



MEETING AGENDA
City Council
REGULAR SESSION CITY COUNCIL
August 2, 2022

HAL BALDWIN MUNICIPAL COMPLEX COUNCIL CHAMBERS
1400 SCHERTZ PARKWAY BUILDING #4
SCHERTZ, TEXAS 78154

CITY OF SCHERTZ CORE VALUES

Do the right thing

Do the best you can

Treat others the way you want to be treated

Work cooperatively as a team

AGENDA

TUESDAY, AUGUST 2, 2022 at 5:30 p.m.

**Sweetheart Court Reception with Presentation and Recognition of
outgoing 2021-22 Sweetheart Court - 5:30 - 6:00 PM**

City Council will hold its regularly scheduled meeting at 6:00 p.m., Tuesday, August 2, 2022, at the City Council Chambers. In lieu of attending the meeting in person, residents will have the opportunity to watch the meeting via live stream on the City's YouTube Channel.

Call to Order

**Opening Prayer and Pledges of Allegiance to the Flags of the United States and State of Texas.
(Councilmember Heyward)**

A. Mayor Pro-Tem Oath of Office - Oath of Office administered to Councilmember Allison Heyward. (B. Dennis)

Employee Recognition - Introduce New Employees

- **EMS:** Paige Everett, Ian Shaw and Dorian Lopez Paramedic (Part-Time) - Abigail Gentry, Joshua Michalec, EMT (Part-Time)
- **Inspections:** Alanna Sumner - Permit Technician
- **IT:** Britni Hughes, Oscar Medina IT Support Specialist
- **Parks:** Cassandra Paddock - Recreation Manager, Paul Rodriguez - Park Maintenance Technician (Part time)
- **Public Works:** Dan Aris - Service Worker I, Randy Clark - Street Worker II
- **Police:** Vanessa King-Wilson - Communications Officer

City Events and Announcements

- Announcements of upcoming City Events (B. James/C. Kelm/S. Gonzalez)
- Announcements and recognitions by the City Manager (M. Browne)
- Announcements and recognitions by the Mayor (R. Gutierrez)

Hearing of Residents

This time is set aside for any person who wishes to address the City Council. Each person should fill out the speaker's register prior to the meeting. Presentations should be limited to no more than 3 minutes.

All remarks shall be addressed to the Council as a body, and not to any individual member thereof. Any person making personal, impertinent, or slanderous remarks while addressing the Council may be requested to leave the meeting.

Discussion by the Council of any item not on the agenda shall be limited to statements of specific factual information given in response to any inquiry, a recitation of existing policy in response to an inquiry, and/or a proposal to place the item on a future agenda. The presiding officer, during the Hearing of Residents portion of the agenda, will call on those persons who have signed up to speak in the order they have registered.

Consent Agenda Items

The Consent Agenda is considered self-explanatory and will be enacted by the Council with one motion. There will be no separate discussion of these items unless they are removed from the Consent Agenda upon the request of the Mayor or a Councilmember.

1. **Minutes** – Consideration and/or action regarding the approval of the minutes of the meeting of July 26, 2022. (B. Dennis)
2. **Resolution No. 22-R-77** - Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas authorizing the City Manager to reject all proposals received for BID 2021-021 regarding the Schertz Soccer Complex Water Storage and Well Improvements. (M. Browne/B. James/L. Shrum)

Discussion and Action Items

3. **Ordinance No. 22-B-32** - Consideration and approval of an ordinance authorizing the issuance of "City of Schertz, Texas General Obligation Bonds, Series 2022"; levying a continuing direct annual ad valorem tax, within the limitations prescribed by law, for the payment of the bonds; providing for an effective date. ***First & Final*** (M. Browne/J. Walters/A. Friedman)

4. **Ordinance No. 22-B-33** - Consideration and approval by the city council of the City of Schertz, Texas authorizing the issuance of “City of Schertz, Texas, Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022A”; providing for the payment of said certificates by the levy of an ad valorem tax upon all taxable property within the city and further securing said certificates by a lien on and pledge of the pledged revenues of the system; and other matters incident and related thereto. ***First & Final*** (M. Browne/J. Walters/A. Friedman)
5. **Ordinance No. 22-T-34** – Consideration and/or action approving an Ordinance by the City Council of the City of Schertz, Texas, authorizing a budget adjustment relating to the Corbett Ground Storage Tank. ***First Reading*** (M. Browne/K. Woodlee/J. Shortess)
6. **SSLGC Contract Revenue Bonds** - Discussion and consideration of forthcoming Schertz/Seguin Local Government Corporation plan to issue up to \$4,500.000 Contract Revenue Bonds, New Series 2022. (C. Kelm/S. Williams/A. Beard)
7. **Ordinance No. 22-M-40** - Consideration and/or action to approve an Ordinance by the City Council of the City of Schertz, Texas amending the City of Schertz Code of Ordinances and certain other Ordinances by amending and establishing fees for certain licenses, permits, and other services provided by the City of Schertz. ***First Reading*** (M. Browne/J. Walters)

Roll Call Vote Confirmation

Information available in City Council Packets - NO DISCUSSION TO OCCUR

8. **Monthly Update on Major Projects in progress/CIP. (B. James/K. Woodlee)**

Requests and Announcements

- Announcements by the City Manager.
- Requests by Mayor and Councilmembers for updates or information from staff.
- Requests by Mayor and Councilmembers that items or presentations be placed on a future City Council agenda.
- Announcements by Mayor and Councilmembers
 - City and community events attended and to be attended
 - City Council Committee and Liaison Assignments (see assignments below)
 - Continuing education events attended and to be attended
 - Recognition of actions by City employees
 - Recognition of actions by community volunteers

Adjournment

CERTIFICATION

I, BRENDA DENNIS, CITY SECRETARY OF THE CITY OF SCHERTZ, TEXAS, DO HEREBY CERTIFY THAT THE ABOVE AGENDA WAS PREPARED AND POSTED ON THE OFFICIAL BULLETIN BOARDS ON THIS THE 29th DAY OF JULY 2022 AT 3:45 P.M., WHICH IS A PLACE READILY ACCESSIBLE TO THE PUBLIC AT ALL TIMES AND THAT SAID NOTICE WAS POSTED IN ACCORDANCE WITH CHAPTER 551, TEXAS GOVERNMENT CODE.

BRENDA DENNIS

I CERTIFY THAT THE ATTACHED NOTICE AND AGENDA OF ITEMS TO BE CONSIDERED BY THE CITY COUNCIL WAS REMOVED BY ME FROM THE OFFICIAL BULLETIN BOARD ON ____ DAY OF _____, 2022. TITLE: _____

This facility is accessible in accordance with the Americans with Disabilities Act. Handicapped parking spaces are available. If you require special assistance or have a request for sign interpretative services or other services, please call 210-619-1030.

The City Council for the City of Schertz reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Open Meetings Act.

Closed Sessions Authorized: This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Closed Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

COUNCIL COMMITTEE AND LIAISON ASSIGNMENTS

Mayor Gutierrez Audit Committee Board of Adjustments Investment Advisory Committee Main Street Committee	Councilmember Scagliola – Place 5 Animal Advisory Commission - Alternate Cibolo Valley Local Government Corporation - Alternate Hal Baldwin Scholarship Committee Interview Committee for Boards and Commissions - Alternate Schertz-Seguin Local Government Corporation
Councilmember Davis– Place 1 Interview Committee for Boards and Commissions Main Street Committee - Chair Parks, Recreation and Community Development Schertz Housing Authority Board Transportation Safety Advisory Commission TIRZ II Board	Councilmember – Place 2 (VACANT)
Councilmember Whittaker – Place 3 Audit Committee Historical Preservation Committee Interview Committee for Boards and Commissions Library Advisory Board TIRZ II Board	Councilmember Dahle – Place 4 Cibolo Valley Local Government Corporation Interview Committee for Boards and Commissions Planning & Zoning Commission TIRZ II Board
Councilmember Heyward – Place 6 Animal Advisory Commission Audit Committee Building & Standards Commission Economic Development Corporation Alternate Investment Advisory Committee Main Street Committee	Councilmember Brown – Place 7 Economic Development Corporation Main Street Committee Schertz-Seguin Local Government Corporation - Alternate

CITY COUNCIL MEMORANDUM

City Council Meeting: August 2, 2022
Department: City Secretary
Subject: Minutes – Consideration and/or action regarding the approval of the minutes of the meeting of July 26, 2022. (B. Dennis)

BACKGROUND

The City Council held a Regular City Council meeting on July 26, 2022..

RECOMMENDATION

Recommend Approval.

Attachments

07-27-2022 Minutes

MINUTES
REGULAR MEETING
July 26, 2022

A Regular Meeting was held by the Schertz City Council of the City of Schertz, Texas, on July 26, 2022, at 6:00 p.m. in the Hal Baldwin Municipal Complex Council Chambers, 1400 Schertz Parkway, Building #4, Schertz, Texas. The following members present to-wit:

Present: Mayor Ralph Gutierrez; Mayor Pro-Tem David Scagliola; Councilmember Mark Davis; City Council Place 2 - Vacant; Councilmember Jill Whittaker; Councilmember Michael Dahle; Councilmember Allison Heyward; Councilmember Tim Brown

City City Manager Dr. Mark Browne; Assistant City Manager Brian James; Assistant City
Staff: Manager Charles Kelm; City Attorney Daniel Santee; City Secretary Brenda Dennis;
 Assistant to the City Manager Sarah Gonzalez

Call to Order

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

Opening Prayer and Pledges of Allegiance to the Flags of the United States and State of Texas. (Mayor Pro-Tem Scagliola)

Mayor Gutierrez recognized Mayor Pro-Tem Scagliola who provided the opening prayer followed by the Pledges of Allegiance to the Flags of the United States and the State of Texas.

City Events and Announcements

- Announcements of upcoming City Events (B. James/C. Kelm/S. Gonzalez)

Assistant City Manager, Charles Kelm provided the following upcoming announcements:

Thursday, July 28
Glow in the Park
8:00 PM – 10:00 PM
Ashley Park

Saturday, July 30
Music & Movies in the Park
Movie: Inside Out
7:00 PM – 11:00 PM
Ashley Park

Tuesday, August 2
Next regular scheduled Council meeting

6:00 PM
Council Chambers

Friday, August 5
Council Budget Retreat
8:00 AM – 4:00 PM
Bluebonnet Hall

Election Information

Filing for place on the ballot has begun for the November 8, 2022 City of Schertz Joint General Election to elect a Mayor and Councilmembers in Place 1 and 2 for a three-year term from November 2022 and ending November **2025**. Filing ends August 22, 2022 at 5:00 PM. Candidate packets are available online on the city's website and can also be obtained in the City Secretary's office, 1400 Schertz Parkway, Building #2.

- **Announcements and recognitions by the City Manager (M. Browne)**

City Manager Dr. Browne announced the following promotions:

Greg Rodgers promoted from Assistant Fire Chief to Fire Chief

Madeline Keiholz promoted from EMT to Paramedic

Alicia Sepeda promotion from Communications Officer to Communications Supervisor

Dr. Browne thanked the Public Works Crew and the IT Crew for all the hard work they did with the new carpet in Building #2, appreciate everything they did to get the job done and the project is now completed.

Lastly, it has come the time to say goodbye to one of our own and that is Charles Kelm our Assistant City Manager. Dr. Browne announced he will be departing the City, but his last day is this Friday. Dr. Browne wanted to say thank you for all the great work and appreciates his support and certainly has worked extremely hard on behalf of the City. There are many accomplishments that he can be proud of and appreciates all he has done and the efforts he has made because he has made a difference in the City. We wish him the best in his future endeavors.

- **Announcements and recognitions by the Mayor (R. Gutierrez)**

Mayor Gutierrez announced that he has filed his documents and is seeking re-election.

Mayor Gutierrez thanked Mr. Kelm for his contributions and dedication to the City, he appreciates everything that he has done, and he also wishes him well on his future endeavors.

Hearing of Residents

This time is set aside for any person who wishes to address the City Council. Each person should fill out the speaker's register prior to the meeting. Presentations should be limited to no more than 3 minutes.

All remarks shall be addressed to the Council as a body, and not to any individual member thereof. Any person making personal, impertinent, or slanderous remarks while addressing the Council may be requested to leave the meeting.

Mayor Pro-Tem Scagliola recognized the following who spoke:

- Ms. Tiffany Gibson, 6939 Hallie Loop, who announced her candidacy for City Council Place 2.
- Ms. Michelle Watson, 5404 Storm King, who announced her candidacy for City Council Place 2.
- Mr. Dana Eldridge, 2628 Gallant Fox Drive, who spoke on the need for more funding for Animal Control.

Consent Agenda Items

The Consent Agenda is considered self-explanatory and will be enacted by the Council with one motion. There will be no separate discussion of these items unless they are removed from the Consent Agenda upon the request of the Mayor or a Councilmember.

Mayor Gutierrez read the following Consent Agenda Items 1-3 into record.

1. **Minutes** – Consideration and/or action regarding the approval of the minutes of the meeting of July 12, 2022. (B. Dennis)
2. **Resolution No. 22-R-74** - Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas authorizing an Interlocal Agreement with Savvik Buying Group, for Cooperative Purchasing Services, and other matters in connection therewith. (J. Kurz/J. Golke)
3. **Resignations and Appointments to Boards/Commissions/Committees** - Consideration and/or action regarding the resignations and appointments to various Boards/Commissions/Committees (Council/B. Dennis)
 - Resignation of Mr. Richard "Monty" Gonzales from the Historical Preservation Committee

Mayor Gutierrez asked if there were any items City Council wished to be removed from the Consent Agenda. As no items were removed, Mayor Gutierrez asked for a motion to approve Consent Agenda Items 1 through 3.

Moved by Councilmember Mark Davis, seconded by Councilmember Allison Heyward to approve Consent Agenda Items 1 through 3.

AYE: Mayor Pro-Tem David Scagliola, Councilmember Mark Davis, Councilmember Jill Whittaker, Councilmember Michael Dahle, Councilmember Allison Heyward, Councilmember Tim Brown

Passed

Discussion and Action Items

4. **Resolution No. 22-R-70** - Consideration and/or action approving a Resolution of the City of Schertz Texas Authorizing the Approval of Development Agreements with Wiederstein Trust Fund, Brian Beutnagel and Valerie Hartmann, for approximately 124 acres of land to install on-site sewage facilities and other matters in connection therewith. (B. James/L. Wood/M. Harrison)

Mayor Gutierrez read the following into record:

RESOLUTION NO. 22-R-70

**A RESOLUTION OF THE CITY COUNCIL OF SCHERTZ, TEXAS
AUTHORIZING THE APPROVAL OF A DEVELOPMENT AGREEMENTS
WITH WIEDERSTEIN TRUST FUND, BRIAN BEUTNAGEL AND VALERIE
HARTMANN FOR APPROXIMATELY 124 ACRES OF LAND TO INSTALL
ON-SITE SEWAGE FACILITIES AND OTHER MATTERS IN
CONNECTION THEREWITH**

Mayor Gutierrez recognized City Attorney Dan Santee who requested Council convene into Closed Session. Mayor Gutierrez stated that as a reminder Council can convene into closed session at any time, therefore at the request of our City Attorney we will convene into Closed Session,

Closed Session:

Mayor Gutierrez recessed into Closed Session at 6:14 p.m.

Reconvene into Regular Session:

Mayor Gutierrez reconvened into regular session at 6:39 p.m., after discussion and deliberation regarding Resolution No. 22-R-70. Mayor Gutierrez stated since there is no action to be taken the Resolution will stand as previously approved.

Closed Session

Mayor Gutierrez moved to Agenda Item 9 and read the following into record:

9. The City Council will meet in closed session in accordance with Section 551.074 of the Texas Government Code, Personnel Matters, to conduct the annual evaluation of the Municipal Judge.

Mayor Gutierrez recessed the regular meeting at 6:40 p.m.

Reconvene into Regular Session

Mayor Gutierrez reconvened into Regular Session at 6:57 p.m., and moved to Agenda Item 12.

12. Take any action based on discussions held in Closed Session under Agenda Item 9.

A motion was made by the Chair, seconded by Councilmember Dahle to increase the compensation entitlement to our City Judge and the amounts are as follows: \$1,150.00 for a court session, \$950.00 for a jury trial, \$575.00 for a special docket, \$100.00 per magistrate.

AYE: Mayor Pro-Tem David Scagliola, Councilmember Mark Davis, Councilmember Jill Whittaker, Councilmember Michael Dale, Councilmember Allison Heyward, Councilmember Tim Brown.
Passed

Public Hearings

5. **Ordinance No. 22-S-27** - Conduct a Public Hearing and consideration and/or action on a request for voluntary annexation of approximately 287 acres of land generally located 6,050 feet east from the intersection of Trainer Hale Road and FM 1518 also known as Bexar County Property Identification Numbers 310053, 310060, 310121, Bexar County, Texas. ***Final Reading*** (B. James, L. Wood, M. Harrison)

Mayor Gutierrez recognized Assistant City Manager Brian James who stated this item was approved by Council at the last meeting, and at the last meeting Council approved the Development Agreements Associated with these two items. The Development Agreements are for the properties that are currently not in the City limits, they authorize those properties to develop under septic and are consistent with the large 1/2 acre lots on the zoning. We needed to execute those, which we have done prior to annexation.

The next step is the annexation of the properties into the City followed by the zoning. Staff recommends approval of this item.

