



A G E N D A

**Regular Meeting of the Bedford City Council
Tuesday, May 12, 2020
Bedford City Hall Building A
2000 Forest Ridge Drive
Bedford, Texas 76021**

**Council Chamber Special Session 5:30 p.m.
Council Chamber Regular Session 7:30 p.m.**

**COMPLETE COUNCIL AGENDAS AND BACKGROUND INFORMATION ARE AVAILABLE FOR REVIEW
ONLINE AT <http://www.bedfordtx.gov>**

In accordance with order of the Office of the Governor issued March 16, 2020, the City of Bedford City Council will conduct its meeting scheduled at 5:30 p.m. on Tuesday, May 12, 2020, at City Hall by video conference in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID19). There will be no public access to the location described above. Residents interested in the Council meeting can watch it live on the City’s website at <https://bedfordtx.gov/250/City-Council-Meetings-Online> or tune in to channels 16 (Spectrum) or 99 (AT&T).

The agenda packet and meeting information are posted online at <https://bedfordtx.gov/AgendaCenter/City-Council-2>. You may provide written comments on specific agenda items prior to the meeting by filling out the Comment Form at <https://bedfordtx.gov/FormCenter/City-Council-11/City-Council-Meeting-Sign-Up-Form-51>, emailing citysecretary@bedfordtx.gov or calling 817-952-2104. You may also use the Comment Form to sign up to speak on specific agenda items during the meeting by phone. You must provide a valid phone number and you will be called during the meeting at the appropriate time. All comments and requests to speak need to be received by 3:00 p.m. the day of the meeting.

SPECIAL SESSION 5:30 p.m.

INAUGURATION OF NEWLY ELECTED OFFICIALS

- Administer Statement of Elected Officer and Oath of Office to newly elected Council Members Place 4 and Place 6.

EXECUTIVE SESSION

To convene via conference call and videoconference in compliance with Section 551.001 et. Seq. Texas Government Code, to discuss the following:

- a) Pursuant to Section 551.074, personnel matters – City Manager search.
- b) Pursuant to Section 551.072, to deliberate the purchase, exchange, lease or value of real property – Block 13, Lot 5R, Oakridge Estates (Bedford).

REGULAR SESSION

CALL TO ORDER/GENERAL COMMENTS

INVOCATION

PLEDGE OF ALLEGIANCE

ANNOUNCEMENTS/UPCOMING EVENTS

OPEN FORUM *(The public is invited to address the Council on any topic that is posted on this agenda. Citizens desiring to speak on Public Hearing(s) must do so at the time the Public Hearing(s) are opened. In order to speak during Open Forum, a person must first sign in with the City Secretary prior to the Regular Session being called to order. Speakers will be called upon in the order in which they sign in. Any person not signing in prior to the commencement of the Regular Session shall not be allowed to speak under Open Forum. Further, Open Forum is limited to a maximum of 30 minutes. Should speakers not use the entire 30 minutes Council will proceed with the agenda. At the majority vote of the Council the Mayor may extend the time allotted for Open Forum.)*

CONSIDER APPROVAL OF ITEMS BY CONSENT *(Consent items are deemed to need little Council deliberation and will be acted upon as on business item. Any member of the City Council may request that an item be withdrawn from the Consent Agenda and placed before the City Council for full discussion. Approval of the Consent Agenda authorizes the City Manager, or a designee, to implement each item in accordance with staff recommendation.)*

1. Consider approval of the following City Council minutes:
 - a) April 28, 2020 regular meeting
2. Consider a resolution authorizing the Interim City Manager to renew and upgrade the Office 365 email licenses to Microsoft Enterprise 365 user licenses, in the amount of \$146,236.64 per year for three years, through SHI Government Solutions, a cooperative contract vendor with the Texas Department of Information Resources (DIR).
3. Consider a resolution of the City Council of Bedford, Texas authorizing the submission of a grant application to the FY20 Assistance to Firefighters Grant Program – COVID-19 Supplemental (AFG-S) administered by the Department of Homeland Security, Federal Emergency Management Agency's Grant Programs Directorate.

COUNCIL RECOGNITION

4. Proclamation recognizing the week of May 10-16, 2020 as National Police Week and Friday, May 15, 2020, as Peace Officers Memorial Day in the City of Bedford.
5. Proclamation recognizing the week of May 17-23, 2020 as Emergency Medical Services Week in the City of Bedford.
6. Proclamation recognizing the week of May 17-23, 2020 as National Public Works Week in the City of Bedford.

NEW BUSINESS

7. Consider an ordinance approving a resolution authorizing the issuance, sale and delivery of Trinity River Authority of Texas (Tarrant County Water Project) improvement revenue bonds and approving and authorizing instruments and procedures relating thereto.
8. Receive a report on the Trinity River Authority's Central Regional Wastewater System Infiltration/Inflow Assessment Phase VI, Part II findings for the City of Bedford's wastewater collection system and consider a resolution authorizing the Interim City Manager to enter into a professional services agreement with Freese and Nichols Inc., in the amount of \$370,000, for a wastewater modeling and infiltration/inflow reduction plan.
9. Consider a resolution authorizing the Interim City Manager to purchase a Standard LX Diesel – Single Turner Valve Maintenance Skid (VMS), through E.H. Wachs, in the amount of \$72,895, utilizing the BuyBoard cooperative purchasing agreement.
10. Consider a resolution authorizing the Interim City Manager to purchase firefighting personal protective equipment (PPE) from North American Fire Equipment Co. Inc. (NAFECO), through the cooperative purchasing program BuyBoard, in an amount not to exceed \$70,000.
11. Mayor/Council Member Reports

12. City Manager/Staff Reports
a) Quarterly Financial Report

13. Take any action necessary as a result of the Executive Session.

(Any item on this posted agenda may be discussed in executive session provided it is within one of the permitted categories under Chapter 551 of the Texas Government Code.)

ADJOURNMENT

CERTIFICATION

I, the undersigned authority, do hereby certify that this Notice of Meeting was posted on the outside window in a display cabinet at the City Hall of the City of Bedford, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted by the following date and time: **Friday, May 8, 2020 at 5:00 p.m.**, and remained so posted at least 72 hours before said meeting convened.

Michael Wells, City Secretary

Date Notice Removed

(Auxiliary aids and services are available to a person when necessary to afford an equal opportunity to participate in City functions and activities. Auxiliary aids and services or accommodations must be requested in writing to the City Secretary's Office a minimum of seventy-two hours (72) hours prior to the scheduled starting time of the posted meeting. Requests can be delivered in person or mailed to the City Secretary's Office at 2000 Forest Ridge Drive, Bedford, TX 76021, or emailed to citysecretary@bedfordtx.gov. Some requests may take longer due to the nature, extent and/or availability of such auxiliary aids, services or accommodations.)



Council Agenda Background

PRESENTER: Michael Wells, City Secretary

DATE: 05/12/20

Minutes

ITEM:

Consider approval of the following City Council minutes:

- a) April 28, 2020 regular meeting

DISCUSSION:

N/A

ATTACHMENTS:

April 28, 2020 regular meeting

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STATE OF TEXAS §

COUNTY OF TARRANT §

CITY OF BEDFORD §

The City Council of the City of Bedford, Texas, met in Executive Session at 5:30 p.m. via teleconference, and Work Session at 6:00 p.m. and Regular Session at 7:30 p.m. via videoconference, on the 28th day of April, 2020 with the following members present:

Michael Boyter	Mayor
Tom Burnett	Councilmembers
Dan Cogan	
Ruth Culver	
Roger Fisher	
Amy Sabol	
Rusty Sartor	

constituting a quorum.

Staff present included:

Cliff Blackwell	Interim City Manager
Stan Lowry	City Attorney
Michael Wells	City Secretary
Sean Fay	Fire Chief
Jeff Gibson	Police Chief
Kenny Overstreet	Public Works Director
Bill Syblon	Development Director
David Yancy	Information Technology Manager

EXECUTIVE SESSION

To convene via conference call in compliance with Section 551.001 et. Seq. Texas Government Code, to discuss the following:

- a) Pursuant to Section 551.072, to deliberate the purchase, exchange, lease or value of real property – Block 1, Lot 1, Bedford School Addition.**
- b) Pursuant to Section 551.087, deliberation regarding economic development negotiations relative to Park Place Meadow Block 1 Lot 4R1A.**
- c) Pursuant to Section 551.074, personnel matters – City Manager search.**

Council convened into Executive Session via teleconference pursuant to Texas Government Code Section 551.072, to deliberate the purchase, exchange, lease or value of real property – Block 1, Lot 1, Bedford School Addition; Section 551.087, deliberation regarding economic development negotiations relative to Park Place Meadow Block 1 Lot 4R1A; and Section 551.074, personnel matters – City Manager search, at 5:30 p.m.

Council came out of Executive Session at 5:52 p.m. Any necessary action to be taken as a result of the Executive Session will be during the Regular Session.

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WORK SESSION

Mayor Boyter called the Work Session to order at 6:00 p.m.

- **Receive a report on the current state of Information Technology and the renewal process of a Microsoft Enterprise Agreement.**

Information Technology Manager David Yancy gave an overview of the City's Information Technology (IT) infrastructure and the enterprise agreement with Microsoft. He presented information on the layout of the City's network, and discussed issues related to the lack of a direct connection of Public Works Service Center to the City's main connection, the entire network running through physical location at City Hall, and lack of bandwidth, affecting performance. He stated enhancing the license with Microsoft will mitigate the impact of a single point of failure in the network by moving systems current housed in City Hall to the Microsoft Cloud. He further stated the enhanced license would improve network security and gave an overview of the security features. Mr. Yancy presented information on the Microsoft enterprise agreement, which is \$146,000 for three years, and the costs savings associated with the agreement. There was discussion regarding network security, a redesign of the network topography, technology, cost efficiency, Council's vision as it relates to technology in the future, growth in the number of Microsoft licenses, and "smart city" initiatives.

- **Update on the budgetary impact of COVID-19.**

Mayor Boyter thanked residents for the sacrifices they have made during the COVID-19 pandemic and presented an overview of actions taken by the City to protect citizens and employees. He discussed the closure of City facilities to the public while maintaining City services; the collaboration with local, county and state officials, the medical community, the Hurst-Eules-Bedford Independent School District, non-profits, and Texas Health HEB hospital; the City's communication efforts to residents; Governor Greg Abbot's plan to "re-open" Texas; the City's support of the local business community; and Council's commitment to move projects forward, including Bedford Commons. He thanked the citizens, as well as City staff, including Interim City Manager Cliff Blackwell and public safety.

Mr. Blackwell stated the City's two objectives when the pandemic first began were the safety of staff and the community and maintaining the same level of service. A third objective of maintaining financial sustainability came about as the pandemic continued. He presented information on the current fiscal year's budget, revenue collected year-to-date, and projections for the rest of the fiscal year, which includes an estimated \$1,100,000 loss in sales tax and total revenue of approximately \$34,900,000 for the entire year. He discussed the impact of shutting down summer programs, including SPLASH and the summer day camp. There was discussion regarding the hotel/motel occupancy tax and the impact on City events. Mr. Blackwell presented information on expenditures, including freezing certain positions, potential savings identified by departments, COVID-19 expenses, and furloughing part-time staff until the end of the fiscal year. There was discussion on reimbursements for COVID-19 related ambulance transports. Mr. Blackwell stated projected expenditures for the fiscal year are approximately \$35,200,000, for a deficit of approximately \$331,000.

There was discussion regarding cancelling summer programs and City events; the potential effect of the disaster declaration on the calculating the voter approved tax rate; the City's fund balance; sales tax history and trends; and deadlines for cancellation of events and potential refunds, including for FourthFest fireworks.

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Police Chief Jeff Gibson updated Council on the activities of the Police Department during the pandemic. A COVID-19 response team was established on March 13, 2020, which established guidelines for the Department's field directives and operations plan, as well as two designated infection control officers (DICO) and a social media team. He stated the field directives were specific to first responder exposures and guidelines to the telecommunicators to screen callers so officers could wear the appropriate personal protective equipment (PPE) when responding. The directives also created a tiered scheduling system for redundancy in the event officers were exposed. Chief Gibson stated crime statistics show a dramatic increase in shoplifting and that the Department has taken innovative approaches in reducing that number. The Department has taken steps to revamp their operations in response to Governor Abbott's recent orders about reopening of businesses, including requiring officers wearing facial coverings when interacting with the public. There was discussion on the makeup and actions of the Department's social media team. In response to questions from Council, Chief Gibson stated their call volume has not increased tremendously, though the volatility of domestic disturbances has increased. Nine Police Department employees have been quarantined since the beginning of the crisis for precautionary measures, though none are currently.

Fire Chief Sean Fay stated the City began taking steps to save lives, minimize risks in the workplace, and ensure continuity of services, through both the Fire Department and the Office of Emergency Management (OEM) as the City began to be impacted by COVID-19. Both offices began producing contingency plans starting on March 13, 2020. He stated the City's priorities during the disaster are life safety, continuance of services, and fiscal sustainability. The Department issued directives to personnel on March 17, 2020, which contained COVID-19 specific information to changes in operations. Chief Fay presented an overview of the directives and training, and procedures for decontaminating and quarantining employees. He stated eight Fire Department employees have been quarantined though none tested positive for COVID-19. A continuance of operation plan was created to identify essential services and functions and the personnel needed to carry them out in case of an impact to staffing levels. The Department established relationships with sellers and distributors of PPE to bolster stock levels. A program was implemented whereby paramedics work in Dispatch to speak to callers about specific symptoms and then develop the best course of action for the patient and community. Chief Fay stated the OEM activated a virtual EOC and presented an overview of the functions of the EOC. He presented a current COVID-19 situation report, including the stock and costs for purchasing PPE; the number of calls for service, which do not show a significant impact from the pandemic; and a breakdown of confirmed or suspected COVID-19 related calls. There was discussion on the impact of staffing and overtime related to the quarantined employees, the volume of patients in emergency rooms returning to normal levels, and communication between the Department and local hospitals.

- **Presentation and consideration of the final list of names for the Phase Next project.**

Councilmember Sabol discussed meetings with Torch Creative and the branding committee, consisting of herself and Councilmembers Sartor and Fisher, regarding the naming of the park and multi-generational center. The committee preferred the following options for the name of the park: Legacy, Heritage and Generations and she presented an overview of each name. After discussion, Council was in favor of Generations. There was discussion on incorporating the name into the design of the park and adding an historical element in the park.

Councilmember Sabol presented an overview of the committee's preferences for the multi-generational center, including SPARC, CNTR, Catalyst, Max and Impact. After discussion,

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Council was in favor of CNTR. There was discussion on incorporating the name with the City's logo and tagline.

Mayor Boyter adjourned the Work Session at 8:13 p.m.

REGULAR SESSION

The Regular Session began at 8:24 p.m.

CALL TO ORDER/GENERAL COMMENTS

Mayor Boyter called the meeting to order.

INVOCATION

Councilmember Fisher gave the invocation.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was given.

OPEN FORUM

Nobody signed up to speak during Open Forum.

CONSIDER APPROVAL OF ITEMS BY CONSENT

Interim City Manager Cliff Blackwell gave an overview of the items on the consent agenda.

In response to questions from Council on Item #5, Public Works Director Kenny Overstreet stated it would help mitigate any fines the City might receive in the future from the Texas Commission on Environmental Quality.

Motioned by Councilmember Sabol, seconded by Councilmember Burnett, to approve the following items by consent: 1, 2, 3, 4, 5 and 6.

Motion approved 7-0-0. Mayor Boyter declared the motion carried.

- 1. Consider approval of the following City Council minutes:**
 - a) March 10, 2020 regular meeting**
 - b) March 25, 2020 special session**
 - c) April 7, 2020 special session**
 - d) April 14, 2020 special session**

This item was approved by consent.

- 2. Consider a resolution authorizing the Interim City Manager to purchase expendable medical supplies from Bound Tree Medical LLC, through an interlocal agreement with the City of Cedar Hill, in an amount not to exceed \$70,000.**

This item was approved by consent.

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3. **Consider a resolution of the authorizing the purchase of a NICE (brand) Inform and Telephony Logger System for public safety phones and radios from Motorola Solutions in the amount of \$90,200.**

This item was approved by consent.

4. **Consider a resolution authorizing the Interim City Manager to adopt the North Central Texas Council of Governments Clean Fleet Policy supporting low emission vehicles, to include the adoption of an idle reduction standard operating procedure/policy by City personnel.**

This item was approved by consent.

5. **Consider a resolution authorizing the City of Bedford to execute an agreement for a 10-year Sanitary Sewer Overflow Outreach Initiative with the Texas Commission on Environmental Quality.**

This item was approved by consent.

6. **Consider a resolution of the City of Bedford, Texas finding that Oncor Electric Delivery Company LLC's application for Approval to Amend its Distribution Cost Recovery Factor to increase distribution rates within the City should be denied; authorizing participation with Oncor Cities Steering Committee; authorizing the hiring of legal counsel and consulting services; finding that the City's reasonable rate case expenses shall be reimbursed by the company; finding that the meeting at which this resolution is passed is open to the public as required by law; requiring notice of this resolution to the company and legal counsel.**

This item was approved by consent.

PERSONS TO BE HEARD

7. **The following individual has requested to speak to the Council tonight under Persons to be Heard:**
 - a) **Stacey MacDonald, 2608 Willow Bend, Bedford, Texas 76021 - Request to speak to Council regarding code enforcement, the time length to complete the process/complaint, and if staff needs additional staff and legal support.**

Stacey MacDonald, 2608 Willow Bend, Bedford – Ms. MacDonald discussed code enforcement in Bedford and stated it takes a long time for her code complaints to be processed and that she has heard there is a lack of staff and legal issues. She discussed code issues she has seen and asked if code enforcement needed additional staff and legal support. Mr. Blackwell presented information on the new Neighborhood Services program, which was presented to Council in March. Ms. MacDonald asked about the length of time for code issues to be resolved and the last time the City's codes were reviewed. There was discussion on bringing an ordinance revision to Council at the first meeting in June.

NEW BUSINESS

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- 8. Public hearing and consider an ordinance to rezone Lot 1, Block 1, Harwood Oaks Plaza Addition, located at 3225 Harwood Road, Bedford, Texas, from Light Commercial (L) to Light Commercial/Specific Use Permit (L/SUP), specific to Section 3.2.C(7)x, Tobacco Products Store of the City of Bedford Zoning Ordinance, allowing for Prestige Cigars & Tobacco to operate a cigar shop and lounge. The subject property is generally located east of Martin Drive and north of Harwood Road. (PZ-SUP- 2020-50015)**

Development Director Bill Syblon presented information regarding this item, which is a request for a specific use permit to allow Prestige Cigars to expand their footprint at 3225 Harwood Road. The cigar shop is in a multi-tenant shopping center and they would be expanding into a former Subway sandwich shop, increasing from 900 square feet to almost 2,000 square feet. The Planning and Zoning Commission unanimously approved this item at their meeting on March 12, 2020, with the stipulation that no vaping products would be sold or used on the premises.

Mayor Boyter opened the public hearing at 8:52 p.m.

Nobody signed up to speak during the public hearing.

The applicant Marish Ahmed stated he would keep what he sells the same.

Mayor Boyter closed the public hearing at 8:53 p.m.

Motioned by Councilmember Burnett, seconded by Councilmember Sabol, to approve an ordinance to rezone Lot 1, Block 1, Harwood Oaks Plaza Addition, located at 3225 Harwood Road, Bedford, Texas, from Light Commercial (L) to Light Commercial/Specific Use Permit (L/SUP), specific to Section 3.2.C(7)x, Tobacco Products Store of the City of Bedford Zoning Ordinance, allowing for Prestige Cigars & Tobacco to operate a cigar shop and lounge. The subject property is generally located east of Martin Drive and north of Harwood Road. (PZ-SUP-2020-50015)

Motion approved 7-0-0. Mayor Boyter declared the motion carried.

- 9. Consider a resolution authorizing the Interim City Manager to enter into a contract with David Pettit Economic Development, in the amount of \$75,000, to provide professional economic development services relating to the creation of a Tax Increment Reinvestment Zone (TIRZ) around the central Bedford City Hall area.**

Mr. Syblon presented information regarding this item, which he stated extends from the Council work session on February 20, 2020 focusing on economic development concepts, practices, and strategies. One of the takeaways from the work session was creating a Tax Increment Reinvestment Zone (TIRZ) around the Bedford Commons area to promote new development and redevelopment in the area. He stated a TIRZ is not a new tax, but takes future increases in revenues brought about by improvements in the zone and leverages those funds to spur development, including financing, infrastructure and public improvements.

David Pettit with David Pettit Economic Development (DPED) presented an overview of the company and the project team, including Natalie Moore as project manager and Brian Moore with GFF to provide master planning services. Mr. Pettit discussed the concepts of the TIRZ and tax increment financing (TIF). He stated deliverables for the project include the master land use plan, a taxable value analysis, and the project and financing plan. He discussed the City's previous planning efforts for Bedford Commons. He stated the updated master plan is an essential

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component to creating a realistic and market-based projections for the TIRZ. Mr. Moore gave an overview of GFF and his role in the project and Ms. Moore presented the timeline for the project. Mr. Pettit discussed working with other taxing entities, including Tarrant County. There was discussion on including other areas in the City in the TIRZ; including the City Manager and City Council as leads for the project team; the feasibility of the TIRZ for Bedford Commons; the necessity of updating the City's master plan; the impact of a TIRZ in attracting developers; and examples of other TIRZ in neighboring communities.

Motioned by Councilmember Fisher, seconded by Councilmember Burnett, to approve a resolution authorizing the Interim City Manager to enter into a contract with David Pettit Economic Development, in the amount of \$75,000, to provide professional economic development services relating to the creation of a Tax Increment Reinvestment Zone (TIRZ) around the central Bedford, City Hall area.

Motion approved 7-0-0. Mayor Boyter declared the motion carried.

10. Consider a resolution authorizing the Interim City Manager to enter into a professional services agreement with Halff and Associates, Inc., in the amount of \$184,400, for the design of the West Pipeline Road Water and Sanitary Sewer Replacements between Arwine Cemetery Road and Raider Drive Project.

Public Works Director Kenny Overstreet presented information regarding this item. He stated the City of Euless informed Bedford the previous December that they were beginning the design of Pipeline Road, and staff was concerned for water and sewer pipes under the roadway. Funding for the project would come from the State Water Implementation Fund for Texas bond, the Street Improvement Economic Development Corporation, and the Water/Sewer Fund. Both Euless and Atmos will contract with Halff Associates for design of the roadway and the replacement of a 16-inch gas pipeline respectively. Staff requested Halff to include a sidewalk on the north side of Bedford Road from Savannah Way to Gettysburg Place. Further, the traffic signal at Forest Ridge Drive and Pipeline Road would have to be moved as part of the project. In response to a question from Council, Mr. Overstreet stated this project was not anticipated as part of the budget process.

Motioned by Councilmember Cogan, seconded by Councilmember Culver, to approve a resolution authorizing the Interim City Manager to enter into a professional services agreement with Halff and Associates, Inc., in the amount of \$184,400, for the design of the West Pipeline Road Water and Sanitary Sewer Replacements between Arwine Cemetery Road and Raider Drive Project.

Motion approved 7-0-0. Mayor Boyter declared the motion carried.

11. Consider a resolution amending the executive order of Mayor Michael Boyter issued on April 7, 2020 in response to the COVID-19 pandemic.

Mayor Boyter stated the City issued a Declaration of Local Disaster on March 19, 2020 in response to COVID-19, which has been amended several times, most recently on April 7, 2020. He presented an overview of the most recent order, which was aligned closely to that of Tarrant County Judge Glenn Whitley. He stated Governor Greg Abbott issued several orders the previous day, one of which is to reopen businesses in the state and another to allow licensed health care professionals to reopen and for hospitals to allow elective procedures. He stated District Attorney Sharon Wilson explained the Governor's orders have essentially taken away local authority moving forward, and explicitly superseded local orders. Cities cannot create stricter rules or ease

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the restrictions anymore than what the Governor intended. Mayor Boyter stated a work session would be held the following week to discuss supporting local businesses and Council's wishes for reopening City facilities and summer programming. There was discussion on the following week's work session; waiting for clarification regarding the Governor's orders; what surrounding cities are doing as far as their facilities; rescinding the City's order or letting it expire; and the expiration date for the City's order.

No action was taken on this item.

12. Mayor/Council Member Reports

No reports were given.

a) Councilmember Fisher – Farewell remarks

Councilmember Fisher thanked Mayor Boyter for his friendship, guidance and leadership, wished him good luck, and advised him to lead without fear of threat from anybody and stand on his principles and how he wants to guide the City. He stated Councilmember Sartor is the most honest man he knows besides his own father, and appreciates his quiet and thoughtful deliberation, and his efforts for the citizens. He thanked City Attorney Stan Lowry for his legal guidance and honesty. He discussed his campaign ten years ago for a better, brighter Bedford for the type of community in which he wanted to raise his family, with the goals of being safe, clean, affordable and desirable. He stated those goals still hold today and he is proud of the community. He discussed the accomplishments of the Council over the previous ten years, including successful budgets; replacing underground infrastructure; new park amenities and equipment; replacement of roads, sidewalks, and streetlights; paying off debt for past road projects; upgrading the City's fleet of vehicles; an upgraded website; construction of the Library; Phase I of the Boys Ranch Park; the beginning of the Phase Next project; new and upgraded vehicles and equipment for the Police and Fire Departments; a secure exchange zone for online purchases; expanding FourthFest and BluesFest; new logo and tagline; the Master Highway Corridor Overlay District; the new Sign Ordinance; regulation of clothing donation containers; and the City's partnership with 6Stones. He thanked the following individuals: Tom Bresnahan; Debbie McDaniels; Dorothy McWhorter; his coworkers; his wife Shannon and children Brooks, Kingsley, and Preston; Karen Killian and Dr. Susan Read on the Animal Shelter Advisory Board; former City Managers Roger Gibson and Brian Bosshardt; interim City Manager Cliff Blackwell; City staff; and the former Council Members with whom he served. He discussed the lessons he learned over the ten years and the impact Ray Champney, Roy Savage, Barbara Richardson, and Ralph Chaney had on him. He further discussed the responsibility of serving the citizens and their interests and felt honored and satisfied in leaving a legacy for future generations and is proud and humble to do so on the citizens behalf. He stated he will be supporting those wishing to move the City forward.

Mayor Boyter thanked Councilmember Fisher and discussed the time commitment and challenges in serving on Council and the influence and creativity Councilmember Fisher brings to conversations. Councilmember Sartor discussed Councilmember Fisher's passion, his ability to see the big picture, his vision and leadership. He discussed him being a business owner but a husband and father first and advised him to take time for himself and his family. He stated Bedford is better because of Councilmember Fisher's service and wisdom. He thanked Councilmember Fisher for his service and stated it was an honor to serve with him and will miss him being on Council.

13. City Manager/Staff Reports

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No report was given.

14. Take any action necessary as a result of the Executive Session.

No action was necessary as a result of the Executive Session.

ADJOURNMENT

Mayor Boyter adjourned the meeting at 10:05 p.m.

Michael Boyter, Mayor

ATTEST:

Michael Wells, City Secretary



Council Agenda Background

PRESENTER: David Yancey, IT Manager

DATE: 05/12/20

Council Mission Area: Demonstrate excellent customer service in an efficient manner.

ITEM:

Consider a resolution authorizing the Interim City Manager to renew and upgrade the Office 365 email licenses to Microsoft Enterprise 365 user licenses, in the amount of \$146,236.64 per year for three years, through SHI Government Solutions, a cooperative contract vendor with the Texas Department of Information Resources (DIR).

City Attorney Review: N/A

SUMMARY:

This item is to renew and upgrade the existing contract with SHI Government Solutions to provide email and data protection services through the Microsoft Cloud environment. The current contract term for these services ends on June 30, 2020 and must be renewed by July 1, 2020.

BACKGROUND:

The current licensing structure provides the City with hosted email services only. This forces the City to subscribe to other third-party software subscription services to provide email and data protection services. Microsoft offers an Enterprise solution combining email services and data protection services into one complete package called Microsoft 365 (M365). M365 includes Office 365, Windows 10 Enterprise, and Enterprise Mobility and Security. M365, like Office 365, complies with all federal requirements for Criminal Justice Information Systems (CJIS).

The growing rate and sophistication of cyber security threats has made protecting the City's data more complicated than ever. Because of this growing concern, the City should now be following the recommended best practices in wireless networking, remote access, data encryption, and multi-factor authentication, all of which are CJIS requirements, to which the City is out of compliance.

This agreement renewal upgrades each user license to M365 through an Enterprise Agreement (EA), providing them with the full Microsoft Office Suite (Access, Excel, OneNote, PowerPoint, and Word), Email and Calendar, Microsoft Teams, SharePoint and OneDrive. The City will then be able to meet the requirement of protecting the user's email, the City's Data, providing the wireless networking protection, remote access protection, data encryption, multi-factor authentication, and mobile device management without the need for any additional hardware or software purchases. This renewal would reallocate existing budget amounts to cover the cost. The Information Technology (IT) budget currently has \$61,900 committed to subscription services, \$60,000 budgeted for contract personnel, and \$27,534.08 for the current Microsoft licenses. Together, those budget line items account for most of the annual cost of the new EA as proposed. When looking to the remaining two years of the agreement, without its approval, IT would need to request an additional \$151,000 for software reaching end of life that can be avoided with the EA.

The consequences of not funding this upgrade agreement will require the City to renew the current EA and purchase the additional services required for meeting best practices and CJIS compliance, thus eliminating any cost savings. During this three-year term, software renewals and the purchase of new software applications to meet CJIS requirements is estimated at \$551,647.64. The EA is projected to save \$114,937.22 over the term.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the Interim City Manager to renew and upgrade the Office 365 email licenses to Microsoft Enterprise 365 user licenses, in the amount of \$146,236.64 per year for three years, through SHI Government Solutions, a cooperative contract vendor with the Texas Department of Information Resources (DIR).

FISCAL IMPACT:

General Fund	\$127,225.88
Water and Sewer Fund	\$19,010.76
Total Amount	\$146,236.64

ATTACHMENTS:

Resolution
M365 EA Savings Spreadsheet
SHI Price Quote

RESOLUTION NO. 2020-

A RESOLUTION AUTHORIZING THE INTERIM CITY MANAGER TO PURCHASE MICROSOFT 365 USER LICENSES THROUGH SHI GOVERNMENT SOLUTIONS, A COOPERATIVE CONTRACT VENDOR WITH THE TEXAS DEPARTMENT OF INFORMATION RESOURCES (DIR).

WHEREAS, the current Microsoft 365 subscription expires on June 30, 2020 and requires the establishment of a Microsoft Enterprise Agreement; and,

WHEREAS, the City Council of Bedford, Texas desires to maintain storage and processing of City email on the Microsoft Cloud by purchasing annual licenses of Microsoft 365; and,

WHEREAS, the City Council of Bedford, Texas recognizes that SHI Government Solutions, a cooperative contract vendor with DIR, provides the best pricing for the licenses through an Enterprise Agreement.

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

SECTION 1. That the findings above are found to be true and correct, and are incorporated herein.

SECTION 2. That the City Council authorizes the Interim City Manager to purchase Microsoft 365 user licenses through SHI Government Solutions in the amount of \$146,236.64.

SECTION 3. That funding in the amount of \$127,225,88 shall come from the General Fund and \$19,010.76 shall come from the Water and Sewer Fund as determined by their percentage of users.

PRESENTED AND PASSED this 12th day of May 2020, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Michael Boyter, Mayor

ATTEST:

Michael Wells, City Secretary

Enterprise Agreement 46506266 (All M365 Licensing)					
Product / Plan Description	Microsoft PN	Quantity	Unit Per Year	Extended	Per Month
Microsoft 365	AAD-34704	407	\$ 353.64	\$ 143,931.48	\$ 29.47
Total Email Licensing Cost				\$ 143,931.48	
SQL Svr Std Core - SA MVL 2Lic CoreLic	7NQ-002892	4	\$ 576.29	\$ 2,305.16	
Total Cost of EA				\$ 146,236.64	

Recurring Charges - Subscriptions for Endpoint Security					
McAfee VirusScan Enterprise		501	\$ 9.28	\$ 4,650.00	
Malwarebytes Endpoint Protection		502	\$ 20.12	\$ 10,100.00	
Barracuda Email Security System		425	\$ 21.53	\$ 9,150.00	
Total Endpoint Security Subscriptions				\$ 23,900.00	

Recurring Charges - CJIS Required Software					
Multi Factor Authentication	(CJIS Requirement - New mandate)			\$ 28,000.00	
Mobile Device Management	(CJIS Requirement - New mandate)			\$ 10,000.00	
Patch Management Software	(CJIS Requirement - New mandate)			\$ 500.00	
Total CJIS Required Software				\$ 38,500.00	

Future Microsoft Office Suite Renewals					
Office 2013 Professional Plus (EOL Apr 2023)	Replace in Year 2	155	\$ 359.87	\$ 55,779.85	
Office 2016 Professional Plus (EOL Oct 2025)	Replace in Year 3	265	\$ 359.87	\$ 95,365.55	
Microsoft Office Renewal Total				\$ 151,145.40	

Other Cost Savings / Eliminations					
Current Office 365 Email License Renewals (per year/3 year renewal)				\$ 27,534.08	
Contract Personnel - Programming Services				\$ 30,000.00	
Contract Personnel - Public Safety IT Support				\$ 30,000.00	
Other Cost Savings Total				\$ 87,534.08	

Total Cost of Email (Data Protection included)					
Service / Product		Year 1	Year 2	Year 3	Term Total
Microsoft Enterprise Agreement for M365		\$ 146,236.64	\$ 146,236.64	\$ 146,236.64	\$ 438,709.92
Endpoint Security - Recurring Charges		\$ (14,750.00)			\$ (14,750.00)
Endpoint Security - CJIS Mandated Software		\$ (38,000.00)	\$ (38,000.00)	\$ (38,000.00)	\$ (114,000.00)
Contract Personnel		\$ (60,000.00)	\$ (60,000.00)	\$ (60,000.00)	\$ (180,000.00)
Office 365 Email License Renewals		\$ (27,534.08)	\$ (27,534.08)	\$ (27,534.08)	\$ (82,602.24)
Future Office 2013 Licensing (not needed)			\$ (55,779.85)		\$ (55,779.85)
Future Office 2016 Licensing (not needed)				\$ (95,365.55)	\$ (95,365.55)
Cost Savings - Discontinued Services		\$ (140,284.08)	\$ (181,313.93)	\$ (220,899.63)	\$ (542,497.64)
Net Increase / Savings thru Agreement Term		\$ 5,952.56	\$ (35,077.29)	\$ (74,662.99)	\$ (103,787.72)

Fiscal Impact	
General Fund (87 %)	\$ 127,225.88
Water and Sewer Fund (13 %)	\$ 19,010.76



Pricing Proposal
Quotation #: 18595155
Created On: 3/11/2020
Valid Until: 3/31/2020

City of Bedford

Senior Inside Account Manager

Billy Mason

2000 Forest Ridge Drive
Bedford, Texas 76040
UNITEDSTATES
Phone: (817) 952-2187
Fax:
Email: Billy.Mason@bedfordtx.gov

Jeff Rosen

1301 South Mo-Pac Expressway
Suite 375
Austin, TX 78746
Send PO to: Texas@shi.com
Phone: 800-870-6079 ext 8686150
Fax: (512)732-0232
Email: Jeff_Rosen@shi.com

All Prices are in US Dollar (USD)

Product	Qty	Your Price	Total
1 M365 E3 GCC Unified ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: AAD-34704 Contract Name: Microsoft Software VAR Contract #: DIR-TSO-4092 Coverage Term: 7/1/2020 – 6/30/2021	407	\$353.64	\$143,931.48
2 SQLSvrStdCore ALNG SA MVL 2Lic CoreLic Microsoft - Part#: 7NQ-00292 Contract Name: Microsoft Software VAR Contract #: DIR-TSO-4092 Coverage Term: 7/1/2020 – 6/30/2021	4	\$576.29	\$2,305.16
		Subtotal	\$146,236.64
		Shipping	\$0.00
		Total	\$146,236.64

Additional Comments

Service Level Agreements:

1. **Quotes:** Quote requests will be acknowledged within 4 business hours of each request. Under normal circumstances, quotes will be provided within 24-48 hours of the initial request. If quotes will take longer than this timeframe, status updates will be provided at reasonable intervals.
2. **Orders:** All valid orders will be processed within 24 hours.
3. **Contract Documents:** All submissions will be reviewed and responded to within 24 business hours. Actual processing time will vary based on quality and complexity of the submission.

Thank you for choosing SHI-GS! The pricing offered on this quote proposal is valid through the expiration date set above. To ensure the best level of service, please provide End User Name, Phone Number, Email Address and applicable Contract Number when submitting a Purchase Order. SHI Government Solutions, Inc. is 100% Minority Owned, Woman Owned Business. TAX ID# 22-3695478; DUNS# 14-724-3096



Council Agenda Background

PRESENTER: Brandi West, Assistant to the City Manager

DATE: 05/12/20

Council Mission Area: Be responsive to the needs of the community.

ITEM:

Consider a resolution of the City Council of Bedford, Texas authorizing the submission of a grant application to the FY20 Assistance to Firefighters Grant Program – COVID-19 Supplemental (AFG-S) administered by the Department of Homeland Security, Federal Emergency Management Agency’s Grant Programs Directorate.

