Expansion (LaPorte)

For: South East Water Purification Plant Expansion  
LaPorte Area Water Authority

To: Mr. David Mick  
Director of Public Works  
2963 North 23rd St.  
La Porte, Texas 77571

DESCRIPTION	LINE No.	DUE DATE	AMOUNT DUE TO/(FROM) COH
Southeast Water Purification Plant Expansion			
Additional Contribution Required	1	3/31/2015	\$ 307,320.00
Interest Earned (7/1/2006 - 2/28/2015)	2		\$ (13,556.18)
<p><b>Please remit payment to:</b>  City of Houston  Public Works &amp; Engineering Dept  Resource Management Division  Financial Management Branch  611 Walker, 24th Floor  Houston, TX 77002</p> <p>Attention: Jennifer Nguyen  (832)395-2586</p>			
Total Amount Due to COH \$			<u>293,763.82</u>

Approved By:   
Assistant Director

Date: 2-28-15

City of Houston  
 Department of Public Works and Engineering  
 SEWPP Plant Expansion Project  
 Schedule 3, comparison of Estimate vs. Final  
 Summary of Unit Cost of Plant Expansion Construction and Engineering/Design Cost, including Recoupment

	Final					Estimate					Difference				
	Firm 200 MGD		Enhancements (existing 120 mgd capacity only)		Total New Construction	Firm 200 MGD		Enhancements (existing 120 mgd capacity only)		Total New Construction	Firm 200 MGD		Enhancements (existing 120 mgd capacity only)		Total New Construction
	New Construction	Existing Facilities	New Construction	Existing Facilities		New Construction	Existing Facilities	New Construction	Existing Facilities		New Construction	Existing Facilities	New Construction	Existing Facilities	
<b>SEWPP Expansion Costs</b>															
Forebay	-	623,086	-	(623,086)	-	-	623,086	-	(623,086)	-	-	-	-	-	-
Existing Raw Water Modifications	710,110	-	1,065,165	-	1,775,275	932,590	-	1,398,885	-	2,331,475	(222,480)	-	(333,720)	-	(556,200)
New Raw Water Pipeline	2,604,993	-	-	-	2,604,993	1,485,141	-	-	-	1,485,141	1,119,852	-	-	-	1,119,852
TM No 1 & Lift Stations 1 & 2	535,463	-	-	-	535,463	2,064,992	-	-	-	2,064,992	(1,529,529)	-	-	-	(1,529,529)
Treatment Module #2	25,520,517	-	-	-	25,520,517	37,138,428	-	-	-	37,138,428	(11,617,911)	-	-	-	(11,617,911)
Chemical Feed Facility (Disinfectio	29,133,744	258,661	-	(258,661)	29,133,744	28,045,956	258,661	-	(258,661)	28,045,956	1,087,788	-	-	-	1,087,788
New Ground Storage Tank	15,423,449	-	-	-	15,423,449	9,380,296	-	-	-	9,380,296	6,043,153	-	-	-	6,043,153
Existing Ground Storage Tank Moc	-	-	3,156,744	-	3,156,744	-	-	3,442,095	-	3,442,095	-	-	(285,351)	-	(285,351)
Filtration/Clearwell & Filter Compl	40,681,757	-	-	-	40,681,757	22,610,493	-	-	-	22,610,493	18,071,264	-	-	-	18,071,264
New Transfer Pump Station No. 2	9,774,902	-	-	-	9,774,902	21,184,284	-	-	-	21,184,284	(11,409,382)	-	-	-	(11,409,382)
Transfer Pump Station No. 1 Modi	-	-	511,409	-	511,409	-	-	264,693	-	264,693	-	-	246,716	-	246,716
High Service Pump Station (Exh D1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clarifier	-	192,729	-	(192,729)	-	-	192,729	-	(192,729)	-	-	-	-	-	-
Backwash Waste Pump System	5,823,573	-	-	-	5,823,573	4,804,507	-	-	-	4,804,507	1,019,066	-	-	-	1,019,066
Sludge Processing Facility	5,663,521	249,437	-	(249,437)	5,663,521	7,669,965	249,437	-	(249,437)	7,669,965	(2,006,444)	-	-	-	(2,006,444)
Overflow Basin & Sludge Lagoon	-	824,135	-	(824,135)	-	-	824,135	-	(824,135)	-	-	-	-	-	-
Generator Installation	105,601	-	158,402	-	264,004	234,968	-	352,451	-	587,419	(129,367)	-	(194,049)	-	(323,415)
Plant Security	6,393,373	-	9,590,059	-	15,983,432	3,600,205	-	5,400,308	-	9,000,513	2,793,168	-	4,189,751	-	6,982,919
Fire Alarm System	-	-	907,410	-	907,410	-	-	599,368	-	599,368	-	-	308,042	-	308,042
Existing Basin Cleaning	-	-	131,474	-	131,474	-	-	-	-	-	-	-	131,474	-	131,474
Operations Building & Electrical Su	-	2,544,906	-	(2,544,906)	-	-	2,544,906	-	(2,544,906)	-	-	-	-	-	-
Control/Electrical Comple (Archit	5,247,852	-	-	-	5,247,852	6,716,943	-	-	-	6,716,943	(1,469,091)	-	-	-	(1,469,091)
Instrumentation and Controls	-	-	-	-	-	4,778,978	-	-	-	4,778,978	(4,778,978)	-	-	-	(4,778,978)
<b>Subtotal-Construction</b>	<b>\$ 147,618,854</b>	<b>\$ 4,692,954</b>	<b>\$ 15,520,663</b>	<b>\$ (4,692,954)</b>	<b>\$ 163,139,517</b>	<b>\$ 150,647,746</b>	<b>\$ 4,069,868</b>	<b>\$ 11,457,800</b>	<b>\$ (4,069,868)</b>	<b>\$ 162,105,546</b>	<b>\$ (3,028,892)</b>	<b>\$ -</b>	<b>\$ 4,062,863</b>	<b>\$ -</b>	<b>\$ 1,033,971</b>

**Final**

**Estimate**

**Difference**

Construction: \$4,062,863 Increase X 7.8/120 mgd LPAWA Owned = \$264,086 LPAWA Share Construction  
 Engineering: \$664,119 Increase X 7.8/120 mgd LPAWA Owned = \$ 43,172 LPAWA Share Construction