Mayor Gutierrez opened the Public Hearing and as no one spoke; closed the Public Hearing for Council comments. As there were no comments from Council, Mayor Gutierrez called for a motion to approve Ordinance No. 22-S-27 on final reading.

Moved by Councilmember Michael Dahle, seconded by Councilmember Jill Whittaker to approve Ordinance No. 22-S-27 on final reading.

AYE: Mayor Pro-Tem David Scagliola, Councilmember Mark Davis, Councilmember Jill Whittaker, Councilmember Michael Dahle, Councilmember Allison Heyward, Councilmember Tim Brown

Passed

6. **Ordinance No. 22-S-28** - Conduct a Public Hearing and consideration and/or action on a request to rezone approximately 362 acres of land to Planned Development District (PDD), generally located 6,050 feet east from the intersection of Trainer Hale Road and FM 1518 also known as Bexar County Property Identification Numbers, 310053, 310060, 310061 and 310121, Bexar County, Texas. ***Final Reading*** (B. James, L. Wood, M. Harrison)

Mayor Gutierrez recognized Assistant City Manager Brian James who stated this is the largest property you are considering of all three of these related. You can see the subject property that they are looking to develop is part of the Sterling Grove Project. Notices have been published, we have covered the Land Use Plan and the current zoning. Mr. James pointed out that essentially what the Developer is looking to do and showed an overhead and stated that the property to the right of the overhead shown that is the larger 1/2 acre property for which not in the City, and we approved the development agreement. A good portion of the property is going to be a minimum 1/2 acre lots and the Developer is planning on having those being on a septic system. There is a small piece that the Development Agreement does not apply to, if they want to septic those, which we believe they do, as part of the platting process they would need to ask for this by septic waiver. He stated the left side of the diagram (west side) is a typical suburban style development and discussed the development standards being proposed.

Mr. James stated that since the last meeting, the Developer has come in and asked that the SRF1 and SRF2 regarding the covered patios be allowed to encroach an additional 5 feet into the building set back line. Staff is ok with this and have built it into the Ordinance. Staff is recommending approval and there was discussion regarding signage, and they have provided graphics, again Staff is recommending approval as conditioned in the Ordinance.

Mayor Gutierrez opened the Public Hearing and as no one spoke; closed the Public Hearing for Council comments. As there were no comments from Council, Mayor Gutierrez called for a motion to approve Ordinance 22-S-28 on final reading.

Moved by Councilmember Michael Dahle, seconded by Councilmember Jill Whittaker to approve Ordinance No. 22-S-28 on final reading.

AYE: Mayor Pro-Tem David Scagliola, Councilmember Mark Davis,
Councilmember Jill Whittaker, Councilmember Michael Dahle,
Councilmember Allison Heyward, Councilmember Tim Brown

Passed

Workshop

7. **Appointment of the Mayor Pro-Tem** - Discussion and consideration and/or action regarding the confirmation, appointment or election of the Mayor Pro-Tem.
(Mayor/Council)

Mayor Gutierrez stated the Mayor-Pro Tem is a member of the Council who preforms duties in the Mayor's absence or incapacity. The Mayor Pro-Tem is elected by the Council with a majority vote. The Mayor Pro-Tem has the right to vote on any matter that comes before Council while performing their duties as Mayor. The Mayor Pro-Tem's term is six months.

Mayor Gutierrez thanked current Mayor Pro-Tem David Scagliola for performing his duties from January 2022 through August 2022.

He stated next rotation for Mayor Pro-Tem will be Councilmember Allison Heyward and would serve the term August 2022 through February 2023.

Mayor Gutierrez called for a motion to appoint Councilmember Allison Heyward as the next Mayor Pro-Tem.

Moved by Mayor Pro-Tem David Scagliola, seconded by Councilmember Tim Brown

AYE: Mayor Pro-Tem David Scagliola, Councilmember Mark Davis,
Councilmember Jill Whittaker, Councilmember Michael Dahle,
Councilmember Allison Heyward, Councilmember Tim Brown

Passed

8. **10 Acre Property Acquisition** - Discussion regarding potential 10 acre property acquisition generally at FM 482 and Bunker Street. (M. Browne/B. James)

Mayor Gutierrez recognized Parks Director Lauren Shrum who explained how this acquisition plan will work into the Schertz Trails System. She stated the City is currently working on the Great Northern Trail and have made quite a bit of progress. The goals of the trail system are to connect the community. She stated they have received input from the community from or Parks Master Plan and Citizen Satisfaction survey and the top of the list has been trails for citizens to use.

Funding:

Purchase Price \$375,000

- Great Springs Project is working on an appraisal and environmental assessment
- City staff exploring options to fund the purchase
 - Looked at Tree Mitigation Fund (\$646,919 reserves) due to the amount of heritage sized oak trees on the property – not a viable option per legal team
 - Could take a loan from reserves and pay back over time
 - \$37,000 (unallocated in the Park Fund to date)
 - \$496,000 projected revenues to the Park Fund in 2024

- City would apply for grant funding to develop the property
 - TPWD Trail Grant \$300,000 – February 1, 2023
 - TPWD Outdoor Recreation Grant \$750,000 – August 1, 2024
 - Researching other grants (trail, historical, local foundations)

Maintenance

- Property would remain undeveloped initially
- Maintenance levels would be at our “natural standard” similar to Crescent Bend Nature Park
 - Mowing in clearing off Bunker Street 6 times a year
 - Pipe rail fence surrounds the property so its secure
- Trailhead Amenities
 - Natural surface parking
 - Restroom Facility and Water Fountain
 - Trail and interpretive signage
 - Picnic Pavilion

Additional Considerations

- Deed restrictions on the property
- Appraisal and Environmental Assessment
- Funding
- Parks & Recreation Advisory Board's general consensus for staff to continue to explore the options to acquire this property
- Council feedback

Assistant City Manager Brian James stated we have a short window and there is still work to be done if we want to move forward on this to include exhausting all funding options. He asked if this is something Council would like to have Staff work on.

Mayor Pro-Tem Scagliola stated he loves this idea and the possibility of having bicyclists utilize this area. He appreciates Staff looking outside the box and thinking of what Parks could be.

Councilmember Heyward likes the idea because it brings a nature trail on the northern part of the City. She appreciates the staff looking at options to funding it.

Councilmember Dahle likes the idea, but has concerns about making sure Staff can take care of the maintenance.

Councilmember Davis stated it is worthwhile pursuing for its location and the potential to draw people in and connect to other trails. He shared the concern of maintenance of the park but stated this type of park being a nature park, we should be able to maintain it.

Councilmember Brown is also in favor of this project.

Mayor Gutierrez has some hesitation because the city currently has 26 parks, and we currently have parks that need attention. He would also like to see a plan and have

visuals of what this park could be.

Mayor Gutierrez stated there is a consensus to have Staff continue with this project.

Roll Call Vote Confirmation

Mayor Gutierrez recognized City Secretary Brenda Dennis who provided roll call confirmation on Consent Agenda Items 1-3 and Agenda Items 5, 6, 7 and Item 12.

Closed Session

Mayor Gutierrez read the following into record:

10. The City Council will meet in closed session in accordance with Section 551.074 of the Texas Government Code, Personnel Matters, to discuss the direction to fill the City Manager vacancy.

11. The City Council will meet in closed session in accordance with Section 551.072, Texas Government Code deliberation regarding the purchase, exchange, lease, or value of Real Property for future roadways, roadway extensions, and roadway expansions.

Reconvene into Regular Session

13. Take any action based on discussions held in Closed Session under Agenda Item 10.

No action taken.

14. Take any action based on discussions held in Closed Session under Agenda Item 11.

Mayor Gutierrez asked for a motion regarding the purchase, exchange, lease or value of Real Property for future roadways, roadway extensions, and roadway expansions.

Councilmember Mark Davis made a motion for the City to enter in to an agreement to purchase subject property for the amount not to exceed \$3.58 million, subject to coordination, review and approval of the purchase contract by the City Manager and the City Attorney.

Moved by Councilmember Mark Davis, seconded by Councilmember Michael Dahle

AYE: Mayor Pro-Tem David Scagliola, Councilmember Mark Davis,
Councilmember Jill Whittaker, Councilmember Michael Dahle,
Councilmember Allison Heyward, Councilmember Tim Brown

Passed

Roll Call Vote Confirmation

Mayor Gutierrez recognized City Secretary Brenda Dennis who provided the roll call vote confirmation for Agenda Item 14.

Information available in City Council Packets - NO DISCUSSION TO OCCUR

Mayor Gutierrez stated that Agenda Items 15 and 16 are Informational items and can be found in the Council packets as well as can be found online.

9. Quarterly Financial Reports

Information provided to Council in the Agenda Packet and are available for viewing on Schertz.com website.

10. Update on Annexations and Delayed Annexation Agreements (Requested by Council Member Davis)

Information provided to Council in the Agenda Packet and are available for viewing on Schertz.com website.

Requests and Announcements

- Announcements by the City Manager.

No further announcements.

- Requests by Mayor and Councilmembers for updates or information from staff.

No requests for updates or information from staff.

- Requests by Mayor and Councilmembers that items or presentations be placed on a future City Council agenda.

No items requested.

- Announcements by Mayor and Councilmembers

Councilmember Mark Davis stated he attended the Parks and Recreation Advisory Board meeting

Councilmember Jill Whittaker stated she attended the NEP Meeting

Councilmember Michael Dahle stated he attended the Chamber Luncheon

Councilmember Allison Heyward stated she attended the following events. Animal Advisory Board meeting, Kung Jung Mu Sul Studio for a discussion on Leadership, the NEP meeting, Main Street Committee meeting, the Chamber Luncheon, Police Jr. Academy, First Footings of New Braunfels meeting

Adjournment

Mayor Gutierrez adjourned the meeting at 8:09 p.m.

Ralph Gutierrez, Mayor

ATTEST:

Brenda Dennis, City Secretary

CITY COUNCIL MEMORANDUM

City Council Meeting: August 2, 2022
Department: Parks, Recreation & Community Service
Subject: Resolution No. 22-R-77 - Consideration and/or action approving a Resolution by the City Council of the City of Schertz, Texas authorizing the City Manager to reject all proposals received for BID 2021-021 regarding the Schertz Soccer Complex Water Storage and Well Improvements. (M. Browne/B. James/L. Shrum)

BACKGROUND

The proposals for the replacement of the existing irrigation well and storage tank were received on July 12, 2022. A total of one (1) proposal was received. The sole submittal was received from Associated Construction Partners, LDT in the amount of \$286,800.00. No irregularities were noted. The engineer's estimate was \$107,036.90.

Associated Construction Partners, LDT is a well-qualified prime contractor in this field of construction with sufficient experience with similar projects of varying size. Verification of the references were positive.

Unitech Consulting Engineers, Inc. understands the current market is volatile, with prices having shown an increase of approximately 50% in many of the related construction industries over the last six months. Regardless of the market, UNINTECH is of the opinion that the bid price is not reflective of current market pricing, and without additional proposals for comparison UNINTECH does not believe it is in the best interest of the City of Schertz to accept the proposal as submitted. Therefore, UNINTECH recommends that the City of Schertz reject all bids and seek alternate means of procurement. City staff concurs with UNINTECH's recommendation and is working on a phased approach to the project with various subcontractors.

GOAL

To obtain approval from City Council for staff to reject the single bid received in response to BID 2021-022 and move forward with alternative procurement options.

COMMUNITY BENEFIT

It is the responsibility of city staff to ensure that we are good stewards of city funds. As such, moving forward with a bid that is more than double the engineer's estimate with no competing bids available to reference, is not in the best interest of the City and/or its residents.

SUMMARY OF RECOMMENDED ACTION

Staff recommends approval of Resolution 22-R-77.

FISCAL IMPACT

There is no impact financially to rejecting the bid received.

RECOMMENDATION

Staff recommends approval of Resolution 22-R-77.

Attachments

Resolution 22-R-77

Unitech Engineering Letter

RESOLUTION NO. 22-R-77

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AUTHORIZING THE CITY MANAGER TO REJECT ALL BIDS RECEIVED FOR THE SCHERTZ SOCCER COMPLEX WATER STORAGE AND WELL IMPROVEMENTS, AND OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the City staff of the City of Schertz has recommended that the City reject all received bids for the Schertz Soccer Complex Irrigation Water Storage and Well Improvements; and

WHEREAS, City staff has reviewed the submitted bids and determined that the base bid pricing received is above the available budgeted amount; and

WHEREAS, the City Council has determined that it is in the best interest of the City to reject all received bids for the Schertz Soccer Complex Water Storage and Well Improvements in favor of utilizing alternative procurement options and a phased approach with various subcontractors.

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

Section 1. The City Council hereby authorizes the City Manager to reject all bids received for the Schertz Soccer Complex Water Storage and Well Improvements.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 3. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND ADOPTED, this 2nd day of August, 2022.

CITY OF SCHERTZ, TEXAS

Ralph Gutierrez, Mayor

ATTEST:

Brenda Dennis, City Secretary

(CITY SEAL)



UNITECH CONSULTING ENGINEERS, INC.

STRUCTURAL • CIVIL • SURVEYING

Lauren Shrum
Director
Parks, Recreation, and Community Services
City of Schertz
10 Commercial Place
Schertz, TX 78154

July 26, 2022

RE: Bid 2021-021 SCHERTZ SOCCER COMPLEX WATER STORAGE AND WELL IMPROVEMENTS

Dear Mrs. Shrum

The proposals for the above reference project for the replacement of the existing irrigation well and storage tank were received on July 12, 2022. A total of one (1) proposal was received.

The sole submittal was received from Associated Construction Partners, LDT in the amount of \$286,800.00. No irregularities were noted. The engineer's estimate was \$107,036.90.

Associated Construction Partners, LDT is a well-qualified prime contractor in this field of construction with sufficient experience with similar projects of varying size. Verification of the references were positive.

Unitech Consulting Engineers, Inc. understands the current market is volatile, with prices having shown an increase of approximately 50% in many of the related construction industries over the last six months. Regardless of the market, UNITECH is of the opinion that that the bid price is not reflective of current market pricing, and without additional proposals for comparison UNITECH does not believe it is in the best interest of the City of Schertz to accept the proposal as submitted.

Therefore, UNITECH recommends that the City of Schertz reject all bids and seek alternate means of procurement.

Sincerely,

Mark B Hill, PE
Unitech Consulting Engineers, Inc.

CITY COUNCIL MEMORANDUM

City Council Meeting: August 2, 2022
Department: Finance
Subject: Ordinance No. 22-B-32 - Consideration and approval of an ordinance authorizing the issuance of “City of Schertz, Texas General Obligation Bonds, Series 2022”; levying a continuing direct annual ad valorem tax, within the limitations prescribed by law, for the payment of the bonds; providing for an effective date. *First & Final* (M. Browne/J. Walters/A. Friedman)

BACKGROUND

The voters authorized the City to issue \$15,450,000 for public safety facilities (Proposition A) at an election held November 2, 2021 and \$4,395,000 for streets and bridge (Proposition 1) at an election held November 3, 2015. The Council is requested to authorize City staff and consultants to proceed with the sale of approximately \$19,845,000 General Obligation Bonds, Series 2022. The Proceeds will be used for construction of fire station No. 4 and street improvements, respectively. The Bonds will be amortized over 20 years and will be callable by the City in 10 years as is customary for a financing of this size.

Due to volatile market conditions in the municipal bond market, the City is utilizing a negotiated sale method rather than a competitive sale method as has been the City’s practice over the past several debt issuances. The reason for doing so arises from concerns that competitive sales are not getting as many bids and the purchaser’s spreads are much wider than historical norms resulting in higher interest rate financings. The City designated Baird to serve as the senior manager of the financing with Raymond James and Frost Bank serving as co-managers.

GOAL

To issue bonds approved by the voters of the City of Schertz to improve roadways on FM 1518 and to construct Fire Station #4.

COMMUNITY BENEFIT

The community will benefit from improved traffic flow on FM 1518 and the addition of the new Fire Station will provide better coverage and response time as well as reduce fire insurance costs for the commercial sector.

SUMMARY OF RECOMMENDED ACTION

Staff recommends approval of the bond ordinance.

FISCAL IMPACT

The issuance of the Bonds should not result in a tax rate increase. The proceeds will be delivered to the City on August 24th. The Bonds are being issued at the same time as the Certificates of Obligation, to be discussed in greater detail under separate agenda items to follow. When the CO’s are approved, along with the GO Bond, it is estimated that there will be no impact on the I&S Tax Rate.

RECOMMENDATION

Approval of Ordinance No. 22-B-32 authorizing the sale of Bonds.