City Attorney Review: N/A

SUMMARY:

Staff is requesting funds to respond to the COVID-19 public health emergency. Funds requested will supplement costs associated with COVID-19 including, but not limited to: personnel, overtime, personal protective equipment, masks, gloves. The request of \$209,951 includes reimbursement of actual expenses beginning February 2020 and planned expenses through January 2021.

BACKGROUND:

The Fire Department was recently made aware of a competitive grant through the Assistance to Firefighters Grant (AFG) Program administered by the Department of Homeland Security (DHS), Federal Emergency Management Agency’s Grant Programs Directorate. The AFG-S Program provides financial assistance directly to eligible fire departments, nonaffiliated emergency medical service organizations, and state fire training academies for critical personal protective equipment and supplies needed to prevent, prepare for, and respond to the COVID-19 public health emergency. The AFG-S Program represents part of a comprehensive set of measures authorized by Congress and implemented by DHS.

Should the grant be awarded, the City of Bedford will be required to contribute 10% of the total cost as a match.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution of the City Council of Bedford, Texas authorizing the submission of a grant application to the FY20 Assistance to Firefighters Grant Program – COVID-19 Supplemental (AFG-S) administered by the Department of Homeland Security, Federal Emergency Management Agency’s Grant Programs Directorate.

FISCAL IMPACT:

AFG Funds:	\$190,864.55
City of Bedford Share (10%):	\$19,086.45

ATTACHMENTS:

Resolution

RESOLUTION NO. 2020-

A RESOLUTION AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION TO THE FY20 ASSISTANCE TO FIREFIGHTERS GRANT PROGRAM – COVID-19 SUPPLEMENTAL (AFG-S) ADMINISTERED BY THE DEPARTMENT OF HOMELAND SECURITY, FEDERAL EMERGENCY MANAGEMENT AGENCY'S GRANT PROGRAMS DIRECTORATE.

WHEREAS, the Bedford Fire Department provides emergency services to the public including fire fighting, emergency medical services, hazardous materials response, swift water rescue and fire prevention necessary for the health, safety and well-being of the citizens of Bedford; and,

WHEREAS, the City Council of Bedford, Texas finds it is in the best interest of the citizens of Bedford to seek funding for the Fire Department through the Assistance to Firefighters Grant Program – COVID-19 Supplemental.

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

SECTION 1. That the findings above are found to be true and correct, and are incorporated herein.

SECTION 2. That the City Council of Bedford, Texas, authorizes the submission of the grant application to the Assistance to Firefighters Grant Program – COVID-19 Supplemental, Grant Programs Directorate, Federal Emergency Management Agency, Department of Homeland Security.

SECTION 3. That the City Council of Bedford, Texas acknowledges the Assistance to Firefighter Grant requires a 10% match of funds should the grant be awarded, which is \$19,086.45.

PRESENTED AND PASSED this 12th day of May 2020 by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Michael Boyter, Mayor

ATTEST:

Michael Wells, City Secretary



Council Agenda Background

PRESENTER: Michael Boyter, Mayor

DATE: 05/12/20

Council Recognition

ITEM:

Proclamation recognizing the week of May 10-16, 2020 as National Police Week and Friday, May 15, 2020, as Peace Officers Memorial Day.

City Attorney Review: N/A

DISCUSSION:

In 1962, President John F. Kennedy signed a proclamation designating May 15 as Peace Officers Memorial Day and the week in which that date falls as Police Week.

Tens of thousands of law enforcement officers from around the world converge in Washington, D.C., to participate in planned events to honor those that have paid the ultimate sacrifice.

The Memorial Service began in 1982 as a gathering in Senate Park of approximately 120 survivors and supporters of law enforcement. Decades later, the event, more commonly known as “National Police Week,” has grown to a series of events, which attracts thousands of survivors and law enforcement officers to our nation’s capital each year.

ATTACHMENTS:

Proclamation



CITY OF
BEDFORD

Proclamation

WHEREAS, the Congress and President of the United States have designated May 15th as Peace Officers' Memorial Day, and the week in which May 15th falls as National Police Week; and

WHEREAS, the members of the Bedford Police Department play an essential role in safeguarding the rights and freedoms of Bedford and provide a vital public service; and

WHEREAS, it is important that all citizens know and understand the duties, responsibilities, hazards, and sacrifices of law enforcement personnel, and that members of the Bedford Police Department recognize their duty to serve the people by safeguarding life and property, by protecting them against violence and disorder, and by protecting the innocent against deception and the weak against oppression.

NOW, THEREFORE, let it be known that I, Michael Boyter, Mayor of the City of Bedford, and the City Council call upon our citizens and all civic and educational organizations to observe the week of May 10-16, 2020, as:

National Police Week

with appropriate ceremonies and observances in which our people may join in commemorating law enforcement officers, past and present, who, by their faithful and loyal devotion to their responsibilities, have rendered a dedicated service to their communities, and in so doing, have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens. I further call upon all citizens of Bedford to observe Friday, May 15, 2020, as:

Peace Officers' Memorial Day

in honor of those law enforcement officers who, through their courageous deeds, have made the ultimate sacrifice in service to their community or have become disabled in the performance of duty, and let us recognize and pay respect to the survivors of our fallen heroes.

*In witness whereof, I have hereunto set my hand and caused
the seal of the City of Bedford to be affixed this 12th day of May 2020.*

Michael Boyter, Mayor





Council Agenda Background

PRESENTER: Michael Boyter, Mayor

DATE: 05/12/20

Council Recognition

ITEM:

Proclamation recognizing the week of May 17-23, 2020 as Emergency Medical Services Week in the City of Bedford.

City Attorney Review: N/A

DISCUSSION:

The week of May 17-23, 2020 is the 46th annual National Emergency Medical Services Week. In 1974, President Gerald Ford authorized EMS Week to celebrate EMS practitioners and the important work they do in our nation's communities. This practice continues to recognize the importance of Emergency Medical Services across the United States. This proclamation recognizes the importance of the Emergency Medical Services provided to the residents and visitors of the City of Bedford.

ATTACHMENTS:

Proclamation



CITY OF
BEDFORD

Proclamation

WHEREAS, Emergency Medical Services is a vital public service in the City of Bedford; and

WHEREAS, firefighter-paramedics of the Bedford Fire Department are ready to provide life saving care to those in need 24 hours a day, seven days a week; and

WHEREAS, access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury; and

WHEREAS, our emergency medical services system consists of firefighter-paramedics, physician medical director, EMS educators, EMS field training officers, administrators, 911 operators and first responders; and

WHEREAS, Bedford emergency personnel also care for the community by teaching citizens life saving skills and the actions to take before emergency response personnel arrive at the scene; and

WHEREAS, under the direction of medical director, Dr. Sharon Malone, the men and women of the Bedford Fire Department are highly dedicated and strive to provide the highest quality in lifesaving care for the citizens of Bedford.

NOW, THEREFORE, let it be known that I, Michael Boyter, Mayor of the City of Bedford, and the City Council do hereby proclaim the week of May 17-23, 2020, as:

Emergency Medical Services Week

With the theme, "Ready Today. Preparing for tomorrow."

In witness whereof, I have hereunto set my hand and caused the seal of the City of Bedford to be affixed this 12th day of May 2020.

Michael Boyter, Mayor





Council Agenda Background

PRESENTER: Michael Boyter, Mayor

DATE: 05/12/20

Council Recognition

ITEM:

Proclamation recognizing the week of May 17-23, 2020 as National Public Works Week.

DISCUSSION:

Since 1960, the American Public Works Association has sponsored “National Public Works Week Across North America.” Members in the United States and Canada use this week to energize and educate the public on the importance of public works to their daily lives by planning, building, managing and operating at the heart of local communities to improve everyday quality of life. This year’s Public Works Week theme is “The Rhythm of Public Works.”

ATTACHMENTS:

Proclamation



CITY OF
BEDFORD

Proclamation

WHEREAS, public works professionals focus on infrastructure, facilities and services that are of vital importance to sustainable and resilient communities and to the public health, high quality of life and well-being of the people of the City of Bedford; and,

WHEREAS, these infrastructure, facilities and services could not be provided without the dedicated efforts of public works professionals, who are engineers, managers and employees at all levels of government and the private sector, who are responsible for rebuilding, improving and protecting our nation's transportation, water distribution, wastewater collection and drainage systems essential for our citizens; and,

WHEREAS, it is in the public interest for the citizens, civic leaders and children in the City of Bedford to gain knowledge of and to maintain a progressive interest and understanding of the importance of public works and public works programs in their respective communities; and,

WHEREAS, the year 2020 marks the 60th annual National Public Works Week sponsored by the American Public Works Association.

NOW, THEREFORE, let it be known that I, Michael Boyter, Mayor of the City of Bedford, and the City Council do hereby proclaim May 17 – 23, 2020, as:

National Public Works Week

in the City of Bedford and I call upon all citizens and civic organizations to acquaint themselves with the issues involved in providing our public works and to recognize the substantial contributions which public works officials make every day for our health, safety, comfort and quality of life.

*In witness whereof, I have hereunto set my hand and caused the seal of the City of Bedford to be affixed this
12th day of May 2020.*

Michael Boyter, Mayor





Council Agenda Background

PRESENTER: Kenny Overstreet, Public Works Director
Patricia Cleveland, TRA Northern Regional Executive Manager **DATE:** 05/12/20

Council Mission Area: Protect the vitality of neighborhoods.

ITEM:

Consider an ordinance approving a resolution authorizing the issuance, sale, and delivery of Trinity River Authority of Texas (Tarrant County Water Project) improvement revenue bonds and approving and authorizing instruments and procedures relating thereto.

City Attorney Review: N/A

SUMMARY:

Since 1972, the City of Bedford has purchased water from the Trinity River Authority of Texas (Tarrant County Water Project). Staff requests City Council's consideration of an ordinance approving a resolution to issue revenue bonds, to obtain funds to pay for the acquisition and construction of improvements, betterments, extensions, and replacements of the Trinity River Authority of Texas Tarrant County Water Project and to pay costs of issuance of the Bonds. The resolution authorizes the issuance of revenue bonds, in one or more series, in the aggregate principal amount not to exceed \$13,130,000.

BACKGROUND:

The Trinity River Authority (TRA) and the City of Bedford entered into a 35-year contract for the City to purchase water from TRA. The original contract term extends, provided there remains outstanding debt; therefore, the contract remains in force even though 35 years have lapsed.

The Tarrant County Water Project (TCWSP) plans to issue revenue bonds in order to obtain funds to pay for the acquisition and construction of improvements, betterments, extensions, replacements of the TCWSP, and to pay costs of issuance of the Bonds. The City requests the TRA to proceed with such improvements. The resolution authorizes the issuance of revenue bonds, in one or more series, in the aggregate principal amount not to exceed \$13,130,000.

In accordance with the provisions of the contractual agreements with TRA, the City of Bedford must approve the issuance of debt by ordinance and is required to pay a proportional share of the debt service obligation. The payment of the debt service is handled by a "debt service" component built into the cost of the water purchased from TRA by all contracting parties.

The TRA is contractually obligated to provide drinking water to the cities of Bedford, Colleyville, Euless, Grapevine, and North Richland Hills. For TRA to continue to meet contract obligations to the City, improvements to the system must be made. These improvements are necessary to ensure water quality and plant performance to meet regulatory requirements for drinking water guidelines, reliability of systems, and safety and security needs. Without proper funding, these improvements would not be performed and the water service to the above-mentioned cities would be affected and the system safety and reliability would be impacted.

RECOMMENDATION:

Staff recommends the following motion:

Approval of an ordinance approving a resolution authorizing the issuance, sale and delivery of Trinity River Authority of Texas (Tarrant County Water Project) improvement revenue bonds and approving and authorizing instruments and procedures relating thereto.

FISCAL IMPACT:

N/A

ATTACHMENTS:

**Ordinance
Resolution
Presentation**

CERTIFICATE FOR AN ORDINANCE APPROVING A RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF TRINITY RIVER AUTHORITY OF TEXAS (TARRANT COUNTY WATER PROJECT) IMPROVEMENT REVENUE BONDS, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

THE STATE OF TEXAS
COUNTY OF TARRANT
CITY OF BEDFORD

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

1. The City Council of said City convened in a regular meeting on May 12, 2020 and the roll was called of the duly constituted officers and members of said City Council, to-wit:

Mayor: Michael Boyter
Place 1: Rusty Sartor
Place 2: Dan Cogan
Place 3/Mayor Pro Tem: Amy Sabol
Place 4: Tom Burnett
Place 5: Ruth Culver
Place 6: Rob Gagliardi

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

ORDINANCE APPROVING A RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF TRINITY RIVER AUTHORITY OF TEXAS (TARRANT COUNTY WATER PROJECT) IMPROVEMENT REVENUE BONDS, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

was duly introduced for the consideration of said City Council and duly read. It was then duly moved and seconded that said Ordinance be adopted; and, after due discussion, said motion, carrying with it the adoption of said Ordinance, prevailed and carried with all members present voting "AYE" except the following:

NAY: 0 ABSTAIN: 0

2. That a true, full, and correct copy of the aforesaid Ordinance passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that the above and foregoing paragraph is a true, full, and correct excerpt from said City Council's minutes of said Meeting pertaining to the passage of said Ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said City Council as indicated therein; and that each of the officers and members of said City Council was duly and sufficiently notified officially, in advance, of the time, place, and purpose of the aforesaid Meeting; and that said Meeting was open to the public, and public notice of the time, place, and purpose of said Meeting was given, all as required by Chapter 551, Texas Government Code.

ORDINANCE NO. 2020-

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

SIGNED AND SEALED ON MAY 12, 2020.

City Secretary

Mayor

(SEAL)

ORDINANCE APPROVING A RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF TRINITY RIVER AUTHORITY OF TEXAS (TARRANT COUNTY WATER PROJECT) IMPROVEMENT REVENUE BONDS, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

THE STATE OF TEXAS
COUNTY OF TARRANT
CITY OF BEDFORD

WHEREAS, it is necessary and advisable that the City of Bedford (the "City") approve a resolution adopted by the Board of Directors of Trinity River Authority of Texas authorizing the issuance, sale, and delivery of Trinity River Authority of Texas (Tarrant County Water Project) Improvement Revenue Bonds, and approving and authorizing instruments and procedures relating thereto hereinafter described.

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS:

Section 1. That a "RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF TRINITY RIVER AUTHORITY OF TEXAS (TARRANT COUNTY WATER PROJECT) IMPROVEMENT REVENUE BONDS, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO" (the "Bond Resolution") which was adopted by the Board of Directors of Trinity River Authority of Texas (the "Authority") on February 26, 2020, has been submitted to the City in the form attached hereto, and made a part hereof for all purposes. Said resolution is hereby approved by the City as to form and substance, and the bonds (the "Bonds") described therein may be issued by the Authority in accordance with the terms and provisions set forth therein and herein.

Section 2. That the principal amount and maturities of the Bonds, the interest rates for the Bonds, the purchaser of the Bonds, and other details and provisions for the Bonds, and the price to be paid for the Bonds, shall be determined by the General Manager of the Authority in accordance with the procedures and parameters set forth in the Bond Resolution in the manner determined by the Board of Directors of Authority; and all such matters and procedures are hereby approved by the City.

Section 3. That it is acknowledged and agreed by the City that the Bonds authorized pursuant to said Bond Resolution will be issued in strict conformance and compliance with the water supply contract dated as of January 21, 1972, executed between the Authority and the City, and amended as of January 22, 1975, and further amended as of December 11, 1979 (the "Contract"), relating to the project as defined in said Contract and described in said Bond Resolution, and that the City will be fully bound by the provisions of said Bond Resolution insofar as they pertain to the City, and the City will be unconditionally obligated to make the payments with respect to said Bonds as required by the Contract and said Bond Resolution.

Section 4. That, in accordance with the Contract, and as a prerequisite to the issuance of the Bonds, the City finds that a case of emergency exists which requires the City to request the Authority to issue the Bonds in order to obtain funds to acquire and construct improvements and extensions to the Tarrant County Water Project for the benefit of the City, and the City requests the Authority to proceed with such improvements.

Section 5. All ordinances and resolutions of the City in conflict or inconsistent with this Resolution are hereby repealed to the extent of such conflict or inconsistency.

ORDINANCE NO. 2020-

PRESENTED AND PASSED on the 12th day of May, 2020, by a vote of ___ ayes, ___ nays, ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

RESOLUTION NO. R-1539

RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF TRINITY RIVER AUTHORITY OF TEXAS (TARRANT COUNTY WATER PROJECT) IMPROVEMENT REVENUE BONDS, AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

THE STATE OF TEXAS
TRINITY RIVER AUTHORITY OF TEXAS

WHEREAS, water supply contracts, each dated as of January 21, 1972, and amended as of January 22, 1975, and as of December 5, 1979 (with respect to the City of Euless) and December 11, 1979 (with respect to the City of Bedford), have been duly executed between the Trinity River Authority of Texas (the "*Issuer*" or the "*Authority*") and the Cities of Bedford and Euless, Texas, respectively, and water supply contracts, each dated as of April 25, 1979, and amended as of December 5, 1979, and as of April 23, 1980, have been duly executed between the Authority and the Cities of Colleyville, Grapevine, and North Richland Hills, Texas, with all of the above named cities being hereinafter collectively called and defined as the "*Cities*", and with all of the above contracts, as amended, being hereinafter collectively called and defined as the "*Contracts*";

WHEREAS, the Contracts are hereby referred to and adopted by reference for all purposes, with the same effect as if they had been set forth in their entirety in this Resolution;

WHEREAS, the Contracts relate to the financing of the acquisition and construction of the Project, as defined therein, being water supply facilities to serve the Cities and others, as described in the engineering report entitled "*Report on Proposed Bedford-Euless Water System to Trinity River Authority of Texas*", dated July 1, 1971, and as such report has been amended and supplemented to provide expanded service (the "*Engineering Report*"), including the supplement thereto entitled "*Trinity River Authority of Texas Tarrant County Water Project Master Plan Modification to serve Bedford, Euless, Colleyville, Grapevine, and North Richland Hills*", dated October, 1976, prepared by Knowlton-English-Flowers, Inc. (the "*Consulting Engineers*"), and including all additional amendments and supplements thereto made thereafter;

WHEREAS, pursuant to the Contracts and appropriate bond resolutions, the Issuer issued and has outstanding the following series of bonds:

Trinity River Authority of Texas (Tarrant County Water Project) Improvement Revenue Bonds, Series 2013 (the "*Series 2013 Bonds*");

Trinity River Authority of Texas (Tarrant County Water Project) Revenue Refunding Bonds, Series 2015 (the "*Series 2015 Bonds*");

Trinity River Authority of Texas (Tarrant County Water Project) Refunding Revenue Bonds, Series 2016 (the "*Series 2016 Bonds*");

Trinity River Authority of Texas (Tarrant County Water Project) Improvement Revenue Bonds, Series 2017 (the "*Series 2017 Bonds*");

Trinity River Authority of Texas (Tarrant County Water Project) Improvement Revenue Bonds, Series 2018 (the "*Series 2018 Bonds*")

Trinity River Authority of Texas (Tarrant County Water Project) Improvement Revenue Bonds, Series 2019 (the "*Series 2019 Bonds*");

WHEREAS, the Series 2013 Bonds, the Series 2015 Bonds, the Series 2016 Bonds, the Series 2017 Bonds, the Series 2018 Bonds and the Series 2019 Bonds are collectively referred to herein as the "*Outstanding Bonds*";

WHEREAS, the Outstanding Bonds and any bonds issued on a parity therewith are secured by a first lien on and pledge of the Net Revenues under the Contracts and certain other revenues;

WHEREAS, the Issuer has determined to issue the bonds (the "*Bonds*") hereinafter authorized to obtain funds to acquire and construct improvements and extensions to the Tarrant County Water Project and to pay the costs of issuance of the Bonds;

WHEREAS, the Bonds shall be issued and delivered pursuant to Chapter 518, Acts of the 54th Legislature of the State of Texas, Regular Session, 1955, as amended (the "*Act*" creating the Authority), Chapter 1371, Texas Government Code, as amended, and other applicable laws.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TRINITY RIVER AUTHORITY OF TEXAS THAT:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE BONDS; DEFINITIONS.

(a) The Board of Directors hereby incorporates the recitals set forth in the preamble hereto as if set forth in full at this place and further finds and determines that said recitals are true and correct. In order to obtain funds to pay for the acquisition and construction of improvements, betterments, extensions and replacements of the Trinity River Authority of Texas Tarrant County Water Project and to pay the costs of issuance of the Bonds, the Board of Directors hereby authorizes and directs the issuance of revenue bonds of the Issuer, in one or more series, in the aggregate principal amount of not to exceed \$13,130,000.

(b) Definitions. In each place throughout this Resolution wherein the following terms, or any of them, are used, the same, unless the text shall indicate another or different meaning or intent, shall be construed and are intended to have meanings as follows:

(1) "*Act*" and "*Authority Act*" mean Chapter 518, Acts of the Fifty-Fourth Legislature of the State of Texas, Regular Session, 1955, as amended.

(2) "*Additional Bonds*" means the additional parity revenue bonds as defined and permitted in Sections 36 and 37 of this Resolution.

(3) "*Authority*" and "*Issuer*" mean Trinity River Authority of Texas and any other public body or agency at any time succeeding to the property and principal rights, power and obligations of said Authority.

(4) "*Board*" mean the Board of Directors of the Authority.

(5) "*Bonds*" means collectively the Bonds as described and defined herein, and all substitute bonds exchanged therefor, as well as all other substitute and replacement bonds, issued as provided in this Resolution.

(6) "*Certified Public Accountant*" means any certified public accountant, licensed public accountant or firm of such public accountants of suitable experience and qualifications not regularly in the employ of the Authority, selected by the Authority.

(7) "*Cities*" means the Cities of Bedford, Euless, Colleyville, Grapevine, and North Richland Hills, Texas.

(8) "*Code*" means the United States Internal Revenue Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto.

(9) "*Contracts*" means the contracts between the Authority and the Cities as described and defined in the preamble to this Resolution.

(10) "*Credit Facility*" shall mean a policy of municipal bond insurance, a surety bond or a letter or line of credit, or any other agreement, commitment or contract authorized by the Authority as a Credit Facility issued by a Credit Facility Provider in support of any Parity Bonds.

(11) "*Credit Facility Provider*" shall mean (i) with respect to any Credit Facility consisting of a policy of municipal bond insurance or a surety bond, an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations such as the Parity Bonds, provided that a Rating Agency having an outstanding rating on the Parity Bonds would rate the Parity Bonds fully insured by a standard policy issued by the issuer in its highest generic rating category for such obligations; and (ii) with respect to any other Credit Facility, any financial institution, provided that a Rating Agency having an outstanding rating on the Parity Bonds would rate the Parity Bonds in its two highest generic rating categories for such obligations if the Credit Facility proposed to be issued by such financial institution secured the timely payment of the entire principal amount of the series of Parity Bonds and the interest thereon.

(12) "*Depository*" means the bank or banks which the Authority selects (whether one or more), in accordance with law, as its depository.

(13) "*Eligible Investments*" shall mean those investments in which the Authority is authorized by law, including, but not limited to, the Public Funds Investment Act of 1987 (Chapter 2256, Texas Government Code), as amended, to purchase, sell and invest its funds and funds under its control; and provided further that Eligible Investments shall specifically include, with respect to the investment of proceeds of any Parity Bonds, guaranteed investment contracts fully collateralized by Government Obligations.

(14) "*Engineering Report*" means the Report dated July 1, 1971, and the supplements thereto with respect to the Authority's Tarrant County Water Project, all as described and defined in the preamble to this Resolution, as such Engineering Report may be further amended or supplemented prior to the execution of construction contracts and changed by change orders entered after construction contracts have been executed, or as such report may be amended or supplemented to provide expanded service in the future.

(15) "*Fiscal Year*" means the twelve month period beginning December 1 of each year, or such other twelve month period as may in the future be designated as the Fiscal Year of Authority.

(16) "*Government Obligations*" shall mean direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(17) "*Independent Consulting Engineer*" means the Engineer or engineering firm or corporation at the time employed by the Authority under the provisions of Section 31 of this Resolution.

(18) "*Net Revenues*" means all of the gross revenues or payments received by the Authority (i) from the Cities under the Contracts and (ii) from the parties, if any, with whom the Authority may contract in the future for supplying treated water from the System, after deducting therefrom the amounts paid to the Authority for the purpose of paying Operation and Maintenance Expenses, with the result that the Net Revenues shall consist of the amounts necessary to pay all principal and/or interest coming due on the Parity Bonds on each principal and/or interest payment date, and any amounts payable as described in Section 15.

(19) "*Operation and Maintenance Expenses*" means all costs of operation and maintenance of the System including, but not limited to, repairs and replacements for which no special fund is created in any bond resolution, the cost of utilities, supervision, engineering, accounting, auditing, legal services, and any other supplies, services, administrative costs and equipment necessary for proper operation and maintenance of the System, and payments made by Authority in satisfaction of judgments resulting from

claims not covered by Authority's insurance or not paid by one of the Cities arising in connection with the operation and maintenance of the System. The term also includes the fees of the bank or banks where the Parity Bonds are payable. Depreciation shall not be considered an item of Operation and Maintenance Expense.

(20) "*Outstanding Bonds*" shall have the meaning set forth in the preamble.

(21) "*Parity Bonds*" means collectively the Outstanding Bonds, the Bonds and bonds hereafter issued on a parity therewith.

(22) "*Paying Agents*" means collectively the banks where the principal of and interest on the Parity Bonds are payable.

(23) "*Pricing Certificate*" means a certificate of the General Manager or the Chief Financial Officer setting forth the terms of sale of the Bonds including the method of sale, principal amount, maturity dates, interest payment dates, dated date, interest rates, yields, redemption provisions and other matters related to the sale of the Bonds.

(24) "*Rating Agency*" shall mean any nationally recognized securities rating agency which has assigned a rating to the Parity Bonds.

(25) "*Required Amount*" shall mean the amount so designated in Section 10 of this Resolution.

(26) "*Reserve Fund*" shall mean the Fund so designated in Section 10 of this Resolution.

(27) "*Reserve Fund Obligations*" shall mean cash, Eligible Investments, any Credit Facility, or any combination of the foregoing.

(28) "*Resolution*" means this Resolution authorizing the Bonds.

(29) "*System*" means all of Authority's facilities constructed pursuant to the Engineering Report, as supplemented or amended.

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, MATURITIES AND SALE OF BONDS.

(a) Each Bond issued pursuant to this Resolution shall, subject to paragraph (b) of this section, be designated: "TRINITY RIVER AUTHORITY OF TEXAS (TARRANT COUNTY WATER PROJECT) IMPROVEMENT REVENUE BOND, SERIES 2020." Except as specified in the Pricing Certificate, initially there shall be issued, sold and delivered hereunder fully registered Bonds, without interest coupons, dated the Dated Date, in denomination of any integral \$5,000 in principal amount, with the Bonds being numbered consecutively R-1 upward, except that the initial Bond shall be numbered T-1 and be in the aggregate principal amount of the Bonds, with Bonds issued in replacement thereof being in the respective Principal Amounts

and Maturity Amounts as specified in the Pricing Certificate, payable to the respective Registered Owner thereof (with the initial Bonds being made payable to the Purchaser), or to the registered assignee or assignees of said Bonds.

(b) As authorized by Chapter 1371, Texas Government Code, as amended, the General Manager and the Chief Financial Officer of the Issuer are each hereby designated as the "*Authorized Officer*" of the Issuer, and is hereby authorized, appointed, and designated as the officer or employee of the Issuer authorized to act on behalf of the Issuer in the selling and delivering of the Bonds and carrying out the other procedures specified in this Resolution, including the use of a book-entry-only system with respect to the Bonds and the execution of an appropriate letter of representations if deemed appropriate, the determining and fixing of the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the aggregate principal amount of the Bonds and the amount of each maturity of principal thereof, the due date of each such maturity (not exceeding forty years from the date of the Bonds), the rate of interest to be borne by each such maturity, the interest payment dates and periods, the dates, price and terms upon and at which the Bonds shall be subject to redemption prior to due date or maturity at the option of the Issuer, any mandatory sinking fund redemption provisions, procuring municipal bond insurance, including the execution of any commitment agreements, membership agreements in mutual insurance companies, and other similar agreements, and approving modifications to this Resolution and executing such instruments, documents and agreements as may be necessary with respect thereto, if it is determined that such insurance would be financially desirable and advantageous, modifying the securities that are eligible as Defeasance Securities, and all other matters relating to the issuance, sale and delivery of the Bonds. The Authorized Officer, acting for and on behalf of the Issuer, is authorized to arrange for the Bonds to be sold at a private placement, negotiated or competitive sale, at such price, in the aggregate principal amount not exceeding the maximum amount set forth in Section 1 hereof, with such maturities of principal, with such interest rates, and with such optional and mandatory sinking fund redemption provisions, if any, and other matters, as shall be set forth in a certification by the Authorized Officer. The Bonds shall not be sold at a price less than 95% of the initial aggregate principal amount thereof plus accrued interest thereon from their date to their delivery and no Bond shall bear interest at a rate greater than 10% per annum. The Authorized Officer shall determine if the provisions of Rule 15c2-12 of the United States Securities and Exchange Commission are required to be complied with and, if required, the information to be provided by the Issuer. It is further provided, however, that, notwithstanding the foregoing provisions, the Bonds shall not be delivered unless, prior to their delivery, the Bonds have been rated by a nationally recognized rating agency for municipal long term obligations, as required by said Chapter 1371, Texas Government Code, as amended.

(c) Sale Parameters. In establishing the aggregate principal amount of the Bonds, the Authorized Officer shall establish an amount within the amount authorized in Section 1 hereof, which amount shall be sufficient to provide for (i) the funding of the Reserve Fund, if any, as hereinafter required or permitted, as deemed appropriate, (ii) the payment of the costs of issuance of the Bonds and (iii) the funding of the costs of acquisition and construction of improvements, betterments, extensions and replacements of the Trinity River Authority of Texas Tarrant County Water Project (with a maximum principal amount of Bonds of \$13,130,000).

(d) If the Authorized Officer determines that the Bonds should be sold by private placement, the Authorized Officer shall select the purchaser which, after due consideration and investigation, is willing to buy the Bonds on the most advantageous terms to the Issuer as determined by the Authorized Officer.

(e) If the Authorized Officer determines that the Bonds should be sold by a negotiated sale, the Authorized Officer shall designate the senior managing underwriter for the Bonds and such additional investment banking firms as deemed appropriate to assure that the Bonds are sold on the most advantageous terms to the Issuer. The Authorized Officer, acting for and on behalf of the Issuer, is authorized to enter into and carry out the terms of a bond purchase contract for the Bonds to be sold by negotiated sale, with the underwriter(s) thereof at such price, with and subject to such terms as determined by the Authorized Officer subject to the parameters set forth in this Resolution. The Authorized Officer shall cause to be prepared an official statement in such manner as the Authorized Officer deems appropriate.

(f) If the Authorized Officer determines that the Bonds should be sold at a competitive sale, the Authorized Officer shall cause to be prepared a notice of sale and official statement in such manner as the Authorized Officer deems appropriate, to make the notice of sale and official statement available to those institutions and firms wishing to submit a bid for the Bonds, to receive such bids, and to award the sale of the Bonds to the bidder submitting the best bid in accordance with the provisions of the notice of sale.

(g) The authority of the Authorized Officer to sell the Bonds as described in Section 2 of this Resolution shall expire on the one-year anniversary date of the adoption of this Resolution by the Board.

Section 3. CHARACTERISTICS OF THE BONDS.

(a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the principal corporate trust office of The Bank of New York Mellon Trust Company, National Association, Dallas, Texas, or other entity designated in the Pricing Certificate (the "*Paying Agent/Registrar*") books or records for the registration of the transfer, conversion and exchange of the Bonds (the "*Registration Books*"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other

entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Resolution. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

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

(b) Payment of Bonds and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Resolution. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Resolution. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "*Special Record Date*") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may or shall be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 50 days prior to any such redemption date), (iii) transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered

and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Resolution. The Bonds initially issued and delivered pursuant to this Resolution are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Resolution the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF BOND.

(d) Substitute Paying Agent/Registrar. The Issuer covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

(e) Notice of Redemption.

(i) In addition to the notice of redemption set forth in the FORM OF BOND, the Paying Agent/Registrar shall give notice of redemption of the Bonds by first class mail, postage prepaid at least thirty (30) days prior to a redemption date to each registered securities depository and to any national information service that disseminates redemption notices. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the registered securities depositories or such national information services shall be sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the Registered Owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

(ii) Each notice of redemption given by the Paying Agent/Registrar, whether required in the FORM OF BOND or in this Section, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the Series, the date of issue, the interest rate, the maturity date, the CUSIP number, the certificate numbers, the amounts called of each certificate, the publications and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bonds may be redeemed, including a contact person and telephone number.

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

Section 4. BOOK-ENTRY ONLY SYSTEM.

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

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

principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Resolution. 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 Resolution with respect to interest checks being mailed to the registered owner at the close of business on the Record date, the words "*Cede & Co.*" in this Resolution shall refer to such new nominee of DTC.

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

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

Section 5. FORM OF BONDS. The form of the Bonds, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Bonds initially issued and delivered pursuant to this Resolution, shall be, substantially in the form provided in Exhibit A, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution. The Form of Bond as it appears in Exhibit A shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate but it is not required for the Form of Bond to be reproduced as an exhibit to the Pricing Certificate.

Section 6. BONDS AND SECURITY THEREFOR. The Parity Bonds are and shall be secured by and payable from a first lien on and pledge of the Net Revenues, as hereinafter defined, and the funds and accounts hereinafter confirmed or created in this Resolution; and the Net Revenues are further pledged to the establishment and maintenance of said funds and accounts as hereinafter provided. The Parity Bonds are and will be secured by and payable only

from the Net Revenues, and are not secured by or payable from a mortgage or deed of trust on any properties, whether real, personal, or mixed, constituting the System.

Section 7. REVENUE FUND. All revenues of the System received by the Authority, including the net proceeds to the Authority of the Contracts with the Cities shall be collected and paid over promptly upon collection to the Depository and the Authority hereby covenants and agrees so to do. Such revenues shall be held by the Depository in a special fund known as the "*Trinity River Authority of Texas (Tarrant County Water Project) Revenue Bonds Revenue Fund*" (hereinafter called the "*Revenue Fund*"), and shall be disbursed or applied for the purpose of paying Operation and Maintenance Expenses of the System, and for the making of transfers hereinafter required and in the order listed.

Section 8. OPERATION AND MAINTENANCE EXPENSES.

(a) The term "*Operation and Maintenance Expenses*" shall mean all costs of operation and maintenance of the System including, but not limited to, repairs and replacements for which no special fund is created in any bond resolution, the cost of utilities, supervision, engineering, accounting, auditing, legal services, and any other supplies, services, administrative costs and equipment necessary for proper operation and maintenance of the System, and payments made by Authority in satisfaction of judgments resulting from claims not covered by Authority's insurance or not paid by one of the Cities arising in connection with the operation and maintenance of the System. The term also includes the fees of the bank or banks where the Parity Bonds are payable. Depreciation shall not be considered an item of Operation and Maintenance Expense.

(b) Except for other transfers herein required, the moneys in the Revenue Fund shall be subject to withdrawal by the Authority for the payment of Operation and Maintenance Expenses only upon checks and vouchers or other method of transfer, stating the purpose of the payment (which shall be in accordance with the current Annual Budget of the Authority) signed by the President of the Authority or by its Treasurer, or signed by such officers or employees of the Authority as may from time to time be designated by resolution of the Board. At the end of each Authority Fiscal Year any surplus funds remaining in the Revenue Fund shall be transferred to the Interest and Sinking Fund.

Section 9. INTEREST AND SINKING FUND.

(a) For the sole purpose of paying the principal of and interest on the Parity Bonds, and any Additional Bonds, as the same come due, there has been created and established, and there shall be maintained at a Depository, a separate fund entitled the "*Trinity River Authority of Texas (Tarrant County Water Project) Revenue Bonds Interest and Sinking Fund*" (hereinafter called the "*Interest and Sinking Fund*").

(b) The Issuer shall, immediately after the delivery of the Bonds, deposit into the Interest and Sinking Fund, from the proceeds of sale of the Bonds, all accrued interest received upon sale of the Bonds, plus an amount sufficient to pay the interest coming due on the Bonds

during construction, as required and determined by the Authorized Officer, if any. Said deposit shall be held and applied solely to pay interest on the Bonds as it becomes due and payable.

(c) It shall be the duty of the Authority to transfer from Net Revenues in the Revenue Fund to the credit of the Interest and Sinking Fund the amounts and at times as follows:

(1) such amounts, in equal monthly installments, made on or before the 15th day of each month hereafter, as will be sufficient, together with any other amounts on deposit therein and available for such purpose, to pay the interest scheduled to come due on all Parity Bonds and any Additional Bonds on the next interest payment date; and

(2) such amounts, in equal monthly installments, made on or before the 15th day of each month hereafter, as will be sufficient, together with any other amounts on deposit therein and available for such purpose, to pay the principal of all Parity Bonds and any Additional Bonds coming due and maturing or required to be redeemed on the next interest payment date.

(d) The Authority shall make such arrangements as are necessary to insure that sufficient funds from the Interest and Sinking Fund are available at each Paying Agent to pay the principal of and interest on all Parity Bonds and Additional Bonds when due.