\$307,258 ~ \$307,320 Invoice less interest

City of Houston  
 Department of Public Works and Engineering  
 SEWPP Plant Expansion Project  
 Schedule 3, comparison of Estimate vs. Final  
 Summary of Unit Cost of Plant Expansion Construction and Engineering/Design Cost, including Recoupment

	Final					Estimate					Difference				
	Firm 200 MGD	Enhancements (existing 120 mgd capacity only)		Total New Construction		Firm 200 MGD	Enhancements (existing 120 mgd capacity only)		Total New Construction		Firm 200 MGD	Enhancements (existing 120 mgd capacity only)		Total New Construction	
<b>Engineering</b>		9.51%					7.07%								
Cost Allocation Analysis	389,879	-	40,992	-	430,871	306,465	-	23,309	-	329,774	83,414	-	17,683	-	101,097
Storm Sewer System Hydraulic A	50,749	-	5,336	-	56,085	52,163	-	3,967	-	56,130	(1,414)	-	1,369	-	(45)
Facility Expansion Evaluation	390,455	-	-	-	390,455	390,500	-	-	-	390,500	(45)	-	-	-	(45)
Programming	383,219	-	127,740	-	510,958	1,125,000	-	375,000	-	1,500,000	(741,782)	-	(247,261)	-	(989,042)
CT Analysis	27,163	-	-	-	27,163	27,186	-	-	-	27,186	(23)	-	-	-	(23)
CFD Modeling (GST's & UV Inlet)	46,566	-	4,896	-	51,462	47,849	-	3,639	-	51,488	(1,283)	-	1,257	-	(26)
Geotechnical	131,339	-	-	-	131,339	131,339	-	-	-	131,339	-	-	-	-	-
Surveying	80,157	-	-	-	80,157	80,157	-	-	-	80,157	-	-	-	-	-
Stormwater Pollution Prevention	20,471	-	-	-	20,471	20,471	-	-	-	20,471	-	-	-	-	-
Technical Review Committee	21,654	-	2,277	-	23,931	22,304	-	1,696	-	24,000	(650)	-	581	-	(69)
UV Pilot Testing	98,053	-	10,309	-	108,362	7,806	-	594	-	8,400	90,247	-	9,715	-	99,962
Filter Pilot Testing	253,370	-	-	-	253,370	223,500	-	-	-	223,500	29,870	-	-	-	29,870
Air Stripping for pH	158,351	-	16,649	-	175,000	162,631	-	12,369	-	175,000	(4,280)	-	4,280	-	-
Wetlands Delineation	21,024	-	-	-	21,024	21,032	-	-	-	21,032	(8)	-	-	-	(8)
Electrical Services	290,000	-	-	-	290,000	370,500	-	-	-	370,500	(80,500)	-	-	-	(80,500)
Forebay Sludge Quantification	-	-	27,675	-	27,675	-	-	-	-	-	-	-	27,675	-	27,675
Construction Management	394,591	-	41,487	-	436,078	1,450,929	-	110,353	-	1,561,282	(1,056,338)	-	(68,866)	-	(1,125,204)
Evaporator Improvements	-	-	11,444	-	11,444	-	-	-	-	-	-	-	11,444	-	11,444
TNRCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reproduction & Record Drawing	472,147	-	49,642	-	521,789	-	-	-	-	-	472,147	-	49,642	-	521,789
Transfer PS Surge Model	26,545	-	2,791	-	29,336	-	-	-	-	-	26,545	-	2,791	-	29,336
High Service PS Surge Model (D1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Basin Repair Design	-	-	14,952	-	14,952	-	-	-	-	-	-	-	14,952	-	14,952
TCEQ Negotiations	14,508	-	1,525	-	16,033	-	-	-	-	-	14,508	-	1,525	-	16,033
City Permit	15,555	-	1,635	-	17,190	-	-	-	-	-	15,555	-	1,635	-	17,190
ACI/ADA Compliance	2,028	-	213	-	2,241	-	-	-	-	-	2,028	-	213	-	2,241
FAA Reviews	10,319	-	1,085	-	11,404	-	-	-	-	-	10,319	-	1,085	-	11,404
Soil & Groundwater Investigation	40,693	-	4,279	-	44,972	-	-	-	-	-	40,693	-	4,279	-	44,972
UST - Field Sample	20,936	-	2,201	-	23,137	-	-	-	-	-	20,936	-	2,201	-	23,137
SCADA Programming - Existing 1	-	-	717,687	-	717,687	-	-	-	-	-	-	-	717,687	-	717,687
SCADA Programming - Expansion	990,351	-	-	-	990,351	-	-	-	-	-	990,351	-	-	-	990,351
TSARP	7,326	-	770	-	8,096	-	-	-	-	-	7,326	-	770	-	8,096
Support Services	351,158	-	36,921	-	388,079	-	-	-	-	-	351,158	-	36,921	-	388,079
12 Month Warranty Support Svc	-	-	20,371	-	20,371	-	-	-	-	-	-	-	20,371	-	20,371
Engineering Svc - Plant Startup	62,270	-	6,547	-	68,817	-	-	-	-	-	62,270	-	6,547	-	68,817
SCADA Report Upgrade	22,124	-	2,326	-	24,450	-	-	-	-	-	22,124	-	2,326	-	24,450
Dewatering System Final Design	118,089	-	12,416	-	130,505	-	-	-	-	-	118,089	-	12,416	-	130,505
Phase I Preliminary Design	1,923,267	-	2,125,480	-	1,975,249	-	150,231	-	2,125,480	(51,982)	-	-	51,982	-	-
Phase II Final Design	4,092,472	-	430,283	-	4,522,755	3,874,103	-	294,652	-	4,168,755	218,369	-	135,631	-	354,000
Phase III Construction Services	2,776,911	-	291,965	-	3,068,876	-	-	-	-	2,776,911	-	-	291,965	-	3,068,876
Electronic O&M Manual	2,143,601	-	225,378	-	2,368,979	-	-	-	-	2,143,601	-	-	225,378	-	2,368,979
Miscellaneous Items	99,044	-	10,414	-	109,458	2,223,084	-	169,081	-	2,392,165	(2,124,040)	-	(158,667)	-	(2,282,707)
Lab Tests, Legal, City Const Mgt.	1,921,743	-	202,052	-	2,123,795	10,897,503	-	828,830	-	11,726,333	(8,975,760)	-	(626,778)	-	(9,602,538)