Motion: I MOVE THAT THE CITY COUNCIL ADOPT AN ORDINANCE AUTHORIZING THE
“CITY OF SCHERTZ, TEXAS, GENERAL OBLIGATION BONDS, SERIES 2022”

Attachments

Ord 22-B-32

Paying Agent Agreement

Purchase Contract

ORDINANCE NO. 22-B-32

AN ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF SCHERTZ, TEXAS GENERAL OBLIGATION BONDS, SERIES 2022”; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX, WITHIN THE LIMITATIONS PRESCRIBED BY LAW, FOR THE PAYMENT OF THE BONDS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF THE BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE CONTRACT; COMPLYING WITH THE PROVISIONS OF THE DEPOSITORY TRUST COMPANY’S LETTER OF REPRESENTATIONS; AUTHORIZING THE EXECUTION OF ANY NECESSARY ENGAGEMENT AGREEMENT WITH THE CITY’S FINANCIAL ADVISORS; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City Council (the *Governing Body*) of the City of Schertz, Texas (the *Issuer* or the *City*) hereby finds and determines that general obligation bonds of the City in the total principal amount of \$____,____ (being the principal amount of \$____,____ and a portion of premium of \$____) of the hereinafter defined voter authorization should be issued and sold at this time, being the third and final series of general obligation bonds approved and authorized to be issued at an election held on November 3, 2015 (the *2015 Election*) and being the first and final series of general obligation bonds approved and authorized to be issued at an election held on November 2, 2021 (the *2021 Election*, and together with the 2015 Election, the *Election*), the authorized purposes and amounts authorized to be issued therefor, amounts previously issued, amounts being issued pursuant to this ordinance, and amounts remaining to be issued from such voted authorization subsequent to the date hereof being as follows:

<u>Date Voted</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Previously Issued Bonds</u>	<u>Bonds Issued Herein</u>	<u>Premium allocated to Voted Authority</u>	<u>Amount Unissued</u>
11/03/15	Designing, acquiring, constructing, renovating, improving, and equipping City street (primarily FM 1103 and FM 1518), curb, sidewalk, and gutter improvements, demolition, repair, and rebuilding of new and existing streets, completing necessary or incidental utility relocation and drainage in connection with the foregoing and the purchase of land, easements, rights-of-way, and other real property interests necessary therefor or incidental thereto	\$7,000,000	\$2,605,000	_____	_____	_____

<u>Date Voted</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Previously Issued Bonds</u>	<u>Bonds Issued Herein</u>	<u>Premium allocated to Voted Authority</u>	<u>Amount Unissued</u>
11/02/21	Public Safety Improvements	\$____,____,____	\$0.00	\$____,____,____	\$_____	\$_____

WHEREAS, the Governing Body intends to issue an aggregate principal amount of \$____,____,____ in general obligation bonds the proceeds of which will be utilized for the purposes of: (i) acquiring, constructing, improving, renovating, and equipping public safety facilities (to include a new fire station), acquiring lands and rights-of-way necessary thereto and completing related landscaping, (ii) designing, acquiring, constructing, renovating, improving, and equipping City streets (primarily FM 1103 and FM 1518), curb, sidewalk, and gutter improvements, demolition, repair, and rebuilding of new and existing streets, completing necessary or incidental utility relocation and drainage in connection with the foregoing and the purchase of land, easements, rights-of-way, and other real property interests necessary therefor or incidental thereto, and (iii) the payment of professional services related to the design, construction, project management, and financing of the aforementioned projects; and

WHEREAS, the Governing Body hereby finds and determines that issuance of the general obligation bonds is in the best interests of the residents of the City, now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS THAT:

SECTION 1: Authorization - Designation - Principal Amount - Purpose. General obligation bonds of the Issuer shall be and are hereby authorized to be issued in the aggregate principal amount of _____ AND NO/100 DOLLARS (\$____,____,____) to be designated and bear the title "City of Schertz, Texas General Obligation Bonds, Series 2022" (the *Bonds*), for the

purpose of providing funds for the purposes of: (i) acquiring, constructing, improving, renovating, and equipping public safety facilities (to include a new fire station), acquiring lands and rights-of-way necessary thereto and completing related landscaping, (ii) designing, acquiring, constructing, renovating, improving, and equipping City streets (primarily FM 1103 and FM 1518), curb, sidewalk, and gutter improvements, demolition, repair, and rebuilding of new and existing streets, completing necessary or incidental utility relocation and drainage in connection with the foregoing and the purchase of land, easements, rights-of-way, and other real property interests necessary therefor or incidental thereto, and (iii) the payment of professional services related to the design, construction, project management, and financing of the aforementioned projects, in conformity with the laws of the State of Texas, particularly Chapters 1251 and 1331, as amended, Texas Government Code, the Home Rule Charter of the Issuer, this ordinance adopted by the Governing Body on August 2, 2022, and the Elections referenced in the preamble to this Ordinance.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates – Bond Date. The Bonds are issuable in fully registered form only; shall be dated August 1, 2022 (the *Bond Date*) and shall be issued in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity), shall be lettered “R” and numbered consecutively from One (1) upward; and the Bonds shall become due and payable on February 1 in each of the years and in principal amounts (the *Stated Maturities*), in accordance with the following schedule:

<u>Years of</u> <u>Stated Maturity</u>	<u>Principal</u> <u>Amounts (\$)</u>	<u>Interest</u> <u>Rates (%)</u>
---	---	-------------------------------------

Years of
Stated Maturity

Principal
Amounts (\$)

Interest
Rates (%)

The Bonds shall bear interest on the unpaid principal amounts from the Bond Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for to Stated Maturity or prior redemption, while Outstanding, at the rates per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on February 1 and August 1 in each year (each, an *Interest Payment Date*), commencing February 1, 2023, while the Bonds are Outstanding.

SECTION 3: Payment of Bonds - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable, without exchange or collection charges to the Holder (as hereinafter defined), appearing on the registration and transfer books maintained by the Paying Agent/Registrar (hereinafter defined), in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payment of principal of, premium, if any, and interest on the Bonds shall be without exchange or collection charges to the Holder (as hereinafter defined) of the Bonds.

The selection and appointment of UMB Bank, N.A., Austin, Texas to serve as the initial Paying Agent/Registrar (the *Paying Agent/Registrar*) for the Bonds is hereby approved and confirmed, and the Issuer agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment, and transfer of the Bonds, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached hereto in substantially final form as Exhibit A, and such reasonable rules and regulations as the Paying Agent/Registrar and the Issuer may prescribe. The Issuer covenants to maintain and provide a Paying Agent/Registrar at all times while the Bonds are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution, or (ii) an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers. Such Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and shall be authorized by law to serve as a Paying Agent/Registrar.

The Issuer reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or ordinance terminating such agency. Additionally, the Issuer agrees to promptly cause a written notice of this substitution to be sent to each Holder of the Bonds by United States mail, first-class postage prepaid, which notice shall also give the address of the corporate office of the successor Paying Agent/Registrar.

Principal of, premium, if any, and interest on the Bonds, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable only to the registered owner of the Bonds (the *Holder* or *Holders*) appearing on the Security Register maintained on behalf of the Issuer by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (hereinafter defined) for purposes of paying interest thereon, (ii) on the date of surrender of the Bonds for purposes of receiving payment of principal thereof upon redemption of the Bonds or at the Bonds' Stated Maturity, and (iii) on any other date for any other purpose. The Issuer and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Bond for purposes of receiving payment and all other purposes whatsoever, and neither the Issuer nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

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

If the date for the payment of the principal of, premium, if any, or interest on the Bonds shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the 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 day. The payment on such date shall have the same force and effect as if made on the original date any such payment on the Bonds was due.

In the event of a non-payment 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 (the *Special Payment Date*--which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

A. Mandatory Redemption of Term Bonds. The Bonds stated to mature on February 1, 20__ are referred to herein as the "Term Bonds". The Term Bonds are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Bond Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on February 1 in each of the years as set forth below:

Term Bonds
Stated to Mature
on February 1, 20__

<u>Year</u>	<u>Principal Amount (\$)</u>
-------------	----------------------------------

*Payable at Stated Maturity

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Bonds of such Stated Maturity which, at least 50 days prior to the mandatory redemption date (1) shall have been defeased or acquired by the Issuer and delivered to the Paying Agent/Registrar for cancellation (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer with money in the Bond Fund, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

B. Optional Redemption of Bonds. The Bonds having Stated Maturities on and after February 1, 20__, shall be subject to redemption prior to Stated Maturity, at the option of the Issuer, on February 1, 20__, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar) at the redemption price of par plus accrued interest to the date of redemption.

C. Exercise of Redemption Option. At least forty-five (45) days prior to a date set for the redemption of the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the Issuer shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem the Bonds, the principal amount of each Stated Maturity to be redeemed, and the date set for the redemption thereof. The decision of the Issuer to exercise the right to redeem the Bonds shall be entered in the minutes of the governing body of the Issuer.

D. Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall select at random and by lot the Bonds to be redeemed, provided that if less than the entire principal amount of a Bond is to be redeemed, the Paying Agent/Registrar shall treat such Bond then subject to redemption as representing the number of Bonds Outstanding which is obtained by dividing the principal amount of such Bond by \$5,000.

E. Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, the Paying Agent/Registrar shall cause a notice of redemption to be sent by United States mail, first-class postage prepaid, in the name of the Issuer and at the Issuer's expense, by

the Paying Agent/Registrar to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder. This notice may also be published once in a financial publication, journal, or reporter of general circulation among securities dealers in the City of New York, New York (including, but not limited to, *The Bond Buyer* and *The Wall Street Journal*), or in the State of Texas (including, but not limited to, *The Texas Bond Reporter*).

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder.

If a Bond is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Bond (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Bonds (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on the Bonds (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue, and such Bonds shall not be deemed to be Outstanding in accordance with the provisions of this Ordinance.

F. Transfer/Exchange of Bonds. Neither the Issuer nor the Paying Agent/Registrar shall be required (1) to transfer or exchange any Bond during a period beginning forty-five (45) days prior to the date fixed for redemption of the Bonds or (2) to transfer or exchange any Bond selected for redemption, provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond which is subject to redemption in part.

SECTION 5: Execution - Registration. The Bonds shall be executed on behalf of the Issuer by its Mayor or Mayor Pro Tem under the seal of the Issuer reproduced or impressed thereon and attested by its City Secretary. The signature of any of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who were, at the time of the Bond Date, the proper officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Bonds to the Purchasers (hereinafter defined), all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration

substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified or registered and delivered.

SECTION 6: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. A Security Register relating to the registration, payment, transfer, or exchange of the Bonds shall at all times be kept and maintained by the Issuer at the corporate trust office of the Paying Agent/Registrar, and the Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each Holder of the Bonds issued under and pursuant to the provisions of this Ordinance. Any Bond may, in accordance with its terms and the terms hereof, be transferred or exchanged for Bonds of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Bond at the corporate trust office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds executed on behalf of, and furnished by, the Issuer of authorized denominations and having the same Stated Maturity and of a like interest rate and aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest, and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the corporate trust office of the Paying Agent/ Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute and the Paying Agent/Registrar shall register and deliver new Bonds executed on behalf of, and furnished by, the Issuer to the Holder requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the corporate trust office of the Paying Agent/Registrar, or be sent by United States registered mail to the Holder at his request, risk, and expense, and upon the delivery thereof, the same shall be the valid and binding obligations of the Issuer, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Bonds surrendered upon such transfer or exchange.

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

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds", evidencing all or a portion, as the case may be, of the same debt evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Bonds shall include any Bond registered and

delivered pursuant to Section 16 in lieu of a mutilated, lost, destroyed, or stolen Bond which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

SECTION 7: Initial Bond. The Bonds herein authorized shall be issued initially either (i) as a fully registered Bond in the total principal amount of \$____, with principal installments to become due and payable as provided in Section 2 and numbered T-1, or (ii) as one (1) fully registered Bond for each year of Stated Maturity in the applicable principal amount, interest rate, and denomination and to be numbered consecutively from T-1 and upward (the *Initial Bond*) and, in either case, the Initial Bond shall be registered in the name of the Purchasers or the designee thereof. The Initial Bond shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval and certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchasers. Any time after the delivery of the Initial Bond to the Purchasers, the Paying Agent/Registrar, upon written instructions from the Purchasers, or the designee thereof, shall cancel the Initial Bond delivered hereunder and exchange therefor definitive Bonds of like kind and of authorized denominations, Stated Maturities, principal amounts, bearing applicable interest rates, and shall be lettered "R" and numbered consecutively from one (1) upward, for transfer and delivery to the Holders named and at the addresses identified therefor; all pursuant to and in accordance with and pursuant to such written instructions from the Purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8: Forms.

A. Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including insurance legends in the event the Bonds, or any Stated Maturities thereof, are insured and any reproduction of an opinion of Bond Counsel) and identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends and any reproduction of an opinion of Bond Counsel (hereinafter referenced)) thereon as may, consistent herewith, be established by the Issuer or determined by the officers executing the Bonds as evidenced by their execution thereof. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing the Bonds as evidenced by their execution thereof, but the Initial Bond submitted to the Attorney General of the State of Texas may be typewritten or photocopied or otherwise reproduced.

[The remainder of this page intentionally left blank.]

B. Form of Definitive Bond.

REGISTERED
NO. _____

REGISTERED
PRINCIPAL AMOUNT
\$ _____

United States of America
State of Texas
Counties of Guadalupe, Comal, and Bexar
CITY OF SCHERTZ, TEXAS
GENERAL OBLIGATION BONDS, SERIES 2022

Bond Date:
August 1, 2022

Interest Rate:

Stated Maturity:

CUSIP No.:

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Schertz, Texas (the *Issuer*), a body corporate and municipal corporation located in the Counties of Guadalupe, Comal, and Bexar, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above (the *Holder*), or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof (computed on the basis of a 360-day year of twelve 30-day months) from the Bond Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rate of interest specified above; such interest being payable on February 1 and August 1 of each year (each, an *Interest Payment Date*), commencing February 1, 2023.

Principal and premium, if any, of this Bond shall be payable to the Registered Owner hereof (the *Holder*), upon presentation and surrender, at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest shall be payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding the Interest Payment Date. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder's risk and expense.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$ __, __, __ (the *Bonds*) pursuant to an ordinance adopted by the Governing Body of the Issuer (the *Ordinance*), for the purpose of providing funds for: (i) acquiring, constructing, improving, renovating, and equipping public safety facilities (to include a new fire station), acquiring lands and rights-of-way necessary thereto and completing related landscaping, (ii) designing, acquiring, constructing, renovating, improving, and equipping City streets (primarily FM 1103 and FM 1518), curb, sidewalk, and gutter improvements, demolition, repair, and rebuilding of new and existing streets, completing necessary or incidental utility relocation and drainage in connection with the foregoing and the purchase of land, easements, rights-of-way, and other real property interests necessary therefor or incidental thereto, and (iii) the payment of professional services related to the design, construction, project management, and financing of the aforementioned projects, in conformity with the laws of the State of Texas, particularly Chapters 1251 and 1331 as amended, Texas Government Code, the Elections, and the Ordinance.

As specified in the Ordinance, the Bonds stated to mature on February 1, 20__ are referred to herein as the “Term Bonds”. The Term Bonds are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Bond Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on February 1 in each of the years as set forth below:

Term Bonds Stated to Mature on February 1, 20__	
<u>Year</u>	<u>Principal Amount (\$)</u>

*Payable at Stated Maturity

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Bonds of such Stated Maturity which, at least 50 days prior to the mandatory redemption date (1) shall have been defeased or acquired by the Issuer and delivered to the Paying Agent/Registrar for cancellation (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer with money in the Bond Fund, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

As specified in the Ordinance, the Bonds having Stated Maturities on and after February 1, 20__ shall be subject to redemption prior to Stated Maturity, at the option of the City, on February 1, 20__, or on any date thereafter, in whole or in part in principal amounts of \$5,000 or

any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar) at the redemption price of par plus accrued interest to the date of redemption, and upon thirty (30) days prior written notice being given by United States mail, first-class postage prepaid, to Holders of the Bonds to be redeemed, and subject to the terms and provisions relating thereto contained in the Ordinance. If this Bond is subject to redemption prior to Stated Maturity and is in a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Bond to the Paying Agent/Registrar at its corporate trust office, a new Bond or Bonds of like Stated Maturity and interest rate in any authorized denominations provided in the Ordinance for the then unredeemed balance of the principal sum hereof.

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption has been duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Bond is called for redemption, in whole or in part, the Issuer or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Bond within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

The Bonds of this series are payable from the proceeds of an annual ad valorem tax levied, within the limitations prescribed by law, upon all taxable property within the Issuer.

Reference is hereby made to the Ordinance, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Issuer and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be redeemed or discharged at or prior to its Stated Maturity and deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the same meanings assigned in the Ordinance.

As provided in the Ordinance and subject to certain limitations contained therein, this Bond is transferable on the Security Register of the Issuer, upon presentation and surrender of this Bond for transfer at the corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Holder hereof, or his duly authorized agent, and thereupon one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The Issuer and the Paying Agent/Registrar, and any agent of either, shall treat the Holder hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Bond as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner hereof for all other purposes, and neither the Issuer nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. In the event of a non-payment 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 (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Bond in order to render the same a legal, valid, and binding obligation of the Issuer have been performed, exist, and have been done, in regular and due time, form, and manner, as required by the laws of the State of Texas and the Ordinance, and that the issuance of the Bonds does not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of, premium if any, and interest on the Bonds by the levy of a tax as aforesaid. In case any provision in this Bond or any application thereof shall be deemed invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this Bond to be duly executed under its official seal.

CITY OF SCHERTZ, TEXAS

Mayor

ATTEST:

City Secretary

(CITY SEAL)

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

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

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*NOTE TO PRINTER: Do Not Print on Definitive Bonds.

D. *Form of Certificate of Paying Agent/Registrar to Appear on Definitive Bonds Only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

Registered this date: UMB BANK, N.A., AUSTIN, TEXAS, as
Paying Agent/Registrar

_____ By: _____
Authorized Signature

*NOTE TO PRINTER: Print on Definitive Bonds.