Section 10. RESERVE FUND.

(a) There is hereby confirmed and there shall be maintained on the books of the Authority a special Fund entitled the "*Trinity River Authority of Texas Tarrant County Water Project New Reserve Fund*" (the "*Reserve Fund*"), within which there may be established separate accounts to be held for the benefit of specific issues of Parity Bonds and not for the benefit of all Parity Bonds. Except for Additional Bonds that are not secured by the Reserve Fund, the Reserve Fund shall be used only for (i) paying principal of or interest on the Bonds, Parity Bonds or Additional Bonds when there is not sufficient money available in the Interest and Redemption Fund for such payments, and (ii) to finally to pay, redeem or retire the last of the outstanding Bonds, Parity Bonds or Additional Bonds. There shall be deposited into the Reserve Fund any Reserve Fund Obligations so designated by the Authority. Reserve Fund Obligations in the Reserve Fund shall be deposited and maintained in a Depository. Reserve Fund Obligations in the Reserve Fund shall be used solely for the purpose of retiring the last of any Parity Bonds for which the Reserve Fund, or an account within the Reserve Fund, is held as they become due or paying principal of and interest on any such Parity Bonds when and to the extent the amounts in the Interest and Sinking Fund are insufficient for such purpose. Any specific Reserve Fund account shall be maintained in an amount equal to the average annual principal and interest requirements of the specific Parity Bonds to which it relates (the "*Required Amount*").

(b) The Authority may, at its option, withdraw and transfer to the Revenue Fund, all surplus in the Reserve Fund over the Required Amount. The foregoing notwithstanding, with respect to the issuance of the Bonds, the Authorized Officer may direct the transfer of any surplus in the Reserve Fund to be deposited into the Construction and Acquisition Fund.

(c) The Authority may replace or substitute a Credit Facility for cash or Eligible Investments on deposit in the Reserve Fund or in substitution for or replacement of any existing Credit Facility. Upon such replacement or substitution, cash or Eligible Investments on deposit in the Reserve Fund which, taken together with the face amount of any existing Credit Facilities, are in excess of the Required Amount may be withdrawn by the Authority, at its option, and transferred to the Revenue Fund; provided that the face amount of any Credit Facility may be reduced at the option of the Authority in lieu of such transfer.

(d) If the Authority is required to make a withdrawal from the Reserve Fund for any of the purposes described in subsection (a), the Authority shall promptly notify any applicable Credit Facility Provider of the necessity for a withdrawal from the Reserve Fund for any such purposes, and shall make such withdrawal first from available moneys or Eligible Investments then on deposit in the Reserve Fund, and next from a drawing under any Credit Facility to the extent of such deficiency.

(e) In the event of a deficiency in the Reserve Fund, or in the event that on the date of termination or expiration of any Credit Facility there is not on deposit in the Reserve Fund sufficient Reserve Fund Obligations, all in an aggregate amount at least equal to the Required Amount, then the Authority shall satisfy the Required Amount by depositing Reserve Fund Obligations into the Reserve Fund in monthly installments of not less than 1/60 of the Required Amount made on or before the 15th day of each month following such termination or expiration.

(f) In the event of the redemption or defeasance of any Parity Bonds, any Reserve Fund Obligations on deposit in the Reserve Fund in excess of the Required Amount may be withdrawn and transferred, at the option of the Authority, to the Revenue Fund, as a result of (i) the redemption of any Parity Bonds or (ii) funds for the payment of any Parity Bonds having been deposited irrevocably with the paying agent or place of payment therefor in the manner described in any resolution authorizing the issuance of Parity Bonds, the result of such deposit being that such Parity Bonds no longer are deemed to be Outstanding under the terms of any such resolution.

(g) In the event there is a draw upon the Credit Facility, the Authority shall reimburse the Credit Facility Provider for such draw, in accordance with the terms of any agreement pursuant to which the Credit Facility is issued, from Net Revenues, however, such reimbursement from Net Revenues shall be subordinate and junior in right of payment to the payment of principal of and premium, if any, and interest on the Parity Bonds.

(h) Upon the issuance of Additional Bonds the monies in the Reserve Fund shall, to the extent necessary, be increased to the newly-established Required Amount. If any series of Additional Bonds is issued and not secured by the Reserve Fund, the debt service on such series shall not be taken into account when calculating the Required Amount.

Section 11. CONSTRUCTION AND ACQUISITION FUND. There has been created and there shall be established and maintained at the Depository a separate fund to be entitled the "*Trinity River Authority of Texas (Tarrant County Water Project) Revenue Bonds Construction*

and Acquisition Fund" (hereinafter called the "*Construction and Acquisition Fund*"). The net proceeds (after paying costs of issuance and making other required deposits) from the sale of all "*Improvement Bonds*" in the future shall be deposited in the Construction and Acquisition Fund and such Fund shall be subject to and charged with a lien in favor of the holders of all such "*Improvement Bonds*" until the money in said Fund has been paid out as herein provided. Interest earnings derived from investment of the Construction and Acquisition Fund shall become part thereof for all purposes; provided, however, that any such earnings required to be rebated to the United States shall not be considered as interest earnings for the purposes of this Resolution. The Depository shall be required to secure the Construction and Acquisition Fund in its possession by pledging obligations of or obligations unconditionally guaranteed by the United States; such obligations at all times shall be at least equal in market value to the amount in the Construction and Acquisition Fund in its possession.

Section 12. DISBURSEMENTS FROM CONSTRUCTION AND ACQUISITION FUND.

(a) Money in the Construction and Acquisition Fund shall be subject to disbursement by the Authority for payment of Project Costs to be incurred in the acquisition and construction of any project for which "*Improvement Bonds*" are issued. Such disbursements shall be made only upon checks stating the purpose of the payment signed and countersigned by such officers of the Authority as may from time to time be designated by the Authority by resolution, and duly certified to the Depository. Disbursements for payments to construction contractors and disbursements for construction material, supplies, and equipment shall be approved by a registered professional engineer.

(b) "*Project Costs*" as used herein includes all acquisition costs and construction costs as those terms are generally understood in standard accounting practice as applied to projects of this nature, and without limiting the generality of the foregoing, it shall include purchase of equipment, property, rights in property, capitalized interest, costs of land, easements, and rights of way, including damages to land and property, engineering, financing, financial consultants, administrative, auditing, and legal expenses incurred in connection with the performance of the Contracts. The costs for engineering, financial consultants, administrative, and legal expense paid from bond proceeds incurred by the Authority shall be reasonable and at usual and customary rates. Damages to land and property, whenever accruing, adjusted under Article I, Section 17 of the Constitution of Texas shall constitute a part of Project Costs. After completion of any Project improvements, any residue remaining in the Construction and Acquisition Fund shall be deposited in the Interest and Sinking Fund.

Section 13. TRUST FUNDS. The Interest and Sinking Fund and the Reserve Fund shall constitute trust funds and shall be held in trust by a Depository for the benefit of the holders of the Parity Bonds and Additional Bonds permitted hereunder.

Section 14. SECURITY OF FUNDS. The Authority shall cause the Depository to secure and keep secured, in the manner required by law, all funds on deposit with it, and will cause each paying agent to secure all funds deposited with it or them as other trust funds are

secured. The Authority covenants and agrees that no money will be allowed to be or remain deposited with the Depository unless secured as above provided.

Section 15. PLEDGE. (a) The Contracts provide for the payment by the Cities to the Authority (a) an amount equal to all Operation and Maintenance Expenses, (b) the amount necessary to pay all the principal of and the interest coming due on "*Bonds*" (as defined in the Contracts) on each principal and/or interest payment date, (c) during each Fiscal Year, the proportionate part of any special or reserve funds required to be established and/or maintained by the provisions of any "*Bond Resolutions*", and (d) an amount in addition thereto sufficient to restore any deficiency in any of such funds or accounts required to be accumulated and maintained by the provisions of any "*Bond Resolutions*."

(b) The term "*Net Revenues*" as used in this Resolution shall mean and be defined as all of the gross revenues or payments received by the Authority (i) from the Cities under the Contracts and (ii) from the parties, if any, with whom the Authority may contract in the future for supplying treated water from the System, after deducting therefrom the amounts paid to the Authority for the purpose of paying Operation and Maintenance Expenses, with the result that the Net Revenues shall consist of the amounts necessary to pay all principal and/or interest coming due on the Parity Bonds on each principal and/or interest payment date, and any amounts payable under (c) and (d) above. The Parity Bonds and the interest thereon are and shall be payable from and secured by a first lien on and pledge of said Net Revenues, and said Net Revenues are hereby pledged for such purpose and to the establishment and maintenance of the Interest and Sinking Fund and the Reserve Fund.

Section 16. INVESTMENT OF FUNDS. The money in all Funds maintained hereunder shall be invested and reinvested in Eligible Securities which mature in not more than fifteen (15) years from the date of their purchase. The foregoing notwithstanding, the Reserve Fund and Construction and Acquisition Fund may be invested as described in Sections 10 and 11, respectively. All income and profits from the investment of all funds hereunder shall be deposited in the Interest and Sinking Fund not later than the January 15 or July 15 next following the receipt thereof.

Section 17. PREPARATION OF BUDGET. Not less than forty (40) days before the commencement of each Fiscal Year while any of the Parity Bonds are outstanding and unpaid, the Authority will prepare and file with the Cities the annual budget (herein called "*Annual Budget*") of Operation and Maintenance Expenses for the ensuing Fiscal Year, and, except as otherwise provided, the total expenditures in any division thereof will not exceed the total expenditures in the corresponding division in the Annual Budget. The Authority covenants that the current Operation and Maintenance Expenses incurred in any Fiscal Year will not exceed the reasonable and necessary amount of such expenses, and that it will not expend any amount or incur any obligation for maintenance, repair, and operation in excess of the amounts provided for current Operation and Maintenance Expenses in the Annual Budget; provided, however, that if at any time the Board shall determine that the amount of the appropriation for any item in the Annual Budget is in excess of the amount which will be required for such term, the Board may reduce such appropriation and make appropriation for any item or items not covered by the Annual Budget or increase the appropriation for any other item or items by an amount not

exceeding the amount of such reduction; and provided further, that the Board may at any time adopt an amended or supplemental budget for the remainder of the then current Fiscal Year in case of an emergency caused by some extraordinary occurrence which shall be clearly defined in such resolution. Any such supplemental budget shall be filed immediately with the Cities.

Section 18. ACCOUNTING AND REPORTING. The Authority covenants that proper books of record and account will be kept in which true, full, and correct entries will be made of all income, expense, and transactions of and in relation to the System, and each and every part thereof. Within six months after each full Fiscal Year, a statement certified as correct by a Certified Public Accountant showing the Gross Revenues and the Operation and Maintenance Expenses for such Fiscal Year, shall be furnished to the Cities, and to the original purchasers of the Bonds. Each such audit will be available during regular office hours at the administration offices of the Authority for inspection by any holder of any of the Bonds.

Section 19. PUBLIC INSPECTION. The Authority further covenants and agrees that the System, and each and every part thereof, and all books, records, accounts, documents, and vouchers relating to the construction, operation, maintenance, repair, improvement, and extension thereof, will at all times be open to inspection by the Cities.

Section 20. PAYMENT OF PARITY BONDS AND INTEREST THEREON. The Authority covenants and agrees that, out of the pledged Net Revenues, it will duly and punctually pay, or cause to be paid, the principal of every Parity Bond and the interest thereon, on the date and at the place and in the manner specified in the Parity Bonds, and that it will faithfully do and perform and at all times fully observe any and all covenants, undertakings, and provisions contained herein or in any Parity Bond.

Section 21. LEGAL ABILITY. The Authority represents that it is a conservation and reclamation district, a political subdivision of the State of Texas, and a governmental agency and body politic and corporate, duly created, organized, and existing under the Constitution and laws of the State of Texas and has proper authority from all other public bodies and authorities, if any, having jurisdiction thereof to construct, acquire, operate, maintain, improve, extend, better, repair, renew, and replace the System as herein described, and to levy and collect rates, tolls, rents, fees, and other charges, and to pledge its revenues in the manner and form as herein done or intended, and that all corporate action on its part to that end has been duly and validly taken. The Authority covenants and agrees that it will at all times maintain its corporate existence and maintain a lawful Board of Directors, and at all times function and act in the best interest of the System and the owners and holders of the Parity Bonds.

Section 22. CONSTRUCTION AND OPERATION. The Authority further covenants that it will forthwith proceed to acquire and construct the improvements, betterments, extensions, and replacements to the System for which the Bonds are being issued as soon as practicable in accordance with plans and specifications which have been prepared by the Independent Consulting Engineer, and thereafter each and every part of the System will be continuously operated by the Authority in an efficient and economical manner and will be kept in thorough repair and maintained in a high state of operating efficiency and in such manner that the interest

of the Cities, the people of the State of Texas, the bondholders or owners, and the Authority will be promoted.

Section 23. OPERATION OF THE SYSTEM. The Authority shall use its best efforts to see that the System is properly and efficiently operated.

Section 24. CONTRACTORS. Authority shall require each person, firm, or corporation with whom (or which) it may contract for construction in connection with the System to furnish a performance bond in the full amount of any contract and a payment bond as required by law, and to carry such workmen's compensation or employers' liability insurance as may be required by law and such public liability, property damage, and builders' risk insurance, if any, as may be appropriate and necessary. The Authority further covenants and agrees that the proceeds of any such performance bond will forthwith, upon receipt of such proceeds, be applied toward the completion of the contract in connection with which such performance bond shall have been furnished.

Section 25. COVENANT TO MAINTAIN SUFFICIENT INCOME. To the end that Authority income will be sufficient to pay the Parity Bonds and the interest thereon when due, the Authority will keep in effect and enforce the Contracts, and will cause the System to be operated and maintained at an annual cost that will be within its income other than the income required to pay the Parity Bonds and the interest thereon and the fees of each paying agent and Paying Agent/Registrar. The Authority will not voluntarily consent to any amendment to the Contracts which would reduce the amounts payable thereunder or extend the time of the payment of such amounts or which would in any manner impair or adversely affect the rights of the holders or owners of the Parity Bonds from time to time. If any of the Cities fails to make payments as required by the Contracts and if it shall appear that enforcement of the Contracts has become ineffective or will be ineffective to the extent that a default in payment of principal or interest on the Parity Bonds occurs or is threatened, the Authority will take all necessary action to preserve and protect the rights of the holders or owners of the Parity Bonds and to assure payment of the principal thereof and the interest thereon.

Section 26. NO OTHER LIENS. The Authority further covenants that there is not now outstanding, except as regards any Parity Bonds, and that the Authority will not at any time while the Parity Bonds are outstanding, create or allow to accrue or to exist any lien upon the System, or any rights owned, or the revenues pledged herein to the payment of the principal of and interest on the Parity Bonds, at any time derived from the operation thereof, or any of its Funds, except as authorized by Sections 36 and 37 of this Resolution in connection with Additional Bonds and other bonds; that the security of the Parity Bonds will not be impaired in any way as a result of any action or any non-action on the part of the Authority, its Board of Directors, or officers, or any thereof, and that the Authority has, and will, subject to the provisions hereof, continuously preserve good and indefeasible title to the System and each and every part thereof.

Section 27. KEEP FRANCHISES AND PERMITS IN EFFECT. The Authority further covenants that no franchises, permits, privileges, or easements will be allowed to lapse or be forfeited so long as the same shall be necessary for the proper operation of the System.

Section 28. GOVERNMENTAL REQUIREMENTS; LIENS; CLAIMS. The Authority covenants that it will duly observe and comply with all valid requirements of any governmental authority relative to the System or any part thereof, and that it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, all lawful claims and demands for labor, materials, supplies, or other objects which if unpaid, might by law become a lien upon such System or any part thereof or the revenue therefrom; provided, however, that nothing in this Section contained shall require the Authority to pay or cause to be discharged, or make provision for, any such lien or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

Section 29. FURTHER ASSURANCE. The Authority covenants that it will take such further action as may be required to carry out the purposes of this Resolution and to assure its validity.

Section 30. SALE AND LEASE OF PROPERTY.

(a) The Authority covenants that so long as any of the Parity Bonds or interest payable thereon shall be outstanding, and except as in this Section otherwise permitted, it will not sell, lease, or otherwise dispose of or encumber any part of the System except as provided herein.

(b) The Authority may from time to time dispose of any rights, machinery, fixtures, apparatus, tolls, instruments, or other movable property and any materials used in connection therewith, if the Authority shall determine that such are no longer needed or are no longer useful in connection with the operation and maintenance of the System. The Authority may from time to time sell such real estate that is not needed or serves no useful purposes in connection with the maintenance and operation of the System. The proceeds of any sale of real or personal property acquired from the proceeds of the Parity Bonds shall be deposited in the Revenue Fund.

(c) The Authority may lease any of its lands for any purpose, if such lease or the use of such lands will not be detrimental to the operation and maintenance of the System. It may also lease any of its real property for oil, gas, and mineral purposes. No lease shall be made which will result in any damage to or substantial diminution of the value of other property of the Authority. The rental to be charged under all such leases shall be not less than the fair and reasonable rental in relation to the character and value of the property leased. All rentals, revenues, receipts, and royalties derived by the Authority from any and all leases so made, shall be deposited in the Revenue Fund.

(d) It is covenanted and agreed by Authority that no such property of any nature shall be sold or leased by Authority unless, prior to any action taken by Authority concerning such sale or leasing, Authority shall procure the advice and recommendation in writing of a registered professional engineer concerning such proposed sale or leasing.

Section 31. INDEPENDENT ENGINEER.

(a) The Authority covenants that, until the Parity Bonds and the interest thereon shall have been paid or provision for such payment shall have been made, it will, for the purpose of

performing and carrying out the duties imposed on the Independent Consulting Engineer by this Resolution, employ an independent engineer or engineering firm or corporation having a favorable repute for skill and experience in such work.

(b) The Authority covenants that it will at all appropriate times cause the Independent Consulting Engineer to submit and give all necessary or desirable advice and recommendations concerning renewals, replacements, extensions, betterments, and improvements for the System, to the end that the System shall be operated and maintained in the most efficient and satisfactory manner. Further, Authority shall cause the Independent Consulting Engineer to make in writing a full survey, review, and report on the physical condition of the System once every three years.

(c) Authority further covenants that it will cause the Independent Consulting Engineer to make an annual report to it which shall set forth such Engineer's recommendations and advice as to (1) the proper maintenance, repair, and operation of the System, including their findings as to whether or not the properties of the System have been maintained in good repair and sound operating condition; (2) the extensions, improvements, renewals, and replacements which should be made during the ensuing Fiscal Year; (3) the amounts and types of insurance which should be carried by the Authority on the properties; and (4) any revisions or changes of rates, fees, and charges.

(d) The expense incurred under this Section 31 shall constitute Operation and Maintenance Expenses.

Section 32. **PARITY BONDS AND INTEREST NOT PAYABLE FROM TAXES.** The holders and owners of the Parity Bonds and the interest payable thereon shall never have the right to demand payment thereof out of funds raised or to be raised by taxation, or from any source other than the Net Revenues as defined and described herein.

Section 33. **INSURANCE COVERAGE.** The Authority covenants that it will at all times keep insured such of the System's plants, structures, buildings, stations, machinery, equipment, apparatus, pipelines, and equipment as are usually insured by corporations operating like properties, with a responsible insurance company or companies, against risks, accidents, or casualties against which and to the extent insurance is usually carried by corporations operating like properties, and will also at all times maintain workmen's compensation insurance and insurance against public liability and property damages, in a reasonable amount with responsible insurance companies; provided, however, that at any time while any contractor engaged in construction work shall be fully responsible therefor, the Authority shall not be required to carry such insurance. All such policies shall be open to the inspection of the bondholders and their representatives at all reasonable times.

Section 34. **INSURANCE PROCEEDS.** In the event of any loss of or damage to the System the Authority covenants that it will reconstruct or repair the destroyed or damaged portion of the property and will apply the proceeds of the insurance policies covering such loss or damage solely for that purpose. The Authority covenants that it will begin such work of reconstruction or repair promptly after such loss or damage shall occur and will continue and properly complete the same as expeditiously as possible and will pay or cause to be paid all costs

and expenses in connection therewith so that the same shall be so completed and the property be free and clear of all mechanics' and other liens and claims. The Authority agrees that it will procure the advice and recommendation in writing of a registered professional engineer concerning such reconstruction before it is undertaken.

Section 35. UNUSED INSURANCE PROCEEDS. Any insurance proceeds remaining after the completion of and payment for any such reconstruction or repair shall be deposited in the Revenue Fund.

Section 36. ADDITIONAL BONDS. As used in this resolution, the following additional definitions shall apply:

(a) "*Completion Bonds*" means any bonds issued to complete construction of the System to enable the Authority to provide water supply services to the Cities and to others, as the System is described in the Engineering Report defined in the Contracts.

(b) "*Improvement Bonds*" means bonds issued for improvements, betterments, extensions, and replacements of the System.

(c) "*Special Project Bonds*" means any bonds issued to finance construction and/or acquisition of facilities which will not constitute a part of the System and which will not be paid out of revenues from the Contracts.

(d) "*Refunding Bonds*" means any bonds issued for the purpose of refunding all or a part of the Prior Lien Bonds, Parity Bonds or Additional Bonds.

(e) "*Additional Bonds*" means and includes Completion Bonds, Improvement Bonds, and Refunding Bonds.

Section 37. COMPLETION BONDS AND IMPROVEMENT BONDS. The Authority reserves the right to issue Completion Bonds and Improvement Bonds payable from and secured by a pledge of the Net Revenues, on a parity of lien with the Parity Bonds, or junior to the Parity Bonds, or a portion of them may be such first lien bonds and a portion may such junior lien bonds. The Completion Bonds and Improvement Bonds may be issued in one or more series or installments, and from time to time as authorized by the Board, provided, however, that no installment or series of Completion Bonds or Improvement Bonds, if it is on a parity with the lien of the Parity Bonds, shall be issued unless:

(a) A certificate is executed by the President and Secretary of the Board to the effect that no default exists in connection with any of the covenants or requirements of the resolutions authorizing the issuance of all then outstanding bonds which are secured by and payable from the Net Revenues;

(b) A certificate is executed by the President and the Secretary of the Board to the effect that the Interest and Sinking Fund and the Reserve Fund contain the amounts then required to be on deposit;

(c) The then proposed Completion Bonds or Improvement Bonds are made to mature on August 1 and/or February 1 of each of the years in which they are scheduled to mature.

Section 38. SPECIAL PROJECT BONDS. Special Project Bonds payable from and secured by revenues may be issued by the Authority for the purpose of providing additional facilities to enable the Authority to render service to other users, provided that such Special Project Bonds are not payable from or secured by a pledge of Net Revenues. Special Project Bonds may be additionally secured by a mortgage or deed of trust lien upon only the physical properties of the project purchased or constructed with the proceeds of such bonds.

Section 39. INCREASE IN RESERVE FUND.

(a) Except as provided in subsection (b), if Additional Bonds are issued as Parity Bonds, the amount required to be deposited and maintained in the Reserve Fund shall, if necessary to maintain the Required Amount in the Reserve Fund, be increased so that the aggregate amount to be accumulated in the Reserve Fund shall be no less than the Required Amount for all then outstanding Parity Bonds and for the installment or series of parity Additional Bonds then proposed to be issued. Such average annual requirements shall be calculated as of the date of any such Additional Bonds. Provided, as of the date of any such Additional Bonds, it shall be sufficient if the aggregate amount in the Reserve Fund is equal to the average annual requirement on the Parity Bonds and Additional Bonds outstanding and to be outstanding, and if the amount exceeds such average annual requirement, any surplus in the Reserve Fund may be transferred to the Revenue Fund, unless otherwise required by any bond resolution.

(b) Notwithstanding subsections (a) of this Section, the resolution authorizing a future issue of Additional Bonds may provide that such series shall not be secured by the Reserve Fund. Such series of Additional Bonds shall nevertheless be secured by and made payable equally and ratably on a parity with the Parity Bonds from a first lien on and pledge of the Net Revenues. The Interest and Sinking Fund shall also secure and be used to pay such proposed series of Additional Bonds. If such series of Additional Bonds is issued and not secured by the Reserve Fund, the debt service on such series shall not be taken into account when calculating the average annual principal and interest requirements of the Parity Bonds to determine the Required Amount.

Section 40. TAX BONDS. No provisions in this Resolution shall in any way affect the statutory right of the Authority to issue bonds supported wholly by ad valorem taxes.

Section 41. REFUNDING BONDS. The Authority reserves the right to issue Refunding Bonds to refund any outstanding bonds secured by a pledge of the Net Revenues from the Contracts and any amendments thereof.

Section 42. DEFAULT PROVISIONS AND REMEDIES. In the event of a default or a threatened default in the payment of principal of or interest on the Parity Bonds, any court of competent jurisdiction may, upon petition of holders or owners of twenty-five per cent of the outstanding Parity Bonds, appoint a receiver with authority to collect and receive all income

from the System, employ, and discharge agents, employees, and consultants of the Authority, take charge of pledged funds on hand and manage the proprietary affairs of the Authority without consent or hindrance by the Board. Such receiver may also be authorized to make contracts for providing water treatment services or renew such contracts with the approval of the court appointing him. The Court may vest the receiver with such other powers and duties as the court may find necessary for the protection of the holders or owners of the Parity Bonds.

Section 43. OTHER REMEDIES; REMEDIES NOT WAIVED. No remedy herein specified is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy available to the holders or owners of the said Parity Bonds, or now or hereafter existing at law or in equity, or by statute. No delay or omission to exercise any right or power shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and so often as may be deemed expedient.

Section 44. AMENDMENTS OF RESOLUTION BY AUTHORITY. Without any prior action by or notice to the holders or owners of the Parity Bonds, Authority may, from time to time, and at any time, amend this Resolution:

(a) to add to the covenants and undertakings of the Authority contained in this Resolution such additional covenants and undertakings as may be authorized or permitted by law; and

(b) to cure any ambiguous, defective, or inconsistent provisions of this Resolution and to accomplish any other purposes not inconsistent with the provisions of this Resolution and which shall not impair the security afforded hereby.

Section 45. AMENDMENTS BY CONSENT. The holders and owners of Parity Bonds and Additional Bonds aggregating in principal amount two-thirds of the aggregate principal amount of the Parity Bonds and Additional Bonds at the time outstanding (but not including in any case any Parity Bonds or Additional Bonds which may then be held or owned by or for the account of the Authority) shall have the right from time to time to approve an amendment of this Resolution which may be deemed necessary or desirable by the Authority; provided, however, that no amendment, without the consent of the holders and owners of all of the outstanding Parity Bonds and Additional Bonds, shall:

(a) Make any change in the maturity of the Parity Bonds or Additional Bonds;

(b) Reduce the rate of interest borne by any of the Parity Bonds or Additional Bonds;

(c) Reduce the amount of the principal payable on the Parity Bonds or Additional Bonds;

(d) Modify the terms of payment of principal of or interest on the Parity Bonds or Additional Bonds, or any of them, or impose any conditions with respect to such payment;

(e) Affect the rights of the holders or owners of less than all of the Parity Bonds and Additional Bonds then outstanding; or

(f) Change the minimum percentage of the principal amount of Parity Bonds and Additional Bonds necessary for consent to such amendment.

Section 46. NOTICE REQUIRED. If at any time the Authority shall desire to amend this Resolution under Section 45, the Authority shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in the City of New York, New York, once during each calendar week for at least four successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file with each paying agent for the Parity Bonds and Additional Bonds and with the Secretary of the Board for inspection by all holders or owners of Parity Bonds and Additional Bonds. Such publication is not required, however, if notice in writing is given to each holder and owner of Parity Bonds and Additional Bonds.

Section 47. ADOPTION OF AMENDMENT. Whenever at any time not less than thirty (30) days and within one year from the date of the first publication of said notice or other service of written notice the Authority shall receive an instrument or instruments executed by the holders and owners of at least two-thirds in aggregate principal amount of Parity Bonds and Additional Bonds then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the paying agents and Authority, the Authority may adopt the amendatory resolution in substantially the same form.

Section 48. EFFECTIVE UPON ADOPTION. Upon the adoption of any amendatory resolution pursuant to the provisions hereof, this Resolution shall be deemed to be amended in accordance with such amendatory resolution, and the respective rights, duties, and obligations under this Resolution of the Authority and all the holders or owners of outstanding Parity Bonds and Additional Bonds shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such amendments.

Section 49. REVOCATION OF CONSENT. Any consent given by the holder or owner of a Parity Bond or Additional Bond pursuant to the provisions hereof shall be irrevocable for a period of six months from the date of the first publication of the notice provided for herein, and shall be conclusive and binding upon all future holders and owners of the same Parity Bond or Additional Bond during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the holder or owner who gave such consent, or by a successor in title, by filing notice thereof with the paying agent and the Authority, but such revocation shall not be effective if the holders or owners of two-thirds aggregate principal amount of the Parity Bonds and Additional Bonds outstanding as herein defined have, prior to the attempted revocation, consented to and approved the amendment.

Section 50. PROOF OF OWNERSHIP. The fact of the holding of Parity Bonds and Additional Bonds by any Bondholder and the amount and numbers of such Parity Bonds and

Additional Bonds, and the date of his holding same may be proved by the affidavit of the person claiming to be such holder or owner, or by a certificate executed by any trust company, bank, banker, or any other depository, wherever situated showing that on the date therein mentioned such person had on deposit with such trust company, bank, banker, or other depository, the Parity Bonds or Additional Bonds described in such certificate. The Authority may conclusively assume that such ownership continues until written notice to the contrary is served upon the Authority. All matters relating to the ownership of fully registered Parity Bonds and Additional Bonds shall be ascertained from the registration books therefor kept by the registrar.

Section 51. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "*Defeased Bond*") within the meaning of this Resolution, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "*Future Escrow Agreement*") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Net Revenues as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Resolution to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection 51(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer also be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 51(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the

Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

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

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

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

Section 52. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS. (a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

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

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

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

benefits of this Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(e) Authority for Issuing Replacement Bonds. In accordance with Subchapter B, Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 4 for Bonds issued in conversion and exchange for other Bonds.

Section 53. FEDERAL TAX COVENANTS. (a) General Tax Covenants Regarding Tax Exemption of Interest on the Bonds. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

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

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

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

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

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

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

(1) proceeds of the Bonds invested for a reasonable temporary period until such proceeds are needed for the purpose for which the bonds are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

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

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

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

(i) to ensure the proceeds of the Bonds are used solely for "new money projects."

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

For purposes of the foregoing (a) and (b), the Issuer understands that the term "*proceeds*" includes "*disposition proceeds*" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and the proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on

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

(b) Interest Earnings on Bond Proceeds. Interest earnings derived from the investment of proceeds from the sale of the Bonds shall be used along with other bond proceeds for the purpose for which the Bonds are issued set forth in Section 1 hereof; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on bond proceeds which are required to be rebated to the United States of America pursuant to Section 53(a) hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section 53(b).

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

(d) Allocation of, and Limitation on, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Bond Resolution (the "Project") on its books and records in accordance with the requirements of the Internal Revenue Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The Issuer agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the issuer shall not be obligated to comply with this

covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 54. CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS AND INSURANCE. The President of the Board of Directors and the General Manager of the Issuer are hereby authorized to have control of the Bonds issued hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and the approval of the Bonds by the Attorney General of the State of Texas. The Comptroller of Public Accounts is requested to cause the Bonds to be registered in accordance with law. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds or on any Bonds issued and delivered in conversion of and exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. If insurance is obtained on any of the Bonds, the Bonds shall bear, as appropriate and applicable, a legend concerning insurance as provided by the Insurer.

Section 55. FURTHER PROCEDURES. The President, Vice President and Secretary of the Board of Directors of the Issuer, the General Manager or the Chief Financial Officer (as the "*Authorized Officer*") shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer a Letter of Representation with DTC regarding the Book-Entry Only System, the Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Letter of Representation, the Bonds, the sale of the Bonds and the Official Statement. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representation is hereby incorporated herein and its provisions shall prevail over any other provisions of this Resolution in the event of conflict. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 56. CONTINUING DISCLOSURE OF INFORMATION. (a) As used in this Section, the following terms have the meanings ascribed to such terms below:

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

(b) Pursuant to a Continuing Disclosure Agreement by and between the Issuer and the individual Contracting Parties, the Issuer and the Contracting Parties have undertaken for the benefit of the beneficial owners of the Bonds, to the extent set forth therein, to provide continuing disclosure of financial information and operating data with respect to the Contracting Parties in accordance with the Rule as promulgated by the SEC.

(c) Annual Reports.

The Authority will provide its audited financial statements with the MSRB through its EMMA system within six months after the end of the Authority's fiscal year. If audited financial statements are not available by the required time, the Authority will provide unaudited financial statements within the required time and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with generally accepted accounting principles in effect at the time or that the Authority may be required to employ from time to time pursuant to State law or regulation.

The Authority's fiscal year end is November 30. Accordingly, the Authority must provide updated information by May 31 in each year beginning with the fiscal year ending in 2020. If the Authority changes its fiscal year, the Authority 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 Authority otherwise would be required to provide financial statements pursuant to this Section.

(d) The Issuer shall notify the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

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

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if jurisdiction has been assumed by leaving the Board and officials or officers of the Issuer in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(e) The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide information in accordance with subsections (c) and (d) of this Section by the time required by such subsection.

(f) The financial statements 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 that is available to the public on the MSRB's internet website or filed with the SEC. All financial statements and notices required to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

Section 57. SECURITY INTEREST. Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the Net Revenues granted by the Issuer under Sections 6 and 15 of this Resolution, and is therefore valid, effective, and perfected. If Texas law is

amended at any time while the Bonds are outstanding and unpaid such that the pledge of the Net Revenues granted by the Issuer under Sections 6 and 15 of this Resolution is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 58. REPEAL OF CONFLICTING RESOLUTIONS. All resolutions and all parts of any resolutions which are in conflict or inconsistent with this Resolution are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

EXHIBIT A
FORM OF BOND

The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached only to the Bonds initially issued and delivered pursuant to this Resolution, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution and with the Bonds to be completed with information set forth in the Pricing Certificate. The Form of Bond as it appears in this Exhibit A shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate but it is not required for the Form of Bond to be reproduced as an exhibit to the Pricing Certificate.

NO. R-	UNITED STATES OF AMERICA STATE OF TEXAS TRINITY RIVER AUTHORITY OF TEXAS (TARRANT COUNTY WATER PROJECT) IMPROVEMENT REVENUE BONDS, SERIES 2020	PRINCIPAL AMOUNT \$
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INTEREST RATE	DELIVERY DATE	MATURITY DATE	CUSIP NO.
	[], 2020	February 1, ____	

REGISTERED OWNER: []

PRINCIPAL AMOUNT: [] DOLLARS

ON THE MATURITY DATE specified above, the TRINITY RIVER AUTHORITY OF TEXAS (the "*Issuer*"), being a governmental agency, and body corporate and politic of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "*registered owner*") the principal amount set forth above, and to pay interest thereon from the Delivery Date as set forth above, on [], 2020 and semiannually thereafter on each [] and [] to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest

payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

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

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

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

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

THIS BOND is one of a Series of Bonds dated [___], 2020, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$ [___], to pay for the acquisition and construction of improvements, betterments, extensions, and replacements of the Trinity River Authority of Texas Tarrant County Water Project and to pay costs of issuance of the Bonds.

ON [___], or on any date thereafter, the Bonds of this Series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds to be redeemed shall be selected and designated by the Issuer, at the redemption price of the principal amount, plus accrued interest to the date fixed for redemption.

AT LEAST THIRTY days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice and to major securities depositories, national bond rating agencies and bond information services; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Resolution.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent

immediately available funds sufficient to redeem all the Bonds called for redemption, such notice must state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the notice of redemption.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Resolution, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, sold, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond and other parity bonds, are special obligations of the Issuer payable from and secured by a first lien on and pledge of (1) the Issuer's Net Revenues from its water supply contracts, each dated as of January 21, 1972, and amended as of January 22, 1975, and as of December 5, 1979 (with respect to the City of Euless) and December 11, 1979 (with respect to the City of Bedford), with the Cities of Bedford and Euless, Texas, and its water supply contracts each dated as of April 25, 1979, and amended as of December 5, 1979, and as of April 23, 1980, with the Cities of Colleyville, Grapevine, and North Richland Hills, Texas, all relating to the Issuer's Tarrant County Water Project described in said contracts, all as more fully described in said contracts and in the Bond Resolution, to each of which reference is hereby made for all purposes, and (2) the Net Revenues the Issuer may receive from other parties, if any, with whom the Issuer may contract in the future for supplying treated water from the Issuer's Tarrant County Water Project.

THE ISSUER has reserved the right, subject to the restrictions stated or referred to in the Bond Resolution, to issue additional parity revenue bonds which also may be made payable from and secured by a first lien on and pledge of the aforesaid Net Revenues.

THE ISSUER also has reserved the right to amend the Bond Resolution with the approval of the owners of two-thirds in principal amount of all outstanding bonds secured by and payable from a first lien on and pledge of the aforesaid Net Revenues, subject to the restrictions stated in the Bond Resolution.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond or the interest hereon from taxes or from any source whatsoever other than specified in the Bond Resolution.