City of Houston  
 Department of Public Works and Engineering  
 SEWPP Plant Expansion Project  
 Schedule 3, comparison of Estimate vs. Final  
 Summary of Unit Cost of Plant Expansion Construction and Engineering/Design Cost, including Recoupment

	Final			Estimate			Difference		
	Firm 200 MGD	Enhancements (existing 120 mgd capacity only)	Total New Construction	Firm 200 MGD	Enhancements (existing 120 mgd capacity only)	Total New Construction	Firm 200 MGD	Enhancements (existing 120 mgd capacity only)	Total New Construction
Westin - Construction Managem	4,230,647	-	4,675,458	3,766,194	-	4,052,639	464,453	-	622,819
Less: Allocation of Engineering t	(446,321)	-	(493,247)	-	-	-	(446,321)	-	(493,247)
<b>Subtotal Engineering</b>	<b>\$ 21,652,454</b>	<b>\$ 2,924,355</b>	<b>\$ 24,576,809</b>	<b>\$ 27,175,965</b>	<b>\$ -</b>	<b>\$ 2,260,166</b>	<b>\$ (5,523,511)</b>	<b>\$ -</b>	<b>\$ (4,859,322)</b>
		<b>11.90%</b>				<b>7.68%</b>			

Final

Estimate

Difference

City of Houston  
 Department of Public Works and Engineering  
 SEWPP Plant Expansion Project  
 Schedule 3, comparison of Estimate vs. Final  
 Summary of Unit Cost of Plant Expansion Construction and Engineering/Design Cost, including Recoupment

	Final					Estimate					Difference				
	Firm 200 MGD		Enhancements (existing 120 mgd capacity only)		Total New Construction	Firm 200 MGD		Enhancements (existing 120 mgd capacity only)		Total New Construction	Firm 200 MGD		Enhancements (existing 120 mgd capacity only)		Total New Construction
Subtotal Construction + Engineering	\$ 169,271,309	\$ 4,692,954	\$ 18,445,018	\$ (4,692,954)	\$ 187,716,327	\$ 177,823,711	\$ 4,069,868	\$ 13,717,966	\$ (4,069,868)	\$ 191,541,677	(8,552,402)	623,086	4,727,052	(623,086)	(3,825,350)
			9.83%					7.16%							
Additional Capital Allocations Recoupment (Schedule 3-1)		3,009,957			3,009,957	\$ -	\$ 3,009,957	\$ -	\$ -	\$ 3,009,957	-	-	-	-	-
<b>Total</b>	\$ 172,281,266	\$ 4,692,954	\$ 18,445,018	\$ (4,692,954)	\$ 190,726,284	\$ 180,833,668	\$ 4,692,954	\$ 13,717,966	\$ (4,692,954)	\$ 194,551,634	(8,552,402)	-	4,727,052	-	(3,825,350)
Capacity per Component	80,000,000	80,000,000	120,000,000	120,000,000		80,000,000	80,000,000	120,000,000	120,000,000	-					
Cost per Gallon - Construction and Engineering	\$ 2.1159	\$ 0.0587	\$ 0.1537	\$ (0.0391)		2.2228	0.0587	0.1143	(0.0391)	-	(0.1069)	-	0.0394	-	-
Cost per Gallon - Recoupment		\$ 0.0376				-	0.0376	-	-	-	-	-	-	-	-
<b>Cost per Gallon - Total</b>	\$ 2.1159	\$ 0.0963	\$ 0.1537	\$ (0.0391)		2.2228	0.0963	0.1143	(0.0391)	-	(0.1069)	-	0.0394	-	-
			New Pumping Eng & Const. (Sche 4)		\$ 5,566,343					\$ 6,693,500					\$ (1,127,157)
			Grand Total Cost		\$ 193,282,670					\$ 198,235,177					\$ (4,952,507)
			COH Recoupment not Charged		\$ 8,330,908					\$ 8,330,908					\$ -
			Total Cost		\$ 201,613,578					\$ 206,566,085					\$ (4,952,507)

## REQUEST FOR CITY COUNCIL AGENDA ITEM

Agenda Date Requested:	<u>September 28, 2015</u>	Appropriation
Requested By:	<u>D. Mick</u>	Source of Funds: <u>Other Departments</u>
Department:	<u>Public Works</u>	Account Number: <u>N/A</u>
Report: <input checked="" type="radio"/>	Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	Amount Budgeted: <u>825,000.00</u>
Other: <input type="radio"/>		Amount Requested: <u>110,000.00</u>
Attachments :		Budgeted Item: <input checked="" type="radio"/> YES <input type="radio"/> NO

### 1. Letter Agreement for Professional Services

---

#### SUMMARY & RECOMMENDATIONS

The current budget includes \$825,000 for painting the interior/exterior of the Fairmont (Farrington) elevated tower and the exterior of the 4<sup>th</sup> Street elevated tower.

The Fairmont tower was constructed in 1962. The existing epoxy/urethane system was installed in 1995 and over-coated with an acrylic coating system in 2007. The interior epoxy/urethane system is blistered; some rust is observed on the exterior supports. Minor structural repairs are required.

The Main/4<sup>th</sup> Street tower was also constructed in 1962. The existing epoxy/urethane system installed in 1995 was over-coated with acrylic in 2006. The interior system was replaced in early 2015. Some rust is observed on the exterior supports. Minor structural repairs are required.

The most recent inspection results indicate that the condition of the Fairmont tower is more deteriorated than the Main/4<sup>th</sup> Street tower. Staff anticipates work on the Farrington tower to be complete in either the spring or fall of 2016 with the Main/4<sup>th</sup> Street tower to follow in the spring of 2017. Each tank will be drained during construction so that it will be necessary to schedule the work during the non-summer months and to complete one tank at a time.