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number): _____
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

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

Signature guaranteed:

F. Initial Bond. The Initial Bond shall be in the form set forth in paragraph B of this Section, except that the form of the single fully registered Initial Bond shall be modified as follows:

(1) immediately under the name of the bond the headings "Interest Rate ____" and "Stated Maturity ____" shall both be completed "as shown below";

(2) the first two paragraphs shall read as follows:

The City of Schertz, Texas (the *Issuer*), a body corporate and municipal corporation located in the Counties of Guadalupe, Comal, and Bexar, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above (the *Holder*), or the registered assigns thereof, the Principal Amount specified above stated to mature on the first day of February in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>Years of</u> <u>Stated Maturity</u>	<u>Principal</u> <u>Amounts (\$)</u>	<u>Interest</u> <u>Rates (%)</u>
---	---	-------------------------------------

(Information to be inserted from schedule in Section 2 hereof).

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amounts hereof from the Bond Date specified above or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for

until the Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 of each year (each, an *Interest Payment Date*) commencing February 1, 2023.

Principal of this Bond shall be payable to the Holder, upon presentation and surrender to Stated Maturity or prior redemption, while Outstanding, at the corporate trust office of UMB Bank, N.A., Austin, Texas (the *Paying Agent/Registrar*). Interest shall be payable to the Holder of this Bond whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding the Interest Payment Date. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder's risk and expense.

G. Insurance Legend. If bond insurance is obtained by the Issuer or the Purchasers (hereinafter defined), the Definitive Bonds and the Initial Bond shall bear an appropriate legend as provided by the insurer to appear under the following header:

[BOND INSURANCE]

SECTION 9: Definitions. For all purposes of this Ordinance (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, certain terms used in Sections 18 and 36 of this Ordinance have the meanings assigned to them in such Sections, and all such terms, include the plural as well as the singular; (ii) all references in this Ordinance to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of this Ordinance as originally adopted; and (iii) the words "herein", "hereof", and "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision.

A. The term *Authorized Officials* shall mean the Mayor, Mayor Pro Tem, City Secretary, City Manager, Director of Finance, and/or City Secretary.

B. The term *Bond Fund* shall mean the special fund created and established by the provisions of Section 10 of this Ordinance.

C. The term *Bonds* shall mean the \$____,____,____ "CITY OF SCHERTZ, TEXAS GENERAL OBLIGATION BONDS, SERIES 2022" authorized by this Ordinance.

D. The term *Certificates* shall mean the \$_____ "CITY OF SCHERTZ, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF

OBLIGATION, SERIES 2022A” authorized pursuant to a separate ordinance approved by the City Council on August 2, 2022 but sold and delivered concurrently with the Bonds.

E. The term *Closing Date* shall mean the date of physical delivery of the Initial Bond in exchange for the payment in full by the Purchasers.

F. The term *Debt Service Requirements* shall mean, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the Issuer as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest at the maximum rate permitted by the terms thereof and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto.

G. The term *Depository* shall mean an official depository bank of the Issuer.

H. The term *Government Securities*, as used herein, shall mean: (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, or (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Bonds.

I. The term *Holder* or *Holder*s shall mean the registered owner, whose name appears in the Security Register, for any Bond.

J. [The term *Insurance Policy* shall mean the municipal bond insurance policy issued by the Insurer insuring the payment when due of the principal and interest of on the Bonds as provided therein.

K. The term *Insurance Premium* shall mean the premium paid by the Purchasers for the Insurance Policy.

L. The term *Insurer* shall mean Build America Mutual Assurance Company or any successor thereto or assignee.]

M. The term *Interest Payment Date* shall mean the date semiannual interest is payable on the Bonds, being February 1 and August 1 of each year, commencing February 1, 2023, while any of the Bonds remain Outstanding.

N. The term *Issuer* shall mean the City of Schertz, Texas, located in the Counties of Guadalupe, Comal, and Bexar, Texas and, where appropriate, the Governing Body of the Issuer.

O. The term *Ordinance* shall mean this ordinance adopted by the Governing Body of the Issuer on August 2, 2022.

P. The term *Outstanding* when used in this Ordinance with respect to Bonds shall mean, as of the date of determination, all Bonds issued and delivered under this Ordinance, except:

(1) those Bonds canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Bonds for which payment has been duly provided by the Issuer in accordance with the provisions of Section 19 of this Ordinance; and

(3) those Bonds that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 16 of this Ordinance.

Q. The term *Purchasers* shall mean the initial purchaser or purchasers of the Bonds named in Section 17 of this Ordinance.

R. The term *Stated Maturity* shall mean the annual principal payments of the Bonds payable on February 1 of each year the Bonds are Outstanding, as set forth in Section 2 of this Ordinance.

SECTION 10: Bond Fund; Investments. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Bonds, there shall be and is hereby created a special fund to be designated "GENERAL OBLIGATION BONDS, SERIES 2022 INTEREST AND SINKING FUND" (the *Bond Fund*), which fund shall be kept and maintained at the Depository, and money deposited in such fund shall be used for no other purpose and shall be maintained as provided in Section 18. Authorized Officials of the Issuer are hereby authorized and directed to make withdrawals from the Bond Fund sufficient to pay the purchase price or the amount of principal of, premium, if any, and interest on the Bonds as the same become due and payable and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Bond Fund an amount sufficient to pay the amount of principal and/or interest stated to mature on the Bonds, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the business day next preceding each interest and principal payment date for the Bonds.

Pending the transfer of funds to the Paying Agent/Registrar, money deposited in any fund created and established pursuant to the provisions of this Ordinance may, at the option of the Issuer,

be placed in time deposits, certificates of deposit, guaranteed investment contracts, or similar contractual agreements as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or be invested, as authorized by any law, including investments held in book-entry form, in securities including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from any fund will be available at the proper time or times. All interest and income derived from deposits and investments in any fund established pursuant to the provisions of this Ordinance shall be credited to, and any losses debited to, such fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

SECTION 11: Levy of Taxes; Surplus Bond Proceeds. To provide for the payment of the Debt Service Requirements on the Bonds being (i) the interest on the Bonds, and (ii) sinking fund for their redemption at Stated Maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied for the current fiscal year and each succeeding year thereafter while the Bonds or any interest thereon shall remain Outstanding, a sufficient tax, within the limitations prescribed by law, on each one hundred dollars' valuation of taxable property in the Issuer, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Bond Fund and are thereafter pledged to the payment of the Bonds. The Governing Body hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the such Debt Service Requirements, it having been determined that the existing and available taxing authority of the Issuer for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness and other obligations of the Issuer.

Accrued interest received from the Purchasers of the Bonds shall be deposited to the Bond Fund and ad valorem taxes levied and collected for the benefit of the Bonds shall be deposited to the Bond Fund. In addition, any surplus proceeds from the sale of the Bonds, including investment income thereon, not expended for authorized purposes shall be deposited in the Bond Fund, and such amounts so deposited shall reduce the sum otherwise required to be deposited in the Bond Fund from ad valorem taxes.

SECTION 12: Security for Funds. All money on deposit in the funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and money on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

SECTION 13: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the Issuer covenants and agrees particularly that in the event the Issuer: (a) defaults in the payments to be made to the Bond Fund; or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, the Holders of any of the Bonds shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Governing Body of the Issuer and other officers of the Issuer to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default 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 as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 14: Notices to Holders-Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first-class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Holders. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 15: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the Issuer, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The Issuer may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the Issuer.

SECTION 16: Mutilated - Destroyed - Lost and Stolen Bonds. If: (i) any mutilated Bond is surrendered to the Paying Agent/Registrar, or the Issuer and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Bond; and (ii) there is delivered to the Issuer and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the Issuer or the Paying Agent/Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Stated Maturity

and interest rate and of like tenor and principal amount, bearing a number not contemporaneously Outstanding.

In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the Issuer in its discretion may, instead of issuing a new Bond, pay such Bond. Upon the issuance of any new Bond, or payment in lieu thereof, under this Section, the Issuer may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses and charges (including attorney's fees and the fees and expenses of the Paying Agent/Registrar) connected therewith. Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds.

SECTION 17: Sale of Bonds at Negotiated Sale; Approval of Official Statement; Proceeds of Sale. The Bonds authorized by this Ordinance are hereby sold by the City to Robert W. Baird & Co. Incorporated, _____, Texas as the authorized representative of a group of purchasers at a negotiated sale (the *Purchasers*, and having all of the rights, duties, and obligations of a Holder) in accordance with the provisions of a Purchase Contract dated August 2, 2022 (the *Purchase Contract*), attached hereto as Exhibit B and incorporated herein by reference as a part of this Ordinance for all purposes, at the price of par, plus a cash premium of \$ _____ (taking into account the Purchasers' compensation of \$ _____ and Insurance Premium of \$ _____), plus accrued interest to the date of initial delivery of the Bonds to the Purchasers, and is hereby approved and confirmed. The Initial Bond shall be registered in the name of Robert W. Baird & Co. Incorporated. The pricing and terms of the sale of the Bonds are hereby found and determined to be the most advantageous reasonably obtainable by the City. Any Authorized Official is hereby authorized and directed to execute the Purchase Contract for and on behalf of the City and as the act and deed of this Governing Body, and in regard to the approval and execution of the Purchase Contract, the Governing Body hereby finds, determines and declares that the representations, warranties, and agreements of the City contained in the Purchase Contract are true and correct in all material respects and shall be honored and performed by the City. Delivery of the Bonds to the Purchasers shall occur as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of the Purchase Contract.

Proceeds from the sale of the Bonds shall be applied as follows:

(1) Accrued interest on the Bonds (in the amount of \$ _____) received from the Purchasers shall be deposited into the Bond Fund.

(2) The City received a [net] reoffering premium from the sale of the Bonds of \$ _____ which is hereby allocated by the City in the following manner: (A) \$ _____ to pay the Purchasers' compensation, (B) \$ _____ to pay the Insurance Premium, (C) \$ _____ to pay the costs of issuance, and (D) the remaining \$ _____.00 is allocated toward the City's voted authority and deposited as described in Paragraph (3) below.

(3) The balance of the proceeds (including a portion of the net reoffering premium in the amount of \$____.00 as described above and principal in the amount of \$____,____,____.00, totaling \$____) derived from the sale of the Bonds (after paying costs of issuance) shall be deposited into the special construction account or accounts created for the projects to be constructed with the proceeds of the Bonds. This special construction account shall be established and maintained at the Depository and shall be invested in accordance with the provisions of Section 10 of this Ordinance. Interest earned on the proceeds of the Bonds pending completion of construction of the projects financed with such proceeds shall be accounted for, maintained, deposited, and expended as permitted by the provisions of Chapter 1201, as amended, Texas Government Code, or as required by any other applicable law. Thereafter, such amounts shall be expended in accordance with Section 11 of this Ordinance.

Furthermore, the City hereby ratifies, confirms, and approves in all respects (i) the City's prior determination that the Preliminary Official Statement was, as of its date, "deemed final" in accordance with SEC Rule 15c2-12, as amended (the *Rule*) and (ii) the use and distribution of the Preliminary Official Statement by the Purchaser in connection with the public offering and sale of the Bonds. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale (together with such changes approved by an Authorized Official), shall be and is hereby in all respects approved and the Purchaser is hereby authorized to use and distribute the final Official Statement, dated August 2, 2022, in the reoffering, sale and delivery of the Bonds to the public. The Mayor and/or City Secretary are further authorized and directed to manually execute and deliver for and on behalf of the City copies of the Official Statement in final form as may be required by the Purchaser, and such final Official Statement in the form and content manually executed by said officials shall be deemed to be approved by the Governing Body and constitute the Official Statement authorized for distribution and use by the Purchaser. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

SECTION 18: Covenants to Maintain Tax-Exempt Status.

A. Definitions. When used in this Section, the following terms have the following meanings:

“*Closing Date*” means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

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

“*Computation Date*” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“*Gross Proceeds*” means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

“Investment” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

“Rebate Amount” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Yield” of

(1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations;
and

(2) the Bonds means the combined yield on the Bonds and the Certificates, treating them as a single issue and as calculated pursuant to Section 1.148-4 of the Regulations.

B. Not to Cause Interest to Become Taxable. The Issuer shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Issuer receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the Issuer shall comply with each of the specific covenants in this Section.

C. No Private Use or Private Payments. Except to the extent that it will cause the Bonds to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the Issuer shall at all times prior to the last Stated Maturity of Bonds:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the Issuer or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

D. No Private Loan. Except to the extent that it will not cause the Bonds to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the Issuer shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

E. Not to Invest at Higher Yield. Except to the extent that it will cause the Bonds to become “arbitrage bonds” within the meaning of section 148 of the Code and the Regulations and rulings thereunder, the Issuer shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield on any Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, materially exceeds the Yield of the Bonds.

F. Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the Issuer shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

G. Information Report. The Issuer shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

H. Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The Issuer shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Bond is discharged. However, to the extent permitted by law, the Issuer may commingle Gross Proceeds of the Bonds with other money of the Issuer, provided that the Issuer separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the Issuer shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The Issuer shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the Issuer shall pay to the United States out of the Bond Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The Issuer shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

I. Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the Issuer shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection H of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

J. Bonds Not Hedge Bonds.

(1) The Issuer reasonably expects to spend at least 85% of the spendable proceeds of the Bonds within three years after such Bonds are issued.

(2) Not more than 50% of the proceeds of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of four (4) years or more.

K. Elections. The Issuer hereby directs and authorizes any Authorized Official, either or any combination of the foregoing, to make such elections in the Certificate as to Tax Exemption or similar or other appropriate certificate, form, or document permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds. Such elections shall be deemed to be made on the Closing Date.

SECTION 19: Satisfaction of Obligation of the Issuer. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements, and other obligations of the Issuer to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds, or any principal amount(s) thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when: (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at Stated Maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent; and/or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any money deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof (or if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof for the Bonds. In the event of a defeasance of the Bonds, the Issuer shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent accounting firm, or another qualified third party concerning the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. As and to the extent applicable (if at all), the Issuer covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as arbitrage bonds within the meaning of section 148 of the Code (as defined in Section 18 hereof).

Any money so deposited with the Paying Agent/Registrar, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such money has been so deposited shall be remitted to the Issuer or deposited as directed by the Issuer. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity or applicable redemption date of the Bonds, such money was deposited and is held in trust to pay shall upon the request of the Issuer be remitted to the Issuer against a written receipt therefor, subject to the unclaimed property laws of the State of Texas.

Notwithstanding any other provision of this Ordinance 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 (i) or (ii) above shall not be irrevocable, provided that: (1) in

the proceedings providing for such defeasance, 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 defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Bonds, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Bonds.

SECTION 20: Ordinance a Contract - Amendments - Outstanding Bonds. The Issuer acknowledges that the covenants and obligations of the Issuer herein contained are a material inducement to the purchase of the Bonds. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the Issuer, and its successors and assigns, and it shall not be amended or repealed by the Issuer so long as any Bond remains Outstanding except as permitted in this Section. The Issuer may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Issuer may, with the written consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided, however, that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall: (i) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds; (ii) give any preference to any Bond over any other Bond; or (iii) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition, or rescission.

SECTION 21: Control and Custody of Bonds. The Mayor of the Issuer shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas including the printing and supply of definitive Bonds and shall take and have charge and control of the Initial Bond pending its approval by the Attorney General of the State of Texas, the registration thereof by the Comptroller of Public Accounts of the State of Texas and the delivery thereof to the Purchasers.

Furthermore, each Authorized Official, any or all, are hereby authorized and directed to furnish and execute such documents relating to the Issuer and its financial affairs as may be necessary for the issuance of the Bonds, the approval of the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas and, together with the Issuer's Financial Advisors, Bond Counsel, and the Paying Agent/Registrar, to make the necessary arrangements for the delivery of the Initial Bond to the Purchasers and the initial exchange thereof for definitive Bonds.

SECTION 22: Printed Opinion. The Purchasers' obligation to accept delivery of the Bonds is subject to its being furnished a final opinion of Norton Rose Fulbright US LLP, Austin and San Antonio, Texas, as Bond Counsel, approving the Bonds as to their validity, said opinion to be dated and delivered as of the date of initial delivery and payment for the Bonds. Printing of a true and

correct reproduction of said opinions on the reverse side of each of the Bonds is hereby approved and authorized.

SECTION 23: CUSIP Numbers. CUSIP numbers may be printed or typed on the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof, and neither the Issuer nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the Bonds.

SECTION 24: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the Issuer, the Paying Agent/Registrar, Bond Counsel, the Purchasers, and the Holders any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the Issuer, the Paying Agent/Registrar, Bond Counsel, the Purchasers, and the Holders.

SECTION 25: Inconsistent Provisions. All ordinances, orders, or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 26: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 27: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 28: Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Governing Body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 29: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 30: Authorization of Paying Agent/Registrar Agreement. The Governing Body of the Issuer hereby finds and determines that it is in the best interest of the Issuer to authorize the execution of a Paying Agent/Registrar Agreement pertaining to the registration, transferability, and payment of the Bonds. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated herein by reference as fully as if recopied in its entirety in this Ordinance.