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

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Directors of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

Secretary, Board of Directors
Trinity River Authority of Texas

President, Board of Directors
Trinity River Authority of Texas

(SEAL)

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in the text of this Bond; and that this Bond has been issued in exchange for a bond or bonds, or a portion of a bond or bonds of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____ The Bank of New York Mellon Trust Company, N.A.
Dallas, Texas
Paying Agent/Registrar

By _____
Authorized Representative

ASSIGNMENT

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

Please insert Social Security or Taxpayer Identification Number of Transferee

Please print or type name and address, including zip code of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints:
_____, attorney, to register the transfer of the within

Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

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

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

COMPTROLLER'S REGISTRATION CERTIFICATE:

REGISTER NO. _____

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

Witness my signature and seal this

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(b) Insertions for the Initial Bond:

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

(i) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.

(ii) the first paragraph shall be deleted and the following will be inserted:

"TRINITY RIVER AUTHORITY OF TEXAS (the "*Issuer*"), being a governmental agency, and body corporate and politic of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "*Registered*

Owner"), on the dates, in the Principal Amounts and bearing interest at the per annum Interest Rates set forth in the following schedule:

<u>Maturity Date</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate</u>
--------------------------	----------------------------------	--------------------------

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

(iii) The initial Bond shall be numbered "T-1."



Trinity River Authority of Texas
Enriching the Trinity basin as a resource for Texans



Tarrant County Water Supply
Project
Bedford City Council
May 12, 2020

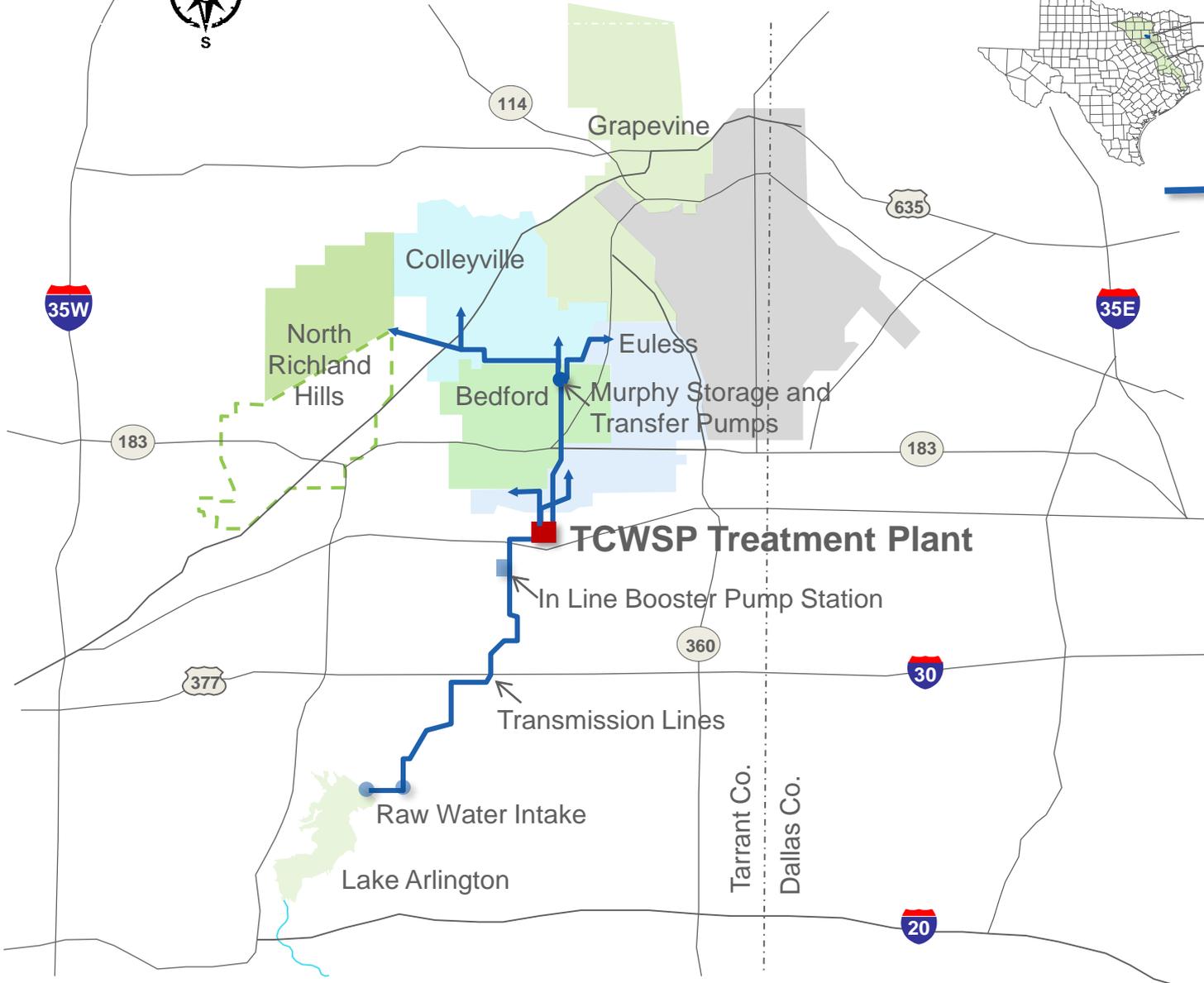
Wastewater Treatment ▪ Water Treatment ▪ Water Storage ▪ Lake Livingston ▪ Recreation



Tarrant County Water Supply Project



*Raw Water
and
Distribution
System*



Proposed FY 2020 Bond Sale

- Raw Water System - \$ 0 M
- Treatment Plant - \$ 3.997 M
 - Chlorine Contact Basin and Mixing Chamber
- Distribution System - \$ 2.8 M
 - Murphy Drive Pump Station Improvements

Future Improvements

- Raw Water Valve and Vault Replacement
- Filter Media and Underdrain Replacement
- Motor Control Improvements
- Ground Storage Tank Rehabilitation at Murphy Drive Pump Station



Trinity River Authority of Texas



FIRE LANE NO PARKING

Thank you!

clevelandp@trinityra.org



Council Agenda Background

PRESENTER: Kenneth Overstreet, Director of Public Works **DATE:** 05/12/20

Council Mission Area: Be responsive to the needs of the community.

ITEM:

Receive a report on the Trinity River Authority's Central Regional Wastewater System Infiltration/Inflow Assessment Phase VI, Part II findings for the City of Bedford's wastewater collection system and consider a resolution authorizing the Interim City Manager to enter into a professional services agreement with Freese and Nichols Inc., in the amount of \$370,000, for a wastewater modeling and infiltration/inflow reduction plan.

City Attorney Review: Yes

SUMMARY:

This item is to request approval to enter into a professional services agreement with Freese and Nichols, Inc. for a wastewater modeling and infiltration/inflow (I&I) reduction plan. Industry best practices recommends a wastewater modeling study be completed every five years for cities with growth potential and capacity. Since the City of Bedford is nearly built out, it is recommended that a modeling study be completed every ten years. The modeling study determines if the existing wastewater lines are the proper size to accommodate the current flow. It also measures the flow during rain events to determine if the wastewater line has I&I issues.

BACKGROUND:

On November 12, 2018, a notice of intent was submitted to the Texas Commission on Environmental Quality (TCEQ) to pursue continued participation in the Sanitary Sewer Overflow Initiative (SSOI). The submitted plan was approved by TCEQ on February 25, 2019.

One of the requirements within the SSOI plan is for the completion of a comprehensive inflow and infiltration (I&I) study in areas identified to be significantly impacted during heavy or extended rain events. The study is to incorporate various methods of identifying system discrepancies, including video inspection, flow monitoring, and excavation as needed. Issues such as structurally compromised pipe, flow impedance, sizing deficiencies, damaged manholes and any other potential discrepancies will be prioritized and repaired or replaced based on the study's findings.

On January 22, 2020, staff met with the Trinity River Authority (TRA) to discuss the Central Regional Wastewater System (CRWS) Infiltration/Inflow Assessment, Phase VI, Part II completed in October 2019. The assessment began in 2016 and included flow monitoring, flow and rainfall analysis, update of the CRWS hydraulic model, evaluations of the hydraulic capacity, and the development of an I&I management plan. Flow and rainfall monitoring was performed and analyzed in 2016 to determine the year 2016 dry and wet weather flows. Results of the flow analysis estimated the distribution of I&I within the CRWS and from contracting parties. The final results show the City of Bedford has an average I&I rate of approximately 6,000 gallons per acre per day (gpad). This is the third highest I&I of the 21 customer cities. TRA is requesting the City reduce the I&I by approximately 23%.

In order to accommodate the requirements of the SSOI and the request from TRA to reduce the City's I&I by 23%, Public Works staff met with Freese and Nichols, Inc. (FNI) to discuss completing a wastewater modeling and I&I reduction plan for the City. FNI has completed Wastewater Master Plans for the cities of Fort Worth, Killeen, Burleson, McAllen, Kerville, and Mansfield. FNI also conducted a Wastewater Master Plan and provided SSOI Assistance for the City of Arlington. The project included: extensive flow monitoring, rehabilitation and renewal prioritization, development of a Capital

Improvements Plan, and follow-up flow monitoring and modeling of high I&I areas after improvements were made.

The tasks within the professional services agreement include: project administration and management, flow monitoring and I&I characterization, wastewater model development and calibration, wastewater system modeling and performance analysis, I&I reduction action plan capital improvement program and report, City Council presentations, and coordination with TRA, the City of Hurst and TCEQ.

Task A - Project Administration and Management: Includes the project kickoff meeting, data collection and review, and project management. FNI will obtain and review the most current data on the existing wastewater system such as: historical flow data, latest geographic information system (GIS) data, work order history, SSO reporting, as-built drawings for recently completed or ongoing projects in construction, and previous field inspections or studies.

Task B - Flow Monitoring and I&I Characterization: Includes flow meter and rain gauge site selection and installation, temporary flow monitoring and analysis, I&I characterization and ranking, and identify permanent flow meter locations.

Task C - Wastewater Model Development and Calibration: Includes population and non-residential growth demographics, review of historical wastewater flow data and develop projected flows, flow monitoring and wastewater flow projections meeting, evaluate and review wastewater system GIS for developing all-pipes wastewater model, wastewater field data collection, sewer basin, sub-basin, and sub-catchment generation, all-pipes hydraulic wastewater model development, geocode work order data, dry weather calibration, wet weather calibration, design storm evaluation, and model development and calibration meeting.

Task D - Wastewater System Modeling and Performance Analysis: Includes design criteria and level of service evaluation, wastewater system capacity evaluation, develop wastewater system improvement alternatives to address capacity issues, and wastewater system hydraulic analysis and improvement alternatives meeting.

Task E - I&I Reduction Action Plan CIP and Report: Includes development of an I&I reduction action plan CIP, development of a draft I&I reduction action plan CIP costs, prioritization and mapping, conducting a workshop with City staff on I&I reduction action plan CIP, preparing a draft I&I reduction plan report and meet with City staff to review I&I reduction plan report and finalize.

Task F - City Council presentation and Coordination with TRA, Hurst, and TCEQ: Includes a presentation to City Council and coordination with the City of Hurst, TRA, and TCEQ.

Staff recommends authorizing FNI to complete a wastewater modeling and I&I reduction plan. The engineering firm has successfully completed Wastewater Master Plans and SSOI Assistance for various cities. If approved, funding would come from the Utility Repair Fund.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the Interim City Manager to enter into a professional services agreement with Freese and Nichols Inc., in the amount of \$370,000, for a wastewater modeling and infiltration/inflow reduction plan.

FISCAL IMPACT:

Utility Repair Fund Balance:	\$4,733,425.81
Professional Agreement Cost:	<u>\$ 370,000.00</u>
Balance:	\$4,363,425.81

ATTACHMENTS:

Resolution
Professional Services Agreement
PowerPoint Presentation

RESOLUTION NO. 2020-

A RESOLUTION AUTHORIZING THE INTERIM CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH FREESE AND NICHOLS, INC., IN THE AMOUNT OF \$370,000, FOR A WASTEWATER MODELING AND INFILTRATION/INFLOW REDUCTION PLAN.

WHEREAS, the City Council of Bedford, Texas recognizes the importance of the completion of a wastewater modeling and infiltration/inflow reduction plan in order to be responsive to the needs of the community; and,

WHEREAS, the City Council of Bedford, Texas determines the necessity of an infiltration/inflow reduction plan to remain in compliance with the Texas Commission on Environmental Quality Sanitary Sewer Overflow Initiative.

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

SECTION 1. That the findings above are found to be true and correct, and are incorporated herein.

SECTION 2. That the City Council does hereby authorize the Interim City Manager to enter into a professional services agreement with Freese and Nichols, Inc. for a wastewater modeling and infiltration/inflow reduction plan.

SECTION 3. That funding in the amount of \$370,000 will be paid from the Utility Repair Fund.

PRESENTED AND PASSED this 12th day of May 2020, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Michael Boyter, Mayor

ATTEST:

Michael Wells, City Secretary

AGREEMENT
BETWEEN
THE CITY OF BEDFORD, TEXAS
AND
FREESE AND NICHOLS, INC.
FOR
PROFESSIONAL SERVICES

Made as of the _____ day of _____, 20____:

Between City: **The City of Bedford, Texas**
 2000 Forest Ridge Drive
 Bedford, Texas 76021
 Telephone: (____) ____ - _____
 Facsimile: (____) ____ - _____

and Consultant: **Freese and Nichols, Inc.**
 4055 International Plaza, Suite 200
 Fort Worth, Texas 76109
 Telephone: (817) 735- 7300

for the following Project: **Wastewater Modeling and Infiltration/Inflow Reduction Plan**

THIS AGREEMENT ("Agreement") is made and entered into by and between the City of Bedford, Texas, a home-rule municipality ("City"), and **Freese and Nichols, Inc.**, a Texas Corporation ("Consultant"), to be effective from and after the date as provided above. City and Consultant are at times each referred to herein as a "party" or collectively as the "parties."

WHEREAS, City desires to engage the services of Consultant to provide professional civil engineering services for **Wastewater Modeling and Infiltration/Inflow Reduction Plan** ("Project"); and

WHEREAS, Consultant desires to render such professional services ("Services") for City on the terms and conditions provided herein.

NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS:

That for and in consideration of the covenants contained herein, for the mutual benefits to be obtained hereby and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**ARTICLE 1
CONSULTANT'S SERVICES**

- 1.1 **Employment of Consultant** – City hereby agrees to retain Consultant to perform the Services in connection with the Project. Consultant agrees to perform the Services in accordance with the terms and conditions of this Agreement. Consultant further agrees that if any employee of Consultant who is performing the day-to-day Services under this Agreement for the Project is separated, for any reason, from employment with Consultant, Consultant shall provide City with written notice thereof at least five (5) business days' prior to said separation unless circumstances reasonably warrant a shorter notice period, which shall not exceed two (2) business days following the separation.
- 1.2 **Scope of Services** – The parties agree that Consultant shall perform the Services as are set forth and described in **Exhibit A**, attached hereto and incorporated herein by reference for all purposes ("Scope of Services"). The parties understand and agree that deviations or modifications to the Scope of Services described in **Exhibit A**, in the form of written change orders, may be authorized from time to time by City ("Change Order(s)").
- 1.2.1 **Requirement of Written Change Order** – "Extra" work, "claims" invoiced as "extra" work or "claims" which have not been issued as a duly executed, written Change Order by the Bedford City Manager will not be authorized for payment and/or shall not become part of the subcontracts. A duly executed, written Change Order shall be preceded by the Bedford City Council's authorization for the Bedford City Manager to execute said Change Order.
- 1.2.2 **CONSULTANT SHALL NOT PERFORM ANY "EXTRA" WORK AND/OR ADDITIONAL SERVICES WITHOUT A DULY EXECUTED, WRITTEN CHANGE ORDER ISSUED BY THE BEDFORD CITY MANAGER** – Project Managers, Superintendents and/or Inspectors of City are not authorized to issue verbal or written Change Orders.
- 1.3 **Schedule of Work** – Consultant agrees to commence work immediately on the execution of this Agreement, and to proceed diligently with said work to completion as described in the Project Budget Summary, attached hereto as **Exhibit B** and incorporated herein by reference for all purposes.

- 1.4 **Standard of Care** – Consultant shall perform the Services required hereunder in accordance with the prevailing engineering standard of care by exercising the skill and care ordinarily utilized by engineers performing the same or similar services under the same or similar circumstances in the State of Texas.

ARTICLE 2 CITY'S RESPONSIBILITIES

City shall do the following in a timely manner so as not to delay the Services of Consultant:

- 2.1 **Project Data** – City shall furnish required information that is reasonably requested by Consultant and that City has in its possession at the time of Consultant's request, as expeditiously as necessary for the orderly progress of the Project, and Consultant shall be entitled to rely upon the accuracy and completeness of the information furnished by City under this Article 2.1.
- 2.2 **City Project Manager** – City shall designate, when necessary, a representative authorized to act on City's behalf with respect to the Project ("Project Manager"). City or the authorized Project Manager shall examine the documents submitted by Consultant and shall render any required decisions pertaining thereto as soon as practicable so as to avoid unreasonable delay in the progress of the Consultant's Services. The Project Manager is not authorized to issue verbal or written Change Orders for "extra" work or "claims" invoiced as "extra" work.

ARTICLE 3 CONSULTANT'S COMPENSATION

- 3.1 **Compensation for Consultant's Services** – As described in "Article 1, Consultant's Services" of this Agreement, compensation for this Project shall be: (a) for Basic Services, on a lump sum basis in an amount not to exceed **THREE HUNDRED SEVENTY THOUSAND AND 00/100 DOLLARS (\$370,000.00)**; and (b) for Special Services, on cost-plus basis in an amount not to exceed **ZERO AND 00/100 DOLLARS (\$0.00)** (collectively, "Consultant's Fee"); and (c) shall be paid in accordance with this Article 3 and the Project Budget Summary as set forth in Exhibit B.
- 3.1.1 **Completion of Record Documents** – City and Consultant agree that the completion of Record Documents and/or "As-Built" Documents, including hard copy formatting and electronic formatting, shall be completed, submitted to, and accepted by City prior to payment. Completion of the Record Documents and/or "As-Built" documents shall be included in the Consultant's Fee and considered to be within the Scope of Services defined under this Agreement." The electronic formatting shall be consistent with the standards established in Exhibit C, Guidelines for Computer Aided Design and Drafting ("CADD"), which is attached hereto and incorporated herein by reference for all purposes.

- 3.1.2 **Disputes between City and Construction Contractor** – If the Project involves Consultant performing Construction Administration Services relating to an agreement between a Construction Contractor (“Contractor”) and City, and on receipt of a written request by City, Consultant shall research previous and existing conditions of the Project, and make a determination whether or not to certify that sufficient cause exists for City to declare Contractor in default of the terms and conditions of the Agreement. Consultant shall submit his findings in writing to City, or submit a written request for a specific extension of time (including the basis for such extension), within fifteen (15) calendar days of receipt of the written request from City. City and Consultant agree that if requested by City, completion of this task shall be included in the Consultant’s Fee and considered to be within the Scope of Services as defined under this Agreement.
- 3.1.3 **Consultation and Approval by Governmental Authorities and Franchised Utilities** – Consultant shall be solely responsible for identifying and analyzing the requirements of governmental agencies and all franchise utilities involved with the Project, and for consulting with such agencies and utilities to obtain all necessary approvals and/or permissions. Consultant shall be responsible for preparation and timely submittal of documents required for review, approval and/or recording by such agencies and/or utilities. Consultant shall be solely responsible for making such changes in the construction documents (“Construction Documents”) as may be required by existing written standards promulgated by such agencies and/or utilities at no additional charge to City.
- 3.2 **Direct Expenses** – Direct Expenses (“Direct Expenses”) are included in Consultant’s Fee as described in Article 3.1 of this Agreement and include actual reasonable and necessary expenditures made by Consultant and Consultant’s employees and subcontractors in the interest of the Project. All submitted Direct Expenses are to be within the amounts as stated in the Project Budget Summary set forth in Exhibit B, and consistent with Exhibit D, Guidelines for Direct Expenses; General and Administrative Markup; Travel and Subsistence Expenses, which is attached hereto and incorporated herein by reference for all purposes. Consultant shall be solely responsible for the auditing and accuracy of all Direct Expenses, including those of its subcontractors, prior to submitting to City for reimbursement. Any over-payment by City for errors in submittals for reimbursement may be deducted from Consultant’s subsequent payment for Services; provided, however, that this shall not be City’s sole and exclusive remedy for said over-payment.
- 3.3 **Additional Services** – Consultant shall provide the Services as described in the Scope of Services set forth in Exhibit A of this Agreement. If authorized in writing by City, Consultant shall provide additional services, to be compensated as provided in an Amendment to the Contract on a cost not to exceed sum or hourly

basis in accordance with this paragraph (“Additional Services”) and a mutually agreed estimate of man-hours and expenses. These services may include, but are not limited to:

- i. Additional meetings, hearings, work-sessions or other similar presentations which are not provided for or contemplated in the Scope of Services described in **Exhibit A**.
- ii. Additional drafts and revisions to the Project which are not provided for or contemplated in the Scope of Services as described in **Exhibit A**.
- iii. Additional copies of final reports and construction plans which are not provided for or contemplated in the Scope of Services as described in **Exhibit A**.
- iv. Photography, professional massing models which are not provided for or contemplated in the Scope of Services as described in **Exhibit A**.
- v. Compensation for Additional Services authorized by City shall be in addition to Consultant’s Fee and shall be based on direct billable labor rates and expenses.
- vi. Compensation for Additional Services authorized by City shall be in addition to Consultant’s Fee and shall be based on an hourly basis according to the following personnel rates. The rates set forth in this chart are subject to reasonable change provided prior written notice of said change is given to and approved by City.

Hourly Billable Rates by Position

<i>Name</i>	<i>Position</i>	<i>Hourly Rate</i>
	Professional - 1	\$113
	Professional - 2	\$137
	Professional - 3	\$156
	Professional - 4	\$178
	Professional - 5	\$209
	Professional - 6	\$240
	Construction Manager - 1	\$91
	Construction Manager - 2	\$117
	Construction Manager - 3	\$138
	Construction Manager - 4	\$173
	CAD Technician/Designer - 1	\$96
	CAD Technician/Designer - 2	\$126
	CAD Technician/Designer - 3	\$153
	Corporate Project Support - 1	\$92

Corporate Project Support - 2	\$111
Corporate Project Support - 3	\$148
Intern/ Coop	\$57
Senior Advisor	\$175

- 3.4 **Invoices** – No payment to Consultant shall be made until Consultant tenders an invoice to City. Consultant shall submit monthly invoices for Services rendered, based upon the actual percentage of work complete at the time the invoice is prepared, or shall submit invoices to City immediately upon completion of each individual task listed in **Exhibit B**. On all submitted invoices for Services rendered, Consultant shall include appropriate background materials to support the submitted charges on said invoice. Such background material shall include, but is not limited to, employee timesheets, invoices for work obtained from other parties, and receipts and/or log information relating to Direct Expenses. All invoices shall provide a summary methodology for administrative markup and/or overhead charges.
- 3.5 **Timing of Payment** – City shall make payment to Consultant for said invoices within thirty (30) days following receipt and acceptance thereof. The parties agree that payment by City to Consultant is considered to be complete upon mailing of payment by City. Furthermore, the parties agree that the payment is considered to be mailed on the date that the payment is postmarked.
- 3.6 **Disputed Payment Procedures** – In the event of a disputed or contested billing by City, only that portion so contested may be withheld from payment, and the undisputed portion will be paid. City shall notify Consultant of a disputed invoice, or portion of an invoice, in writing by the twenty-first (21st) calendar day after the date City receives the invoice. City shall provide Consultant an opportunity to cure the basis of the dispute. If a dispute is resolved in favor of Consultant, City shall proceed to process said invoice, or the disputed portion of the invoice, within the provisions of **Article 3.5** of this Agreement. If a dispute is resolved in favor of City, Consultant shall submit to City a corrected invoice, reflecting any and all payment(s) of the undisputed amounts, documenting the credited amounts, and identifying outstanding amounts on said invoice to aid City in processing payment for the remaining balance. Such revised invoice shall have a new invoice number, clearly referencing the previous submitted invoice. City agrees to exercise reasonableness in contesting any billing or portion thereof that has background materials supporting the submitted charges.
- 3.7 **Failure to Pay** – Failure of City to pay an invoice, for a reason other than on written notification as stated in the provisions of **Article 3.6** of this Agreement, to Consultant within sixty (60) days from the date of the invoice shall grant Consultant

the right, in addition to any and all other rights provided, to, upon written notice to City, suspend performance under this Agreement, and such act or acts shall not be deemed a breach of this Agreement. However, Consultant shall not suspend performance under this Agreement prior to the tenth (10th) calendar day after written notice of suspension was provided to City, in accordance with Chapter 2251, Subchapter "D" of the TEX. GOV'T CODE. City shall not be required to pay any invoice submitted by Consultant if Consultant breached any provision(s) herein.

- 3.8 **Adjusted Compensation** – If the Scope of the Project ("Scope of the Project") or if the Services are materially changed due to no error by Consultant in the performance of Services under this Agreement, the amounts of Consultant's compensation shall be equitably adjusted as approved by City. Any additional amounts paid to Consultant as a result of any material change to the Scope of the Project shall be authorized by written Change Order duly executed by both parties before the Services are performed.
- 3.9 **Project Suspension** – If the Project is suspended or abandoned in whole or in part for more than three (3) months, Consultant shall be entitled to compensation for any and all work completed to the satisfaction of City in accordance with the provisions of this Agreement prior to suspension or abandonment. In the event of such suspension or abandonment, Consultant shall deliver to City all finished or unfinished documents, data, studies, drawings, maps, models, reports, photographs and/or any other items prepared by Consultant in connection with this Agreement prior to Consultant receiving final payment. If the Project is resumed after being suspended for more than three (3) months, Consultant's compensation shall be equitably adjusted as approved by City. Any additional amounts paid to Consultant after the Project is resumed shall be agreed upon in writing by both parties before the services are performed.

ARTICLE 4 OWNERSHIP OF DOCUMENTS

- 4.1 **Documents Property of City** – The Project is the property of City, and Consultant may not use the documents, plans, data, studies, surveys, drawings, maps, models, reports, photographs and/or any materials for any other purpose not relating to the Project without City's prior written consent. City shall be furnished with such reproductions of the Project, plans, data, documents, maps, and any other information as defined in **Exhibit A**. Upon completion of the work, or any earlier termination of this Agreement under Article 3 and/or Article 8 of this Agreement, Consultant will revise plans, data, documents, maps, and any other information as defined in **Exhibit A** to reflect changes while working on the Project through the date of completion of the work, as solely determined by City, or the effective date of any earlier termination of this Agreement under Article 3 and/or Article 8 of this Agreement, and promptly furnish the same to City in an acceptable electronic format. All such reproductions shall be the property of City who may use

them without Consultant's permission for any purpose relating to the Project, including, but not limited to, completion of the Project, and/or additions, alterations, modifications, and/or revisions to the Project. Any reuse of the documents not relating to the Project shall be at City's own risk.

- 4.2 **Documents Subject to Laws Regarding Public Disclosure** – Consultant acknowledges that City is a governmental entity and that all documents, plans, data, studies, surveys, drawings, maps, models, reports, photographs and/or any items prepared or furnished by Consultant (and Consultant's professional associates and/or sub-consultants) under this Agreement are instruments of service in respect of the Project and property of City. Upon completion of the Project, all of the documents, plans, data, studies, surveys, drawings, maps, models, reports, photographs and/or any items prepared or furnished by Consultant (and Consultant's professional associates and/or sub-consultants) shall thereafter be subject to the Texas Public Information Act (Chapter 552, TEX. GOV'T CODE, as amended) and any other applicable laws requiring public disclosure of the information contained in said documents.

ARTICLE 5 CONSULTANT'S INSURANCE REQUIREMENTS

- 5.1 **Required General Liability Insurance** – Consistent with the terms and provisions of **Exhibit E**, Contractor Insurance Guidelines, which is attached hereto and incorporated herein by reference for all purposes, Consultant shall procure and maintain throughout the term of this Agreement, at no expense to City, a general liability insurance policy with a company that maintains a minimum rating of "A" by A.M. Best's Key Rating Guide, or other equivalent rating service(s), and is authorized to transact business in the State of Texas, in an amount not less than One Million and 00/100 Dollars (\$1,000,000.00) for each occurrence, and Two Million and 00/100 Dollars (\$2,000,000.00) in the aggregate. Such policy shall name City, its officers, agents, representatives, and employees as additional insureds as to all applicable coverage. Such policy shall provide for a waiver of subrogation against City for injuries, including death, property damage, or any other loss to the extent that same is covered by the proceeds of the insurance. Such policy shall require the provision of written notice to City at least thirty (30) days prior to cancellation, non-renewal or material modification of any policies, evidenced by return receipt or United States Certified Mail. Consultant shall furnish City with certificates and required endorsement(s) evidencing such coverage prior to commencing work on the Project.
- 5.2 **Required Professional Liability Insurance** – Consistent with the terms and provisions of **Exhibit E**, Consultant shall procure and maintain throughout the term of this Agreement, at no expense to City, a professional liability (errors and omissions) insurance policy with a company that maintains a minimum rating of "A" by A.M. Best's Key Rating Guide, or other equivalent rating service(s), and is authorized to transact business in the State of Texas, in an amount not less than

One Million and 00/100 Dollars (\$1,000,000.00) for each claim, and Two Million and 00/100 Dollars (\$2,000,000.00) in the aggregate. Such policy shall require the provision of written notice to City at least thirty (30) days prior to cancellation, non-renewal or material modification of any policies, evidenced by return receipt or United States Certified Mail. Consultant shall furnish City with certificates and required endorsement(s) evidencing such coverage prior to commencing work on the Project.

- 5.3 **Required Workers Compensation Insurance** – Consistent with the terms and provisions of **Exhibit E**, Consultant shall procure and maintain throughout the term of this Agreement, at no expense to City, all Statutory Workers Compensation Insurance as required by the laws of the State of Texas. Such insurance policy shall be with a company that maintains a minimum rating of “A” by A.M. Best’s Key Rating Guide, or other equivalent service(s), and is authorized to transact business in the State of Texas. Such policy shall require the provision of written notice to City at least thirty (30) days prior to cancellation, non-renewal or material modification of any policies, evidenced by return receipt or United States Certified Mail. Consultant shall furnish City with certificates and required endorsement(s) evidencing such coverage prior to commencing work on the Project.
- 5.4 **Circumstances Requiring Umbrella Coverage or Excess Liability Coverage** – If the Project’s size and scope warrant, and if identified on the checklist located in **Exhibit E**, Consultant shall procure and maintain throughout the term of this Agreement, at no expense to City, an umbrella coverage or excess liability coverage insurance policy with a company that maintains a minimum rating of “A” by A.M. Best’s Key Rating Guide, or other equivalent rating service(s), and is authorized to transact business in the State of Texas, in an amount of Two Million and 00/100 Dollars (\$2,000,000.00). Such policy shall require the provision of written notice to City at least thirty (30) days prior to cancellation, non-renewal, or material modification of any policies, evidenced by return receipt or United States Certified Mail. Consultant shall furnish City with certificates and required endorsement(s) evidencing such coverage prior to commencing work on the Project.

ARTICLE 6 CONSULTANT’S ACCOUNTING RECORDS

Records of Direct Expenses and expenses pertaining to services performed in conjunction with the Project shall be kept on the basis of generally accepted accounting principles. Invoices will be sent to City as indicated in Article 3.4 of this Agreement. Copies of employee time sheets, receipts for direct expense items and other records of Project expenses will be included in the monthly invoices.

ARTICLE 7 AUDITS AND RECORDS/PROHIBITED INTEREST/VENDOR DISCLOSURE

Consultant agrees that at any time during normal business hours and as often as City may deem necessary, Consultant shall make available to representatives of City for examination all of its records with respect to all matters covered by this Agreement, and will permit such representatives of City to audit, examine, copy and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement, and for a period of four (4) years from the date of final settlement of this Agreement or for such other or longer period, if any, as may be required by applicable statute or other lawful requirement.

Consultant agrees that it is aware of the prohibited interest requirement of the City Charter and will abide by the same. Further, a lawful representative of Consultant shall execute the Prohibited Interest Affidavit, attached hereto as **Exhibit F** and incorporated herein by reference for all purposes, no later than the Effective Date of this Agreement. Consultant understands and agrees that the existence of a prohibited interest during the term of this Agreement will render the Agreement voidable.

Consultant agrees that it is further aware of the vendor disclosure requirements set forth in Chapter 176, TEX. LOC. GOV'T CODE, as amended, and will abide by the same. In this connection, a lawful representative of Consultant shall execute and deliver to City the Form 1295 Certificate of Interested Parties, attached hereto as **Exhibit G** and incorporated herein for all purposes, and the Conflict of Interest Questionnaire, Form CIQ, attached hereto as **Exhibit H** and incorporated herein for all purposes, no later than the Effective Date of this Agreement.

ARTICLE 8 TERMINATION OF AGREEMENT/REMEDIES

City may, upon thirty (30) days written notice to Consultant, terminate this Agreement, for any reason or no reason at all, before the termination date hereof, without prejudice to any other remedy it may have. If City terminates this Agreement due to a default of and/or breach by Consultant and the expense of finishing the Project exceeds Consultant's Fee at the time of termination, Consultant waives its right to any portion of Consultant's Fee as set forth in Article 3 of this Agreement and agrees to pay any costs over and above the fee which City is required to pay in order to finish the Project. On any default and/or breach by Consultant, City may elect not to terminate the Agreement, and in such event it may make good the deficiency in which the default consists, and deduct the costs from Consultant's Fee due Consultant as set forth in Article 3 of this Agreement. If City terminates this Agreement and Consultant is not in default of the Agreement, Consultant shall be entitled to compensation for any and all work completed to the satisfaction of City in accordance with the provisions of this Agreement prior to termination.

In the event of any termination, Consultant shall deliver to City all finished and/or unfinished documents, data, studies, surveys, drawings, maps, models, reports,

photographs and/or any items prepared by Consultant in connection with this Agreement prior to Consultant receiving final payment.

The rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its rights to use any or all other remedies. These rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

ARTICLE 9 DISPUTE RESOLUTION/MEDIATION

In addition to all remedies at law, the parties may agree to attempt to resolve any controversy, claim or dispute arising out of or relating to the interpretation or performance of this Agreement, or breach thereof, by voluntary mediation to be conducted by a mutually acceptable mediator. However, if both parties do not agree to voluntarily mediate any such controversy, claim or dispute, mediation shall not be required.