Elevated water tanks are often the most visible component of a community's public infrastructure. The welds, exterior shroud supports, surface treatment and coatings require specialized expertise. In order to move forward with the maintenance needed on the Fairmont and Main/4<sup>th</sup> Street towers, staff recommends entering into a design and construction services agreement with Dunham Engineering, Inc. in the amount of \$110,000. The proposed professional services include design, bidding and construction monitoring services for both elevated tanks. Dunham Engineering, Inc. has successfully served as La Porte's consultant for the city's ground and elevated water tanks for a number of years.

Regarding the cost of the proposed agreement, specialty design/inspection services such elevated water towers generally cost more in terms of percent of project construction cost than do the routine road and drainage projects. Staff advertised a request for qualifications (RFQ) two years ago for water tower and water tank design projects and received three qualification packages. Dunham Engineering was the highest rated firm and staff recently requested that the attached quote be prepared for the

scope of services outlined there. Of the other two firms, one firm subcontracts their designs to Dunham Engineering and the other firm was removed from consideration. Staff informally requested a cost estimate from a firm not on the prequalified list who submitted an estimate that was nearer to 20% of the estimated construction cost.

**Other Considerations:**

The proposed design services contract includes a review of lighting, paint and logo options for council and staff's consideration. That said, it should be noted that the potential for aesthetic improvements will be limited by the profile of the existing tanks including six-support legs, tension rods, platforms and railings with the coastal environment further reducing the longevity of the perceivable aesthetic benefits.

**Action Required of Council:**

Consider approval or other action to authorize the City Manager to enter into a professional services agreement with Dunham Engineering in the amount of \$110,000 for design, bidding and construction services related to painting the interior/exterior of the Fairmont elevated water storage tower and the exterior of the Main/4<sup>th</sup> Street elevated water storage tower.

---

**Approved for City Council Agenda**

---

**Corby D. Alexander, City Manager**

---

**Date**



## DUNHAM ENGINEERING, INC.

[www.DunhamEngineering.com](http://www.DunhamEngineering.com)

Texas Registration Number: F- 002253

12815 FM 2154, Suite 150, College Station, Texas 77845

Phone: (979) 690-6555 Fax: (979) 690-7034

### Letter of Agreement

This is an Agreement made as of \_\_\_\_\_, 2015 between City of La Porte, Texas hereinafter known as the OWNER and Dunham Engineering, Inc. of College Station, Texas hereinafter known as the ENGINEER.

The OWNER intends for the ENGINEER to perform professional engineering service in the design and construction inspection of the WORK.

The WORK is defined as the Rehabilitation of Two Elevated Water Tanks. The tanks are located on Fairmont St. & 4<sup>th</sup> St. in La Porte, Texas.

WORK includes replacement of interior & exterior coating systems, minor structural repairs, addition of two logos and lights. Estimated contractor cost is \$750,000 with approx. budget cost of \$400,000 for Fairmont St. & \$350,000 for 4<sup>th</sup> St.

#### PHASE I - DESIGN

The ENGINEER agrees to prepare the design, produce engineering plans and specifications, prepare the contract documents, advertise for bids to selected contractors and recommend award of a lump sum construction contract to complete the WORK for the OWNER. The WORK will be handled as two separate projects with Fairmont St. bidding in 2015 & 4<sup>th</sup> bidding in 2016.

The ENGINEER agrees to provide a draft set of contract documents to the OWNER for review and approval no later than 30 days from the date of the Agreement for each separate project.

The ENGINEER agrees to finalize the documents and advertise the WORK to selected contractors for bid within 30 days after receipt of OWNER'S comments and approval for each separate project.

The OWNER agrees to advertise in the local newspaper of record as required for each separate project.

The ENGINEER agrees to assist the OWNER in opening and reviewing bids and recommending a contractor for award for each separate project.

PHASE II- CONSTRUCTION

The ENGINEER agrees to periodically inspect the contractor during the construction period to insure contract compliance for each separate project.

The ENGINEER agrees to process Contractor progress payments and recommend payment by the OWNER for each separate project.

The ENGINEER agrees to prepare and process Contract Change Orders as required during the course of the construction contract for each separate project.

The ENGINEER agrees to conduct a final inspection of the WORK and to recommend final payment for the CONTRACTOR when the WORK is completed for each separate project.

The ENGINEER agrees to schedule and conduct a one year warranty inspection of the WORK prior to the end of the warranty period and to coordinate completion of any required warranty repairs for each separate project.

In consideration of the above services, the OWNER agrees to compensate the ENGINEER in accordance with the following schedule:

Phase II - Design Fee

Total fee of \$70,000 with budget breakdown of \$35,000 for each separate project & partial payments due as follows:

- 25% due when draft contract documents provided to OWNER for each separate project.
- 25% when final contract documents provided to OWNER for each separate project.
- 25% when contract advertised to selected bidders for each separate project.
- 25% due when contractor recommended for award for each separate project.

Phase III - Construction

Total fee of \$40,000 with budget breakdown of \$20,000 for each separate project & partial payments due as follows:

- 25% due when contractor mobilizes for each separate project.
- 25% when contractor is 50% complete for each separate project.
- 25% when contractor is 75% complete for each separate project.
- 25% due when contractor is 100% complete and tank is in service for each separate project.

  
Jimmy D. Dunham, P. E.  
DUNHAM ENGINEERING, INC.  
10 Sep 2015

\_\_\_\_\_  
OWNER

## REQUEST FOR CITY COUNCIL AGENDA ITEM

Agenda Date Requested:	<u>September 28, 2015</u>	Appropriation
Requested By:	<u>D. Mick</u>	Source of Funds: <u>Other Departments</u>
Department:	<u>Public Works</u>	Account Number: <u>N/A</u>
Report: <input checked="" type="radio"/>	Resolution: <input type="radio"/> Ordinance: <input type="radio"/>	Amount Budgeted: <u>60,000.00</u>
Other: <input type="radio"/>		Amount Requested: <u>56,000.00</u>
<b>Attachments :</b>		Budgeted Item: <input checked="" type="radio"/> YES <input type="radio"/> NO

**1. Price Proposal**

**2. Staff Evaluation Matrix**

---

### SUMMARY & RECOMMENDATIONS

Staff requests City Council approval of a professional services agreement for an audit of the city's water system loss and meter management programs. The \$56,000 for the study represents less than 1% of the \$8-million annual utility budget.