SECTION 31: Incorporation of Preamble Recitals. The recitals contained in the preamble to this Ordinance are hereby found to be true, and such recitals are hereby made a part of this

Ordinance for all purposes and are adopted as a part of the judgment and findings of the Governing Body of the Issuer.

SECTION 32: Book-Entry-Only System. The Bonds shall initially be registered so as to participate in a securities depository system (the *DTC System*) with the Depository Trust Company, New York, New York, or any successor entity thereto (the *DTC*), as set forth herein. Each Stated Maturity of the Bonds shall be issued (following cancellation of the Initial Bond described in Section 7) in the form of a separate single definitive Bond. Upon issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Bonds shall be registered in the name of Cede & Co., as the nominee of DTC. The Issuer and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit C (the *Representation Letter*).

With respect to the 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 broker-dealer, bank, or other financial institution for which DTC holds the Bonds from time to time as securities depository (a *Depository Participant*) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (an *Indirect Participant*). 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 Depository Participant with respect to any ownership interest in the Bonds; (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Bonds, as shown on the Security Register, of any notice with respect to the Bonds, including any notice of redemption; or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Bond, of any amount with respect to principal of, premium, if any, or interest on the Bonds. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the Holder, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

In the event that: (a) the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter; (b) the Representation Letter shall be terminated for any reason; or (c) DTC or the Issuer determines 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 notify the Paying Agent/Registrar, DTC, and DTC Participants of the availability within a reasonable period of time through DTC of bond certificates, and the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the Issuer may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Issuer, or such depository's agent or designee, and if the Issuer and the Paying Agent/Registrar do not select such alternate securities depository system then the Bonds may be registered in whatever name or names the Holders of Bonds transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 33: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 34: Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the Issuer or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

SECTION 35: No Recourse Against Issuer Officials. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Bond or for any claim based thereon or on this Ordinance against any official of the Issuer or any person executing any Bond.

SECTION 36: Continuing Disclosure Undertaking.

A. Definitions.

As used in this Section, the following terms have the meanings ascribed to such terms below:

EMMA means the MSRB's Electronic Municipal Market Access system, accessible by the general public, without charge, on the internet through the uniform resource locator (URL) <http://www.emma.msrb.org>.

MSRB means the Municipal Securities Rulemaking Board.

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

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

SEC means the United States Securities and Exchange Commission.

Undertaking means the City's continuing disclosure undertaking, described in Subsections B through F below, hereunder accepted and entered into by the City for the purpose of compliance with the Rule.

B. Annual Reports.

The City shall file annually with the MSRB, (1) within six months after the end of each fiscal year of the City ending in or after 2022, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 17 of this Ordinance, being the information described in Exhibit D hereto, and (2) if not provided as part of such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit D hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the City commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall file unaudited financial statements within such period and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such financial statements becomes available. Under current Texas law, including, but not limited to, Chapter 103, as amended, Texas Local Government Code, the City must have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The annual financial statement, including the auditor's opinion on the statement, shall be filed in the office of the City Secretary within 180 days after the last day of the City's fiscal year. Additionally, upon the filing of this financial statement and the annual audit, these documents are subject to the Texas Open Records Act, as amended, Texas Government Code, Chapter 552.

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

C. Notice of Certain Events.

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

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue

(IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

- (7) Modifications to rights of Holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;
- (15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

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

D. Limitations, Disclaimers, and Amendments.

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

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

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

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

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

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is

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

E. Information Format – Incorporation by Reference.

The City information required under this Section shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents submitted to EMMA must be in word-searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public through EMMA or filed with the SEC.

F. General Policies and Procedures Concerning Compliance with the Rule.

Because the issuance of the Bonds is subject to the provisions of the Rule and because the potential “underwriters” in a negotiated sale of the Bonds or the initial purchasers in a competitive sale of the Bonds may be subject to MSRB rules and regulations with respect to such sale (including certain due diligence and suitability requirements, among others), the City hereby adopts the General Policies and Procedures Concerning Compliance with the Rule (the “Policies and Procedures”), attached hereto as Exhibit E, with which the City shall follow to assure compliance with the Undertaking. The City has developed these Policies and Procedures for the purpose of meeting its requirements of the Undertaking and, in connection therewith, has sought the guidance from its internal staff charged with administering the City’s financial affairs, its municipal or financial advisors, its legal counsel (including its Bond Counsel), and its independent accountants (to the extent determined to be necessary or advisable). The Policies and Procedures can be amended at the sole discretion of the City and any such amendment will not be deemed to be an amendment to the Undertaking. Each Authorized Official is hereby authorized to amend the Policies and Procedures as a result of a change in law, a future issuance of indebtedness subject to the Rule, or another purpose determined by the Authorized Official to be necessary or desirable for or with respect to future compliance with the Undertaking.

SECTION 37: [Municipal Bond Insurance]. The payment of the debt service requirements on the Bonds is insured by the Insurer pursuant to the Insurance Policy.]

SECTION 38: Further Procedures. The officers and employees of the Issuer are hereby 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 all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of the Bonds, the Purchase Contract, the Paying Agent/Registrar Agreement, and the Official Statement. In addition, prior to the initial delivery of the Bonds, any Authorized Official and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance and as described in the Official Statement necessary in order to: (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance; (ii) obtain a rating from any of the national bond rating agencies; or (iii) obtain the approval of the Bonds by the Texas Attorney General's office. In case any officer of the Issuer whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 39: Contracts with Financial Advisor. The Governing Body authorizes each Authorized Official, or their designees, to take all actions necessary to execute any necessary financial advisory contracts with SAMCO Capital Markets, Inc., as the financial advisor to the City (the *Financial Advisor*). The City understands that under applicable federal securities laws and regulations that the City must have a contractual arrangement with its Financial Advisor relating to the sale, issuance, and delivery of the Bonds.

SECTION 40: Issuer's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the Issuer hereby consents to and authorizes any Authorized Representative, Bond Counsel to the Issuer, and/or Financial Advisor to the Issuer to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Bonds; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Bonds.

SECTION 41: Effective Date. Pursuant to the provisions of Section 1201.028, as amended, Texas Government Code, this Ordinance shall be effective immediately upon adoption, notwithstanding any provision in the City's Home Rule Charter to the contrary concerning a multiple reading requirement for the adoption of ordinances.

PASSED AND ADOPTED by the Governing Body of the City of Schertz, Texas, this the 2nd day of August, 2022.

CITY OF SCHERTZ, TEXAS

Mayor

ATTEST:

City Secretary

(CITY SEAL)

INDEX TO SCHEDULES AND EXHIBITS

Exhibit A	Paying Agent/Registrar Agreement
Exhibit B	Purchase Contract
Exhibit C	DTC Letter of Representations
Exhibit D	Description of Annual Financial Information
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EXHIBIT A

Paying Agent/Registrar Agreement

See Tab No. __

EXHIBIT B

Purchase Contract

See Tab No. __

EXHIBIT C

DTC Letter of Representations

See Tab No. __

EXHIBIT D

Description of Annual Financial Information

The following information is referred to in Section 36 of this Ordinance.

Annual Financial Statements and Operating Data

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

The City's audited financial statements for the most recently concluded fiscal year or to the extent these audited financial statements are not available, the portions of the unaudited financial statements of the City appended to the Official Statement as Tables 1 through 20 of Appendix A.

Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time.

EXHIBIT E

General Policies and Procedures Concerning Compliance with the Rule

I. Capitalized terms used in this Exhibit have the meanings ascribed thereto in Section 38 of the Ordinance. “Bonds” refer to the Bonds that are the subject of the Ordinance to which this Exhibit is attached.

II. As a capital markets participant, the City is aware of its continuing disclosure requirements and obligations existing under the Rule prior to February 27, 2019, the effective date of the most recent amendment to the Rule (the “Effective Date”), and has implemented and maintained internal policies, processes, and procedures to ensure compliance therewith. Adherence to these internal policies, processes, and procedures has enabled underwriters in non-exempt negotiated sales and initial purchasers in non-exempt competitive sales to comply with their obligations arising under various MSRB rules and regulations concerning due diligence and findings of suitability, among other matters, regarding the City’s compliance with the Rule.

III. The City is aware that the Rule was amended as of the Effective Date (the “Rule Amendment”) and has accommodated this amendment by adding paragraphs (15) and (16) to Section 36 of the Ordinance, which provisions are a part of the Undertaking.

IV. The City is aware that “participating underwriters” (as such term is defined in the Rule) of the Bonds must make inquiry and reasonably believe that the City is likely to comply with the Undertaking and that the standards for determining compliance have increased over time as a result of, among others, the United States Securities and Exchange Commission’s Municipalities Continuing Disclosure Cooperation Initiative and regulatory commentary relating to the effectiveness of the Rule Amendment.

V. The City now establishes the following general policies and procedures (the “Policies and Procedures”) for satisfying its obligations pursuant to the Undertaking, which policies and procedures have been developed based on the City’s informal policies, procedures, and processes utilized prior to the Effective Date for compliance with the City’s obligations under the Rule, the advice from and discussions with the City’s internal senior staff (including staff charged with administering the City’s financial affairs), its municipal or financial advisors, its legal counsel (including Bond Counsel), and its independent accountants, to the extent determined to be necessary or advisable (collectively, the “Compliance Team”):

1. the City Manager and the Director of Finance of the City (each, a “Compliance Officer”) shall be responsible for satisfying the City’s obligations pursuant to the Undertaking through adherence to these Policies and Procedures;
2. the Compliance Officer shall establish reminder or “tickler” systems to identify and timely report to the MSRB, in the format thereby prescribed from time to time, the City’s information of the type described in Section 36 of the Ordinance;
3. the Compliance Officer shall promptly determine the occurrence of any of the events described in Section 36 of the Ordinance;

4. the Compliance Officer shall work with external consultants of the City, as and to the extent necessary, to timely prepare and file with the MSRB the annual information of the City and notice of the occurrence of any of the events referenced in Clauses 2 and 3 above, respectively, the foregoing being required to satisfy the terms of the Undertaking;
5. the Compliance Officer shall establish a system for identifying and monitoring any Financial Obligations, whether now existing or hereafter entered into by the City, and (upon identification) determining if such Financial Obligation has the potential to materially impact the security or source of repayment of the Bonds;
6. upon identification of any Financial Obligation meeting the materiality standard identified in Clause 5 above, the Compliance Officer shall establish a process for identifying and monitoring any City agreement to covenants, events of default, remedies, priority rights, or other similar terms under such Financial Obligation;
7. the Compliance Officer shall establish a process for identifying the occurrence of any default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation, the occurrence of any of which reflect financial difficulties of the City; and

the Compliance Officer shall annually review these Policies and Procedures with the remainder of the Compliance Team, make any modifications on an internal document retained by the Compliance Officer and available to any “participating underwriter” (as defined in the Rule), if requested, and on the basis of this annual review (to the extent determined to be necessary or desirable), seek additional training for herself or himself, as well as other members of the City’s internal staff identified by the Compliance Officer to assist with the City’s satisfaction of the terms and provisions of the Undertaking.

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of August 2, 2022 (this *Agreement*) is between the City of Schertz, Texas (the *Issuer*) and UMB Bank, N.A., Austin, Texas, a national banking association duly organized and existing under the laws of the United States of America and authorized to transact business in the State of Texas (the *Bank*).

RECITALS OF THE ISSUER

The Issuer has duly authorized and provided for the issuance of its “CITY OF SCHERTZ, TEXAS GENERAL OBLIGATION BONDS, SERIES 2022” (the *Securities*), dated August 1, 2022 in the aggregate principal amount of \$_____ to be issued as registered securities without coupons;

All things necessary to make the Securities the valid obligations of the Issuer, in accordance with their terms, will be taken upon the issuance and delivery thereof;

The Issuer is desirous that the Bank act as the Paying Agent of the Issuer in paying the principal, premium (if any) and interest on the Securities, in accordance with the terms thereof, and that the Bank act as Registrar for the Securities;

The Issuer has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement the valid agreement of the Issuer, in accordance with its terms, have been done.

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 Appointment.

The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Securities in order to pay, when due, the principal, premium (if any), and interest on all or any of the Securities to the Holders of the Securities, all in accordance with this Agreement and the Ordinance (hereinafter defined).

The Issuer hereby appoints the Bank as Registrar with respect to the Securities.

The Bank hereby accepts its appointment, and agrees to act, as the Paying Agent and the Registrar.

Section 1.02 Compensation.

As compensation for the Bank’s services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Annex A hereto; provided, however, notwithstanding anything herein or in Annex A to the contrary, the aggregate value of this

Agreement shall not exceed the dollar limitation set forth in Section 2271.002(a)(2) of the Texas Government Code or Section 2274.002(a)(2) of the Texas Government Code. The Issuer covenants to provide notice to the Bank upon any change in the Issuer's Fiscal Year within ten (10) business days of the governing body of the Issuer's decision to change the Fiscal Year of the Issuer.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

Section 2.01 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms, whenever the same appears herein without qualifying language, are defined to mean as follows:

Acceleration Date of any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated, to the extent permitted by law, pursuant to the terms of the Security.

Bank Office means the corporate trust office of the Bank set forth on the signature page of this agreement. The Bank will notify the Issuer, in writing, of any change in location of the Bank Office.

Fiscal Year means the fiscal year of the Issuer, which currently begins on October 1 and ends on September 30 of each year.

Holder and *Security Holder* each means a Person in whose name a Security is registered in the Security Register.

Issuer Request and *Issuer Order* each means a written request or order signed in the name of the Issuer by the Mayor or the City Secretary of the Issuer or the City Manager and delivered to the Bank.

Legal Holiday means a day on which the Bank is required or authorized to be closed.

Ordinance means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, certified by the City Secretary of the Issuer or any other officer of the Issuer, and delivered to the Bank.

Person means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

Predecessor Securities of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purpose of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Ordinance).

Record Date means the Record Date as defined in the Ordinance.

Redemption Date when used with respect to any Security to be redeemed means the date fixed for such redemption pursuant to the terms of the Ordinance.

Responsible Officer when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

Securities means the securities defined in the recital paragraphs herein.

Security Register means a register maintained by the Bank on behalf of the Issuer providing for the registration of Securities and of transfers of Securities.

Stated Maturity means the date specified in the Ordinance as the fixed date on which the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions.

The terms “Bank”, “Issuer”, and “Securities” have the meanings assigned to them in the opening paragraph of this Agreement or in the recitals of the Issuer.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

Section 2.03 Construction of Terms.

If appropriate in the context of this Agreement, words of the singular shall be considered to include the plural, words of the plural shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders.

ARTICLE THREE PAYING AGENT

Section 3.01 Duties of Paying Agent.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due. The Bank shall compute the amount of interest to be paid each Holder, and shall prepare and send a check in the amount by United States mail (first class postage prepaid) on or prior to each interest payment date, to the Holder of each Security (or Predecessor Securities) whose name appears in the Security Register on the Record Date. Such checks shall be mailed in such manner to such Holder at the address for each such Holder appearing on the Security Register, or shall be transmitted to such Holder on each interest payment date by such other method acceptable to the Bank, requested in writing by, and at the risk and expense of the Holder.

Section 3.02 Payment Dates.

The Issuer hereby instructs the Bank to pay the principal and interest on the Securities at the dates specified in the Ordinance. The Issuer agrees to transfer or to cause to be transferred, in immediately available funds, to the Bank to pay principal and/or interest, either or both, by no later than 4:00 p.m. on the business day immediately preceding the payment dates.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of and interest on each Security when due, by computing the amount of interest to be paid each Holder, preparing the checks and mailing the checks on the payment date, to the Holders of the Securities on the Record Date, addressed to their address appearing on the Security Register.

ARTICLE FOUR REGISTRAR

Section 4.01 Transfer and Exchange.

The Issuer shall keep at the Bank Office a register (the *Security Register*) in which, subject to such reasonable written regulations as the Issuer may prescribe (which regulations shall be furnished to the Bank herewith or subsequent hereto by Issuer Order), the Issuer shall provide for the registration of the Securities and for transfers of Securities. The Bank is hereby appointed Registrar for the purpose of registering Securities and transfers of Securities as herein provided. The Bank agrees to maintain the Security Register while it is Registrar.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, in form satisfactory to the Bank, duly executed by the Holder thereof, or his agent, duly authorized in writing.

As a condition to effecting a re-registration, transfer or exchange of the Securities, the Registrar may request any supporting documentation it feels necessary to effect a re-registration,

transfer or exchange of the Securities. To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof shall be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be canceled and exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Certificates.

The Issuer shall provide the Registrar with an adequate inventory of Securities certificates to facilitate transfers. The Bank covenants that it will maintain the Securities certificates in safekeeping and will use reasonable care in maintaining such Securities certificates in safekeeping, which shall not be less than the level of care it maintains for debt securities of other political subdivisions or corporations for which it serves as registrar, or which it maintains for its own securities.

Section 4.03 Form of Security Register.

The Bank as Registrar will maintain the records of the Security Register in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 List of Security Holders.

The Bank will provide the Issuer at any time requested by the Issuer, upon payment of any required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the content of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a subpoena, court order, or as required by law. Upon receipt of a subpoena or court order the Bank will notify the Issuer so that the Issuer may contest the subpoena or court order, provided such subpoena, court order or lawful request does not prevent the Bank from providing such notice.

Section 4.05 Return of Canceled Securities.

The Bank will destroy all canceled Securities pursuant to the Securities Exchange Act of 1934.

Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities Certificates.