ARTICLE 10 INDEMNITY

CONSULTANT SHALL INDEMNIFY AND HOLD HARMLESS CITY AND ITS CITY COUNCIL MEMBERS, OFFICERS, AGENTS, REPRESENTATIVES AND EMPLOYEES (COLLECTIVELY REFERRED TO AS “CITY” FOR PURPOSES OF THIS ARTICLE 10) FROM AND AGAINST DAMAGES, INJURIES (WHETHER IN CONTRACT OR IN TORT, INCLUDING PERSONAL INJURY AND DEATH), CLAIMS, PROPERTY DAMAGES (INCLUDING LOSS OF USE), LOSSES, DEMANDS, SUITS, ACTIONS, JUDGMENTS, LIENS, COSTS AND EXPENSES, INCLUDING REIMBURSEMENT OF REASONABLE ATTORNEY’S FEES IN PROPORTION TO CONSULTANT’S LIABILITY (INCLUDING ATTORNEY’S FEES AND EXPENSES INCURRED IN ENFORCING THIS ARTICLE 10), THAT IN WHOLE OR IN PART ARISE OUT OF OR ARE CONNECTED WITH, OR THAT ARE ALLEGED TO HAVE ARISEN OUT OF OR CONNECTED WITH, GOODS AND/OR SERVICES PROVIDED BY CONSULTANT, ITS OFFICERS, AGENTS, REPRESENTATIVES, EMPLOYEES, SUBCONTRACTORS, LICENSEES, INVITEES OR ANY OTHER THIRD PARTIES FOR WHOM CONSULTANT IS LEGALLY RESPONSIBLE (COLLECTIVELY REFERRED TO AS “CONSULTANT” FOR PURPOSES OF THIS ARTICLE 10) TO THE EXTENT RESULTING FROM THE NEGLIGENT, GROSSLY NEGLIGENT AND/OR INTENTIONAL WRONGFUL ACT AND/OR OMISSION OF CONSULTANT IN ITS/THEIR PERFORMANCE OF THIS AGREEMENT (COLLECTIVELY, “CLAIMS”). THIS INDEMNIFICATION PROVISION AND THE USE OF THE TERM “CLAIMS” IS ALSO SPECIFICALLY INTENDED TO APPLY TO, BUT IS NOT LIMITED TO CLAIMS, WHETHER

CIVIL OR CRIMINAL, BROUGHT AGAINST CITY BY ANY GOVERNMENT AUTHORITY OR AGENCY RELATED TO ANY PERSON PROVIDING SERVICES UNDER THIS AGREEMENT THAT ARE BASED ON ANY FEDERAL IMMIGRATION LAW AND CLAIMS, DEMANDS, DAMAGES, ACTIONS AND CAUSES OF ACTION OF EVERY KIND AND NATURE, KNOWN AND UNKNOWN, EXISTING OR CLAIMED TO EXIST, RELATING TO OR ARISING OUT OF ANY EMPLOYMENT RELATIONSHIP BETWEEN CONSULTANT AND ITS EMPLOYEES OR SUBCONTRACTORS AS A RESULT OF THAT SUBCONTRACTOR'S OR EMPLOYEE'S EMPLOYMENT AND/OR SEPARATION FROM EMPLOYMENT WITH THE CONSULTANT, INCLUDING BUT NOT LIMITED TO ANY DISCRIMINATION CLAIM BASED ON SEX, SEXUAL ORIENTATION OR PREFERENCE, RACE, RELIGION, COLOR, NATIONAL ORIGIN, AGE OR DISABILITY UNDER FEDERAL, STATE OR LOCAL LAW, RULE OR REGULATION, AND/OR ANY CLAIM FOR WRONGFUL TERMINATION, BACK PAY, FUTURE WAGE LOSS, OVERTIME PAY, EMPLOYEE BENEFITS, INJURY SUBJECT TO RELIEF UNDER THE WORKERS' COMPENSATION ACT OR WOULD BE SUBJECT TO RELIEF UNDER ANY POLICY FOR WORKERS COMPENSATION INSURANCE, AND ANY OTHER CLAIM, WHETHER IN TORT, CONTRACT OR OTHERWISE. EXCEPT TO THE EXTENT NOT REQUIRED BY APPLICABLE LAW CONSULTANT IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH FEDERAL IMMIGRATION CLAIMS; PROVIDED, HOWEVER, THAT IF A COURT OF COMPETENT JURISDICTION SIGNS A JUDGMENT THAT BECOMES FINAL AND NON-APPEALABLE, DETERMINING THAT THE CITY (WITHOUT WAIVING ANY GOVERNMENTAL IMMUNITY) HAS JOINT, CONCURRENT OR SOLE NEGLIGENCE FOR THE CLAIMS IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS ("JUDGMENT"), THEN CONSULTANT IS NOT REQUIRED TO INDEMNIFY OR DEFEND CITY TO THE EXTENT OF THE NEGLIGENCE APPORTIONED TO CITY FOR EACH CAUSE(S) OF ACTION IDENTIFIED IN THE JUDGMENT. IN THE EVENT THE JUDGMENT PROVIDES THAT CITY IS JOINTLY, CONCURRENTLY OR SOLELY NEGLIGENT FOR THE CLAIMS REFERRED TO THEREIN, CITY AGREES TO REIMBURSE CONSULTANT FOR ALL REASONABLE AND NECESSARY COSTS INCURRED AND PAID BY CONSULTANT THAT ARE ATTRIBUTABLE TO CITY'S PERCENTAGE OF JOINT, CONCURRENT OR SOLE NEGLIGENCE, AS SET FORTH IN THE JUDGMENT, INCLUDING REASONABLE AND NECESSARY ATTORNEY'S FEES AND EXPENSES, WITHIN SIXTY (60) DAYS OF THE DATE THE JUDGMENT BECOMES FINAL AND NON-APPEALABLE. IF THIS AGREEMENT IS A CONTRACT FOR ENGINEERING OR ARCHITECTURAL SERVICES, THEN CONSULTANT'S INDEMNITY AND DEFENSE OBLIGATIONS UNDER THIS ARTICLE 10

ARE LIMITED BY, AND TO BE AMENDED TO COMPLY WITH, SECTION 271.904 OF THE TEXAS LOCAL GOVERNMENT CODE.

TO THE EXTENT REQUIRED BY APPLICABLE LAW CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY CONSULTANT IN FULFILLING ITS OBLIGATION HEREUNDER TO DEFEND AND INDEMNIFY CITY, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING. CITY RESERVES THE RIGHT TO PROVIDE A PORTION OR ALL OF ITS OWN DEFENSE; HOWEVER, CITY IS UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY CITY IS NOT TO BE CONSTRUED AS A WAIVER OF CONSULTANT'S OBLIGATION TO DEFEND CITY OR AS A WAIVER OF CONSULTANT'S OBLIGATION TO INDEMNIFY CITY PURSUANT TO THIS AGREEMENT. CONSULTANT SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF CITY'S WRITTEN NOTICE THAT CITY IS INVOKING ITS RIGHT TO DEFENSE OR INDEMNIFICATION UNDER THIS AGREEMENT. IF CONSULTANT FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, CITY SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND CONSULTANT SHALL BE LIABLE FOR ALL COSTS INCURRED BY CITY. THE RIGHTS AND OBLIGATIONS CREATED BY THIS ARTICLE SHALL SURVIVE TERMINATION OF THIS AGREEMENT.

ARTICLE 11 NOTICES

Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing the same in the United States Mail, addressed to the party to be notified, postage pre-paid and registered or certified with return receipt requested; by facsimile; by electronic mail, with documentation evidencing the addressee's receipt thereof; or by delivering the same in person to such party a via hand-delivery service, or any courier service that provides a return receipt showing the date of actual delivery of same to the addressee thereof. Notice given in accordance herewith shall be effective upon receipt at the address of the addressee. For purposes of notification, the addresses of the parties shall be as follows:

If to City, addressed to it at:

Kenneth Overstreet
Director of Public Works
City of Bedford
1813 Reliance Parkway
Bedford, Texas 76021
Telephone: (817) 952 - 2200
Facsimile: (817) 952 - 2240

Email: Kenneth.Overstreet@bedfordtx.gov

If to Consultant, addressed to it at:

Andrew Franko, PE
Project Manager
Freese and Nichols, Inc.
4055 International Plaza, Suite 200
Fort Worth, Texas 76109
Telephone: (817) 735-7515
Email: asf@freese.com

ARTICLE 12 MISCELLANEOUS

- 12.1 **Complete Agreement** – This Agreement, including the exhibits hereto labeled “A” through “H,” all of which are incorporated herein for all purposes, constitute the entire Agreement by and between the parties regarding the subject matter hereof and supersedes all prior and/or contemporaneous written and/or oral understandings. This Agreement may not be amended, supplemented, and/or modified except by written agreement duly executed by both parties. The following exhibits are attached below and made a part of this Agreement:
- 12.1.1 **Exhibit A**, Scope of Services.
 - 12.1.2 **Exhibit B**, Project Budget Summary.
 - 12.1.3 **Exhibit C**, Guidelines for Computer Aided Design and Drafting (CADD).
 - 12.1.4 **Exhibit D**, Guidelines for Direct Expenses; General and Administrative Markup; Travel and Subsistence Expenses.
 - 12.1.5 **Exhibit E**, Contractor Insurance Guidelines.
 - 12.1.6 **Exhibit F**, Prohibited Interest Affidavit.
 - 12.1.7 **Exhibit G**, Form 1295 Certificate of Interested Parties.
 - 12.1.8 **Exhibit H**, Conflict of Interest Questionnaire, Form CIQ.

To the extent that **Exhibit A**, **Exhibit B**, **Exhibit C**, **Exhibit D**, **Exhibit E**, **Exhibit F**, **Exhibit G** or **Exhibit H** are in conflict with provisions of this Agreement or each other, the provisions of this Agreement, then the provisions of **Exhibit B**, **Exhibit C**, **Exhibit D**, **Exhibit E**, **Exhibit F**, **Exhibit G**, **Exhibit H** or **Exhibit A** shall prevail in that order.

- 12.2 **Assignment and Subletting** – Consultant agrees that neither this Agreement nor the work to be performed hereunder will be assigned or sublet without the prior written consent of City. Consultant further agrees that the assignment or subletting of any portion or feature of the work or materials required in the performance of this Agreement shall not relieve Consultant of its full obligations to City as provided by this Agreement. All such approved work performed by assignment or subletting shall be billed through Consultant, and there shall be no third party billing.
- 12.3 **Attorney’s Fees** – If either party files any action or brings any proceeding against the other arising from this Agreement, then as between City and Consultant, the prevailing party shall be entitled to recover as an element of its costs of suit, and not as damages, reasonable attorney’s fees and litigation expenses both at trial and on appeal, subject to the limitations set forth in TEX. LOC. GOV’T CODE § 271.153, as it exists or may be amended, if applicable.
- 12.4 **Successors and Assigns** – City and Consultant, and their respective partners, assigns, successors, subcontractors, executors, officers, agents, employees, representatives and administrators are hereby bound to the terms and conditions of this Agreement.
- 12.5 **Savings/Severability** – In the event of a term, condition, or provision of this Agreement is determined to be invalid, illegal, void, unenforceable, or unlawful by a court of competent jurisdiction, then that term, condition, or provision, shall be deleted and the remainder of the Agreement shall remain in full force and effect as if such invalid, illegal, void, unenforceable or unlawful provision had never been contained in this Agreement.
- 12.6 **Governing Law/Venue** – This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflict of law principles. The exclusive venue for any action arising out of this Agreement shall be a court of appropriate jurisdiction in Collin County, Texas.
- 12.7 **Execution/Consideration** – This Agreement is executed by the parties hereto without coercion or duress for any substantial consideration, the sufficiency of which is forever confessed.
- 12.8 **Authority** – The individuals executing this Agreement on behalf of the respective parties below represent to each other that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the other party for whom the individual is signing this Agreement and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.

- 12.9 **Waiver** – Waiver by either party of any breach of this Agreement, or the failure of either party to enforce any of the provisions of this Agreement, at any time, shall not in any way affect, limit, or waive such party’s right thereafter to enforce and compel strict compliance.
- 12.10 **Headings** – The headings of the various sections of this Agreement are included solely for convenience of reference and are not to be full or accurate descriptions of the content thereof.
- 12.11 **Multiple Counterparts** – This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes. An electronic mail and/or facsimile signature will also be deemed to constitute an original if properly executed and delivered to the other party.
- 12.12 **Immunity** – It is expressly understood and agreed that, in the execution and performance of this Agreement, City has not waived, nor shall be deemed to have waived, any immunity, governmental, sovereign and/or official, or defense that is available to it against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the parties do not create any obligations, express or implied, other than those set forth in this Agreement.
- 12.13 **Incorporation of Recitals** – The representations, covenants and recitations set forth in the foregoing recitals of this Agreement are true and correct and are incorporated into the body of this Agreement and adopted as findings of City and the authorized representative of Consultant.
- 12.14 **Additional Representations** – Each signatory represents this Agreement has been read by the party for which this Agreement is executed and that such party has had the opportunity to confer with its counsel.
- 12.15 **Miscellaneous Drafting Provisions** – This Agreement shall be deemed drafted equally by all parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any party shall not apply.
- 12.16 **No Third Party Beneficiaries** – Nothing in this Agreement shall be construed to create any right in any third party not a signatory to this Agreement, and the parties do not intend to create any third party beneficiaries by entering into this Agreement.
- 12.17 **Indemnity** – The parties agree that the Indemnity provision set forth in Article 10 of this Agreement is conspicuous and the parties have read and understood the same.

- 12.18 **Representations** – All representations and covenants made by one party to the other in this Agreement or in any certificate or other instrument delivered by one party to the other under this Agreement shall be considered to have been relied upon by the other party and will survive the satisfaction of any fees under this Agreement, regardless of any investigation made by either party.
- 12.19 **Independent Contractor** – In performing this Agreement, Consultant shall act as an independent contractor with respect to City. In no event shall this Agreement be construed as establishing a partnership, joint venture or similar relationship between the parties and nothing herein shall authorize either party to act as agent for the other. Consultant shall be liable for its own debts, obligations, acts and omissions, including the payment of all required withholding, social security and other taxes and benefits with respect to all of Consultant’s officers, directors, partners, employees and representatives, who shall not be considered City employees and shall not be eligible for any employee benefit plan offered by City.
- 12.20 **Debarment/Suspension** – City is prohibited from making any award or permitting any award at any tier to any party which is debarred or suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, Debarment and Suspension. City, Consultant and Consultant’s subcontractors shall comply with federal and state regulations regarding debarment and suspension. Consultant shall include a statement of compliance with federal and state debarment and suspension regulations in all third-party agreements for work on the Project.
- 12.21 **Restrictions on Lobbying** – City and Consultant are prohibited from using funds awarded under the Agreement for lobbying purposes. Consultant shall include a statement of compliance with this provision in applicable procurement solicitations and third-Party agreements for work on the Project.
- 12.22 **Appropriation of Funds** – Funds are not presently budgeted for City’s performance under this Agreement beyond the end of City’s 2020-2021 fiscal year. City will give Consultant sixty (60) days’ notice if funds for City’s performance are not budgeted to continue beyond that time. City shall have no liability for payment of any money for services performed after the end of City’s 2020-2021 fiscal year unless and until such funds are budgeted.
- 12.23 **Reference to Consultant** – When referring to “Consultant,” this Agreement shall refer to and be binding upon Consultant, and its officers, directors, partners, employees, representatives, contractors, subcontractors, licensees, invitees, agents, successors, assignees (as authorized herein), vendors, grantees, trustees, legal representatives and/or any other third parties for whom Consultant is legally responsible.
- 12.24 **Reference to City** – When referring to “City,” this Agreement shall refer to and be binding upon City, its Council members, officers, agents, representatives,

employees and/or any other authorized third parties for whom City is legally responsible.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective on the date set forth in the introductory clause of this Agreement.

CITY:

City of Bedford
A Texas home-rule municipality

CONSULTANT:

Freese and Nichols, Inc.

By: _____

By: 
_____ *Scott A. Cole, Principal* _____

APPROVED AS TO FORM:

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED _____, KNOWN TO ME TO BE ONE OF THE PERSONS WHOSE NAMES ARE SUBSCRIBED TO THE FOREGOING INSTRUMENT; HE ACKNOWLEDGED TO ME THAT HE IS THE CITY MANAGER AND DULY AUTHORIZED REPRESENTATIVE FOR THE **CITY OF BEDFORD, TEXAS**, A TEXAS HOME-RULE MUNICIPALITY, AND THAT HE EXECUTED SAID INSTRUMENT FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ DAY OF _____, 20__.

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS
My commission expires: _____

STATE OF TEXAS §
 §
COUNTY OF Tarrant §

BEFORE ME, THE UNDERSIGNED AUTHORITY, ON THIS DAY PERSONALLY APPEARED **SCOTT COLE**, KNOWN TO ME TO BE ONE OF THE PERSONS WHOSE NAMES ARE SUBSCRIBED TO THE FOREGOING INSTRUMENT; SHE ACKNOWLEDGED TO ME THAT SHE IS THE VICE PRESIDENT AND DULY AUTHORIZED REPRESENTATIVE FOR **FREESE AND NICHOLS, INC.**, A S CORPORATION, AND THAT SHE EXECUTED SAID INSTRUMENT FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 9th DAY OF March, 2020.



Stephanie Stephenson
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS
My commission expires: 07-17-2023

EXHIBIT A SCOPE OF SERVICES

Wastewater Modeling and Infiltration/Inflow Reduction Plan City of Bedford

PROJECT UNDERSTANDING

Freese and Nichols, Inc. (FNI) understands that the City of Bedford (City) is interested in engineering assistance related to the evaluation and action plan for reducing sources of Infiltration and Inflow (I/I) into the City's wastewater collection system. The project consists of developing a wastewater model and targeted flow monitoring to identify sources of I/I and its impact on the capacity of the wastewater system. As part of this project, FNI will work with the City to enhance existing maintenance activities to develop prioritized renewal recommendations based on inspection results. This includes providing focused rehabilitation recommendations to reduce I/I and eliminate overloading conditions in the wastewater system. The renewal recommendations developed will be grouped into project packages based on criteria developed with coordination with City staff.

TASK A: PROJECT ADMINISTRATION AND MANAGEMENT

A1. Project Kickoff Meeting

FNI will conduct a project kickoff meeting with the City to discuss the project scope and schedule. A data request memorandum will be presented and discussed.

A2. Data Collection and Review

FNI will obtain and review the most current data on the existing wastewater system including but not limited to the following:

- Historical flow data
- Latest GIS information
- Work order history
- SSO reporting
- As-built drawings for recent completed or ongoing projects in construction
- Previous field inspections or studies (CCTV, manhole inspections, etc.)

A3. Project Management

FNI will perform project management duties including preparing and updating project schedule, monthly invoicing, development of monthly progress reports, written summaries of meetings (minutes), and any informal project collaboration.

EXHIBIT A SCOPE OF SERVICES

TASK B: FLOW MONITORING AND I/I CHARACTERIZATION

B1. Flow Meter and Rain Gauge Site Selection and Installation

FNI will identify up to twenty (20) locations in the existing system to conduct flow monitoring and locations for rainfall monitoring for use in calibration of the hydraulic model. FNI will meet with the City to review the proposed locations. FNI will perform reconnaissance of the metering sites with City staff to determine the suitability for metering based on hydraulics and accessibility during rainfall periods.

B2. Temporary Flow Monitoring and Analysis

FNI will perform temporary flow monitoring for sixty (60) days at up to twenty (20) locations and analyze gathered data. The flow and rainfall data will be collected at 5 or 15-minute intervals for both dry and wet weather flow periods. FNI will coordinate with TRA for available billing meter information.

- 1) Determine flow meter basins and develop flow monitoring schematic.
- 2) Analyze flow data for sub-basins and develop average daily dry weather flow diurnal curves and base flow peaking factors.
- 3) Develop hydrographs for dry and wet weather flow conditions.
- 4) Determine peak inflow rate for selected rainfall events and determine corresponding rainfall intensity for areas tributary to all flow monitoring locations
- 5) Determine peak infiltration rates during high groundwater conditions, if possible.

B3. I/I Characterization and Ranking

Flow data will be compared with rainfall data to determine amount of inflow and infiltration experienced during selected storm events. FNI will utilize current and historical data to characterize the I/I in the wastewater collection system. Mapping will be developed for all of the flow meter basins to characterize and rank the basins by the amount of I/I entering the collection system. FNI will compare current and existing I/I quantities across the collection system to identify areas where infiltration and inflow rates have increased or decreased.

B4. Identify Permanent Flow Meter Locations

FNI will utilize results of temporary flow monitoring to evaluate potential permanent metering sites based on access, available power and telemetry needs. FNI will develop recommendations for additional permanent flow meter locations.

EXHIBIT A SCOPE OF SERVICES

TASK C: WASTEWATER MODEL DEVELOPMENT AND CALIBRATION

C1. Population and Non-Residential Growth Demographics

FNI will utilize available existing demographic information from City Planning Department, the City's Comprehensive Plan and by NCTCOG TSZs. FNI will refine the projections by basin and sub-basin levels to distribute existing and any future growth from potential redevelopment.

C2. Review Historical Wastewater Flow Data and Develop Projected Flows

Based on review of historical wastewater flow data, FNI will review existing flow projection methodologies, including those previously developed for all the sewer basins and sub-basins to provide recommendations to update the design criteria for flow projections. FNI will develop per-capita flow rates, non-residential usage factors, and infiltration and inflow allowances based on review of historical data. FNI will utilize the updated wastewater flow design criteria for each basin and sub-basin to allocate future residential and non-residential loads. FNI will allocate population and commercial flow projections across the sewer basins and sub-basins.

C3. Flow Monitoring and Wastewater Flow Projections Meeting

FNI will meet with the City to discuss the flow monitoring, I/I characterization and ranking, and the existing and projected wastewater flow evaluation.

C4. Evaluate and Review Wastewater System GIS for Developing All-Pipes Wastewater Model

FNI will analyze wastewater system GIS information and historical mapping data to determine additional pipeline attribute data or connectivity corrections needed for wastewater model development including recently constructed lines that may not be included in the GIS.

C5. Wastewater Field Data Collection

Upon completion of the GIS evaluation, FNI will recommend areas out in the collection system for data collection. Field data collection will primarily consist of locating manholes and performing measure downs to fill in gaps for hydraulic model development.

C6. Sewer Basin, Sub-Basin, and Subcatchment Generation

FNI will review and update sewer basin delineation using ground contour and system mapping. FNI will develop sewer sub-basin delineation representing meter areas and geographical areas within each sewer basin that is more refined than the flow meter basin delineation. FNI will generate subcatchments for each sewer sub-basin showing which areas feed into each sewer manhole within their respective flow meter basins. FNI will develop a flow meter schematic showing which sewer basin and metered sub-basins feed into each sewer interceptor for model analysis and data output review.

EXHIBIT A SCOPE OF SERVICES

C7. All-Pipes Hydraulic Wastewater Model Development

FNI will develop the wastewater model and utilize GIS data to include all wastewater lines in the selected modeling software. FNI will create an electronic shapefile of the City's water customers showing location and usage by assigning a spatial location to each meter through a process called geocoding. This information will be used as part of the model validation and verification process.

C8. Geocode Work Order Data

FNI will obtain historical work order data from their IWorks software and other City kept data. FNI will then geocode the data to assign to the relevant pipeline or manhole. Data items include SSOs, stoppages, cleaning schedule, CCTV (if available) and other associated information. Mapping will be prepared to highlight areas with more frequent maintenance required and develop rehabilitation recommendations.

C9. Dry Weather Calibration

FNI will select a dry weather calibration event to isolate projected flows as primarily domestic contributed flows. FNI will perform dry weather calibration of the selected dry weather flow event using calibrated flow volume by adjusting antecedent conditions, per capita flows, diurnal curves and dry weather infiltration. FNI shall prepare charts and profiles at selected calibration points showing metered vs. modeled dry weather calibration for flow, depth and velocity.

C10. Wet Weather Calibration

FNI will review the flow meter data and select a wet weather calibration storm event. FNI will perform wet weather calibration using the EPA approved RTK methodology on selected wet weather flow events using calibrated peak I/I. FNI will adjust model parameters to calibrate flow, velocity and flow depth. FNI will prepare charts and profiles at selected calibration points showing metered vs. modeled wet weather calibration results.

C11. Design Storm Evaluation

FNI will evaluate design storms and develop recommendations on design storms using return period and storm intensity for individual sewer basins and interceptors, based on level of service recommendations using existing available data.

C12. Model Development, and Calibration Meeting

FNI will meet with the City to discuss the model development, model calibration, and design storm evaluation.

EXHIBIT A SCOPE OF SERVICES

TASK D: WASTEWATER SYSTEM MODELING AND PERFORMANCE ANALYSIS

D1. Design Criteria and Level of Service Evaluation

FNI will evaluate and recommend wastewater system planning criteria, including design flows, minimum and maximum pipeline velocities, TCEQ requirements and surcharging guidelines. The criteria will determine the level of service and what surcharging, if any, is allowed, minimum and maximum velocity constraints, etc. Criteria will be developed for overall master planning purposes, development reviews, and environmentally sensitive areas.

D2. Wastewater System Capacity Evaluation

FNI will run the calibrated wastewater model with design storm(s) and identify existing surcharging and overflow locations and other capacity/restriction issues. This will provide the baseline evaluation of where the collection systems currently has issues. This task will establish critical projects that will be included in the short-term recommendations. FNI will perform the capacity evaluation on the existing and future collection system using the flows developed in Task C. FNI will prepare mapping and model results showing all surcharging and overflow locations by magnitude and locations. FNI will categorize manholes by overflow amounts during design storm and sewer line surcharging by amounts during design event(s).

D3. Develop Wastewater System Improvement Alternatives to Address Capacity Issues

Using the model results, FNI will develop improvements to eliminate excessive surcharging and overflows in the collection system. FNI will prioritize rehabilitation areas based on flow monitoring results and operational data to help reduce infiltration/inflow. FNI will develop mapping showing recommended improvements.

D4. Wastewater System Hydraulic Analysis and Improvement Alternatives Meeting

FNI will develop an alternatives solution for capacity related issues and meet with City Staff to assess and evaluate future hydraulic/operational improvements to solve deficiencies based on costs, benefits, and ability for projects to be permitted.

EXHIBIT A SCOPE OF SERVICES

TASK E: I/I REDUCTION ACTION PLAN CIP AND REPORT

E1. Develop I/I Reduction Action Plan CIP

FNI will develop a focused I/I Reduction Action Plan based on the results and issues identified in the flow monitoring evaluation and wastewater system capacity evaluation. FNI will develop areas for a Sanitary Sewer Evaluation Study (SSES) to reduce sources of I/I into the collection system. The activities associated with conducting a SSES include the following:

- CCTV Inspections
- Manhole Inspections
- Multi-Sensor Inspections
- Smoke Testing
- Dye Water Testing
- Acoustic Testing
- Micro-metering

Additional projects to be included in the I/I Reduction Action Plan CIP include capacity related improvements, permanent metering locations and other system rehabilitation activities.

E2. Develop Draft I/I Reduction Action Plan CIP Costs, Prioritization, and Mapping

FNI will develop costs for each recommended project, draft scheduling of projects based upon wastewater system modeling requirements, project drivers and mapping showing project locations. Costs will be in Year 2020 dollars and will include engineering and contingencies.

E3. Conduct Workshop with City Staff on I/I Reduction Action Plan CIP

FNI will prepare for and conduct a workshop with the City to discuss the draft I/I Reduction Action Plan, project phasing and results of prioritization. FNI will revise the modeling and hydraulic analysis based on City's comments from the workshop and will develop a final I/I Reduction Action Plan with costs for each proposed project, descriptions, drivers/justification, scheduling of projects based upon revised wastewater system modeling requirements, and mapping showing project locations.

E4. Prepare Draft I/I Reduction Plan Report

FNI will prepare an I/I Reduction Plan Report discussing assumptions, methodologies and findings for population and flow projections, flow monitoring and model calibration, existing and future system hydraulic analyses, and recommended Action Plan including schedule and costs of improvements. FNI will deliver five (5) copies of the draft report to City.

EXHIBIT A SCOPE OF SERVICES

E5. Meet with City Staff to Review I/I Reduction Plan Report and Finalize

FNI will meet with City staff to discuss the draft I/I Reduction Plan Report and recommended project phasing. FNI will revise the report based on City's comments and submit five (5) final hard copies and an electronic copy in PDF format to the City. FNI will also any requested electronic GIS or modeling files.

TASK F: CITY COUNCIL PRESENTATIONS AND COORDINATION WITH TRA, HURST, AND TCEQ

F1. Conduct City Council Presentations

FNI will conduct up to three (3) presentations with City Council to provide updates and recommendations on the I/I Reduction Plan. FNI will coordinate with City Staff prior to the Council presentations for review and approval of items to be presented.

F2. Coordination with City of Hurst, TRA, and TCEQ

Throughout the duration of the project, FNI will meet with the City, City of Hurst staff, and TRA as needed to discuss future wastewater collection projects and operations attributed to Bedford and determine the impacts of the City's I/I Reduction strategies. FNI will also support the City in coordinating with the TCEQ on their current SSOI activities.

**EXHIBIT B
PROJECT BUDGET SUMMARY**

City of Bedford						
Wastewater Modeling and Infiltration/Inflow Reduction Plan						
Fee Summary by Task						
Task	Task Name	Total Hours	Total Labor Effort	Total Expense Effort*	Total Sub Effort	Total Effort
A	Project Administration and Management	56	\$8,972	\$1,111	\$0	\$10,083
B	Flow Monitoring and I/I Characterization	120	\$18,938	\$1,778	\$82,500	\$103,216
C	Wastewater Model Development and Calibration	404	\$59,938	\$5,512	\$27,500	\$92,950
D	Wastewater System Modeling and Performance Analysis	334	\$53,926	\$3,947	\$0	\$57,873
E	I/I Reduction Action Plan and Report	436	\$71,216	\$6,259	\$0	\$77,475
F	City Council Presentations and Coordination with TRA, Hurst, and TCEQ	150	\$26,232	\$2,173	\$0	\$28,405
GRAND TOTAL		1,500	\$239,222	\$20,778	\$110,000	\$370,000

*Total Expenses includes printing, binding, plotting, mileage, etc.

EXHIBIT C
GUIDELINES FOR COMPUTER AIDED DESIGN AND DRAFTING (CADD)

NOT APPLICABLE

EXHIBIT D
CONSULTANT'S GUIDELINES FOR DIRECT EXPENSES; GENERAL AND ADMINISTRATIVE MARKUP; TRAVEL AND SUBSISTENCE EXPENSES

I. **CONSULTANT'S RESPONSIBILITY**. Consultant shall be solely responsible for the auditing and accuracy of all Direct Expenses, approved markup (general and/or administrative), and approved travel and/or subsistence charges, including those of its subcontractors, prior to submitting to City for reimbursement. Any over-payment by City for errors in submittals for reimbursement may be deducted from Consultant's subsequent payment(s) for services; however, this shall not be City's sole and exclusive remedy for said over-payment.

II. **GUIDELINES FOR DIRECT EXPENSES**.

A. **Local Transportation** – Transportation in connection with the Project, when such transportation is not a function of routine performance of the duties of Consultant in connection with the Project, and when such transportation exceeds beyond fifty (50) miles from the Project site, shall be reimbursed at a standard mileage rate consistent with that as issued, and periodically revised, by the United States Internal Revenue Service (IRS). Under no circumstances shall City reimburse Consultant at a higher standard mileage rate or pay additional markup on charges for local transportation. Completion of City's Standard Mileage Log is required for submittal of these charges for reimbursement, including justification for each submitted expense.

Under no circumstances are charges associated with rental cars for local transportation eligible for reimbursement by City. Toll road subscriptions or toll plaza receipts are not reimbursable. Consultant agrees to place these standards in all subcontracts for work on the Project.

B. **Supplies, Material, Equipment** – City shall reimburse the actual cost of other similar direct Project-related expenses, which are duly presented in advance and approved by City's Project Manager in writing.

C. **Commercial Reproduction** – City shall reimburse the actual cost of reproductions, specifically limited to progress prints prepared for presentation to City at each phase of progress, and final Construction Documents prepared for distribution at bidding phase, provided that Consultant has duly obtained at least three (3) quotations from commercial firms and has chosen the best value for City. Consultant shall provide such documentation to City for review prior to submitting these expenses for reimbursement. Consultant agrees to place these standards in all subcontracts for work on the Project.

D. **In-House Reproduction** – Consultant shall make arrangements with City for prior approval of in-house reproduction rates prior to submitting these expenses for reimbursement. City shall provide Consultant with a standard format for documenting these charges. Completion of City's reproduction log is required as

EXHIBIT D
CONSULTANT'S GUIDELINES FOR DIRECT EXPENSES; GENERAL AND ADMINISTRATIVE MARKUP; TRAVEL AND SUBSISTENCE EXPENSES

a prerequisite for payment, including the number or reproductions, the date, time, description, the approved standard rate, and a justification for each submitted expense for reimbursement. Consultant agrees to place these standards in all subcontracts for work on the Project.

- E. **Commercial Plotting** – City shall reimburse the actual cost of plots, specifically limited to final documents, provided Consultant has duly obtained at least three (3) quotations from commercial firms and has chosen the best value for City. Consultant shall provide such documentation to City for review prior to submitting these expenses for reimbursement. Consultant agrees to place these standards in all subcontracts for work on the Project.
- F. **In-House Plotting** – Consultant shall make arrangements with City for prior written approval of in-house plotting rates prior to submitting these charges for reimbursement. City shall provide Consultant with a standard format for documenting these charges. Completion of City's reproduction log is required as a prerequisite for payment, including the number of plots, the date, time, description, the approved standard rate, and a justification for each submitted charge for reimbursement.
- G. **Communications** – Reimbursement for expenses relating to electronic communications shall be limited to long-distance telephone or fax toll charges specifically required in the discharge of professional responsibilities related to the Project. Telephone service charges including office or cellular phones, WATTS, or Metro line services or similar charges are not reimbursable.
- H. **Postage, Mail, and Delivery Service** – City shall reimburse the actual cost of postage and delivery of Instruments of Service, provided Consultant duly considers all circumstances (including available time for assured delivery) of the required delivery and selects the best value for City, which may require comparison of delivery costs offered by three (3) or more sources or methods of delivery, which at a minimum shall include U.S. Mail. Courier service is acceptable only in circumstances requiring deadline-sensitive deliveries and not for the convenience of Consultant and/or Consultant's employees. Consultant agrees to place these standards in all subcontracts for work on the Project.
- I. **Meals and Other Related Charges** – Meals or any other related expenses are not reimbursable unless incurred outside a fifty (50) mile radius of the Project, and then only reimbursable for the actual cost subject to compliance with City's currently adopted policy. Non-allowable costs include, but are not limited to, charges for entertainment, alcoholic beverages, and gratuities.

EXHIBIT D
CONSULTANT'S GUIDELINES FOR DIRECT EXPENSES; GENERAL AND ADMINISTRATIVE MARKUP; TRAVEL AND SUBSISTENCE EXPENSES

III. GUIDELINES FOR GENERAL AND ADMINISTRATIVE MARKUP.

- A. **Requirement of Prior Approval** – Consultant may be allowed to charge a General and/or Administrative Markup on work completed if Consultant can clearly define to City specifically what costs are included in the markup calculation. To apply General and/or Administrative Markup, Consultant must also document to City what costs would be considered direct costs. City shall issue approval in writing to allow Consultant to charge General and/or Administrative Markup. City reserves the right to reject any and all requests for General and/or Administrative Markup.

IV. GUIDELINES FOR TRAVEL AND SUBSISTENCE EXPENSES.

- A. **Requirement of Prior Approval** – City shall reimburse the actual cost of travel and/or subsistence expenses upon prior written approval by City's Project Manager.
- B. **Adherence to Currently Adopted City Travel Policy** – Reimbursements shall be governed by the same travel policies provided for City employees according to current adopted policy. Prior to the event, Consultant shall request, and City's Project Manager shall provide the provisions and the restrictions that apply to out-of-town reimbursements.

**EXHIBIT E
CONTRACTOR'S INSURANCE GUIDELINES**

I. REQUIREMENT OF GENERAL LIABILITY INSURANCE –

- A. All policies shall name the City of Bedford, its officers, agents, representatives and employees as additional insured as to all applicable coverage with the exception of workers compensation insurance.
1. Such policies shall require the provision of written notice to City at least thirty (30) days prior to cancellation, non-renewal or material modification of any policies, evidenced by return receipt or United States Certified Mail.
- A. Such policies shall provide for a waiver of subrogation against City for injuries, including death, property damage or any other loss to the extent the same is covered by the proceeds of the insurance.

II. INSURANCE COMPANY QUALIFICATION – All insurance companies providing the required insurance shall be authorized to transact business in the State of Texas, and shall have a minimum rating of “A” by A.M. Best’s Key Rating Guide, or other equivalent rating service(s).

III. CERTIFICATE OF INSURANCE – A Certificate of Insurance and policy endorsement(s) evidencing the required insurance shall be submitted prior to execution of the Agreement. If the Agreement is renewed or extended by City, a Certificate of Insurance and policy endorsement(s) shall also be provided to City prior to the date the Agreement is renewed or extended.

IV. INSURANCE CHECKLIST – “X” means that the following coverage(s) is required for this Agreement.

Coverage Required	Limits
<u> X </u> 1. Worker’s Compensation & Employer’s Liability	<ul style="list-style-type: none"> ▪ Statutory Limits of the State of Texas
<u> X </u> 2. General Liability	<ul style="list-style-type: none"> ▪ Minimum \$1,000,000.00 each occurrence; ▪ Minimum \$2,000,000.00 in the aggregate.
<u> </u> 3. XCU Coverage	<ul style="list-style-type: none"> ▪ Minimum \$1,000,000.00 each occurrence; ▪ Minimum \$2,000,000.00 in the aggregate.

EXHIBIT E
CONTRACTOR'S INSURANCE GUIDELINES

-
- | | | | |
|---------------|-----|---|---|
| <u> X </u> | 4. | Professional Liability | <ul style="list-style-type: none">▪ Minimum \$ 1,000,000.00 each claim;▪ Minimum \$ 2,000,000.00 in the aggregate. |
| <u> </u> | 5. | Umbrella Coverage or Excess Liability Coverage | <ul style="list-style-type: none">▪ An amount of \$ 2,000,000.00. |
| <u> X </u> | 6. | City named as additional insured on General Liability Policy. This coverage is primary to all other coverage the City may possess. | |
| <u> X </u> | 7. | General Liability Insurance provides for a Waiver of Subrogation against the City for injuries, including death, property damage, or any other loss to the extent that same is covered by the proceeds of the insurance. | |
| <u> X </u> | 8. | Thirty (30) days' notice of cancellation, non-renewal, or material change required. The words "endeavor to" and "but failure" (to end of sentence) are to be eliminated from the Notice of Cancellation provision on standard ACORD certificates. | |
| <u> X </u> | 9. | Insurance company has a minimum rating of "A" by A.M. Best's Key Rating Guide, or other equivalent rating service(s). | |
| <u> X </u> | 10. | The Certificate of Insurance must state the project title and bid number. | |
| <u> </u> | 11. | Other Insurance Requirements (State Below): | |

EXHIBIT F
AFFIDAVIT

THE STATE OF TEXAS §

§

THE COUNTY OF Tarrant §

I, Scott A. Cole, a member of the Consultant team, make this affidavit and hereby on oath state the following:

I, and/or a person or persons related to me, have the following interest in a business entity that would be affected by the work or decision on the Project (Check all that apply):

Ownership of ten percent (10%) or more of the voting shares of the business entity.

Ownership of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) or more of the fair market value of the business entity.

Funds received from the business entity exceed ten percent (10%) of my income for the previous year.

Real property is involved, and I have an equitable or legal ownership with a fair market value of at least Twenty-Five Thousand and 00/100 Dollars (\$25,000.00).

A relative of mine has substantial interest in the business entity or property that would be affected by my business decision of the public body of which I am a member.

Other: _____.

None of the Above.