The volume of water sold to City customers each year compared to the volume of water produced has fluctuated between 75% and 85% in recent years. With hydrant flushing and an average number of breaks, a relatively new system might average 90% water sold vs water produced. This study will include both a review of the City's meter management and water leak detection programs and will provide recommendations for City Council and staff's consideration.

The value of 1,000 gallons consumed but unrecorded = \$5.98 (\$2.98 water + \$3.00 sewer)

The value of 1,000 gallons lost through leaks in the distribution system = \$1.00 (\$0.89 to the La Porte Area Water Authority + energy cost).

The annual operating cost of losing 1% of the water pumped into the system through leaks (\$1/1000 gallons) is approximately \$14,000. (1400-million total gallons/year/1000 gallons x 1% x \$1.) This relatively modest cost of 1% loss in the system suggests that staff will want to fully consider the cost/benefit of potential solutions before constructing improvements. The study recommendations will include the potential cost of problems identified and the cost to cure. The higher return potential will likely be in the meter management review.

Public Works and Finance Department staff reviewed the two proposals submitted and selected JBS Water, Inc. JBS has considerable expertise with water distribution system and meter management audits. JBS neither sells products nor participates in revenue sharing programs which staff considered to be beneficial for obtaining an objective evaluation and plan moving forward.

---

**Action Required of Council:**

Consider approval or other action to authorize the City Manager to enter into a professional services agreement with JBS Water, Inc. in the amount of \$56,000.

---

**Approved for City Council Agenda**

---

**Corby D. Alexander, City Manager**

---

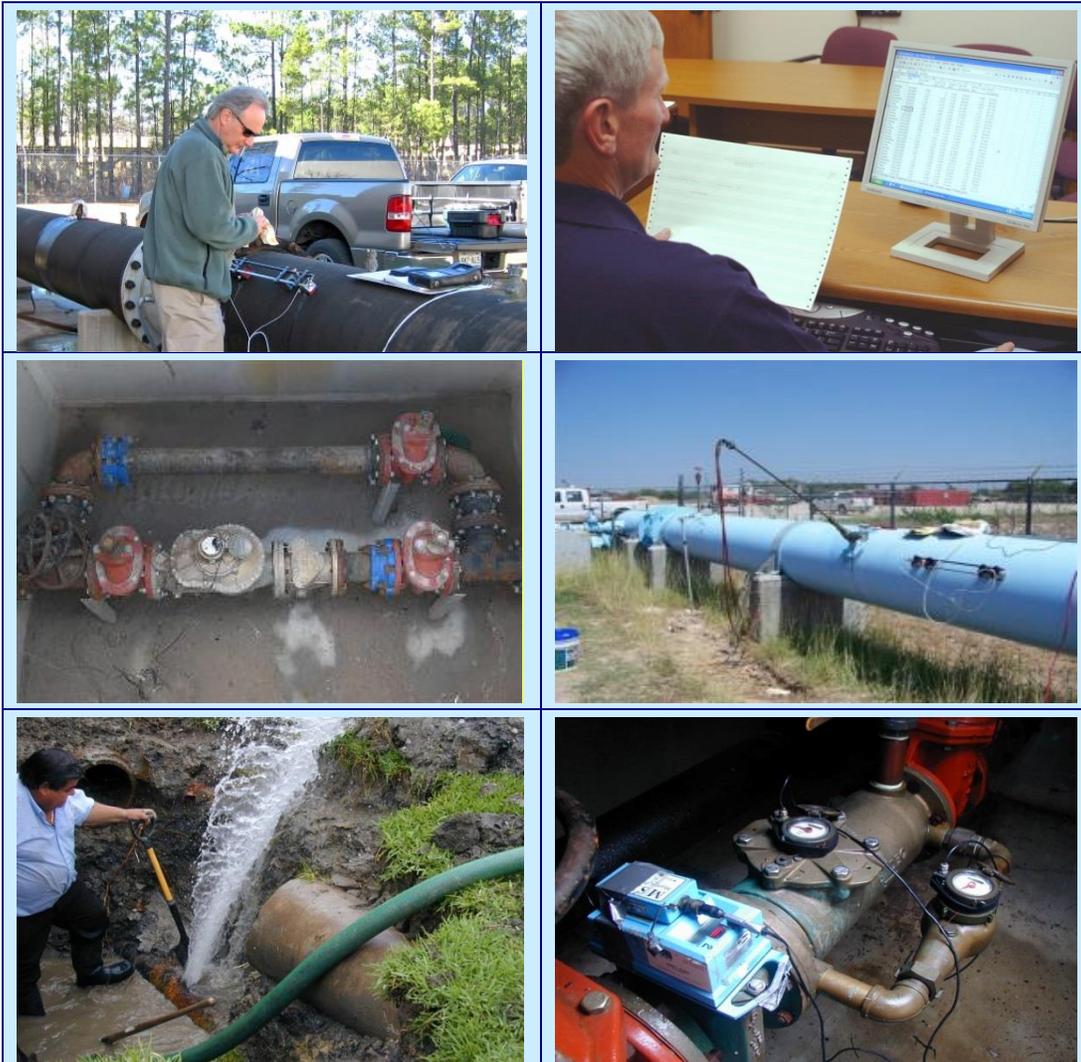
**Date**

# Proposal

## Water Distribution & Meter Management Audit

### City of La Porte, Texas

August 2015



# JBS

WATER, INC.

Specialists in Water System Accountability



Specialists in Water System Accountability

4715 Strack Road, Suite 114,  
Houston, Texas 77069  
Tel: (281) 435-2780  
e-mail: [jbsmith@jbswater.com](mailto:jbsmith@jbswater.com)

August 27, 2015

David Mick, Director of Public Works  
City of La Porte  
604 West Fairmont Pkwy.  
La Porte, TX 77571

Re: Water and Meter Management Audit Proposal

JBS Water, Inc. is pleased to submit our proposal for a Water Distribution and Meter Management Audit for the City. The City of La Porte has confirmed the presence of unacceptably high levels of Non-Revenue Water (NRW) of at least 20% in the water distribution system and desires a water audit to determine the components of the water loss and its resulting economic impact on the City.

We have prepared a project approach for identifying and correcting water accountability issues that bear a direct impact on water conservation efforts, distribution system operating costs, improving the metered ratio, and sustaining revenue.