The Issuer hereby instructs the Bank to deliver and issue Securities certificates in exchange for or in lieu of mutilated, destroyed, lost or stolen Securities certificates as long as the same does not result in an over-issuance.

The Bank will issue and deliver a new Security certificate in exchange for a mutilated Security certificate surrendered to it. The Bank will issue a new Security certificate in lieu of a Security certificate for which it received written representation from the Holder that the certificate representing such Security is destroyed, lost, or stolen, without the surrender or production of the original certificate. The Bank will pay on behalf of the Issuer the unpaid principal and premium, if any, of a Security at the Stated Maturity or on the Redemption Date or Acceleration Date, for which it receives written representation that the certificate representing such Security is destroyed, lost, or stolen without the surrender or production of the original certificate.

The Bank will not issue a replacement Security certificate or pay such replacement Security certificate unless there is delivered to the Bank such security or indemnity as it may require (which may be by the Bank's Blanket Lost Original Instrument Bond or similar certifications that may be required by the Bank) to save both the Bank and the Issuer harmless.

On satisfaction of the Bank and the Issuer that a Security certificate has been mutilated, destroyed, lost or stolen, the certificate number on the mutilated, destroyed, lost or stolen Security certificate will be canceled with a notation that it has been mutilated, destroyed, lost or stolen and a new Security certificate will be issued of the same series and of like tenor and principal amount bearing a number (according to the Security Register) not contemporaneously outstanding.

The Bank may charge the Holder the Bank's fees and expenses in connection with issuing a new Security certificate in lieu of or exchange for a mutilated, destroyed, lost, or stolen Security certificate.

The Issuer hereby accepts the Bank's insurance policy, surety, or other form of security from time to time maintained thereby that secures lost, stolen, or destroyed certificates that the Bank may arrange; and agrees that the coverage under any such form of security is acceptable to it and meets the Issuer's requirements as to security or indemnity therefor. The Bank need not notify the Issuer of any changes in the security or other company giving such security or the terms of such form of security. At any time the Bank is customarily open for business, the applicable form of security then utilized for the purpose of lost, stolen, or destroyed certificates by the Bank shall be available for inspection by the Issuer on request. The Issuer hereby accepts the Bank's indemnity to replace the Security certificates destroyed or lost while in the possession or under the control of the Bank.

Section 4.07 Transaction Information to Issuer.

The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01 and Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01.

ARTICLE FIVE THE BANK

Section 5.01 Duties of Bank.

The Bank undertakes to perform the duties set forth herein and in the Ordinance and agrees to use reasonable care in the performance thereof.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum as prepared by the Issuer's financial advisor, bond counsel, or other agent. The Bank may act on a facsimile or email transmission of the closing memorandum acknowledged by the financial advisor, bond counsel, or the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.02 Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer. The Bank may act on any order, request, approval or other authority relating to the Securities which is provided by the Issuer through a facsimile or e-mail transmission without the necessity of obtaining an original or executed copy of any such authority.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.03 Recitals of Issuer.

The recitals contained herein and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar or any other agent, provided that such dealings do not result in a breach of any duties or agreements imposed by this Agreement.

Section 5.05 Money Held by Bank.

A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of money received from the Issuer hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under the laws of the State of Texas to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation.

The Bank shall be under no liability for interest on any money received by it hereunder.

Any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code (Unclaimed Property).

The Bank will comply with the reporting provisions of Chapter 74 of the Texas Property Code with respect to property that is presumed abandoned under Chapter 72 or Chapter 75 of the Texas Property Code or inactive under Chapter 73 of the Texas Property Code.

Section 5.06 Indemnification.

The Issuer agrees, to the extent it legally may, to indemnify the Bank (including its directors, officers and employees) for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. The foregoing indemnities in this paragraph shall survive the resignation or substitution of the Bank or the termination of this Agreement.

Section 5.07 Interpleader.

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demands or controversy over its persons as well as funds on deposit, in either a Federal or State District Court located in the State of Texas and County or Counties where either the Bank (Texas offices only) or the Issuer is located, waive personal service of any process, and agree that service of process by certified or registered mail, return receipt requested, shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming interest herein.

Section 5.08 Depository Trust Company.

It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements”, promulgated from time to time by The Depository Trust Company, which establishes requirements for securities to be eligible for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX
MISCELLANEOUS PROVISIONS

Section 6.01 Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereof.

Section 6.02 Assignment.

This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

Section 6.04 Effect of Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05 Successors and Assigns; Merger, Conversion, Consolidation or Succession.

All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Any corporation into which the Bank may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank hereunder without the execution or filing of any paper or any further act on the part of either of the parties hereto. In case any Security shall have been registered, but not delivered, by the Bank then in office, any successor by merger, conversion, or consolidation to such authenticating Bank may adopt such registration and deliver the Security so registered with the same effect as if such successor Bank had itself registered such Security.

Section 6.06 Severability.

In case any provision herein, or application thereof, shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions or applications shall not in any way be affected or impaired thereby.

Section 6.07 Benefits of Agreement.

Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.08 Entire Agreement.

This Agreement and the Ordinance constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar for the Securities, and if any conflict exists between this Agreement and the Ordinance, the Ordinance shall govern.

Section 6.09 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10 Termination.

This Agreement will terminate on the date of final payment by the Bank issuing its checks for the final payment of principal of, and premium, if any, and interest on the Securities.

This Agreement may be earlier terminated upon 60 days written notice by either party; provided, however, that this Agreement may not be terminated (i) by the Bank until a successor Paying Agent/Registrar that is a national or state banking institution and a corporation or association organized and existing under the laws of the United States of America or of any state which possesses trust powers and is subject to supervision or examination by a federal or state

regulatory agency has been appointed by the Issuer and has accepted such appointment, or (ii) at any time during which such termination might, in the judgment of the Issuer, disrupt, delay, or otherwise adversely affect the payment of the principal, premium, if any, or interest on the Securities. Prior to terminating this Agreement, the Issuer may reasonably require the Bank to show that such termination will not occur during a period described in (ii) above.

The resigning Paying Agent/Registrar may petition any court of competent jurisdiction for the appointment of a successor Paying Agent/Registrar if an instrument of acceptance by a successor Paying Agent/Registrar has not been delivered to the resigning Paying Agent/Registrar within sixty (60) days after the giving of such notice of resignation.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11 Contracts with Companies Engaged in Business with Iran, Sudan or Foreign Terrorist Organizations Prohibited (S.B. 252 85th Texas Legislature).

The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Texas or Federal law and excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.12 Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of Texas and the United States of America.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CITY OF SCHERTZ, TEXAS

By: _____
Title: City Manager
Address: 1400 Schertz Parkway
Schertz, Texas 78154

UMB BANK, N.A.,
as Paying Agent/Registrar

By: _____
Title: _____
Address: 6034 West Courtyard Drive, Suite 370
Austin, Texas 78730

Annex A

Paying Agent/Registrar Fee Schedule

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Representative. This Agreement shall become a binding agreement between you and the Underwriters when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

ROBERT W. BAIRD & CO. INCORPORATED
RAYMOND JAMES & ASSOCIATES, INC.
FROST BANK

By: ROBERT W. BAIRD & CO. INCORPORATED

By: _____
Authorized Official

Accepted and agreed to as of the date first set forth above at ____:____ __.m. Central Time

CITY OF SCHERTZ, TEXAS

By: _____
Authorized Official

CITY OF SCHERTZ, TEXAS
GENERAL OBLIGATION BONDS, SERIES 2022

Signature Page

CITY COUNCIL MEMORANDUM

City Council Meeting: August 2, 2022
Department: Finance
Subject: Ordinance No. 22-B-33 - Consideration and approval by the city council of the City of Schertz, Texas authorizing the issuance of “City of Schertz, Texas, Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022A”; providing for the payment of said certificates by the levy of an ad valorem tax upon all taxable property within the city and further securing said certificates by a lien on and pledge of the pledged revenues of the system; and other matters incident and related thereto. *First & Final*) (M. Browne/J. Walters/A. Friedman)

BACKGROUND

The Ordinance authorizes the sale of Obligations for the projects previously proposed and properly noticed subsequent the Notice of Intention Resolution adopted by the Council on June 7, 2022. The Certificates will fund street and drainage projects as well as repairs and improvements to the City’s Utility System in an amount not to exceed \$19,855,000.

Due to volatile market conditions in the municipal bond market, the City is utilizing a negotiated sale method rather than a competitive sale method as has been the City’s practice over the past several debt issuances. The reason for doing so arises from concerns that competitive sales are not getting as many bids and the purchaser’s spreads are much wider than historical norms resulting in higher interest rate financings. The City designated Baird to serve as the senior manager of the financing with Raymond James and Frost Bank serving as co-managers.

GOAL

To approve a bond ordinance and improve roadways and the utility system in the City of Schertz.

COMMUNITY BENEFIT

To improve the reliability and availability of water services to the residents of the City of Schertz, to improve traffic flows along FM 1518, and to improve utilities, drainage, and quality of life on Main Street.

SUMMARY OF RECOMMENDED ACTION

Staff recommends approval of the bond ordinance.

FISCAL IMPACT

When the CO’s are approved, along with the GO Bond, it is estimated that there will be no impact on the I&S tax rate or require a utility rate increase outside of the 5 year rate plan.

RECOMMENDATION

Staff recommends approving the Ordinance 22-B-33 authorizing the sale of the Certificates.

**Motion: I MOVE THAT THE CITY COUNCIL ADOPT AN ORDINANCE AUTHORIZING THE
“CITY OF SCHERTZ, TEXAS, COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022A”**

Attachments

Ord 22-B-33

Paying Agent Agreement

Purchase Contract

ORDINANCE NO. 22-B-33

AN ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF SCHERTZ, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022A”; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND FURTHER SECURING SAID CERTIFICATES BY A LIEN ON AND PLEDGE OF THE PLEDGED REVENUES OF THE SYSTEM; PROVIDING THE TERMS AND CONDITIONS OF SAID CERTIFICATES AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SAID CERTIFICATES, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE CONTRACT; COMPLYING WITH THE REQUIREMENTS OF THE LETTER OF REPRESENTATIONS PREVIOUSLY EXECUTED WITH THE DEPOSITORY TRUST COMPANY; AUTHORIZING THE EXECUTION OF ANY NECESSARY ENGAGEMENT AGREEMENT WITH THE CITY’S FINANCIAL ADVISORS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council of the City of Schertz, Texas (the *City*) has caused notice to be given of its intention to issue certificates of obligation in the maximum principal amount of \$19,855,000 for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) constructing street improvements (including utilities repair, replacement, and relocation), curbs, gutters, and sidewalk improvements, including drainage and traffic safety signalization and signage incidental thereto; (2) designing, constructing, acquiring, purchasing, renovating, equipping, enlarging, and improving the City’s utility system; (3) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; and (4) the payment of professional services related to the design, construction, project management, and financing of the aforementioned projects. This notice has been duly published in a newspaper hereby found and determined to be of general circulation in the City, once a week for two (2) consecutive weeks, the date of the first publication of such notice being not less than forty-five (45) days prior to the tentative date stated therein for the passage of the ordinance authorizing the issuance of such certificates of obligation; and

WHEREAS, in accordance with the provisions of Section 271.049, as amended, Texas Local Government Code, the City confirms that notice of the City’s intention to issue certificates of obligation was approved by resolution at a public meeting and stated (1) the then-current principal of all outstanding debt of the City; (2) the then-current combined principal and interest required to pay all outstanding debt obligations of the City on time and in full, based on the City’s

expectations relative to the interest due on any variable rate debt obligations, as applicable (3) the maximum principal amount of the certificates of obligation to be authorized; (4) the estimated combined principal and interest required to pay the certificates of obligation in full; (5) the estimated interest rate for the certificates of obligation or that the maximum interest rate for the certificates of obligation may not exceed the maximum legal interest rate; and (6) the maximum maturity date of the certificates of obligation; and

WHEREAS, no petition protesting the issuance of the certificates of obligation described in this notice, signed by at least 5% of the qualified electors of the City, has been presented to or filed with the City Secretary prior to the date tentatively set in such notice for the passage of this ordinance; and

WHEREAS, the City Council hereby finds and determines that the issuance of the certificates of obligation, under the terms herein specified, is in the best interests of the City and its residents; and

WHEREAS, the City Council hereby finds and determines that certificates of obligation in the principal amount of \$ __, __, __ described in such notice should be issued and sold at this time; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS THAT:

SECTION 1. Authorization - Designation - Principal Amount - Purpose. The certificates of obligation of the City shall be and are hereby authorized to be issued in the aggregate principal amount of ____ AND NO/100 DOLLARS (\$ __, __, __), to be designated and bear the title of “CITY OF SCHERTZ, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022A” (the *Certificates*), for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) constructing street improvements (including utilities repair, replacement, and relocation), curbs, gutters, and sidewalk improvements, including drainage and traffic safety signalization and signage incidental thereto; (2) designing, constructing, acquiring, purchasing, renovating, equipping, enlarging, and improving the City’s utility system; (3) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; and (4) the payment of professional services related to the design, construction, project management, and financing of the aforementioned projects, pursuant to the authority conferred by and in conformity with the laws of the State of Texas, particularly the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, Chapter 1502, as amended, Texas Government Code, and the City’s Home Rule Charter.

SECTION 2. Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates – Certificate Date. The Certificates are issuable in fully registered form only; shall be dated August 1, 2022 (the *Certificate Date*) and shall be issued in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, and the Certificates shall become due and payable on February 1 in each of the years and in principal amounts (the *Stated*

Maturities) and bear interest on the unpaid principal amounts from the Certificate Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates, while Outstanding, in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
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The Certificates shall bear interest on the unpaid principal amounts from the Certificate Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity or prior redemption, while Outstanding, at the rates per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Certificates shall be payable on February 1 and August 1 in each year (each, an *Interest Payment Date*), commencing February 1, 2023, while the Certificates are Outstanding.

SECTION 3. Payment of Certificates - Paying Agent/Registrar. The principal of, premium, if any, and interest on the Certificates, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payment of principal of, premium if any, and interest on the Certificates shall be without exchange or collection charges to the Holder (hereinafter defined) of the Certificates.

The selection and appointment of UMB Bank, N.A., Austin, Texas (the *Paying Agent/Registrar*) to serve as the initial Paying Agent/Registrar, for the Certificates is hereby approved and confirmed, and the City agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment and transfer of the Certificates, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit A hereto, and such reasonable rules and regulations as the Paying Agent/Registrar and City may prescribe. The City covenants to maintain and provide a Paying Agent/Registrar at all times while the Certificates are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution or (ii) an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers. Such Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and authorized by law to serve as a Paying Agent/Registrar.

The City reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or ordinance terminating such agency. Additionally, the City agrees to promptly cause a written notice of this substitution to be sent to each Holder of the Certificates by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of, premium, if any, and interest on the Certificates, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable only to the registered owner of the Certificates appearing on the Security Register (the *Holder* or *Holders*) maintained on behalf of the City by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (hereinafter defined) for purposes of payment of interest thereon, (ii) on the date of surrender of the Certificates for purposes of receiving payment of principal thereof upon redemption of the Certificates or at the Certificates' Stated Maturity, and (iii) on any other date for any other purpose. The City and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Certificate for purposes of receiving payment and all other purposes whatsoever, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of and premium, if any, on the Certificates shall be payable only upon presentation and surrender of the Certificates to the Paying Agent/Registrar at its corporate trust office. Interest on the Certificates shall be paid to the Holder whose name appears in the Security Register at the close of business on the fifteenth day of the month next preceding an Interest Payment Date for the Certificates (the *Record Date*) and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

If the date for the payment of the principal of, premium, if any, or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the 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 day. The payment on such date shall have the same force and effect as if made on the original date any such payment on the Certificates was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a Special Record Date) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder of a Certificate appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4. Redemption.

A. Optional Redemption. The Certificates having Stated Maturities on and after February 1, 20__ shall be subject to redemption prior to Stated Maturity, at the option of the City, on February 1, 20__, or on any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption.

B. Exercise of Redemption Option. At least forty-five (45) days prior to a date set for the redemption of Certificates (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem Certificates, the principal amount of each Stated Maturity to be redeemed, and the date set for the redemption thereof. The decision of the City to exercise the right to redeem Certificates shall be entered in the minutes of the governing body of the City.

C. Selection of Certificates for Redemption. If less than all Outstanding Certificates of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall select at random and by lot the Certificates to be redeemed, provided that if less than the entire principal amount of a Certificate is to be redeemed, the Paying Agent/Registrar shall treat such Certificate then subject to redemption as representing the number of Certificates Outstanding which is obtained by dividing the principal amount of such Certificate by \$5,000.

D. Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Certificates, the Paying Agent/Registrar shall cause a notice of redemption to be sent by United States mail, first-class postage prepaid, in the name of the City and at the City's expense, by the Paying Agent/Registrar to each Holder of a Certificate to be redeemed, in whole or in part, at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder. This notice may also be published once in a financial publication, journal, or reporter of general circulation among securities dealers in the City of New York, New York (including, but not limited to, *The Bond Buyer* and *The Wall Street Journal*), or in the State of Texas (including, but not limited to, *The Texas Bond Reporter*).

All notices of redemption shall (i) specify the date of redemption for the Certificates, (ii) identify the Certificates to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Certificates, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Certificates, or the principal amount thereof to be redeemed, shall be made at the corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder.