Upon filing this affidavit with the City of Bedford, Texas, I further affirm that no relative of mine, in the first degree by consanguinity or affinity, as defined in Chapter 573 of the TEX. GOV'T CODE, is a member of a public body which took action on the agreement.

Signed this 9th day of March, 2020.

SAACole, Principal
Signature of Official / Title

BEFORE ME, the undersigned authority, this day personally appeared Scott Cole and on oath stated that the facts hereinabove stated are true to the best of his/her knowledge or belief.

Sworn to and subscribed before me on this 9th day of March, 2020.



Stephanie Stephenson
Notary Public in and for the State of Texas

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

FORM CIQ

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.
This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).
By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.
A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of vendor who has a business relationship with local governmental entity.

Freese + Nichols, Lne

2 Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

N/A

Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

6 Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7 *Stephanie Stephens*
Signature of vendor doing business with the governmental entity

3/9/2020
Date

Trinity River Authority Central
Regional Wastewater
System Infiltration/Inflow
Assessment Phase VI, Part II

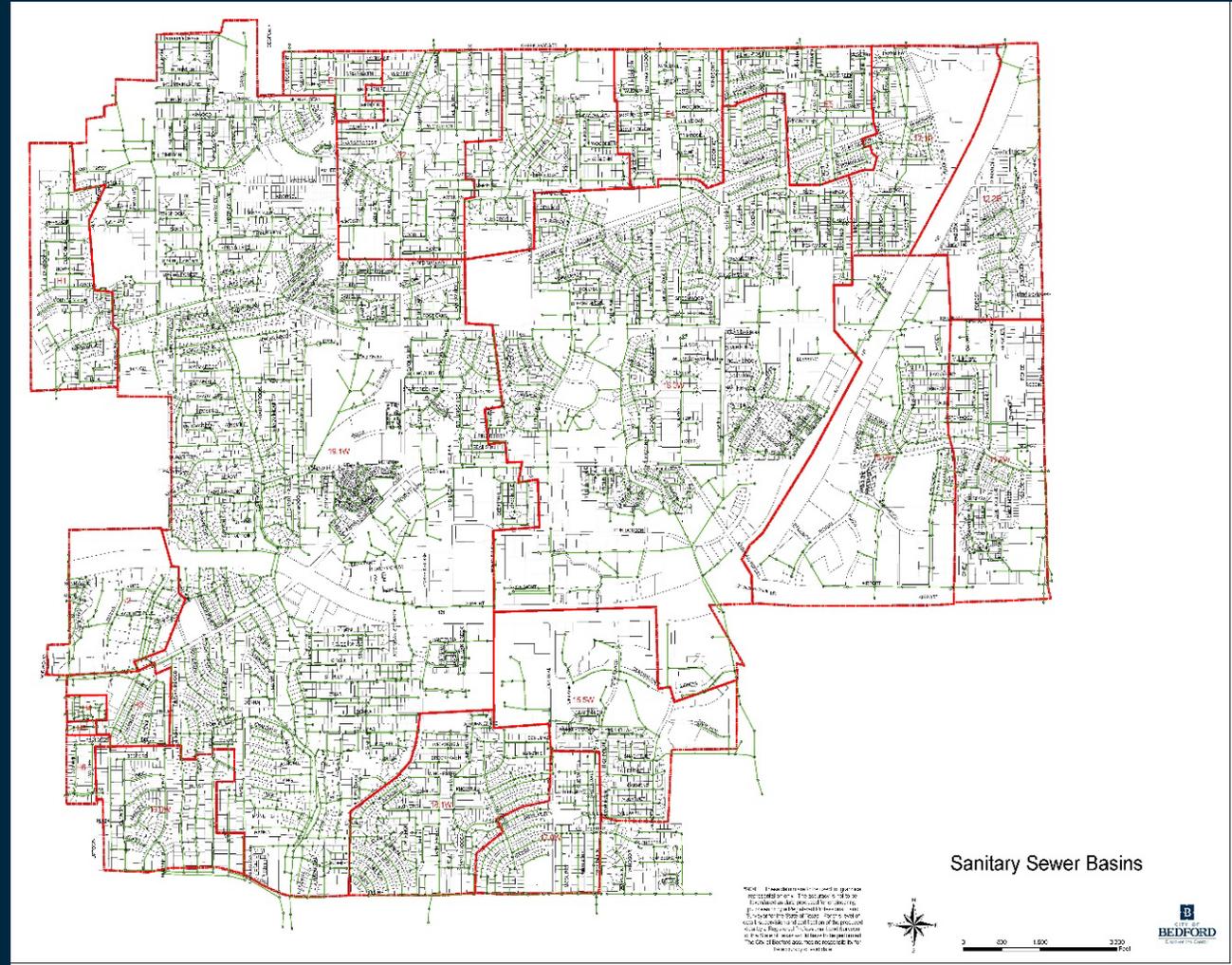
May 12, 2020

Assessment Overview

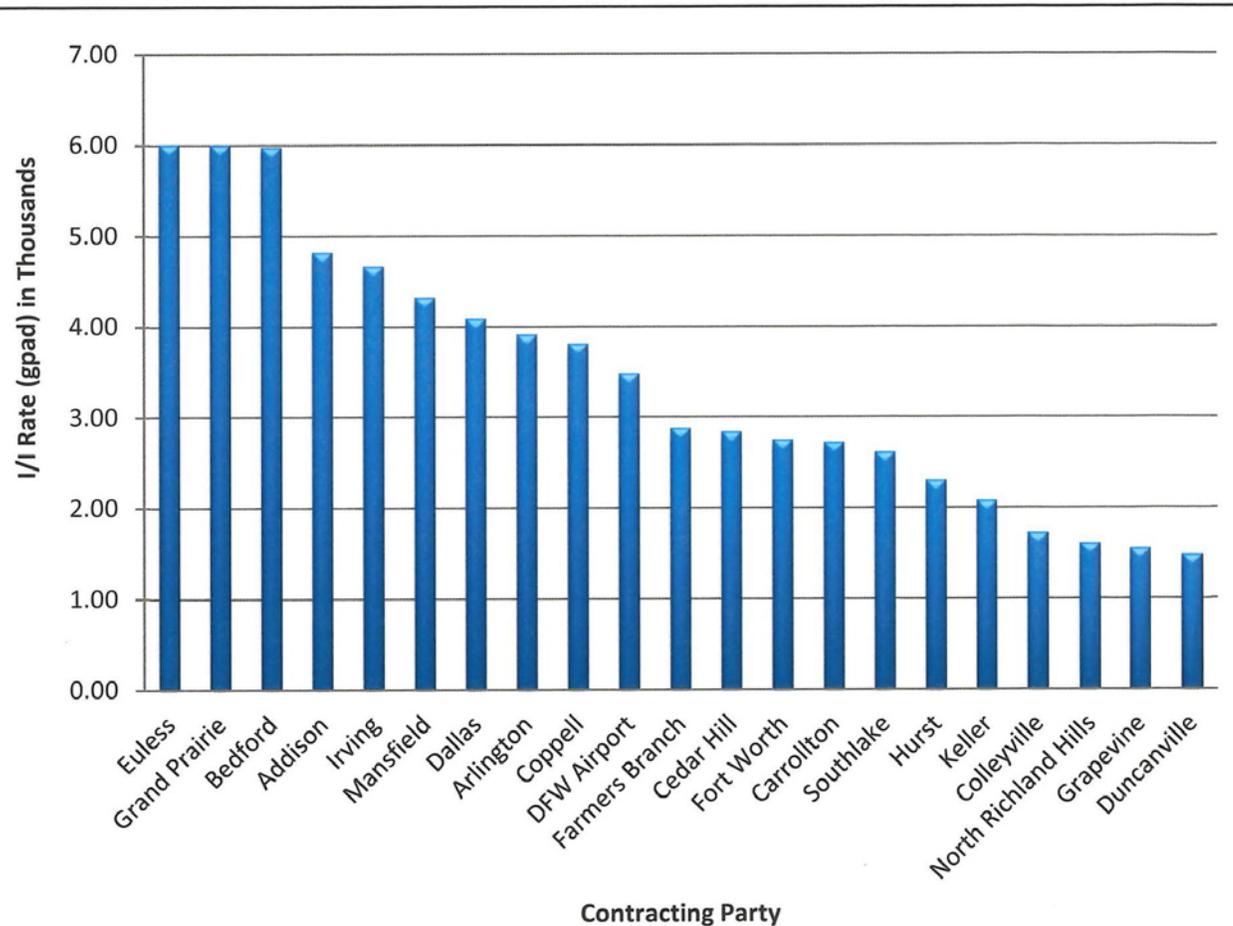
- Trinity River Authority (TRA) contracted with Black & Veatch to complete the Central Regional Wastewater System (CRWS) Infiltration and Inflow (I/I) Assessment Phase VI, Part II.
- Flow and rain fall monitoring was performed and analyzed in 2016 to determine the year dry and wet weather flows.
- Results of the flow analysis estimated the distribution of I/I within the CRWS and from Contracting Parties.
- Assessment was completed in October 2019 and submitted to TRA.
- TRA met with the Director of Public Works, Assistant Public Works Director, and the Field Operations Manager on January 22, 2020 to review the results.

City of Bedford Sewer Basins

- 10 basins utilize a Trinity River Authority meter for flow amounts
- BEDCON has five basins that utilize water usage to determine the sewer flow
- Six City of Hurst connections on the west side of the City utilize water usage to determine the sewer flow



Peak I/I by Contracting Party



Note: Peak I/I Rates are based on flows monitored in 2016 and do not reflect results of Contracting Party I/I reduction efforts since that time.

PEAK I/I BY CONTRACTING PARTY
Year 2016 Flows

Figure 5-1

The monitored flows in 2016 show that the City of Bedford has approximately 6,000 gallons per acre per day (gpad) at the peak I/I rate.

Monitored Data By Contracting Party

The assessment shows that the City of Bedford is the third largest contributor of I/I of the 21 contracting parties.

Table 5-4 Monitored Data by Contracting Party

Contracting Party	ADF ⁽¹⁾ (mgd)	5-Year I/I (mgd)	5-Year Peak Flow (mgd)	ADF (gcd)	Dev. Acres	5-Year I/I Rate (gpad)	5-Year Peak Flow/ ADF	Rank ⁽²⁾
Addison	1.46	8.8	10.58	79	1,833	4,815	7.2	4
Arlington	37.12	214.2	256.87	86	54,794	3,908	6.9	8
Bedford	3.75	34.9	39.46	72	5,841	5,971	10.5	3
Carrollton	12.71	49.0	61.48	87	18,054	2,716	4.8	14
Cedar Hill	0.63	8.6	9.29	82	3,042	2,834	14.7	12
Colleyville	2.31	12.4	15.29	87	7,230	1,718	6.6	18
Coppell	3.96	27.4	32.20	85	7,198	3,806	8.1	9
Dallas	6.96	48.0	56.05	98	11,747	4,085	8.1	7
DFW Airport	1.40	43.7	45.43	113	12,534	3,485	32.4	10
Duncanville	0.17	1.2	1.37	40	812	1,478	8.0	21
Euless	3.67	36.1	42.14	65	6,017	6,002	11.5	1
Farmers Branch	4.10	17.4	22.88	80	6,048	2,874	5.6	11
Fort Worth	4.26	15.3	21.50	158	5,574	2,745	5.0	13
Grand Prairie	13.57	159.9	176.87	71	26,659	5,997	13.0	2
Grapevine	2.19	7.3	9.91	77	4,733	1,550	4.5	20
Hurst	0.31	1.7	1.99	57	750	2,297	6.5	16
Irving	23.51	134.6	162.2	82	28,874	4,661	6.9	5
Keller	2.85	14.8	18.37	77	7,147	2,078	6.4	17
Mansfield	5.92	50.5	57.25	89	11,698	4,318	9.7	6
North Richland Hills	0.80	3.0	4.24	70	1,853	1,602	5.3	19
Southlake	1.75	12.1	14.51	102	4,655	2,607	8.3	15
TOTAL	133.40	901	1059.82		227,093			

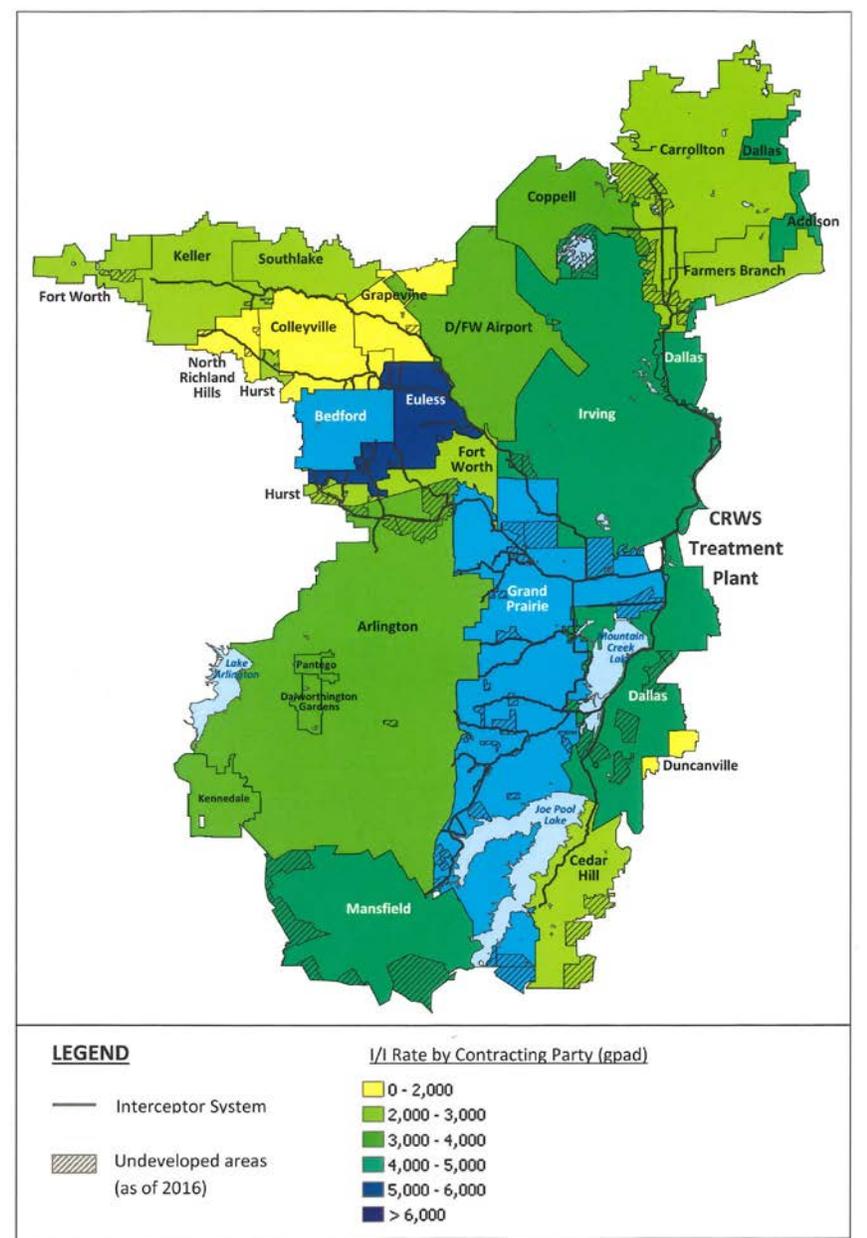


(1) ADF and rates include industrial flows.

(2) Rank based on I/I Rate with "1" being the highest Leakage Rate.

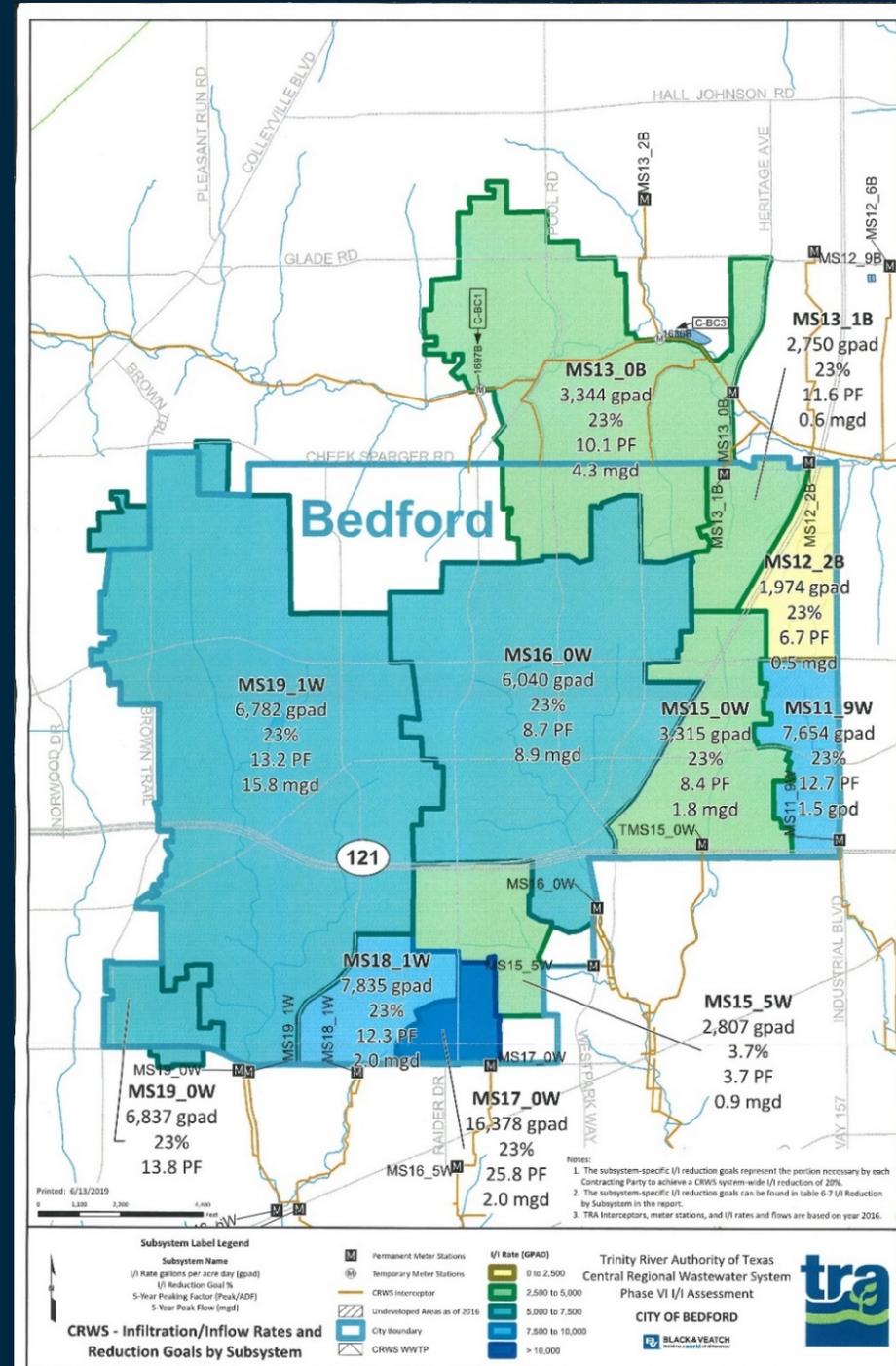
Note: Values presented are the static cumulative values from each flow metering location.

CRWS Contracting Parties I/I Rate (gpad)



CRWS – I/I Rate and Reduction Goals for the City of Bedford

Basin	2016 Gallons Per Acre Per Day	Requested Reduction by 2030
11_9W	7,654	23%
12_2B	1,974	23%
13_1B	2,750	23%
15_0W	3,315	23%
15_5W	2,807	3.7%
16_0W	6,040	23%
17_0W	16,378	23%
18_1W	7,835	23%
19_0W	6,837	23%
19_1W	6,782	23%
BEDCON	Unknown	Unknown



Wastewater System Evaluation

- Industry best practices recommend completing a wastewater modeling study every five years for cities with growth potential and capacity.
- Since the City of Bedford is nearly built out, a modeling study is recommended every 10 years.
- The last Comprehensive Wastewater Collection System Evaluation occurred in 2008.
- The evaluation found sewer basin 19_1W was the largest contributor of I/I within the City's system.
- In 2010, an in-depth evaluation was completed on basin 19_1W to determine I/I entry points.
- Various capital projects were completed to repair sewer mains and upsize the pipes as necessary.

Next Steps

- Completion of an updated capacity and I/I study.
- Overall I/I reduction of approximately 23% by 2030, as requested by TRA.
- For every 1,000 gallons of I/I reduction, the City saves \$2.994.



Council Agenda Background

PRESENTER: Kenneth Overstreet, Public Works Director

DATE: 05/12/20

Council Mission Area: Be responsive to the needs of the community.

ITEM:

Consider a resolution authorizing the Interim City Manager to purchase a Standard LX Diesel – Single Turner Valve Maintenance Skid (VMS), through E.H. Wachs, in the amount of \$72,895, utilizing the BuyBoard cooperative purchasing agreement.

City Attorney Review: N/A

SUMMARY:

This item is to replace valve equipment purchased in 2008 and currently being utilized by Public Works staff. Due to the age of the equipment, staff routinely experiences equipment failure/break downs when in use. Staff utilizes this equipment daily to complete routine maintenance of City water valves, per industry standards.

BACKGROUND:

The Wachs Standard LX Diesel – Single Turner Valve Maintenance Skid (VMS) was identified for replacement in the FY 2019-20 Equipment Replacement Summary. This piece of equipment is utilized to operate valves for routine maintenance and to exercise valves 12 inches and larger. It contains a vacuum system to clean debris out of valve boxes that hinder valve operation. The current VMS equipment was purchased in 2008 and is mounted to a one-ton truck. Due to the age of the equipment, staff routinely experiences equipment failure/break downs when in use.

The F550 truck the equipment will be mounted on is in the process of being ordered through Enterprise. The new VMS equipment is a self-contained unit, which can be removed and installed on a replacement vehicle. The life expectancy of the equipment is approximately 10 years.

Staff recommends purchasing the Wachs Standard LX Diesel – Single Turner Valve Maintenance Skid (VMS), through E.H. Wachs, in the amount of \$72,895, by utilizing the BuyBoard cooperative purchasing agreement. The agreement was approved by City Council on November 22, 2005; Resolution 05-089. If approved, the purchase would be paid from the Water Vehicle Replacement Fund.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the Interim City Manager to purchase a Standard LX Skid Diesel – Single Turner Valve Maintenance Skid (VMS), through E.H. Wachs in the amount of \$72,895, utilizing the BuyBoard cooperative purchasing agreement.

FISCAL IMPACT:

Budget Amount:	\$74,000.00
Purchase Cost:	<u>\$72,895.00</u>
Balance Available:	\$1,105.00

ATTACHMENTS:

Resolution
Quote

RESOLUTION NO. 2020-

A RESOLUTION AUTHORIZING THE INTERIM CITY MANAGER TO PURCHASE A STANDARD LX DIESEL – SINGLE TURNER VALVE MAINTENANCE SKID (VMS), THROUGH E.H. WACHS, IN THE AMOUNT OF \$72,895, UTILIZING THE BUYBOARD COOPERATIVE PURCHASING AGREEMENT.

WHEREAS, the City Council of Bedford, Texas determines the necessity to purchase a Standard LX Diesel – Single Turner Valve Maintenance Skid (VMS) with funds approved in the FY 2019-20 Budget from the Water Vehicle Replacement Fund; and,

WHEREAS, the City Council of Bedford, Texas determines that in order to be responsive to the needs of the community, the Standard LX Diesel – Single Turner Valve Maintenance Skid (VMS) must be purchased; and,

WHEREAS, the purchase of a Standard LX Diesel – Single Turner Valve Maintenance Skid (VMS) through the Buyboard cooperative purchasing agreement obtains the best pricing for the City.

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

SECTION 1. That the findings above are found to be true and correct, and are incorporated herein in their entirety.

SECTION 2. That the City Council does hereby authorize the Interim City Manager to purchase a Standard LX Diesel – Single Turner Valve Maintenance Skid (VMS) utilizing the Buyboard cooperative purchasing agreement.

SECTION 3. That funding in the amount of \$72,895 will come from the Water Vehicle Replacement Fund.

PRESENTED and PASSED this 12th day of May 2020, by a vote of ___ ayes, ___ nays, and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Michael Boyter, Mayor

ATTEST:

Michael Wells, City Secretary

Quotation

TO: **Dan Mitchell**
 City of Bedford
 1813 Reliance Parkway
 Bedford, TX 76021

Date: 2/4/2020
 Quotation Number: JB113980
 Payment Terms: Net 30
 Shipping Terms: FOB Destination
 Valid Through: 5/4/2020
 Estimated Delivery: See Below
 Reference: BuyBoard#597-19

E.H. Wachs is pleased to offer the following quotation.

Item Number	Description	Qty	U/M	Unit Price (USD)	Disc%	Line Total (USD)
1	<p>77-000-54 Standard LX (Diesel) – VMS (RH): Single turner valve maintenance skid; includes Wachs 750 Ft/lb (1020 Nm) Extended Reach Valve operator, telescoping valve key and Wachs ruggedized HC-100 with GPS controller/datalogger. A Tier 4F compliant, Kubota 1.1L, I-3 4-stroke, liquid cooled, IDI diesel engine provides ample power for all contained functions, including an auxiliary HTMA Class II circuit; 10 gallon (38 L) reservoir, fan cooled heat exchanger, continuous duty rated for 8 GPM (30.3 LPM) @ 1,800 PSI (125 bar). A positive displacement blower provides 500 CFM (14.2 cmm)-11" (280mm) Hg vacuum, with spoils containment provided by a 250 (950 L) gallon tank with power hydraulic dump (rear discharge) and latching rear door. Also driven from the common power train is a 2.5 gpm (9.5 LPM) @ 3000 PSI (210 bar) pressure washer system with 3 gallon (11.4 L) anti-freeze tank and 95 gallon (360 L) water tank. Includes 2-1/2" (63.5mm), 1-1/4" (31.75mm) & 7/8" (22mm) suction wands and one each short and long wash-down guns. The LX package bundles the service light bar with arrow board, 50' (15 M) auxiliary hydraulic hose reel for operation of hydraulic power tools & Bluetooth tethering module (installed in ERV-750) for wireless communication between the exerciser and Controller/Data Logger.</p> <p>Available Options: TM-7 HD (up to 2,500 Ft/lb [3,390 Nm] of torque) with Hybrid control valve operator (17-405-00), Job Box if not outfitting with TM-7 (77-409-00), Hot Water Heater (77-414-02) or already GPS enabled, however adding Trimble R2 GNSS receiver (79-412-02) provides survey grade centimeter accuracy.</p>	1	EA	73,000.00	1.5%	71,905.00
2	<p>77-000-55 Standard LX (Gas) – VMS (RH): Single turner valve maintenance skid; includes Wachs 750 Ft/lb (1020 Nm) Extended Reach Valve operator, telescoping valve key and Wachs ruggedized HC-100 with GPS controller/datalogger. A 27 HP (20 kW) gasoline powered Kohler overhead cam air cooled engine provides ample power for all contained functions, including an auxiliary HTMA Class II circuit; 10 gallon (38 L) reservoir, fan cooled heat exchanger, continuous duty rated for 8 GPM (30.3 LPM) @ 1,800 PSI (125 bar). A positive displacement blower provides 500 CFM (14.2 cmm)-11" (280mm) Hg vacuum, with spoils containment provided by a 250 (950 L) gallon tank with power hydraulic dump (rear discharge) and latching rear door. Also driven from the common power train is a 2.5 gpm (9.5 LPM) @ 3000 PSI (210 bar) pressure washer system with 3 gallon (11.4 L) anti-freeze tank and 95 gallon (360 L) water tank. Includes 2-1/2" (63.5mm), 1-1/4" (31.75mm) & 7/8" (22mm) suction wands and one each short and long wash-down guns. The LX package bundles the service light bar with arrow board, 50' (15 M) auxiliary hydraulic hose reel for operation of hydraulic power tools & Bluetooth tethering module (installed in ERV-750) for wireless communication between the exerciser and Controller/Data Logger.</p> <p>Available Options: TM-7 HD (up to 2,500 Ft/lb [3,390 Nm] of torque) with Hybrid control valve operator (17-405-00), Job Box if not outfitting with TM-7 (77-409-00), Hot Water Heater (77-414-02) or already GPS enabled, however adding Trimble R2 GNSS receiver (79-412-02) provides survey grade centimeter accuracy.</p>	1	EA	65,500.00	1.5%	64,517.50

Subtotal 136,422.50



Water Utility Products
 600 Knightsbridge Pkwy | Lincolnshire IL 60069
 T +1 847 537 8800 | F +1 847 520 1147
 ehwachs.com

Quotation

Page 2 of 2

TO: **Dan Mitchell**

Date: 2/4/2020
 Quotation Number: JB113980

Shipping & Handling	990.00
Total (USD)	\$137,412.50

Thank you for the opportunity to quote your application needs. If you have any questions or if I may be of any further assistance to you please do not hesitate to notify me.

(SALES TAX!!!!) We collect sales tax in all but the following states: AK, DE, MT, OR and NH. If you are tax exempt please supply your identification number and certificate with your order. If your exempt number is not on file, tax will be added to your order.

Jeffrey Brehm
 Outside Sales Rep Utility Div.
 512-348-0171
 jbrehm@ehwachs.com

Sales of E.H. Wachs products and services are expressly limited to and made conditional on acceptance of its current Terms and Conditions of Sale, found at www.ehwachs.com ("Terms"). Any additional or different terms are hereby rejected. Commencement of work by E.H. Wachs or acceptance of delivery of products by you constitutes your acceptance of the Terms.



Council Agenda Background

PRESENTER: Sean Fay, Fire Chief

DATE: 05/12/20

Council Mission Area: Provide a safe and friendly community environment.

ITEM:

Consider a resolution authorizing the Interim City Manager to purchase firefighting personal protective equipment (PPE) from North American Fire Equipment Co. Inc. (NAFECO), through the cooperative purchasing program BuyBoard, in an amount not to exceed \$70,000.

City Attorney Review: N/A

SUMMARY:

The Fire Department purchased new, secondary sets of personal protective equipment (PPE) for all firefighters in FY 2018. Every year, subsequent PPE must be purchased to replace older gear that has exceeded the maximum allowable age of 10 years. This purchase request is for replacements necessary to maintain the Department's established PPE program, to include three new employees.

BACKGROUND:

The Fire Department took affirmative steps towards reducing the risk of carcinogen exposures to firefighters in the FY 2018 budget by purchasing a second set of personal protective equipment (PPE), a.k.a. bunker gear. This purchase provides the three additional employees approved in this year's budget their initial set of gear and will replace items that are out of date or extremely worn. This program enables the Department to efficiently plan for the maintenance of assigning two sets of PPE to each employee and for the regular replacement of PPE due to age and regular wear. Every year, the Department plans to purchase several sets of PPE to maintain compliance with the Texas Commission on Fire Protection (TCFP) and to maintain the assignment of two sets of PPE to each firefighter.

Funding for this item was included in the FY 2019-20 Budget.

RECOMMENDATION:

Staff recommends the following motion:

Approval of a resolution authorizing the Interim City Manager to purchase firefighting personal protective equipment (PPE) from North American Fire Equipment Co. Inc. (NAFECO), through the cooperative purchasing program BuyBoard, in an amount not to exceed \$70,000.

FISCAL IMPACT:

FY 2019-2020 Budget:

\$70,000

ATTACHMENTS:

Resolution
NAFECO Quote

RESOLUTION NO. 2020-

A RESOLUTION AUTHORIZING THE INTERIM CITY MANAGER TO PURCHASE FIREFIGHTING PERSONAL PROTECTIVE EQUIPMENT (PPE) FROM NORTH AMERICAN FIRE EQUIPMENT CO. INC. (NAFECO), THROUGH THE COOPERATIVE PURCHASING PROGRAM BUYBOARD, IN AN AMOUNT NOT TO EXCEED \$70,000.

WHEREAS, firefighters are exposed to smoke and other by-products of combustion through direct exposure during structure fires and secondary exposure from contact with soiled protective equipment; and,

WHEREAS, wearing contaminated personal protective equipment for an extended amount of time increases firefighter's exposure rate to carcinogens; and,

WHEREAS, the Bedford Fire Department will provide the three additional employees approved in this year's budget their initial set of gear, and replace items that are out of date, or extremely worn; and,

WHEREAS, the City of Bedford, Texas will work cooperatively with BuyBoard to purchase personal protective equipment from NAFECO through the cooperative purchasing program.

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

SECTION 1. That the findings above are found to be true and correct, and are incorporated herein.

SECTION 2. That the City Council hereby authorizes the Interim City Manager to purchase personal protective equipment from NAFECO, through the cooperative purchasing program BuyBoard, in an amount not to exceed \$70,000.

PRESENTED AND PASSED this 12th day of May 2020, by a vote of ___ ayes, ___ nays and ___ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Michael Boyter, Mayor

ATTEST:

Michael Wells, City Secretary



NAFECO Inc.
 "North America Fire Equipment Co."
 1515 West Moulton Street
 Decatur, AL 35601
 Office: 800-628-6233
Damon's Cell: 903-813-6569



Bill To:
 Bedford Fire Department
 1816 Bedford Road
 Bedford Texas 76021

Shipping Address:
 Bedford Fire Department
 1816 Bedford Road
 Bedford Texas 76021

Date: 04/13/2020
Customer ID: BED095

Contact	Sales Rep #	Sales Rep.	PSGQ	BuyBoard #	Sales Quote
Tamayo	82	D. Stewart	PSGQ17304-D	603-20	Good for 60 days

Line	Item	Qty.	Description	Unit	Total
1	CVFM-32	24	Janesville® Lion / 32" Male V-Force® Coat PSGQ17304-C	\$1,267.80	\$30,427.20
2	PVFM/F	24	Janesville® Lion / V-Force® Self Rescue Pant PSGQ17304-C	\$946.34	\$22,712.16
3	9177ABS	24	Boston Leather / Firefighter's Suspenders, Loop and ABS Rectangular Ring / Black / Regular	\$62.24	\$1,493.76
4	2770912-12	9	Black Diamond Leather Boot, X2, 14" NFPA,	\$315.00	\$2,835.00
5	HD395142	30	LION Hood, RedZone Particulate Blocking, StedAir, NFPA, Black	\$103.40	\$3,102.00
6	FC-P5000	30	FireCraft Glove, Phoenix Leather, NFPA, Gauntlet, Large	\$81.31	\$2,439.30

Starting 04/01/2020 new BuyBoard contract# is 603-20 for all products listed.

Subtotal	\$63,012.42
Tax	
Shipping	TBD
Misc.	
Total	



Council Agenda Background

PRESENTER: Meg Jakubik, C.G.F.O., Strategic Services
Manager

DATE: 05/12/20

Staff Report

ITEM:

Second Quarter Financial Report.

City Attorney Review: N/A

DISCUSSION:

Fiscal Year 19-20 started on October 1, 2019, with the second quarter ending on March 31, 2020. While reports are reviewed monthly, the quarter point is commonly used to assess the financial status of the organization. Staff will present an update on the revenues and expenditures through the second quarter.