We will identify and pinpoint areas and accounts where reduced revenue exists because of metering related problems. The JBS Audit is a time proven program that is designed to help utilities reduce the balance of water loss to the lowest level cost-effectively possible.

It is important to note that JBS does not participate in revenue sharing programs with a utility and we do not sell products. For those reasons we have nothing to gain from our recommendations except the satisfaction of our client. Our project approach is flexible and can be modified to fit the needs of any utility. If there are any questions or modifications to the attached scope of work, please let us know.

Thank you for this opportunity to provide our services to your utility.

Thank you.

James B. Smith

A handwritten signature in black ink, appearing to read "James B. Smith", written in a cursive style.

Sincerely,  
**JBS Water, Inc.**

**JBS Water, Inc.**  
**Proposal**  
**Water Distribution & Meter Management Audit**  
**City of La Porte**  
**August 2015**

**CONTENTS**

1.	PROJECT APPROACH .....	1
2.	BIODATA OF PERSONNEL .....	5
3.	PROJECT COST .....	7



**WATER, INC.**

**Specialists in Water System Accountability**

***Houston, Texas***

# **JBS Water, Inc.**

# **Proposal**

## **Water Distribution & Meter Management Audit**

### **1. PROJECT APPROACH**

#### **Task 1: Data Collection and Analysis**

An initial task of the project, once JBS has received confirmation to proceed, is to itemize and request all data that we will need to conduct this project and achieve the Project Objectives.

#### **Task 2: Production Meter Analysis**

Verification of in-plant accuracy of finish water meter devices to establish benchmark volumes of water produced against which to reference all other water use (and losses). The purpose of this Task is to confirm or determine the existing accuracy of the production meters that are measuring the volume of water brought into the water system and to verify the accuracy of the records upon which the distribution system water accountability is based.



In this regard, JBS will conduct accuracy tests on the source water meters that determine the volume of water received and the amounts paid for that water.

This Task also includes the review of existing records and reports of water production for the most recent three years, or longer, if available.

Our quantitative analyses of water production data shall include:

- a) Evaluation of production meter installations as they may adversely affect meter accuracy, reliability and performance.
- b) Confirmation of existing metering devices for suitability.
- c) Verification of historical water production data for the most recent three years or longer if data is available.
- d) Verification accuracy of water production meters using a pitot rod, time-volume, and/or a transit-time ultra-sonic test technique, alone or in combination, as determined by existing installation configurations. This will re-establish a baseline for comparing system wide water accountability.

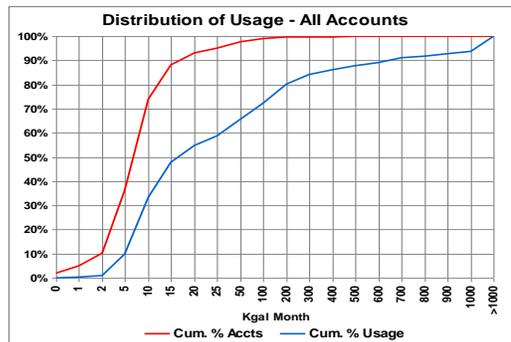
### Task 3: Comprehensive Analysis of Metered Accounts & Authorized Water Use

Comprehensive analysis of metered accounts. Per current AWWA best practices (M22 & M36 Manuals), that part of the existing Non Revenue Water due to meter related issues is considered “Apparent Loss”. This water loss is recoverable at existing water and wastewater commodity rates. Consequently this analysis is a critical task for development of data to be applied in any meter replacement program.



- a) JBS will confirm and then compare summaries of metered sales quantities with summaries of production as metered into the system. Subsequently the data will be analyzed on monthly, quarterly, and annualized bases.

- b) All metered accounts will be reviewed in detail by meter size, meter route, rate classification, meter age (if available), meter brand and type. The analysis will analyze in detail different classification types such as apartments or multi units, different types of commercial accounts, outside irrigation, and residential accounts and will cross reference meter size, and meter age against consumption. Distribution of use tables and charts will be prepared for each class code.



- c) No-use, low-use, and high-use accounts will be identified to facilitate closer investigation and follow-up. In addition, usage will be reviewed by geographical location, and or demographics (if possible). A complete sizing analysis will be made on all 1-inch and larger meters.

- d) All 3 inch and larger meters will be inspected for installation problems and the photo database will be updated. All compound meters will be reviewed in detail and an account profile will be established on each two-register compound, comparing consumption histories. This information will be used in the sizing and cost analysis.

**JBS** 4712 Beach Road, Suite 114  
Houston, Texas 77069  
Tel: 281-435-2790  
jborich@jbswater.com  
jborich@jbswater.com

**Brownsville Public Utilities Board**  
**2007 Large Meter Inspections**

Unit: 1	Loc No: 129982	Customer: BROWNVILLE NAVIGATION DISTRICT
Units: 1	Acc #: 250824	Address: HARBOR ROAD
Mtr Size: 10	Conf Mtr Sz: 10	Meter #: 63918685
Conf. Mtr #	Conf. Mtr #	Conf. Mtr #
Certified	SENS	SENSUS
Mtr Mfr: SENSUS	Mtr Mfr: SENSUS	Mtr Type: FL-46
Mtr Model: HIGH		
Strainer Test Plug: No	By Pass: No	B-P Secure? NA
BackFlow: No	Isolation Valve: Yes	Outlet Valve: Good
Yield Cond: Good	Corros Cond: Good	
Mtr Read: 288988000	Observed gpm: 350	Install Date: 10/9/2004
Insp Date: 9/18/2007		
Comments: LARGE DEEP VAULT. HIGH SIDE OF FIRE LINE METER ASSY 889-9883024 VAULT TENDS TO FLOOD.		