If a Certificate is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Certificate (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Certificates (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on the Certificates (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Certificates shall not be deemed to be Outstanding in accordance with the provisions of this Ordinance.

E. Transfer/Exchange of Certificates. Neither the City nor the Paying Agent/Registrar shall be required (1) to transfer or exchange any Certificate during a period beginning forty-five (45) days prior to the date fixed for redemption of the Certificates or (2) to transfer or exchange any Certificate selected for redemption, provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance of a Certificate which is subject to redemption in part.

SECTION 5. Execution - Registration. The Certificates shall be executed on behalf of the City by its Mayor or Mayor Pro Tem under the seal of the City reproduced or impressed thereon and attested by its City Secretary. The signature of either of said officers on the Certificates may be manual or facsimile. Certificates bearing the manual or facsimile signatures of individuals who were, at the time of the Certificate Date, the proper officers of the City shall bind the City, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Certificates to the Purchasers (hereinafter defined), all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Certificate shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified or registered and delivered.

SECTION 6. Registration - Transfer - Exchange of Certificates - Predecessor Certificates. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name

and address of every owner of the Certificates, or if appropriate, the nominee thereof. Any Certificate may, in accordance with its terms and the terms hereof, be transferred or exchanged for Certificates of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Certificate to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Certificate at the corporate trust office of the Paying Agent/Registrar, the City shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Certificates of authorized denomination and having the same Stated Maturity and of a like interest rate and aggregate principal amount as the Certificate or Certificates surrendered for transfer.

At the option of the Holder, Certificates may be exchanged for other Certificates of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Certificates surrendered for exchange upon surrender of the Certificates to be exchanged at the corporate trust office of the Paying Agent/Registrar. Whenever any Certificates are so surrendered for exchange, the City shall execute, and the Paying Agent/Registrar shall register and deliver, the Certificates to the Holder requesting the exchange.

All Certificates issued upon any transfer or exchange of Certificates shall be delivered at the corporate trust office of the Paying Agent/Registrar, or be sent by registered mail to the Holder at his request, risk, and expense, and upon the delivery thereof, the same shall be the valid and binding obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Certificates surrendered upon such transfer or exchange.

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

Certificates cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be Predecessor Certificates, evidencing all or a portion, as the case may be, of the same debt evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Certificates shall include any Certificate registered and delivered pursuant to Section 25 in lieu of a mutilated, lost, destroyed, or stolen Certificate which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

SECTION 7. Initial Certificate. The Certificates herein authorized shall be issued initially either (i) as a single fully registered Certificate in the total principal amount of \$_____, with principal installments to become due and payable as provided in Section 2 and numbered T-1, or (ii) as one (1) fully registered Certificate for each year of Stated Maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (the *Initial Certificate*) and, in either case, the Initial Certificate shall be registered in the name of the

Purchasers or the designee thereof. The Initial Certificate shall be the Certificate submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchasers. Any time after the delivery of the Initial Certificate to the Purchasers, the Paying Agent/Registrar, pursuant to written instructions from the Purchasers or their designee, shall cancel the Initial Certificate delivered hereunder and exchange therefor definitive Certificates of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates on the unpaid principal amounts from the Certificate Date, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, to Stated Maturity, and shall be lettered "R" and numbered consecutively from one (1) upward for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8. Forms.

A. Forms Generally. The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Certificates shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends and any reproduction of an opinion of Bond Counsel (hereinafter referenced)) thereon as may, consistent herewith, be established by the City or determined by the officers executing the Certificates as evidenced by their execution thereof. Any portion of the text of any Certificate may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate.

The definitive Certificates shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing the Certificates as evidenced by their execution thereof, but the Initial Certificate submitted to the Attorney General of the State of Texas may be typewritten or photocopied or otherwise reproduced.

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B. Form of Definitive Certificate.

REGISTERED
NO. _____

REGISTERED
PRINCIPAL AMOUNT
\$ _____

United States of America
State of Texas
Counties of Guadalupe, Comal, and Bexar
CITY OF SCHERTZ, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022A

Certificate Date: August 1, 2022
Interest Rate:
Stated Maturity:
CUSIP No.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

The City of Schertz, Texas (the *City*), a body corporate and municipal corporation in the Counties of Guadalupe, Comal, and Bexar, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 of each year (each, an *Interest Payment Date*), commencing February 1, 2023.

Principal and premium, if any, of this Certificate shall be payable to the Registered Owner hereof (the *Holder*), upon presentation and surrender, at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon or a successor thereof. Interest shall be payable to the Holder of this Certificate (or one or more Predecessor Certificates, as defined in the Ordinance hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Certificate shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder's risk and expense.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$ __, __, __ (the *Certificates*) pursuant to an Ordinance adopted by the governing body of the City (the *Ordinance*), for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) constructing street improvements (including utilities repair, replacement, and relocation), curbs, gutters, and sidewalk improvements, including drainage and traffic safety signalization and signage incidental thereto; (2) designing, constructing, acquiring, purchasing, renovating, equipping, enlarging, and improving the City's utility system; (3) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; and (4) the payment of professional services related to the design, construction, project management, and financing of the aforementioned projects, under and in strict conformity with the laws of the State of Texas, particularly Chapter 1502, as amended, Texas Government Code, the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Section 271.041 through 271.064, and the City's Home Rule Charter.

As provided in the Ordinance, the Certificates having Stated Maturities on and after February 1, 20__ shall be subject to redemption prior to Stated Maturity, at the option of the City, on February 1, 20__, or on any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption; provided, however, that at least thirty (30) days prior written notice shall be sent to the Holders of the Certificates to be redeemed by United States mail, first-class postage prepaid, and subject to the terms and provisions relating thereto contained in the Ordinance. If this Certificate is subject to redemption prior to Stated Maturity and is in a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Certificate to the Paying Agent/Registrar at its corporate trust office, a new Certificate or Certificates of like Stated Maturity and interest rate in any authorized denominations provided in the Ordinance for the then unredeemed balance of the principal sum hereof.

If this Certificate (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption has been duly given, then upon such redemption date this Certificate (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if the money for the payment of the redemption price, and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Certificate is called for redemption, in whole or in part, the City or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Certificate within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

The Certificates of this series are payable from the proceeds of an ad valorem tax levied upon all taxable property within the City, within the limitations prescribed by law, and are further payable from and secured by a lien on and pledge of the Pledged Revenues (identified and defined

in the Ordinance), being a limited amount of the Net Revenues derived from the operation of the City's combined utility system (the *System*), such lien on and pledge of the limited amount of Net Revenues being subordinate and inferior to the lien on and pledge of such Net Revenues securing payment of any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City. The City has previously authorized the issuance of the currently outstanding Limited Pledge Obligations (identified and defined in the Ordinance) that are payable, in part, from and secured by a lien on and pledge of a limited amount of the Net Revenues of the System in the manner and as described in the ordinances authorizing the issuance of the currently outstanding Limited Pledge Obligations. In the Ordinance, the City reserves and retains the right to issue Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, and Additional Limited Pledge Obligations (all as identified and defined in the Ordinance), while the Certificates are Outstanding, without limitation as to principal amount but subject to any terms, conditions or restrictions as may be applicable thereto under law or otherwise.

Reference is hereby made to the Ordinance, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied and the revenues pledged for the payment of the Certificates; the terms and conditions under which the City may issue Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, and Additional Limited Pledge Obligations; the terms and conditions relating to the transfer or exchange of the Certificates; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holder; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Certificate may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Ordinance. Capitalized terms used herein without definition have the same meanings assigned in the Ordinance.

This Certificate, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register upon presentation and surrender at the corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Holder hereof, or his duly authorized agent, and thereupon one or more new fully registered Certificates of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the Holder hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Certificate as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner hereof for all other purposes, and neither the City nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a Special Record Date) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen

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

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to the issuance of this Certificate in order to render the same a legal, valid, and binding obligation of the City have been performed, exist, and have been done, in regular and due time, form, and manner, as required by the laws of the State of Texas and the Ordinance, and that issuance of the Certificates does not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of, premium if any, and interest on the Certificates by the levy of a tax and collection of Pledged Revenues as aforestated. In case any provision in this Certificate or any application thereof shall be deemed invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Certificate and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City has caused this Certificate to be duly executed under its official seal.

CITY OF SCHERTZ, TEXAS

By _____
Mayor

ATTEST:

City Secretary

(CITY SEAL)

C. *Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Certificate Only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

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

WITNESS my signature and seal of office this _____

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*NOTE TO PRINTER: Do not print on Definitive Certificates.

D. *Form of Certificate of Paying Agent/Registrar to Appear on Definitive Certificates Only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

Registered this date:	UMB BANK, N.A., AUSTIN, TEXAS, as Paying Agent/Registrar
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_____	By: _____ Authorized Signature
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*NOTE TO PRINTER: Print on Definitive Certificates.

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number): _____
the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular.

Signature guaranteed:

F. Form of Initial Certificate. The Initial Certificate shall be in the form set forth in paragraph B of this Section, except that the form of a single fully registered Initial Certificate shall be modified as follows:

- (i) immediately under the name of the Certificate the headings "Interest Rate and "Stated Maturity shall both be completed "as shown below";
- (ii) the first two paragraphs shall read as follows:

The City of Schertz, Texas (the *City*), a body corporate and municipal corporation in the Counties of Guadalupe, Comal, and Bexar, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the Principal Amount specified above stated to mature on the first day of February in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>Years of</u> <u>Stated Maturity</u>	<u>Principal</u> <u>Amounts (\$)</u>	<u>Interest</u> <u>Rates (%)</u>
---	---	-------------------------------------

(Information to be inserted
from schedule in Section 2 hereof)

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amounts hereof from the Certificate Date specified above, or from the most

recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates of interest specified above, computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 of each year (each, an *Interest Payment Date*), commencing February 1, 2023.

Principal of this Certificate shall be payable to the Registered Owner hereof (the *Holder*), upon its presentation and surrender, to Stated Maturity or prior redemption, while Outstanding, at the corporate trust office of UMB Bank, N.A., Austin, Texas (the *Paying Agent/Registrar*). Interest shall be payable to the Holder of this Certificate whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Certificate shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

[END OF FORM]

G. Insurance Legend. If bond insurance is obtained by the City or the Purchasers for the Certificates, the Definitive Certificates and the Initial Certificate shall bear an appropriate legend as provided by the insurer, to appear under the following header.

[BOND INSURANCE]

SECTION 9. Definitions. For all purposes of this Ordinance (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Sections 27 and 44 of this Ordinance have the meanings assigned to them in Sections 27 and 44 of this Ordinance, and all such terms, include the plural as well as the singular; (ii) all references in this Ordinance to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Ordinance as originally adopted; and (iii) the words “herein”, “hereof”, and “hereunder” and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision.

A. The term *Additional Limited Pledge Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation or other evidences of indebtedness hereafter issued by the City payable in part from a limited pledge of and lien on Net Revenues of the System such pledge being subordinate and inferior to the lien thereon and pledge thereof securing the payment of any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City, which pledge of revenues is limited pursuant to Section 1502.052, as amended, Texas Government Code, all as further provided in Section 20 of this Ordinance, and (ii) any obligations issued to refund the foregoing as determined by the City Council in accordance with applicable law.

B. The term *Authorized Officials* shall mean the Mayor, the Mayor Pro Tem, the City Manager, the Executive Director, the Director of Finance, and/or the City Secretary.

C. The term *Bonds* shall mean the \$____,____,____ “CITY OF SCHERTZ, TEXAS GENERAL OBLIGATION BONDS, SERIES 2022” authorized pursuant to a separate ordinance approved by the City Council on August 2, 2022 but sold and delivered concurrently with the Certificates.

D. The term *Certificates* shall mean the \$____,____,____ “CITY OF SCHERTZ, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022A” authorized by this Ordinance.

E. The term *Certificate Fund* shall mean the special Fund created and established by the provisions of Section 10 of this Ordinance.

F. The term *City* shall mean the City of Schertz, located in Guadalupe, Comal, and Bexar Counties, Texas and, where appropriate, the City Council of the City.

G. The term *Closing Date* shall mean the date of physical delivery of the Initial Certificates in exchange for the payment of the agreed purchase price for the Certificates.

H. The term *Collection Date* shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.

I. The term *Debt Service Requirements* shall mean, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest at the maximum rate permitted by the terms thereof and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto.

J. The term *Depository* shall mean an official depository bank of the City.

K. The term *Fiscal Year* shall mean the annual financial accounting period for the System now ending on September 30th of each year; provided, however, the City Council may change such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes or is required by applicable law.

L. The term *Government Securities*, as used herein, shall mean (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a

nationally recognized investment rating firm not less than “AAA” or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent, or (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Certificates.

M. The term *Gross Revenues* for any period shall mean all revenue during such period in respect or on account of the operation or ownership of the System, excluding refundable meter deposits, restricted gifts, and grants in aid of construction, but including earnings and income derived from the investment or deposit of money in any special fund or account (except the Certificate Fund) created and established for the payment or security of the Certificates.

N. The term *Holder* or *Holder*s shall mean the registered owner, whose name appears in the Security Register, for any Certificate.

O. The term *Interest Payment Date* shall mean the date interest is payable on the Certificates, being February 1 and August 1 of each year, commencing February 1, 2023, while any of the Certificates remain Outstanding.

P. The term *Junior Lien Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation or any similar obligations hereafter issued by the City that are payable in whole or in part from and equally and ratably secured by a junior and inferior lien on and pledge of the Net Revenues of the System, such pledge being junior and inferior to the lien on and pledge of the Net Revenues of the System that may be pledged to the payment of any Prior Lien Obligations hereafter issued by the City, but prior and superior to the lien on and pledge of the Net Revenues of the System that are or will be pledged to the payment of the currently outstanding Limited Pledge Obligations, and the Certificates, or any Subordinate Lien Obligations or Additional Limited Pledge Obligations hereafter issued by the City all as further provided in Section 20 of this Ordinance and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured by a junior and inferior lien on and pledge of the Net Revenues of the System as determined by the City Council in accordance with any applicable law.

Q. The term *Limited Pledge Obligations* shall mean (i) the Certificates and the outstanding and unpaid obligations of the City that are payable, in part, from and secured by a subordinate and inferior lien on and pledge of a limited amount of the Net Revenues of the System and designated as follows:

(1) “City of Schertz, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2013”, dated September 1, 2013, originally issued in the aggregate principal amount of \$4,965,000;

(2) “City of Schertz, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2016A”, dated August 1, 2016, originally issued in the aggregate principal amount of \$2,375,000;

(3) “City of Schertz, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Taxable Series 2016B”, dated August 1, 2016, originally issued in the aggregate principal amount of \$1,475,000;

(4) “City of Schertz, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2017”, dated May 15, 2017, originally issued in the aggregate principal amount of \$5,475,000;

(5) “City of Schertz, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2018”, dated July 1, 2018, originally issued in the aggregate principal amount of \$10,440,000;

(6) City of Schertz, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2019”, dated July 1, 2018, originally issued in the aggregate principal amount of \$7,495,000;

(7) City of Schertz, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022”, dated January 1, 2022, originally issued in the aggregate principal amount of \$9,390,000; and

(ii) any obligations hereafter issued to refund any of the foregoing as determined by the City Council in accordance with any applicable law.

R. The term *Maintenance and Operating Expenses* shall mean all current expenses of operating and maintaining the System not paid from the proceeds of the Certificates, including (1) the cost of all salaries, labor, materials, repairs, and extensions necessary to render efficient service, but only if, in the case of repairs and extensions, they are, in the judgment of the City Council (reasonably and fairly exercised), necessary to maintain operation of the System and render adequate service to the City and the inhabitants thereof, or are necessary to meet some physical accident or condition which would otherwise impair obligations payable from Net Revenues, (2) payments to pension, retirement, health, hospitalization, and other employee benefit funds for employees of the City engaged in the operation or maintenance of the System, (3) payments under contracts for the purchase of water supply, treatment of sewage, or other materials, goods, or services for the System to the extent authorized by law and the provisions of such contract, (4) payments to auditors, attorneys, and other consultants incurred in complying with the obligations of the City hereunder, and (5) any legal liability of the City arising out of the operation, maintenance, or condition of the System, but excluding any allowance for depreciation, property retirement, depletion, obsolescence, and other items not requiring an outlay of cash and any interest on the Certificates or other bonds, notes, warrants, or similar obligations of the City payable from Net Revenues.

S. The term *Net Revenues* for any period shall mean the Gross Revenues of the System less the Maintenance and Operating Expenses of the System.

T. The term *Ordinance* shall mean this ordinance as finally passed and adopted by the City Council of the City.

U. The term *Outstanding* when used in this Ordinance with respect to the Certificates shall mean, as of the date of determination, all Certificates issued and delivered under this Ordinance, except:

- (1) those Certificates cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Certificates for which payment has been duly provided by the City in accordance with the provisions of Section 29 of this Ordinance; and
- (3) those Certificates that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 25 of this Ordinance.

V. The term *Pledged Revenues* shall mean, while the Certificates remain Outstanding, an amount of Net Revenues not in excess of \$1,000. The Pledged Revenues shall be deposited, allocated, and expended in accordance with Section 10 of this Ordinance.