ATTACHMENTS:

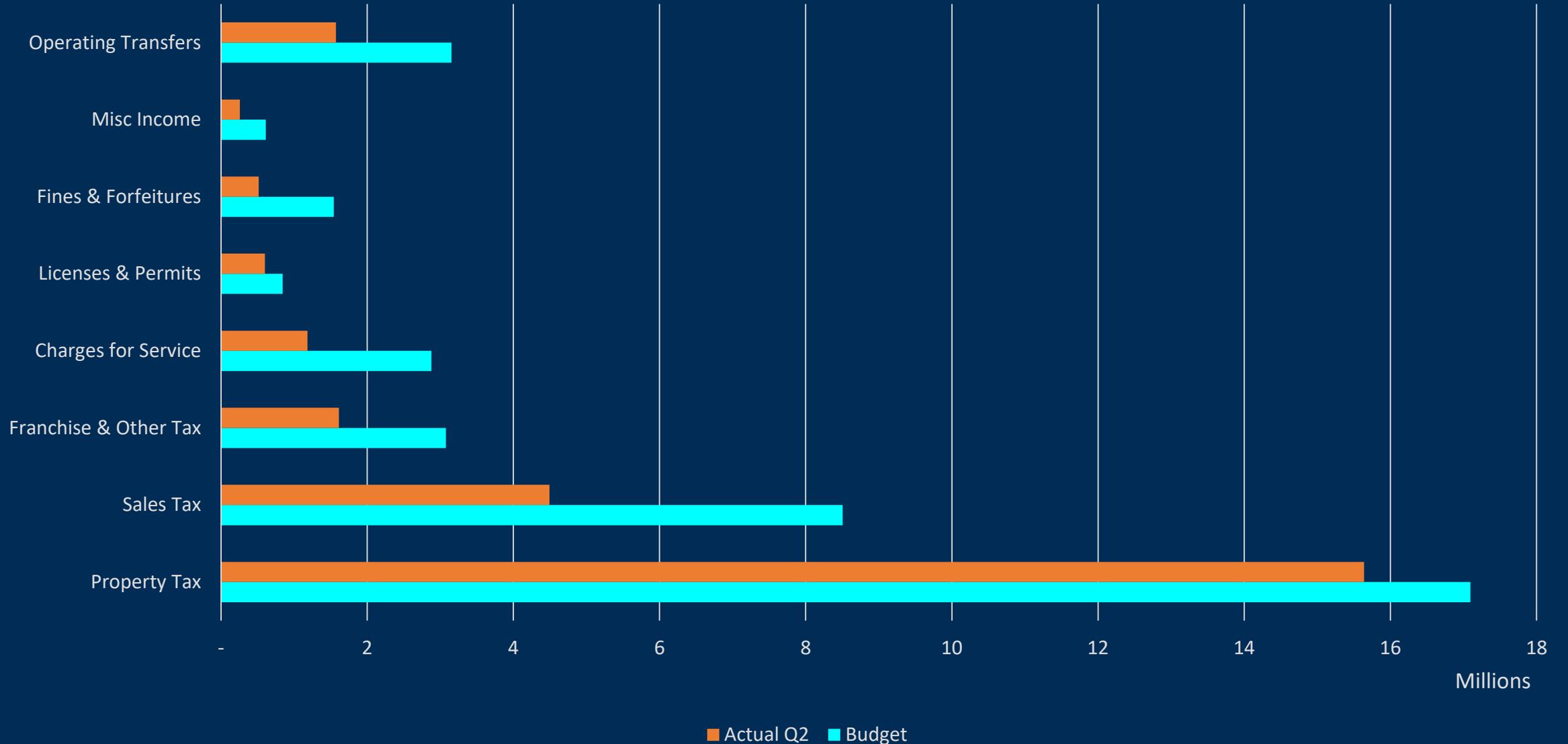
PowerPoint
Quarterly Financial Report

Quarterly Financial Report

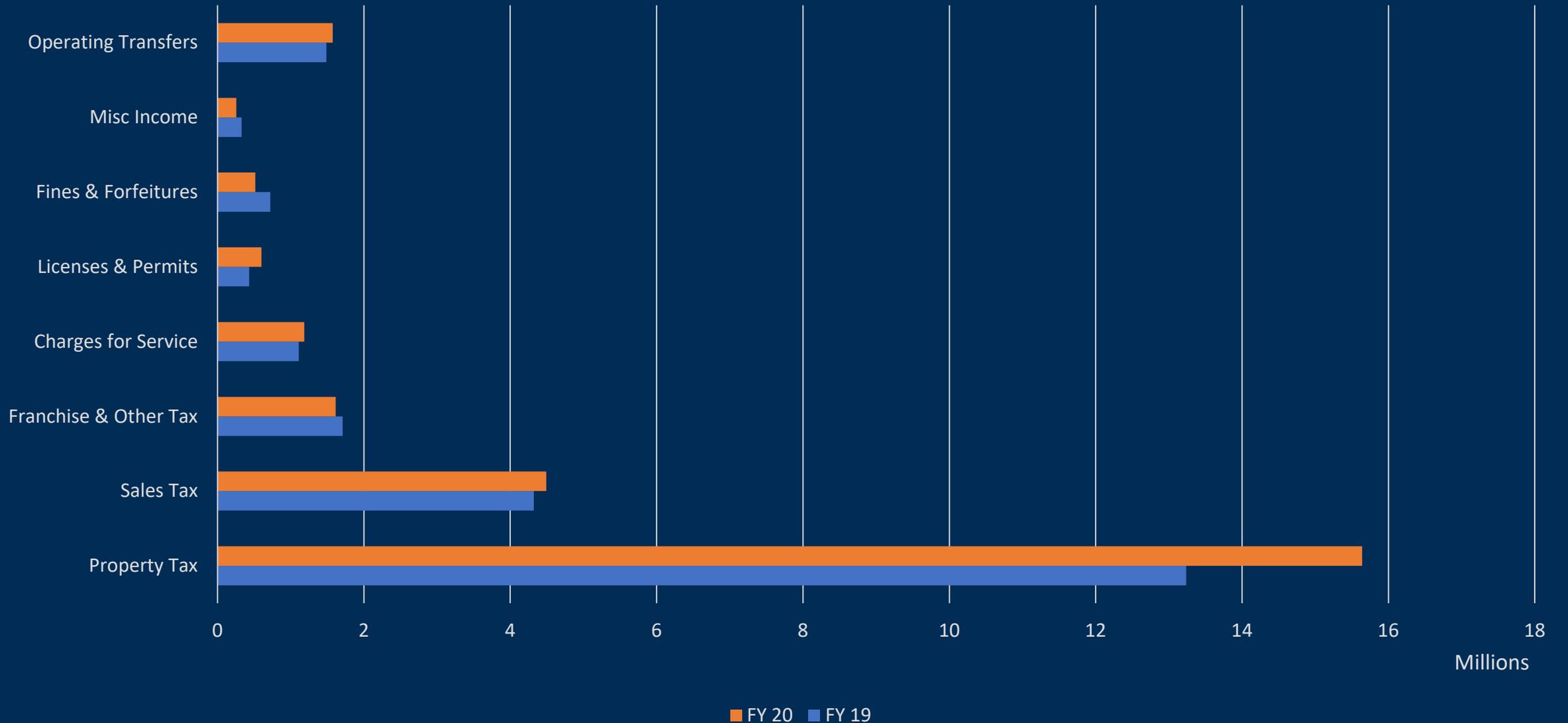
January – March 2020

General Fund

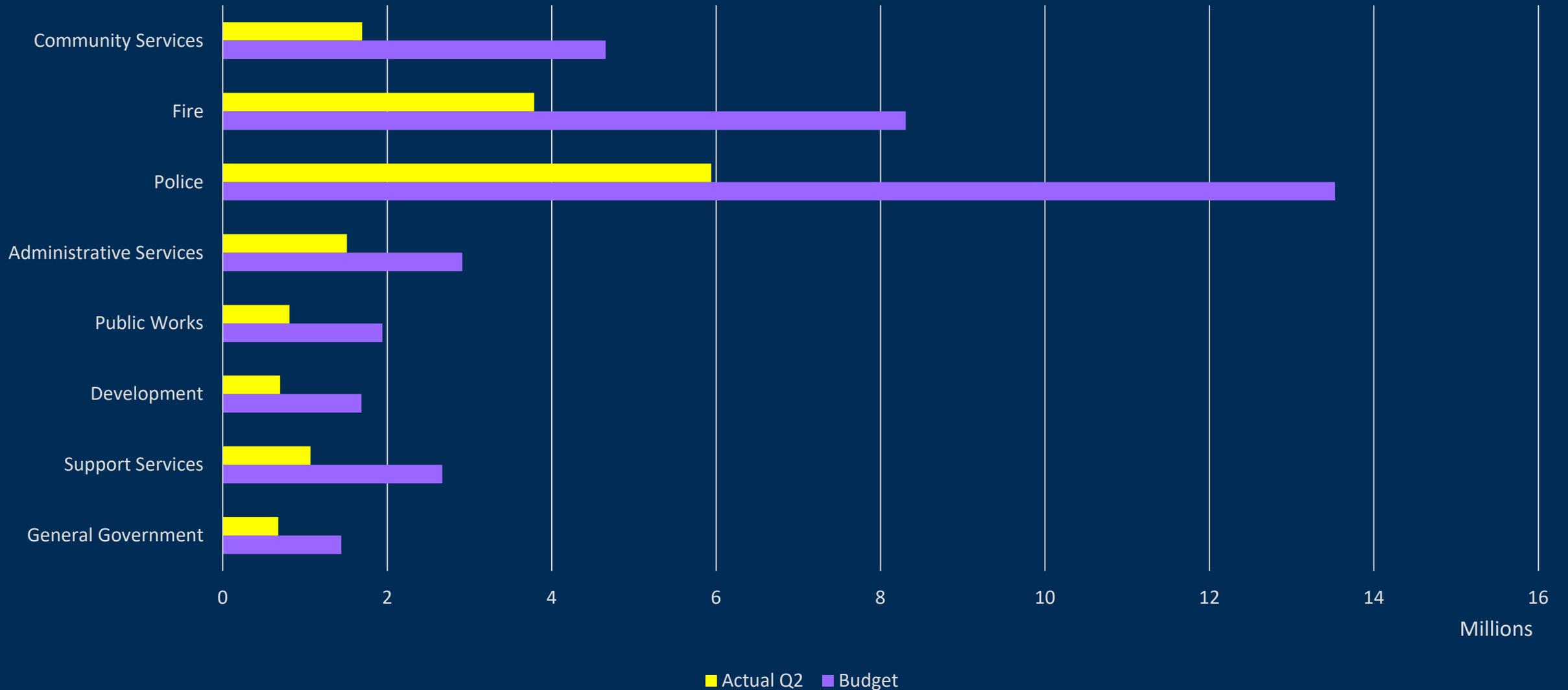
Revenue – Actual vs. Budget



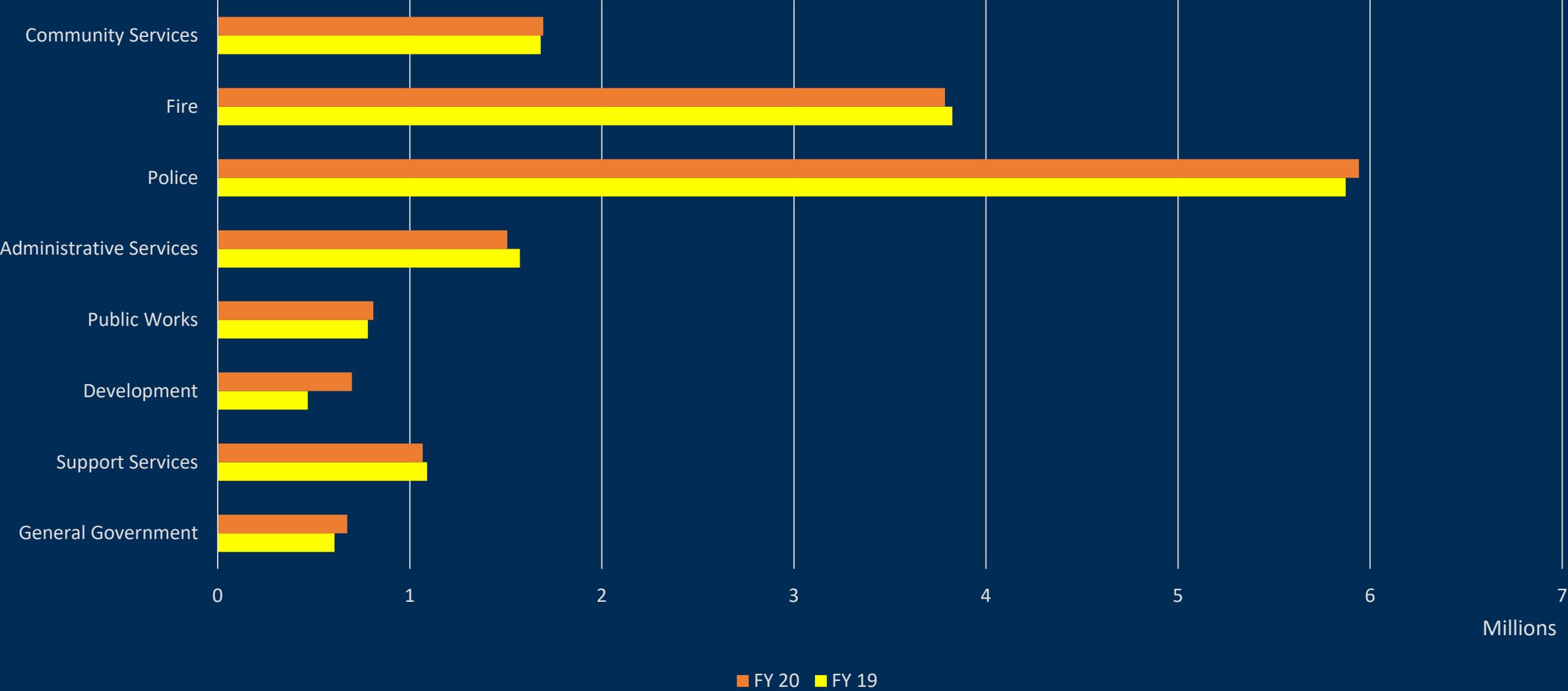
Revenue – FY 19 vs FY 20



Expenditures – Actual vs. Budget

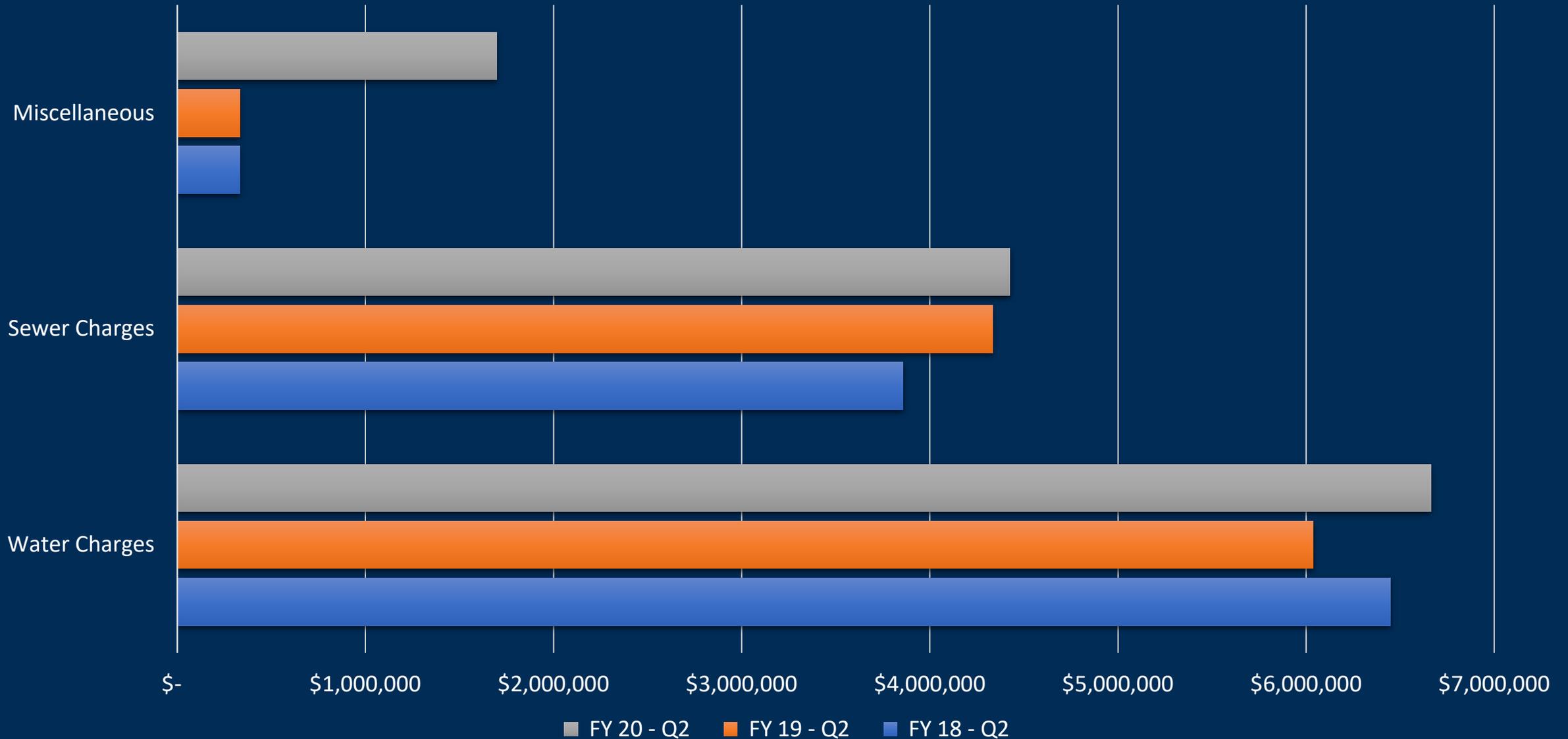


Expenditures – FY 19 vs FY 20

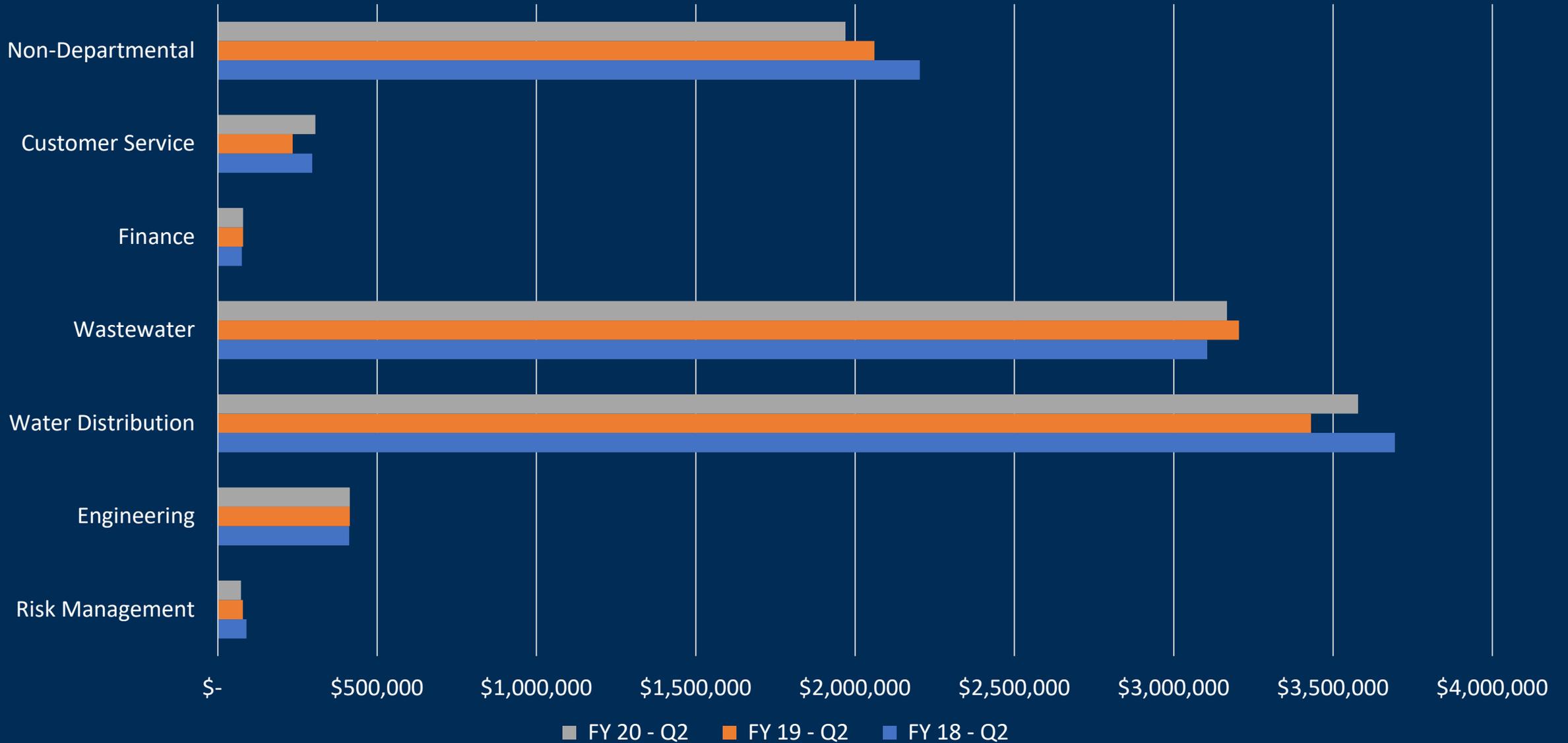


Water & Sewer Fund

Revenue – 3 Year History

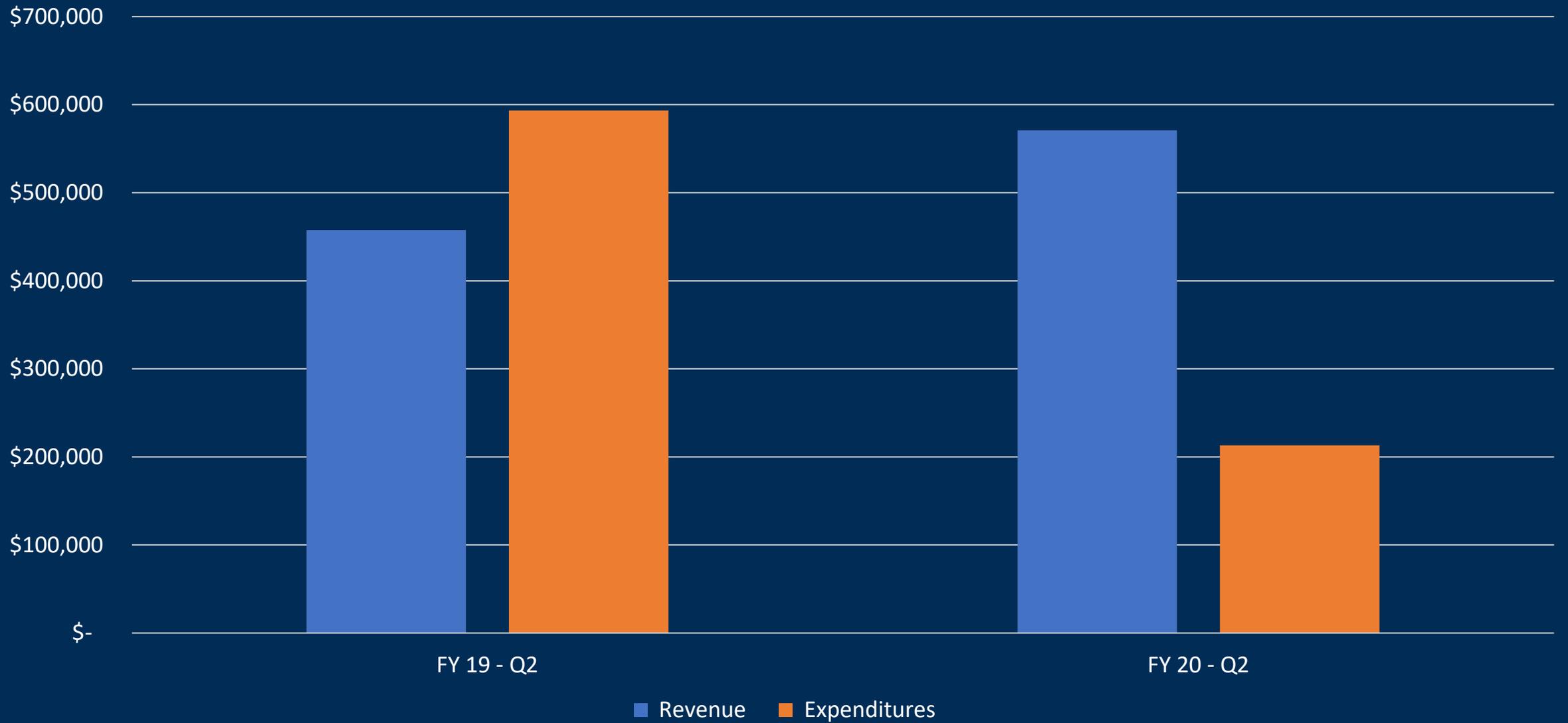


Expenditures – 3 Year History

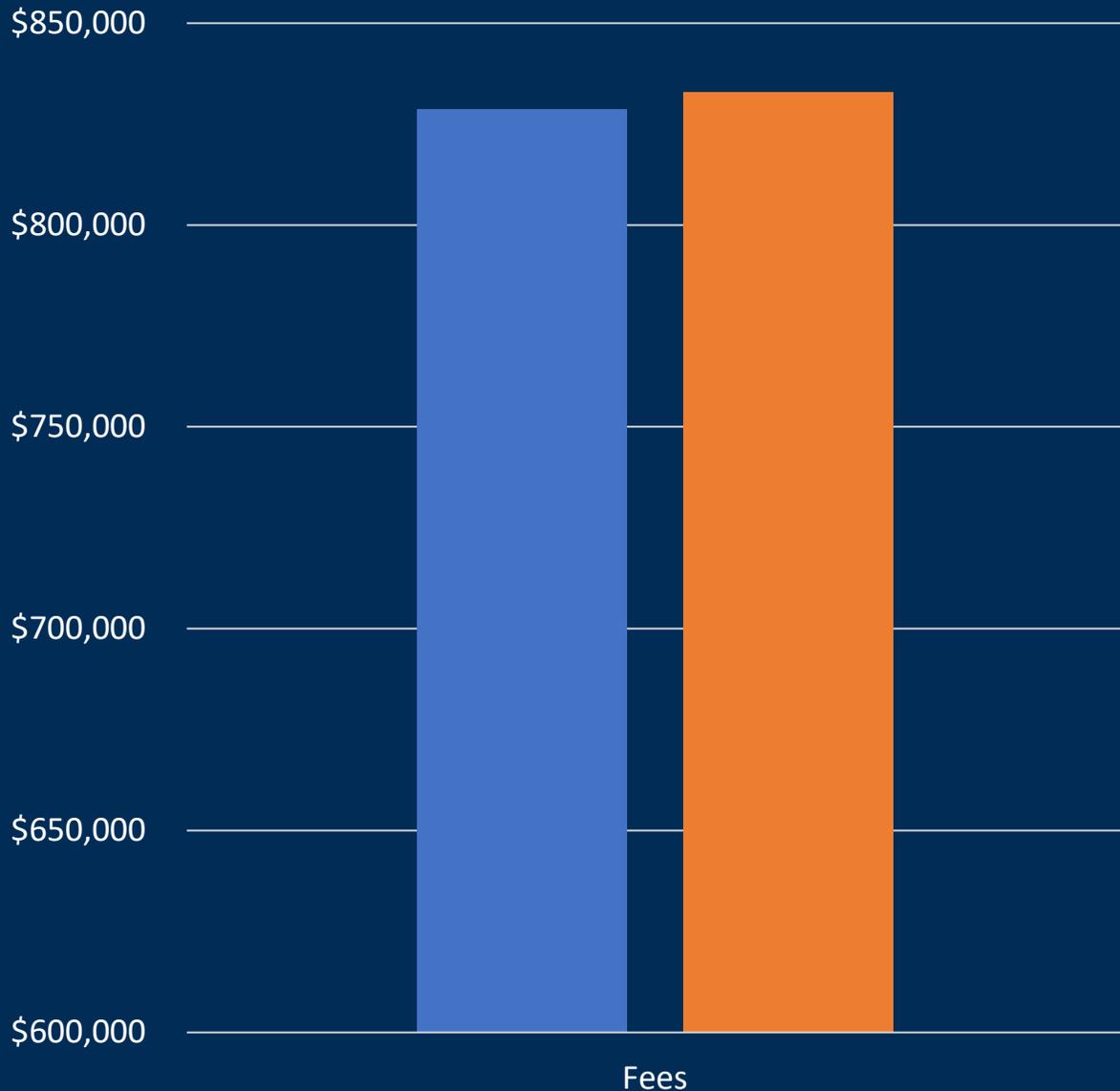


Other Funds

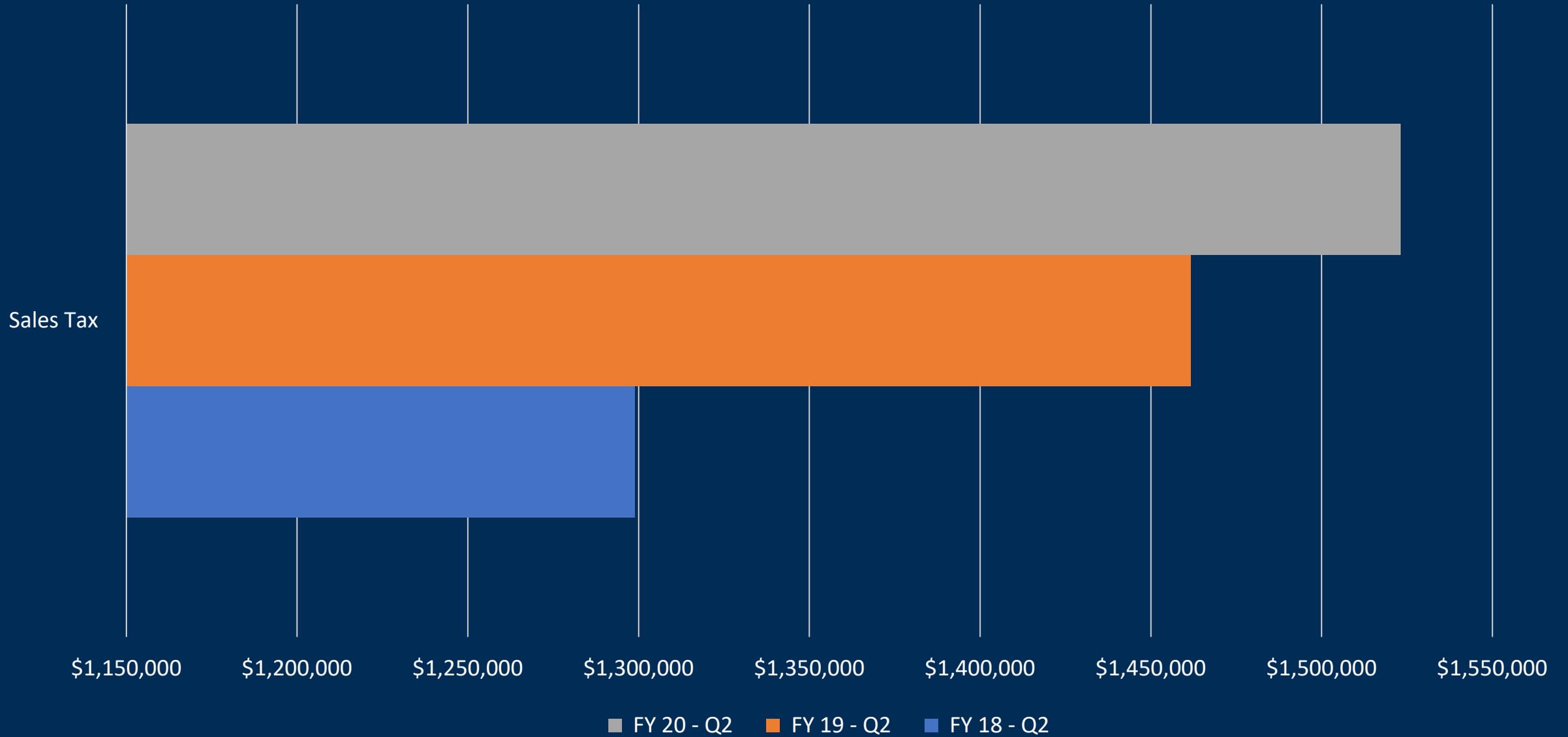
Tourism Fund



Stormwater Fund



SIEDC Fund



FY 2019-2020 FINANCIAL REPORT - QUARTER 2

October - March Financial Summary

Total All Funds

Revenue	\$ 51,339,229
Expenditures	\$ 34,405,265
Difference	\$ 16,933,964

General Fund

Revenue	\$ 25,881,790
Expenditures	\$ 16,180,598
Difference	\$ 9,701,192

Tourism Fund

Revenue	\$ 570,789
Expenditures	\$ 213,101
Difference	\$ 357,688

Water & Sewer Fund

Revenue	\$ 12,784,540
Expenditures	\$ 9,587,488
Difference	\$ 3,197,052

Stormwater Fund

Revenue	\$ 873,675
Expenditures	\$ 845,604
Difference	\$ 28,071

Debt Service Fund

Revenue	\$ 7,985,698
Expenditures	\$ 6,294,255
Difference	\$ 1,691,443

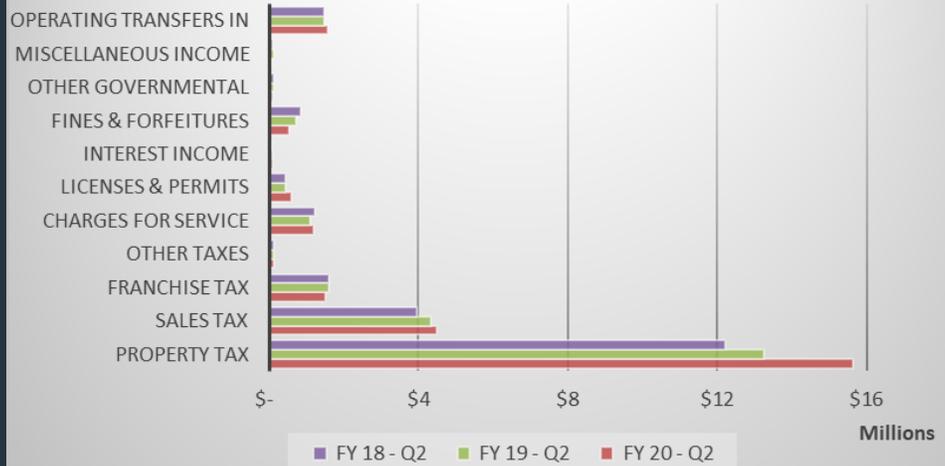
4B SIEDC Fund

Revenue	\$ 1,581,749
Expenditures	\$ 550,140
Difference	\$ 1,031,609

The information contained within this report represents financial transactions through the 2nd Quarter (January - March) of the fiscal year ending September 30, 2020. All of the current year financial figures are un-audited and may be subject to change or adjustment.

General Fund

General Fund Revenues



General Fund Expenditures



Overall, General Fund revenues through the end of the second quarter are performing well. Property tax has reached 91.5% of budget, which is expected with most payments made by the end of the calendar year and the remaining generally on payment plans. Sales tax have increased 4% over last year and reached 52.8% of budget. Franchise taxes are showing a decrease compared to the prior year, which was expected with the change enacted in the last legislation session; however, they are still in line with budget expectations. Other revenue categories are driven by the season, with this year's collection percentages in line with prior years. Compared to budget, revenue collected through the first quarter is at a higher percentage of budget than last year. The impact of the global pandemic on revenue is not evident in this report, but will be monitored for future reports.

Expenditures are within seasonally anticipated levels, with expenses currently 43.6% of budget. Expenditures have increased slightly since this same time period last year. Expenditures in individual divisions vary slightly, but all departments are around 40-50% spent.

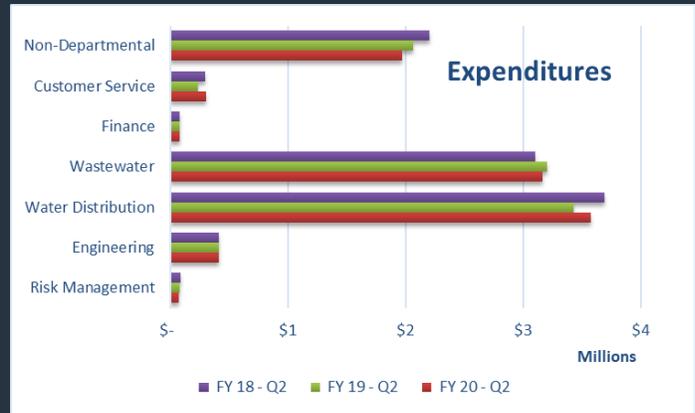
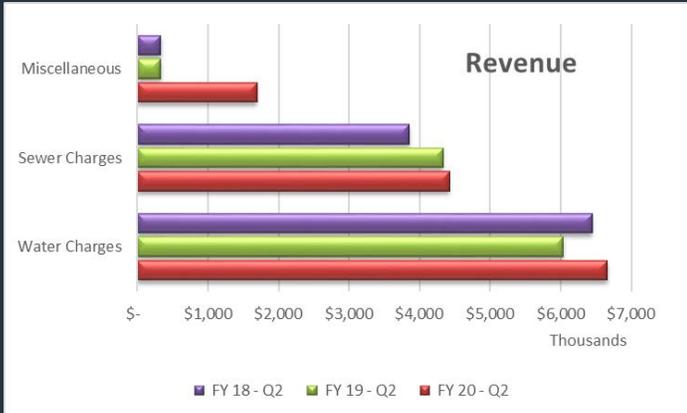
Tourism Fund



The primary revenue source for the Tourism Fund is the hotel/motel tax. Revenue has increased significantly over the previous year by 25%. This fund is expected to have significant impacts from the closures related to the global pandemic. Staff will continue monitoring this as the year continues.

Expenditures are lower than last year with the completion of repairs to the Old Bedford School. Most expenditures occur during the third and fourth quarter of the year with the festivals. The fund is performing within seasonally anticipated levels. Decisions on festivals will be made as the events draw closer and guidance is received from health authorities.

Water & Sewer Fund



Revenue for the Water & Sewer fund has reached 54.6% of budget. Water charges and sewer charges are on track for budget and increased over last year, a sign that the automated water meters are more accurately tracking a household's use and to the increased volume rates in accordance with the increase from the Trinity River Authority. Council has awarded the contract to conduct a rate study during this fiscal year to ensure that revenue is adequate for the operational cost of the water system.

Expenses for this quarter have reached 40.2% of budget and generally static compared to the same period last year. Expenses are within seasonally anticipated levels.