Serviceability  
Excellent  
Easy to Test?  
No

2006-7  
Kgal/Mo  
11,981.0



129982-B-IVILLE NAV 0107.gpg      129982-A-IVILLE NAV 0107.gpg

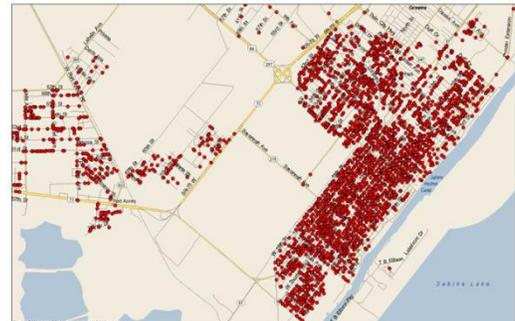
- e) All meters will be subject to a meter sizing analysis and verification of the sizing model will be made by installing rate of flow data loggers on select accounts. This flow data will be used to verify the sizing analysis so that suspect meters may be identified for additional evaluation.
- f) A cost analysis will be prepared that will evaluate the performance capabilities of current meters and recommended sizes and brands. Meter payback periods will be estimated based on meter size and meter reading technology. The Existing water and sewer rates will be reviewed to see how they impact meter payback and sizing issues, and large meter testing, which in turn also impact water conservation efforts.
- g) We will review existing system policies, procedures and standards that may directly affect water accountability, water utility revenues and metering system costs over the long term. Meter sizing, selection, installation and accessibility to facilitate periodic meter testing and

maintenance, meter reading and billing are some of the issues that have long-term consequences that must be addressed in order to assure the benefits of the audit shall extend well into the future.

- h) We will develop a plan for cost effective replacement of water meters and recommend appropriate ongoing procedures for monitoring, testing, operating and maintaining meters. This plan will take into consideration the meter age, meter brand, meter route, theoretical life expectancies and water and sewer rate schedule.

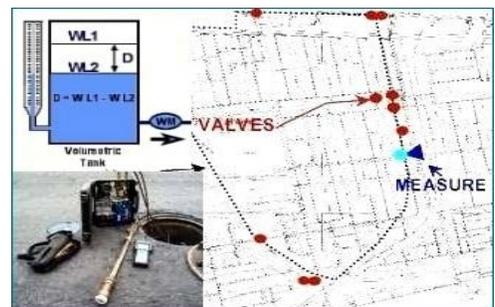
**Task 4: Analysis of Real Losses**

We will collect and compile available existing work order records of reported line breaks and leaks. This analysis of Real Losses is to identify areas suspect for high incidence of leakage, by location, pipe material and age. The data will be analyzed for possible correlations that will help establish priorities for a follow-on phase of underground leak detection survey and for anticipated replacement of water distribution and service lines.



In addition, night flow measurements may be conducted, in coordination with client, to determine leakage potential by Districts or Pressure Zones.

- a) Water distribution system maps will be reviewed to plan to overnight flow measurements of the water system. When possible and practical, and with the client’s input, the distribution system will be subdivided to determine leakage potential in each pressure zone.



- b) By taking observed flow measurements, population, consumption history, system statistics and observed nighttime consumption into consideration, an estimated flow rate due to underground leakage can be developed. This information may be used to determine if and where a physical leak detection survey might be cost-effective.

- c) For this task, accurate distribution system information (maps and local knowledge) will be required. Distribution system flow measurements are most successful when the entire distribution system or separate sectors can be isolated.

**Task 5: Review Policies & Procedures Affecting Water Accountability**

JBS will review existing policies, procedures and standards that may be adversely affecting water accountability, water utility revenues and metering system costs over the long term.

1. Meter sizing, selection, installation and accessibility to facilitate periodic meter testing and maintenance, meter reading and billing are some of the issues that have long-term consequences that must be addressed in order to assure the benefits of the audit shall extend well into the future. This item will overlap with task 3.
2. Review existing procedures for reporting and accounting for authorized unmetered use such as line flushing and other unmetered water uses.

3. Develop on-going procedures to be implemented by the utility for the maintenance of sustainable low levels of Non Revenue Water (NRW) and energy efficiency.
4. Prepare a complete water balance table applying the AWWA methodology for on-going use by the client. Provide recommendations for follow-on leak detection phase to this project, as may be necessary, dependent on the findings and results of the water audit.

**Task 6: Water Audit Final Report**

JBS Water, Inc. will prepare and present a written Final Report of water audit findings, conclusions, and recommendations generated by the audit, including compilations of data collected during the audit in written and electronic format.

The Final Report will be presented in person to City staff to provide an opportunity to ask questions and assure full understanding of the recommendations and results generated by this study.

## 2. BIODATA OF PERSONNEL

### James B. Smith Principal

Jim Smith has 35 years of extensive experience in water distribution system studies, including water audits, meter audits, leakage surveys, and water and sewer rate adjustments. His diverse professional experience, in addition to that in the private sector, includes employment with both state and local government agencies while working on four continents.

From his experience in working with several hundred utilities, Mr. Smith understands the changing internal dynamics of individual systems. Mr. Smith has developed several fresh approaches to water conservation needs and to the reduction of unaccounted for water losses. These techniques are the result of years of diverse hands on experience.

#### EXPERIENCE:

Prior to the establishment of JBS Associates in 1988, Jim served as National Marketing Director and Western States Manager for the Pitometer Associates. He joined that firm in 1985 when his prior firm, Water Resource Associates, headquartered in Indiana, merged with the Pitometer Associates.

Mr. Smith is one of the pioneers in water system auditing, and over the years has progressively developed and tailored programs dealing with water auditing concepts.

His hands experience includes all aspects of NRW control, with major emphasis on the metering component. He has developed and continues to modify new approaches in regards to the meter analysis.

Mr. Smith has presented training programs to over 8,000 people in the United States, Canada, Southeast Asia, Central and South America.

#### Project Role:

Principal, responsible for project coordination, flow and consumption analysis, evaluation of final data and results.

#### Education:

Attended Eastern New Mexico University, New Mexico State University, graduated in 1971 with a B.S. degree from Weber State College.

#### Professional Affiliations:

AWWA Member since 1994

#### Papers & Presentations:

- 2006-2007 Texas Water Utility Association –  
"Development of a Cost Effective Water Loss Reduction Program" Four hour training programs
- 1990-2005 - Texas Rural Water Association – National Rural Water Association "Establishing an Effective Water Loss Reduction Program"
- 2004 - AIDIS-USA Seminar on Unaccounted-for Drinking Water - "The Impact of Meter Sizing on Unaccounted for Water Loss"
- 1999 - AWWA – Conserve 99 Conference - "Unaccounted for Water – Costs and Benefits of Water Loss and Revenue Recovery in Four Vermont Municipal Water Systems".
- 1990-1997 - University of Wisconsin "The Impact of Unaccounted for Water on Water Conservation".
- 1994 - Philippine Pipeline "Which Small Meter is Best for MWSS Class B or Class C?"
- 1993 - AWWA Research Foundation San Jose, CA "Leakage Control Systems". Part of a cooperative research report between the AWWA Research Foundation and the Japan Water Works Association.
- 1992 - AWWA National Conference, Vancouver, B.C. "Establishing An Effective Water Loss Reduction Program".
- 1990 Texas Rural Water Association "The Metered Ratio The Great Hoax?"
- 1981-88 AWWA – Developed the "Water Loss Reduction and Meter Application and Sizing Seminars for AWWA and taught programs in more than 100 cities.

## James A. Schiele

Principal

Mr. Schiele has over 30 years of water industry experience in North and South America, as well as Europe and South East Asia. Employed in both the consulting and manufacturing sectors, he has provided consulting services, training, project management, product support and marketing activities related to water loss analysis, flow measurement, subsurface pipeline surveys, development of water loss reduction programs, product development and testing, demonstration and sales of microprocessor-based leak correlators, leak detection instrumentation, data loggers and pipe locators.

### EXPERIENCE:

In 1993, Mr. Schiele joined the JBS consulting group, directly involved with the management, supervision and development of water audits and leak detection projects in the United States, Brazil, Mexico, Panama and the Philippines.

His experience includes production meter flow testing, implementation of distribution system night flow tests, application of meter datalogging and data analysis, acoustic leak detection and the use of correlator technologies.

Prior to joining JBS, Schiele was employed by Fluid Conservation Systems (FCS) of Austin, Texas. For 12 years the company benefited from his substantial experience in the field of water loss control and leak detection as he developed an outstanding reputation for his insight, thoroughness and insistence on improving the customer's skills.

His extensive prior project experience was often called upon during the development cycle of the company's new leak detection and correlator technologies. He conducted programs for FCS products and services throughout the U.S. and in Canada, Mexico and Brazil. His responsibilities included customer training, product development, product demonstrations, and supervision and coordination of leak survey services.

Mr. Schiele has prepared and presented more than 3,000 hours of professional training courses for industry personnel of all levels, including operators, supervisors and management. He is fluent in English and Spanish.

### Project Role:

Project Manager, Flow Measurements and Leak Detection.

### Education:

Majored in Languages at Walbrook College, London, UK 1968-1971.

Graduated in Computer Science and Technology at Control Data Institute, London (1972-1974).

### Professional Affiliations:

AWWA Member since 1994

### Papers & Presentations:

2007 – ACODAL – International Seminar on The Water Balance and Technologies for the Development of Unaccounted for Water Loss Programs, Cali, Colombia.

2004 - AIDIS-USA Seminar on Unaccounted-for Drinking Water – "Development of a Water Loss Recovery Program in Culiacán, Mexico"

2001 - As a result of successful development of an in-house unaccounted for water loss recovery program for our client, the Culiacán, Mexico Municipal Water and Wastewater System was a top ten finalist in a national award program for progressive municipal government agencies. This award was promoted by the Ford Foundation and Mexico's Centro de Investigación y Docencia Económicas (CIDE).

1999 - IMTA (Instituto Mexicano de Tecnología del Agua) 7th International Seminar on Water Loss Reduction, Guanajuato, Mexico – "Experiences in the Reduction of Water Losses in 10 Cities in the State of Guanajuato"

1993 - AWWA Research Foundation - San Jose, CA - "Leakage Control Systems" - Co-authored a cooperative research report between the AWWA Research Foundation and the JWWA (Japan Water Works Association).

### 3. PROJECT COST

The professional services fee to complete this water audit and meter management project shall not exceed \$56,000, including expenses.

Respectfully submitted,

Accepted by:

***JBS Water, Inc.***

***City of La Porte, Texas***

James B. Smith

By: \_\_\_\_\_

President

Title: \_\_\_\_\_

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

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

**RFP 15601- WATER DISTRIBUTION AUDIT AND METER MANAGEMENT  
EVALUATION SUMMARY**

Criteria	JBS WATER	UTILIWORKS CONSULTING
Demonstrated technical expertise and experience	10.4	8.4
Adequacy of staffing, approach of project, analytical procedures, etc.	8.1	5.7
References and qualifications	5.2	4.4
Completeness and conformity of the reply to the RFQ	2.7	2.2
<b>Final Scores</b>	<b>26.4</b>	<b>20.7</b>



**Council Agenda Item  
September 28, 2015**

**7. (a) Receive report of Fiscal Affairs Committee – Councilmember Engelken**

\*\*\*\*\*



## Council Agenda Item September 28, 2015

**8. ADMINISTRATIVE REPORTS**

- Drainage and Flooding Committee Meeting, Monday, October 5, 2015
- City Council Meeting, Monday, October 12, 2015
- Planning and Zoning Commission Meeting, Thursday, October 15, 2015
- Zoning Board of Adjustment Meeting, Thursday, October 22, 2015

**9. COUNCIL COMMENTS** regarding matters appearing on the agenda; recognition of community members, city employees, and upcoming events; inquiry of staff regarding specific factual information or existing policies – Councilmembers Clausen, J. Martin, K. Martin, Kaminski, Zemanek, Leonard, Engelken, Earp and Mayor Rigby

**10. EXECUTIVE SESSION**

The City Council reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code, in accordance with the authority contained in:

**Texas Government Code, Section 551.072** – For the purpose of deliberating the purpose of the purchase, exchange, lease or value of real property: Meet with City Manager and City Attorney to discuss a Joint Ordinance and Boundary Adjustment Agreement and Joint Ordinance and Revenue Sharing Agreement with the City of Morgan's Point regarding a 4.42 acre tract of land currently within the City of La Porte's corporate boundary and proposed to be annexed within the City of Morgan's Point corporate boundary

**Texas Government Code, Section 551.071(2)** - Consultation with City Attorney: Meet with City Attorney to discuss Joint Ordinance and Boundary Adjustment Agreement and Joint Ordinance and Revenue Sharing Agreement with the City of Morgan's Point

**11. RECONVENE** into regular session and consider action, if any, on item(s) discussed in executive session.

**12. ADJOURN**

\*\*\*\*\*