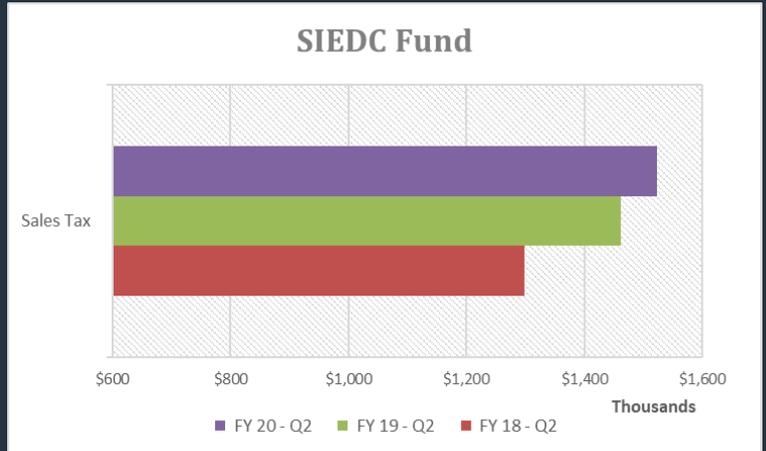
FY 2019-2020 FINANCIAL REPORT – QUARTER 2



Revenue for the Stormwater Fund is at 49.2% of budget and minimally higher than the same period last year. This is typically the City’s most stable fund. Expenses for the fund are at 47.5% of budget and within seasonally anticipated levels.

Sales tax is the primary source of revenue for the Street Improvement Economic Development Corporation (SIEDC). Sales taxes are increasing over the prior year in the same period and meeting budgetary expectations. Staff is monitoring the impacts of the stay-at-home orders to determine the impact on this fund’s revenue through the remainder of the year.

Expenditures for this fund typically happen in the spring and summer when weather is conducive for road improvements. Expenses are within seasonally appropriate levels.



**CITY OF BEDFORD
BUDGET TO ACTUAL COMPARISON
FISCAL YEAR 2020
For the period ending March 31, 2020 (2nd Quarter)**

GENERAL FUND

REVENUE:	ADOPTED BUDGET	AMENDED BUDGET	3/31/2020 YTD ACTUAL	% USED	% REMAINING	3/31/2019 YTD ACTUAL	\$ CHG 19 VS 18	% CHG 19 VS 18
TAXES								
PROPERTY	17,094,240	17,094,240	15,640,992	91.50%	8.50%	13,236,986	2,404,006	18.16%
SALES TAX	8,505,000	8,505,000	4,493,323	52.83%	47.17%	4,320,562	172,761	4.00%
FRANCHISE	2,843,000	2,843,000	1,503,830	52.90%	47.10%	1,592,607	(88,777)	-5.57%
OTHER	235,000	235,000	110,484	47.01%	52.99%	117,549	(7,065)	-6.01%
CHARGES FOR SERVICES	2,878,950	2,878,950	1,184,190	41.13%	58.87%	1,109,269	74,921	6.75%
LICENSES & PERMITS	843,750	843,750	600,866	71.21%	28.79%	431,664	169,202	39.20%
INTEREST INCOME	175,000	175,000	96,378	55.07%	44.93%	98,238	(1,860)	-1.89%
FINES & FORFEITURES	1,542,500	1,542,500	516,146	33.46%	66.54%	721,596	(205,450)	-28.47%
OTHER GOVERNMENTAL	349,577	349,577	106,623	30.50%	69.50%	109,460	(2,836)	-2.59%
MISCELLANEOUS INCOME	87,400	87,400	54,556	62.42%	37.58%	121,326	(66,769)	-55.03%
OPERATING TRANSFERS IN	3,153,177	3,153,177	1,574,402	49.93%	50.07%	1,488,818	85,584	5.75%
TOTAL REVENUE	<u>37,707,594</u>	<u>37,707,594</u>	<u>25,881,790</u>	68.64%	31.36%	<u>23,348,074</u>	<u>2,533,716</u>	10.85%
TOTAL EXPENDITURES	<u>37,112,322</u>	<u>37,140,826</u>	<u>16,180,598</u>	43.57%	56.43%	<u>15,899,348</u>	<u>201,523</u>	1.27%
EXCESS REVENUE OVER(UNDER) EXPENDITURES	<u>595,272</u>	<u>566,768</u>	<u>9,701,192</u>			<u>7,448,726</u>	<u>2,332,193</u>	31.31%

CITY OF BEDFORD
BUDGET TO ACTUAL COMPARISON
FISCAL YEAR 2020
For the period ending March 31, 2020 (2nd Quarter)

GENERAL FUND

EXPENDITURES:	ADOPTED BUDGET	AMENDED BUDGET	3/31/2020 ACTUAL	%	%	3/31/2019 ACTUAL	\$ CHG 19 VS 18	% CHG 19 VS 18
				USED	REMAINING			
GENERAL GOVERNMENT								
CITY COUNCIL	218,450	218,300	99,133	45.41%	54.59%	123,505	(24,373)	-19.73%
CITY MANAGER	747,373	747,373	365,917	48.96%	51.04%	342,800	23,116	6.74%
CITY SECRETARY	307,923	307,923	129,863	42.17%	57.83%	141,950	(12,087)	-8.52%
COMMUNICATIONS	167,597	167,597	79,726	47.57%	52.43%	-	79,726	N/A
TOTAL	1,441,343	1,441,193	674,638	46.81%	53.19%	608,256	(13,344)	-2.19%
SUPPORT SERVICES								
INFORMATION SYSTEMS	1,223,414	1,223,414	522,556	42.71%	57.29%	561,464	(38,908)	-6.93%
HUMAN RESOURCES	518,141	518,141	248,982	48.05%	51.95%	209,660	39,322	18.76%
FLEET MAINTENANCE	-	-	-	N/A	N/A	545	(545)	-100.00%
FACILITY SERVICES	927,757	927,757	295,695	31.87%	68.13%	318,309	(22,614)	-7.10%
TOTAL	2,669,312	2,669,312	1,067,233	39.98%	60.02%	1,089,978	(22,745)	-2.09%
DEVELOPMENT								
ECONOMIC DEVELOPMENT	284,901	284,901	127,470	44.74%	55.26%	41,594	85,876	206.46%
NEIGHBORHOOD SERVICES	554,626	554,626	235,927	42.54%	57.46%	-	235,927	N/A
INSPECTIONS	570,040	570,040	254,637	44.67%	55.33%	251,837	2,800	1.11%
PLANNING & ZONING	277,877	277,877	80,225	28.87%	71.13%	175,164	(94,939)	-54.20%
TOTAL	1,687,444	1,687,444	698,259	41.38%	58.62%	468,595	229,664	49.01%
PUBLIC WORKS								
FLEET MAINTENANCE	1,000,722	1,000,722	489,786	48.94%	51.06%	397,870	91,916	23.10%
STREETS	939,248	939,248	320,235	34.09%	65.91%	383,255	(63,020)	-16.44%
TOTAL	1,939,970	1,939,970	810,021	41.75%	58.25%	781,125	28,896	3.70%
ADMINISTRATIVE SERVICES								
FINANCE	696,832	696,832	368,335	52.86%	47.14%	359,219	9,116	2.54%
NON-DEPARTMENTAL	1,496,110	1,529,144	822,351	53.78%	46.22%	843,281	(20,930)	-2.48%
MUNICIPAL COURT	544,908	544,908	255,101	46.82%	53.18%	307,201	(52,100)	-16.96%
TEEN COURT	141,101	141,101	62,082	44.00%	56.00%	63,316	(1,234)	-1.95%
TOTAL	2,878,951	2,911,985	1,507,869	51.78%	48.22%	1,573,017	(65,148)	-4.14%

CITY OF BEDFORD
BUDGET TO ACTUAL COMPARISON
FISCAL YEAR 2020
For the period ending March 31, 2020 (2nd Quarter)

	ADOPTED BUDGET	AMENDED BUDGET	3/31/2020 ACTUAL	% USED	% REMAINING	3/31/2019 ACTUAL	\$ CHG 19 VS 18	% CHG 19 VS 18
POLICE								
ADMINISTRATION	1,095,197	1,094,447	419,661	38.34%	61.66%	378,366	41,295	10.91%
ANIMAL CONTROL	429,826	429,826	202,187	47.04%	52.96%	166,822	35,365	21.20%
COMMUNITY SERVICES	1,137,319	1,137,169	469,638	41.30%	58.70%	495,888	(26,250)	-5.29%
C.I.D.	2,075,164	2,074,814	903,265	43.53%	56.47%	898,259	5,005	0.56%
S.W.A.T.	-	-	-	N/A	N/A	220	(220)	-100.00%
CODE COMPLIANCE	-	-	-	N/A	N/A	176,370	(176,370)	-100.00%
PATROL	5,453,381	5,453,381	2,611,750	47.89%	52.11%	2,216,032	395,718	17.86%
TRAFFIC	798,579	798,579	220,965	27.67%	72.33%	411,747	(190,782)	-46.33%
DISPATCH	881,682	881,682	404,642	45.89%	54.11%	392,931	11,710	2.98%
DETENTION SERVICES	914,241	914,241	413,032	45.18%	54.82%	399,009	14,024	3.51%
RECORDS	407,293	404,793	176,872	43.69%	56.31%	188,832	(11,960)	-6.33%
BEHAVIORAL INTERVENTION UNIT	340,358	340,178	119,246	35.05%	64.95%	147,948	(28,703)	-19.40%
TOTAL	13,533,040	13,529,110	5,941,256	43.91%	56.09%	5,872,424	68,832	1.17%
FIRE								
ADMINISTRATION	750,701	750,451	363,398	48.42%	51.58%	434,123	(70,725)	-16.29%
OPERATIONS	7,555,327	7,555,327	3,423,226	45.31%	54.69%	3,390,660	32,566	0.96%
TOTAL	8,306,028	8,305,778	3,786,624	45.59%	54.41%	3,824,783	(38,160)	-1.00%
COMMUNITY SERVICES								
LIBRARY	1,568,820	1,568,820	688,788	43.90%	56.10%	679,469	9,319	1.37%
PARKS	1,719,618	1,719,618	703,125	40.89%	59.11%	585,796	117,329	20.03%
RECREATION	691,267	691,267	206,439	29.86%	70.14%	279,730	(73,291)	-26.20%
AQUATICS	415,255	415,255	12,914	3.11%	96.89%	12,611	304	2.41%
SENIOR CENTER	261,274	261,074	83,431	31.96%	68.04%	123,564	(40,133)	-32.48%
TOTAL	4,656,234	4,656,034	1,694,696	36.40%	63.60%	1,681,169	13,527	0.80%
TOTAL EXPENDITURES	37,112,322	37,140,826	16,180,598	43.57%	56.43%	15,899,348	201,523	1.27%

CITY OF BEDFORD
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ECONOMIC DEVELOPMENT FUND

REVENUE:	ADOPTED BUDGET	AMENDED BUDGET	3/31/2020 ACTUAL	%	%	3/31/2019 ACTUAL	\$ CHG 19 VS 18	% CHG 19 VS 18
				USED	REMAINING			
OPERATING TRANSFERS	50,000	50,000	25,040	50.08%	49.92%	25,040	-	0.00%
MISCELLANEOUS	-	-	208,501	N/A	N/A	-	208,501	N/A
INTEREST	3,000	3,000	3,237	107.89%	-7.89%	3,741	(504)	-13.47%
TOTAL	53,000	53,000	236,778	446.75%	-346.75%	28,781	207,997	722.70%
EXPENDITURES:								
CONTRACTUAL SERVICES	140,000	140,000	14,894	10.64%	89.36%	-	14,894	N/A
REIMBURSEMENTS	-	-	-	N/A	N/A	-	-	N/A
TOTAL	140,000	140,000	14,894	10.64%	89.36%	-	14,894	N/A
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	(87,000)	(87,000)	221,884			28,781	193,103	670.94%

PUBLIC EDUCATIONAL GOVERNMENT (PEG) FUND

REVENUE:	ADOPTED BUDGET	AMENDED BUDGET	3/31/2020 ACTUAL	%	%	3/31/2019 ACTUAL	\$ CHG 19 VS 18	% CHG 19 VS 18
				USED	REMAINING			
CABLE FRANCHISE	48,000	48,000	55,625	115.88%	-15.88%	56,841	(1,216)	-2.14%
INTEREST	7,000	7,000	6,687	95.53%	4.47%	7,383	(696)	-9.43%
TOTAL	55,000	55,000	62,312	113.29%	-13.29%	64,224	(1,912)	-2.98%
EXPENDITURES:								
CAPITAL	38,400	38,400	16,647	43.35%	56.65%	12,242	4,404	35.98%
TOTAL	38,400	38,400	16,647	43.35%	56.65%	12,242	4,404	35.98%
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	16,600	16,600	45,665			51,982	(6,317)	-12.15%

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COMMERCIAL VEHICLE ENFORCEMENT

REVENUE:	ADOPTED BUDGET	AMENDED BUDGET	3/31/2020 ACTUAL	% USED	% REMAINING	3/31/2019 ACTUAL	\$ CHG 19 VS 18	% CHG 19 VS 18
INTEREST	-	-	83	N/A	N/A	215	(132)	-61.52%
OPERATING TRANSFERS	87,710	87,710	43,910	50.06%	49.94%	53,600	(9,690)	-18.08%
MISCELLANEOUS	-	-	-	N/A	N/A	-	-	N/A
FINES	30,000	30,000	8,436	28.12%	71.88%	1,633	6,803	416.49%
TOTAL	117,710	117,710	52,429	44.54%	55.46%	55,449	(3,020)	-5.45%
EXPENDITURES:								
OPERATIONS	117,705	117,705	56,833	48.28%	51.72%	55,610	1,222	2.20%
TOTAL	117,705	117,705	56,833	48.28%	51.72%	55,610	1,222	2.20%
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	5	5	(4,403)			(161)	(4,242)	2627.40%

PARK MAINTENANCE FUND

REVENUE:	ADOPTED BUDGET	AMENDED BUDGET	3/31/2020 ACTUAL	% USED	% REMAINING	3/31/2019 ACTUAL	\$ CHG 19 VS 18	% CHG 19 VS 18
INTEREST	2,000	2,000	1,254	62.71%	37.29%	1,835	(580)	-31.63%
MISCELLANEOUS	-	-	351	N/A	N/A	91	260	285.86%
OPER TRANSFERS	50,000	50,000	25,040	50.08%	49.92%	25,040	-	0.00%
TOTAL	52,000	52,000	26,645	51.24%	48.76%	26,965	(320)	-1.19%
EXPENDITURES:								
CAPITAL OUTLAY	100,000	100,000	-	0.00%	100.00%	-	-	N/A
TOTAL	100,000	100,000	-	0.00%	100.00%	-	-	N/A
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	(48,000)	(48,000)	26,645			26,965	(320)	-1.19%

**CITY OF BEDFORD
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COMPUTER REPLACEMENT FUND

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>3/31/2020 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>3/31/2019 ACTUAL</u>	<u>\$ CHG 19 VS 18</u>	<u>% CHG 19 VS 18</u>
REVENUE:								
INTEREST	1,000	1,000	1,125	112.54%	-12.54%	1,288	(162)	-12.60%
OPER TRANSFERS	60,000	60,000	30,000	50.00%	50.00%	30,000	-	0.00%
TOTAL	61,000	61,000	31,125	51.03%	48.97%	31,288	(162)	-0.52%
EXPENDITURES:								
CAPITAL OUTLAY	20,000	20,000	542	2.71%	97.29%	20,626	(20,084)	-97.37%
TOTAL	20,000	20,000	542	2.71%	97.29%	20,626	(20,084)	-97.37%
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	41,000	41,000	30,584			10,661	19,922	186.86%

AQUATIC MAINTENANCE FUND

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>3/31/2020 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>3/31/2019 ACTUAL</u>	<u>\$ CHG 19 VS 18</u>	<u>% CHG 19 VS 18</u>
REVENUE:								
INTEREST	2,000	2,000	966	48.31%	51.69%	1,521	(555)	-36.48%
OPER TRANSFERS	25,000	25,000	12,520	50.08%	49.92%	12,520	-	0.00%
TOTAL	27,000	27,000	13,486	49.95%	50.05%	14,041	(555)	-3.95%
EXPENDITURES:								
MAINTENANCE	10,000	10,000	-	0.00%	100.00%	-	-	N/A
CAPITAL OUTLAY	-	-	-	N/A	N/A	-	-	N/A
TOTAL	10,000	10,000	-	0.00%	100.00%	-	-	N/A
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	17,000	17,000	13,486			14,041	(555)	-3.95%

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LIBRARY MAINTENANCE FUND

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>3/31/2020 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>3/31/2019 ACTUAL</u>	<u>\$ CHG 19 VS 18</u>	<u>% CHG 19 VS 18</u>
REVENUE:								
INTEREST	500	500	531	106.23%	-6.23%	556	(25)	-4.50%
OPER TRANSFERS	25,000	25,000	12,520	50.08%	49.92%	12,520	-	0.00%
TOTAL	25,500	25,500	13,051	51.18%	48.82%	13,076	(25)	-0.19%
EXPENDITURES:								
CAPITAL OUTLAY	34,500	34,500	-	0.00%	100.00%	-	-	N/A
TOTAL	34,500	34,500	-	0.00%	100.00%	-	-	N/A
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	(9,000)	(9,000)	13,051			13,076	(25)	-0.19%

FACILITY MAINTENANCE FUND

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>3/31/2020 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>3/31/2019 ACTUAL</u>	<u>\$ CHG 19 VS 18</u>	<u>% CHG 19 VS 18</u>
REVENUE:								
INTEREST	3,000	3,000	2,176	72.53%	27.47%	3,559	(1,384)	-38.87%
MISCELLANEOUS	-	-	-	N/A	N/A	-	-	N/A
OPER TRANSFERS	45,000	45,000	22,500	50.00%	50.00%	22,500	-	0.00%
TOTAL	48,000	48,000	24,676	51.41%	48.59%	26,059	(1,384)	-5.31%
EXPENDITURES:								
CAPITAL OUTLAY	30,000	30,000	42,707	142.36%	-42.36%	10,340	32,367	313.03%
TOTAL	30,000	30,000	42,707	142.36%	-42.36%	10,340	32,367	313.03%
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	18,000	18,000	(18,031)			15,719	(33,751)	-214.71%

CITY OF BEDFORD
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EQUIPMENT REPLACEMENT FUND

REVENUE:	ADOPTED BUDGET	AMENDED BUDGET	3/31/2020 ACTUAL	% USED	% REMAINING	3/31/2019 ACTUAL	\$ CHG 19 VS 18	% CHG 19 VS 18
PROPERTY LOSS	-	-	-	N/A	N/A	-	-	N/A
MISCELLANEOUS	128,250	128,250	164,020	127.89%	-27.89%	-	164,020	N/A
AUCTION PROCEEDS	-	-	-	N/A	N/A	-	-	N/A
INTEREST	1,000	1,000	2,193	219.30%	-119.30%	1,030	1,163	112.83%
OPER TRANSFERS	580,600	580,600	290,350	50.01%	49.99%	-	290,350	N/A
TOTAL	709,850	709,850	456,563	64.32%	35.68%	1,030	455,533	44208.87%
EXPENDITURES:								
CAPITAL OUTLAY	708,850	708,850	309,949	43.73%	56.27%	-	309,949	N/A
TOTAL	708,850	708,850	309,949	43.73%	56.27%	-	309,949	N/A
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	1,000	1,000	146,614			1,030	145,583	14128.68%

POLICE VEHICLE REPLACEMENT FUND

REVENUE:	ADOPTED BUDGET	AMENDED BUDGET	3/31/2020 ACTUAL	% USED	% REMAINING	3/31/2019 ACTUAL	\$ CHG 19 VS 18	% CHG 19 VS 18
MISCELLANEOUS	-	-	-	N/A	N/A	-	-	N/A
INTEREST	500	500	398	79.62%	20.38%	576	(178)	-30.88%
OPER TRANSFERS	78,000	78,000	39,000	50.00%	50.00%	39,000	-	0.00%
TOTAL	78,500	78,500	39,398	50.19%	49.81%	39,576	(178)	-0.45%
EXPENDITURES:								
LEASE PAYMENTS	77,630	77,630	77,628	100.00%	0.00%	77,628	-	0.00%
TOTAL	77,630	77,630	77,628	100.00%	0.00%	77,628	-	0.00%
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	870	870	(38,230)			(38,052)	(178)	0.47%

**CITY OF BEDFORD
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TOURISM DEVELOPMENT

REVENUES:	ADOPTED BUDGET	AMENDED BUDGET	3/31/2020 ACTUAL	% USED	% REMAINING	3/31/2019 ACTUAL	\$ CHG 19 VS 18	% CHG 19 VS 18
HOTEL MOTEL TAX (Current)	900,000	900,000	564,608	62.73%	37.27%	449,441	115,168	25.62%
DELINQUENT TAX	-	-	-	N/A	N/A	-	-	N/A
INTEREST	8,000	8,000	1,820	22.75%	77.25%	4,825	(3,006)	-62.29%
MISCELLANEOUS	-	-	-	N/A	N/A	-	-	N/A
OLD BEDFORD SCHOOL	107,150	107,150	-	0.00%	100.00%	-	-	N/A
BLUES FESTIVAL	257,750	257,750	2,700	1.05%	98.95%	(154)	2,854	-1850.41%
JULY 4 FESTIVAL	32,500	32,500	336	1.03%	98.97%	77	259	335.87%
ARTSFEST	5,000	5,000	1,325	26.50%	73.50%	3,527	(2,202)	-62.44%
TOTAL	1,310,400	1,310,400	570,789	43.56%	56.44%	457,716	113,073	24.70%
EXPENDITURES:								
TOURISM ADMINISTRATION	484,430	484,430	179,233	37.00%	63.00%	120,878	58,356	48.28%
OLD BEDFORD SCHOOL	199,784	199,784	30,929	15.48%	84.52%	360,990	(330,062)	-91.43%
MARKETING	-	-	-	N/A	N/A	73,415	(73,415)	-100.00%
BLUES FESTIVAL	475,500	475,500	1,042	0.22%	99.78%	37,934	(36,892)	-97.25%
JULY 4 FESTIVAL	137,800	137,800	1,845	1.34%	98.66%	131	1,714	1306.23%
ARTFEST	-	-	51	N/A	N/A	79	(28)	-35.26%
TOTAL	1,297,514	1,297,514	213,101	16.42%	83.58%	593,427	(380,327)	-64.09%
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	12,886	12,886	357,688			(135,711)	493,399	-363.57%

CITY OF BEDFORD
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SWAT - NETCAST FUND

REVENUE:	ADOPTED BUDGET	AMENDED BUDGET	3/31/2020 ACTUAL	% USED	% REMAINING	3/31/2019 ACTUAL	\$ CHG 19 VS 18	% CHG 19 VS 18
OPERATING TRANSFERS	15,000	15,000	15,000	100.00%	0.00%	15,000	-	0.00%
OPHTER GOVERNMENTAL	45,000	45,000	-	0.00%	100.00%	45,000	(45,000)	-100.00%
INTEREST	500	500	246	49.25%	50.75%	238	9	3.61%
TOTAL	60,500	60,500	15,246	25.20%	74.80%	60,238	(44,991)	-74.69%
EXPENDITURES:								
OPERATIONS	60,000	60,000	24,936	41.56%	58.44%	12,260	12,676	103.40%
TOTAL	60,000	60,000	24,936	41.56%	58.44%	12,260	12,676	103.40%
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	500	500	(9,689)			47,978	(57,668)	-120.20%

COURT SECURITY FUND

REVENUE:	ADOPTED BUDGET	AMENDED BUDGET	3/31/2020 ACTUAL	% USED	% REMAINING	3/31/2019 ACTUAL	\$ CHG 19 VS 18	% CHG 19 VS 18
COURT SECURITY FEES	25,000	25,000	10,454	41.82%	58.18%	13,165	(2,711)	-20.59%
INTEREST	-	-	11	N/A	N/A	27	(17)	-61.23%
TOTAL	25,000	25,000	10,464	41.86%	58.14%	13,192	(2,728)	-20.68%
EXPENDITURES:								
PERSONNEL EXPENSE	25,000	25,000	10,275	41.10%	58.90%	14,160	(3,885)	-27.44%
TOTAL	25,000	25,000	10,275	41.10%	58.90%	14,160	(3,885)	-27.44%
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	-	-	189			(968)	1,157	-119.58%

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PARK DONATIONS FUND

REVENUE:	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>3/31/2020 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>3/31/2019 ACTUAL</u>	<u>\$ CHG 19 VS 18</u>	<u>% CHG 19 VS 18</u>
INTEREST	1,000	1,000	663	66.30%	33.70%	937	(274)	-29.25%
PARK DONATIONS	12,000	12,000	5,878	48.98%	51.02%	10,772	(4,895)	-45.44%
MISCELLANEOUS	-	-	142	N/A	N/A	-	142	N/A
TOTAL	<u>13,000</u>	<u>13,000</u>	<u>6,683</u>	51.41%	48.59%	<u>11,710</u>	<u>(5,027)</u>	-42.93%
EXPENDITURES:								
OPERATIONS	75,000	75,000	9,849	13.13%	86.87%	142	9,707	6831.81%
TOTAL	<u>75,000</u>	<u>75,000</u>	<u>9,849</u>	13.13%	86.87%	<u>142</u>	<u>9,707</u>	6831.81%
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	<u>(62,000)</u>	<u>(62,000)</u>	<u>(3,166)</u>			<u>11,567</u>	<u>(14,733)</u>	-127.37%

BEAUTIFICATION COMMISSION

REVENUE:	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>3/31/2020 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>3/31/2019 ACTUAL</u>	<u>\$ CHG 19 VS 18</u>	<u>% CHG 19 VS 18</u>
INTEREST	600	600	393	65.45%	34.55%	591	(199)	-33.59%
MISCELLANEOUS	10,000	10,000	10,000	100.00%	0.00%	-	10,000	N/A
TOTAL	<u>10,600</u>	<u>10,600</u>	<u>10,393</u>	98.04%	1.96%	<u>591</u>	<u>9,801</u>	1657.43%
EXPENDITURES:								
BEAUTIFICATION FUND	25,000	25,000	3,746	14.98%	85.02%	4,390	(645)	-14.68%
TOTAL	<u>25,000</u>	<u>25,000</u>	<u>3,746</u>	14.98%	85.02%	<u>4,390</u>	<u>(645)</u>	-14.68%
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	<u>(14,400)</u>	<u>(14,400)</u>	<u>6,647</u>			<u>(3,799)</u>	<u>10,446</u>	-274.97%

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PUBLIC SAFETY TRAINING FUND

REVENUE:	ADOPTED BUDGET	AMENDED BUDGET	3/31/2020 ACTUAL	%	%	3/31/2019 ACTUAL	\$ CHG 19 VS 18	% CHG 19 VS 18
				USED	REMAINING			
OTHER GOVERNMENTAL INTEREST	5,900	5,900	7,149	121.17%	-21.17%	7,134	16	0.22%
	200	200	60	29.79%	70.22%	177	(118)	-66.38%
TOTAL	6,100	6,100	7,209	118.18%	-18.18%	7,311	(102)	-1.40%
EXPENDITURES:								
POLICE	6,150	6,150	5,028	81.76%	18.24%	11,288	(6,260)	-55.46%
FIRE	-	-	1,601	N/A	N/A	884	717	81.11%
TOTAL	6,150	6,150	6,629	107.79%	-7.79%	12,172	(5,543)	-45.54%
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	(50)	(50)	580			(4,861)	5,441	-111.93%

STREET IMPROVEMENT EDC

REVENUE:	ADOPTED BUDGET	AMENDED BUDGET	3/31/2020 ACTUAL	%	%	3/31/2019 ACTUAL	\$ CHG 19 VS 18	% CHG 19 VS 18
				USED	REMAINING			
SALES TAX	2,900,000	2,900,000	1,522,968	52.52%	47.48%	1,461,642	61,326	4.20%
INTEREST	45,000	45,000	28,866	64.15%	35.85%	36,355	(7,489)	-20.60%
MISCELLANEOUS INCOME	-	-	29,915	N/A	N/A	-	29,915	N/A
OPER TRANSFERS	-	-	-	N/A	N/A	-	-	N/A
TOTAL	2,945,000	2,945,000	1,581,749	53.71%	46.29%	1,497,997	83,752	5.59%
EXPENDITURES:								
MAINTENANCE	4,797,450	4,797,450	550,140	11.47%	88.53%	792,119	(241,979)	-30.55%
DEBT SERVICE	-	-	-	N/A	N/A	40,800	(40,800)	-100.00%
TOTAL	4,797,450	4,797,450	550,140	11.47%	88.53%	832,919	(282,779)	-33.95%
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	(1,852,450)	(1,852,450)	1,031,609			665,077	366,531	55.11%

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COURT TECHNOLOGY FUND

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>3/31/2020 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>3/31/2019 ACTUAL</u>	<u>\$ CHG 19 VS 18</u>	<u>% CHG 19 VS 18</u>
REVENUE:								
INTEREST	1,000	1,000	387	38.70%	61.31%	830	(443)	-53.40%
FINES	45,000	45,000	12,645	28.10%	71.90%	17,555	(4,910)	-27.97%
TOTAL	46,000	46,000	13,032	28.33%	71.67%	18,385	(5,353)	-29.12%
EXPENDITURES:								
MISCELLANEOUS	7,000	7,000	3,430	49.00%	51.00%	7,344	(3,914)	-53.30%
CONTRACTS	2,600	2,600	-	0.00%	100.00%	-	-	N/A
MACHINERY	36,110	36,110	19,242	53.29%	46.71%	22,558	(3,316)	-14.70%
TOTAL	45,710	45,710	22,671	49.60%	50.40%	29,902	(7,231)	-24.18%
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	290	290	(9,639)			(11,517)	1,877	-16.30%

DEBT SERVICE

	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>3/31/2020 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>3/31/2019 ACTUAL</u>	<u>\$ CHG 19 VS 18</u>	<u>% CHG 19 VS 18</u>
REVENUE:								
TAXES	7,481,968	7,481,968	7,970,942	106.54%	-6.54%	8,403,228	(432,286)	-5.14%
INTEREST	40,000	40,000	14,756	36.89%	63.11%	22,635	(7,878)	-34.81%
OPER TRANSFERS	-	-	-	N/A	N/A	40,800	(40,800)	-100.00%
TOTAL	7,521,968	7,521,968	7,985,698	106.17%	-6.17%	8,466,662	(480,964)	-5.68%
EXPENDITURES:								
PRINCIPAL	4,605,000	4,605,000	4,715,000	102.39%	-2.39%	4,465,000	250,000	5.60%
INTEREST	2,887,092	2,887,092	1,575,747	54.58%	45.42%	2,036,310	(460,563)	-22.62%
CONTRACT LABOR	23,000	23,000	238	1.03%	98.97%	455	(217)	-47.76%
AGENT FEES	6,650	6,650	3,270	49.17%	50.83%	2,925	345	11.79%
TOTAL	7,521,742	7,521,742	6,294,255	83.68%	16.32%	6,504,690	(210,435)	-3.24%
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	226	226	1,691,443			1,961,972	(270,529)	-13.79%

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WATER AND SEWER

REVENUE:	ADOPTED BUDGET	AMENDED BUDGET	3/31/2020 ACTUAL	%	%	3/31/2019 ACTUAL	\$ CHG 19 VS 18	% CHG 19 VS 18
				USED	REMAINING			
WATER CHARGES	13,780,000	13,780,000	6,663,123	48.35%	51.65%	6,037,666	625,457	10.36%
WATER TAP FEES	6,000	6,000	-	0.00%	100.00%	600	(600)	-100.00%
WATER SERVICE CONNECTION	7,500	7,500	2,010	26.80%	73.20%	2,701	(691)	-25.58%
WATER SERVICE FEE	14,000	14,000	6,945	49.61%	50.39%	6,505	440	6.76%
SEWER CHARGES	9,060,000	9,060,000	4,425,156	48.84%	51.16%	4,333,948	91,208	2.10%
SEWER TAP FEES	3,000	3,000	-	0.00%	100.00%	-	-	N/A
INSPECTION FEES	23,000	23,000	44,425	193.15%	-93.15%	24,880	19,544	78.55%
BILLING CHARGES	90,000	90,000	32,614	36.24%	63.76%	39,536	(6,923)	-17.51%
WATER MISCELLANEOUS	41,500	41,500	19,193	46.25%	53.75%	47,002	(27,809)	-59.17%
TRANSFER	221,823	221,823	1,500,913	676.63%	-576.63%	111,123	1,389,790	1250.68%
LATE FEES	170,000	170,000	86,329	50.78%	49.22%	89,771	(3,442)	-3.83%
INTEREST	10,000	10,000	3,834	38.34%	61.66%	9,904	(6,070)	-61.29%
TOTAL	<u>23,426,823</u>	<u>23,426,823</u>	<u>12,784,540</u>	54.57%	45.43%	<u>10,703,636</u>	<u>2,080,905</u>	19.44%
EXPENSES:								
RISK MANAGEMENT	231,172	231,172	72,890	31.53%	68.47%	78,878	(5,988)	-7.59%
ENGINEERING SERVICES	1,008,355	1,148,485	414,141	36.06%	63.94%	414,309	(169)	-0.04%
SUPPLY AND DISTRIBUTION	9,422,875	9,422,875	3,578,340	37.98%	62.02%	3,430,756	147,584	4.30%
WASTE WATER	5,337,309	5,337,309	3,166,844	59.33%	40.67%	3,204,359	(37,514)	-1.17%
FINANCE	244,787	244,787	79,422	32.45%	67.55%	79,269	153	0.19%
CUSTOMER SERVICE	706,222	705,222	305,997	43.39%	56.61%	234,808	71,188	30.32%
NON DEPARTMENTAL	6,780,680	6,785,180	1,969,854	29.03%	70.97%	2,060,877	(91,023)	-4.42%
TOTAL	<u>23,731,400</u>	<u>23,875,030</u>	<u>9,587,488</u>	40.16%	59.84%	<u>9,503,256</u>	<u>84,232</u>	0.89%
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	<u>(304,577)</u>	<u>(448,207)</u>	<u>3,197,052</u>			<u>1,200,379</u>	<u>1,996,673</u>	166.34%

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STORMWATER

REVENUES:	ADOPTED BUDGET	AMENDED BUDGET	3/31/2020 ACTUAL	% USED	% REMAINING	3/31/2019 ACTUAL	\$ CHG 19 VS 18	% CHG 19 VS 18
STORMWATER CHARGES	1,725,000	1,725,000	832,944	48.29%	51.71%	828,581	4,364	0.53%
MISCELLANEOUS INCOME	30,000	30,000	30,000	100.00%	0.00%	-	30,000	N/A
INTEREST	20,000	20,000	10,730	53.65%	46.35%	12,034	(1,304)	-10.84%
TOTAL	1,775,000	1,775,000	873,675	49.22%	50.78%	840,615	33,059	3.93%
EXPENSES:								
DEBT SERVICE	526,606	526,606	392,716	74.57%	25.43%	348,109	44,606	12.81%
OPERATING	1,253,297	1,253,297	452,888	36.14%	63.86%	488,497	(35,609)	-7.29%
TOTAL	1,779,903	1,779,903	845,604	47.51%	52.49%	836,606	8,997	1.08%
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	(4,903)	(4,903)	28,071			4,009	24,062	600.22%

UTILITY MAINTENANCE & REPAIR FUND

REVENUES:	ADOPTED BUDGET	AMENDED BUDGET	3/31/2020 ACTUAL	% USED	% REMAINING	3/31/2019 ACTUAL	\$ CHG 19 VS 18	% CHG 19 VS 18
INTEREST	30,000	30,000	43,915	146.38%	-46.38%	41,984	1,931	4.60%
MISCELLANEOUS	-	-	-	N/A	N/A	-	-	N/A
OPER TRANSFERS	1,000,000	1,000,000	571,400	57.14%	42.86%	375,600	195,800	52.13%
TOTAL	1,030,000	1,030,000	615,315	59.74%	40.26%	417,584	197,731	47.35%
EXPENDITURES:								
CAPITAL OUTLAYS	600,000	600,000	-	0.00%	100.00%	113,852	(113,852)	-100.00%
TOTAL	600,000	600,000	-	0.00%	100.00%	113,852	(113,852)	-100.00%
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	430,000	430,000	615,315			303,731	311,584	102.59%

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WATER VEHICLE - EQUIPMENT REPLACEMENT FUND

REVENUE:	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>3/31/2020 ACTUAL</u>	<u>% USED</u>	<u>% REMAINING</u>	<u>3/31/2019 ACTUAL</u>	<u>\$ CHG 19 VS 18</u>	<u>% CHG 19 VS 18</u>
PROPERTY LOSS	-	-	-	N/A	N/A	-	-	N/A
MISCELLANEOUS	-	-	-	N/A	N/A	-	-	N/A
AUCTION PROCEEDS	-	-	-	N/A	N/A	-	-	N/A
INTEREST	2,000	2,000	1,142	57.08%	42.92%	2,132	(991)	-46.46%
OPER TRANSFERS	<u>50,000</u>	<u>50,000</u>	<u>25,040</u>	50.08%	49.92%	<u>25,040</u>	-	0.00%
TOTAL	<u>52,000</u>	<u>52,000</u>	<u>26,182</u>	50.35%	49.65%	<u>27,172</u>	<u>(991)</u>	-3.65%
EXPENDITURES:								
CAPITAL OUTLAY	<u>224,000</u>	<u>224,000</u>	<u>136,776</u>	61.06%	38.94%	-	<u>136,776</u>	N/A
TOTAL	<u>224,000</u>	<u>224,000</u>	<u>136,776</u>	61.06%	38.94%	<u>-</u>	<u>136,776</u>	N/A
EXCESS REVENUES OVER/ (UNDER) EXPENDITURES	<u>(172,000)</u>	<u>(172,000)</u>	<u>(110,594)</u>			<u>27,172</u>	<u>(137,767)</u>	-507.02%