W. The term *Pledged Revenue Amount* shall mean the total amount, not to exceed \$1,000 while the Certificates are Outstanding, of Net Revenues that may be transferred in whole or in part by the City in any given Fiscal Year (however, any amounts transferred prior to the final maturity date of the Certificates may not exceed the total amount of \$1,000) to the Certificate Fund.

X. The term *Prior Lien Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation or any similar obligations hereafter issued by the City that are payable in whole or in part from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System, all as further provided in Section 20 of this Ordinance, and (ii) any obligations hereafter issued to refund the foregoing if issued in a manner so as to be payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System as determined by the City Council in accordance with any applicable law.

Y. The term *Purchasers* shall mean the initial purchaser or purchasers of the Certificates named in Section 26 of this Ordinance.

Z. The term *Stated Maturity* shall mean the annual principal payments of the Certificates payable on February 1 of each year the Certificates are Outstanding as set forth in Section 2 of this Ordinance.

AA. The term *Subordinate Lien Obligations* shall mean (i) any bonds, notes, warrants, certificates of obligation, or any similar obligations hereafter issued by the City that are payable in whole or in part from and equally and ratably secured by a lien on and pledge of the Net Revenues of the System, such pledge being subordinate and inferior to the lien on and pledge of the Net Revenues of the System that may be pledged to the payment of any Prior Lien Obligations or Junior Lien Obligations hereafter issued by the City, but prior and superior to the lien on and pledge of the limited amount of the Net Revenues securing, in part, the payment of the currently outstanding Limited Pledge Obligations, the Certificates, and any Additional Limited Pledge Obligations hereafter issued by the City, all as further provided in Section 20 of this Ordinance

and (ii) any obligations hereafter issued to refund any of the foregoing if issued in a manner so as to be payable from and equally and ratably secured by a subordinate and inferior lien on and pledge of the Net Revenues as determined by the City Council in accordance with any applicable law.

BB. The term *System* shall mean all properties, facilities and plants currently owned, operated, and maintained by the City for the supply, treatment, and transmission of treated potable water, for the collection and treatment of wastewater, together with all future extensions, improvements, replacements and additions thereto, whether situated within or without the limits of the City and the City expressly reserves the right at its sole discretion to include additional utility, telecommunications, technology, or similar enterprise services as components of the System; provided, however, that notwithstanding the foregoing, and to the extent now or hereafter authorized or permitted by law, the term System shall not mean to include facilities of any kind which are declared not to be a part of the System and which are acquired or constructed by or on behalf of the City with the proceeds from the issuance of *Special Facilities Bonds*, which are hereby defined as being special revenue obligations of the City which are not payable from Net Revenues but which are payable from and equally and ratably secured by other liens on and pledges of any revenues, sources or payments, not pledged to the payment of the Bonds Similarly Secured including, but not limited to, special contract revenues or payments received from any other legal entity in connection with such facilities.

SECTION 10. Certificate Fund – Investments. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Certificates, there shall be and is hereby created a special fund to be designated “COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022A, INTEREST AND SINKING FUND” (the *Certificate Fund*), which fund shall be kept and maintained at the Depository, and money deposited in the Certificate Fund shall be used for no other purpose and shall be maintained as provided in Section 27. Authorized Officials of the City are hereby authorized and directed to make withdrawals from the Certificate Fund sufficient to pay the purchase price or the amount of principal of, premium, if any, and interest on the Certificates as the same become due and payable and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest stated to mature on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the business day next preceding each interest and principal payment date for the Certificates.

The City, at its sole discretion, may deposit the Pledged Revenue Amount to the Certificate Fund. The Pledged Revenue Amount, if deposited, shall be expended annually to pay principal of and interest on the Certificates as the same become due and payable. This Pledged Revenue Amount shall be accounted for and transferred to the Paying Agent/Registrar in accordance with the provisions of the previous paragraph of this Section.

Pending the transfer of funds to the Paying Agent/Registrar, money deposited in any fund created and established by this Ordinance may, at the option of the City, be placed in time deposits, certificates of deposit, guaranteed investment contracts, or similar contractual agreements, as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, secured (to the extent not insured by the Federal Deposit Insurance

Corporation) by obligations of the type hereinafter described, or be invested, as authorized by any law, including investments held in book-entry form, in securities, including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Small Business Administration, Farmers Home Administration, Federal Home Loan Mortgage Association, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from such fund will be available at the proper time or times. All interest and income derived from deposits and investments in any fund established pursuant to the provisions of this Ordinance shall be credited to, and any losses debited to, such fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

SECTION 11. Tax Levy. To provide for the payment of the Debt Service Requirements on the Certificates being (i) the interest on the Certificates and (ii) a sinking fund for their redemption at Stated Maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied for the current year and each succeeding year thereafter while the Certificates or any interest thereon shall remain Outstanding, a sufficient tax, within the limitations prescribed by law, on each one hundred dollars valuation of taxable property in the City, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund and are thereafter pledged to the payment of the Certificates. The City Council hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the Debt Service Requirements, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness and other obligations of the City.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

A. Prior to the date the City Council establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the City Council shall determine:

(1) the amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year;

(2) the amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (b) adding thereto the amount of the Pledged Revenues, if any, to be appropriated and allocated during such year to pay such

Debt Service Requirements, if any, prior to the Collection Date for the ad valorem taxes to be levied; and

(3) the amount of Pledged Revenues, if any, to be appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding Fiscal Year.

B. The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (1) above less the sum total of the amounts established in paragraphs (2) and (3), after taking into consideration delinquencies and costs of collecting such annual taxes.

SECTION 12. Pledge of Revenues. The City hereby covenants and agrees that, subject to (i) any prior lien on and pledge of the Net Revenues of the System to the payment and security of any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City and (ii) the lien on and pledge of a limited amount of the Net Revenues to the payment and security of the currently outstanding Limited Pledge Obligations, the Pledged Revenues are hereby irrevocably pledged to the payment of the principal of and interest on the Certificates and the pledge of Pledged Revenues herein made for the payment of the Certificates shall constitute a lien on the Pledged Revenues in accordance with the terms and provisions hereof and be valid and binding without any physical delivery thereof or further act by the City.

SECTION 13. System Fund. The City hereby covenants and agrees that all Gross Revenues derived from the operation of the System shall be kept separate and apart from all other funds, accounts and money of the City and shall be deposited as collected into the "CITY OF SCHERTZ, TEXAS UTILITY SYSTEM FUND" (the *System Fund*). All money deposited in the System Fund shall be pledged and appropriated to the extent required for the following purposes and in the order of priority shown:

- First: to the payment of the reasonable and proper Maintenance and Operating Expenses of the System required by statute or ordinances authorizing the issuance of any indebtedness of the City to be a first charge on and claim against the Gross Revenues of the System;
- Second: To the payment of the amounts that must be deposited in the special funds and accounts created and established for the payment, security, and benefit of any Prior Lien Obligations hereafter issued by the City in accordance with the terms and provisions of any ordinance authorizing their issuance;
- Third: To the payment of the amounts that must be deposited in the special funds and accounts created and established for the payment, security, and benefit of any Junior Lien Obligations hereafter issued by the City in accordance with the terms and provisions of any ordinance authorizing their issuance;
- Fourth: To the payment of the amounts that must be deposited in the special funds and accounts created and established for the payment, security, and benefit of any

Subordinate Lien Obligations hereafter issued by the City in accordance with the terms and provisions of any ordinance authorizing their issuance; and

- Fifth: To the payment of the amounts that may be deposited in the special funds and accounts established for the payment of the currently outstanding Limited Pledge Obligations, including the Certificates, and any Additional Limited Pledge Obligations hereafter issued by the City in accordance with the terms and provisions of any ordinances authorizing their issuance.

Any Net Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment, security and benefit thereof, may be appropriated and used for any other City purpose now or hereafter permitted by law.

SECTION 14. Deposits to Certificate Fund – Surplus Certificate Proceeds. The City hereby covenants and agrees to cause to be deposited in the Certificate Fund prior to a principal and interest payment date for the Certificates, from the Pledged Revenues in the System Fund, after the deduction of all payments required to be made to the special funds or accounts created for the payment, security, and benefit of (i) any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City and (ii) the currently outstanding Limited Pledge Obligations, including the Certificates, and any amounts budgeted to be paid therefrom in such Fiscal Year.

Accrued interest received from the Purchasers of the Certificates shall be deposited to the Certificate Fund and ad valorem taxes levied and collected for the benefit of the Certificates shall be deposited to the Certificate Fund. In addition, any surplus proceeds, including investment income therefrom, from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in said fund from ad valorem taxes.

SECTION 15. Security of Funds. All money on deposit in the funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and money on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

SECTION 16. Maintenance of System - Insurance. The City covenants and agrees that while the Certificates remain Outstanding it will maintain and operate the System with all possible efficiency and maintain casualty and other insurance (including a system of self-insurance) on the properties of the System and its operations of a kind and in such amounts customarily carried by municipal corporations in the State of Texas engaged in a similar type of business and that it will faithfully and punctually perform all duties with reference to the System required by the laws of the State of Texas. All money received from losses under such insurance policies, other than public liability policies, are held for the benefit of the holders of the Certificates until and unless the proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by replacing the property destroyed or repairing the property damaged, and adequate provision for making good such loss or damage must be made within ninety (90) days after the date of loss. The payment of premiums for all insurance policies required under the

provisions hereof shall be considered Maintenance and Operating Expenses. Nothing in this Ordinance shall be construed as requiring the City to expend any funds which are derived from sources other than the operation of the System but nothing herein shall be construed as preventing the City from doing so.

SECTION 17. Rates and Charges. The City hereby covenants and agrees with the Holders of the Certificates that rates and charges for utility services afforded by the System will be established and maintained to provide Gross Revenues sufficient at all times:

A. to pay, together with any other lawfully available funds, all operating, maintenance, depreciation, replacement, betterment, and other costs incurred in the maintenance and operation of the System, including, but not limited to, Maintenance and Operating Expenses; provided, however, that the City expressly reserves the right to utilize other lawfully available funds to pay the Maintenance and Operating Expenses;

B. to produce Net Revenues sufficient, together with any other lawfully available funds, to pay (i) the interest on and principal of any Prior Lien Obligations hereafter issued by the City as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment, security, and benefit thereof, (ii) the interest on and principal of any Junior Lien Obligations hereafter issued by the City as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment, security, and benefit thereof, (iii) the interest on and principal of any Subordinate Lien Obligations hereafter issued by the City as the same becomes due and payable and the amounts required to be deposited in any special fund created and established for the payment, security, and benefit thereof, and (iv) the amounts that may be deposited in the special funds established for the payment of the currently outstanding Limited Pledge Obligations, the Certificates, and any Additional Limited Pledge Obligations hereafter issued by the City; and

C. to pay other legally incurred indebtedness payable from the Net Revenues of the System and/or secured by a lien on the System or the Net Revenues thereof.

SECTION 18. Records and Accounts - Annual Audit. The City further covenants and agrees that so long as any of the Certificates remain Outstanding it will keep and maintain separate and complete records and accounts pertaining to the operations of the System in which complete and correct entries shall be made of all transactions relating thereto, as provided by Chapter 1502, as amended, Texas Government Code, or other applicable law. The Holders of the Certificates or any duly authorized agent or agents of the Holders shall have the right to inspect the System and all properties comprising the same. The City further agrees that, following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of certified public accountants. Expenses incurred in making the annual audit of the operations of the System are to be regarded as Maintenance and Operating Expenses.

SECTION 19. Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (a) defaults in the payments to be made to the Certificate Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, the Holders of any of the Certificates shall be entitled to seek a writ of mandamus

issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default 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 as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 20. Issuance of Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, and Additional Limited Pledge Obligations. The City hereby expressly reserves the right to hereafter issue bonds, notes, warrants, certificates of obligation, or similar obligations, payable, in whole or in part, as appropriate, from and secured by a pledge of and lien on the Net Revenues of the System with the following priorities, without limitation as to principal amount, but subject to any terms, conditions, or restrictions applicable thereto under existing ordinances, laws, or otherwise:

A. Prior Lien Obligations payable from and equally and ratably secured by a first and prior lien on and pledge of the Net Revenues of the System;

B. Junior Lien Obligations payable from and equally and ratably secured by a lien on and pledge of the Net Revenues that is junior and inferior to the lien on and pledge thereof securing the payment of any Prior Lien Obligations hereafter issued by the City, but prior and superior to the lien on and pledge of the Net Revenues securing in whole or in part the payment of the currently outstanding Limited Pledge Obligations, the Certificates, and any Subordinate Lien Obligations or Additional Limited Pledge Obligations hereafter issued by the City;

C. Subordinate Lien Obligations payable from and equally and ratably secured by a lien on and pledge of the Net Revenues that is subordinate and inferior to the lien on and pledge thereof securing the payment of any Prior Lien Obligations or Junior Lien Obligations hereafter issued by the City, but prior and superior to the lien on and pledge of the Net Revenues securing, in part, the payment of the currently outstanding Limited Pledge Obligations, the Certificates, and any Additional Limited Pledge Obligations hereafter issued by the City; and

D. Additional Limited Pledge Obligations secured by a lien on and pledge of a limited amount of the Net Revenues in accordance with the provisions of the following paragraph.

Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations, if issued, may be payable, in whole or in part, from Net Revenues (without impairment of the obligation of contract with the holders of the currently outstanding Limited Pledge Obligations and the Certificates) upon such terms and conditions as the City Council may determine. Additional Limited Pledge Obligations, if issued and payable, in whole or in part, from Pledged Revenues (defined in the same or similar terms as provided in Section 9 of this Ordinance or in the ordinances authorizing the issuance of the currently outstanding Limited Pledge Obligations), shall not in any event be construed to be payable from the Pledged Revenues authorized by this Ordinance or in the respective ordinances authorizing the issuance of the currently outstanding Limited Pledge

Obligations to be budgeted and appropriated for the payment of the Certificates or the currently outstanding Limited Pledge Obligations, respectively. However, the lien on and pledge of the limited amount of Net Revenues securing, in part, the payment of the Certificates, the Limited Pledge Obligations, and any Additional Limited Pledge Obligations shall be subordinate and inferior to the pledge of and lien on the Net Revenues securing the payment of any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City.

SECTION 21. Special Covenants. The City hereby further covenants that:

A. it has the lawful power to pledge the Pledged Revenues supporting the Certificates and has lawfully exercised said powers under the laws of the State of Texas, including power existing under Chapter 1502, as amended, Texas Government Code, the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Section 271.041 through Section 271.064, and the City's Home Rule Charter;

B. other than for the payment of the currently outstanding Limited Pledge Obligations and the Certificates, the Net Revenues of the System have not in any manner been pledged to the payment of any debt or obligation of the City or of the System;

C. as long as any Certificates or any interest thereon remain Outstanding, the City will not sell, lease or encumber (except in the manner provided in Section 20 of this Ordinance) the System or any substantial part thereof, provided that this covenant shall not be construed to prohibit the sale of such machinery, or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the System;

D. to the extent that it legally may, the City further covenants and agrees that, so long as any of the Certificates, or any interest thereon, are Outstanding, no franchise shall be granted for the installation or operation of any competing utility systems other than those owned by the City, and the operation of any such systems by anyone other than the City is hereby prohibited; and

E. no free service of the System shall be allowed, and should the City or any of its agents or instrumentalities make use of the services and facilities of the System, payment of the reasonable value thereof shall be made by the City out of funds from sources other than the revenues and income of the System.

SECTION 22. Application of the Covenants and Agreements of any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations. It is the intention of the City Council and accordingly hereby recognized and stipulated that the provisions, agreements, and covenants contained herein bearing upon the management and operations of the System, and the administration and application of Gross Revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements, and covenants contained in the ordinances authorizing the issuance of any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City, and to the extent of any irreconcilable conflict between the provisions contained herein and in the ordinances authorizing the issuance of any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations, the provisions, agreements and covenants contained therein shall prevail to the extent of such conflict

and be applicable to this Ordinance, especially the priority of rights and benefits conferred thereby to the holders of any Prior Lien Obligations, Junior Lien Obligations, or Subordinate Lien Obligations hereafter issued by the City. It is expressly recognized that prior to the issuance of any Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, or Additional Limited Pledge Obligations, the City must comply with each of the conditions precedent contained in the respective ordinances authorizing the issuance of the currently outstanding Limited Pledge Obligations and the Certificates, as appropriate.

SECTION 23. Notices to Holders – Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first-class postage prepaid, to the address of each Holder as it appears in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Holders. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 24. Cancellation. All Certificates surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Certificates held by the Paying Agent/Registrar shall be destroyed as directed by the City.

SECTION 25. Mutilated, Destroyed, Lost, and Stolen Certificates. If (1) any mutilated Certificate is surrendered to the Paying Agent/Registrar, or the City and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Certificate, and (2) there is delivered to the City and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the City or the Paying Agent/Registrar that such Certificate has been acquired by a bona fide purchaser, the City shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Certificate, a new Certificate of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously Outstanding.

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

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

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

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Certificates.

SECTION 26. Sale of the Certificates at Negotiated Sale – Approval of the Official Statement; Proceeds of Sale. The Certificates authorized by this Ordinance are hereby sold by the City to _____, _____, _____ as the authorized representative of a group of underwriters at a negotiated sale (the *Purchasers*, having all of the rights, duties, benefits, and obligations of a Holder), in accordance with the provisions of a Purchase Contract (the *Purchase Contract*), dated August 2, 2022, attached hereto as Exhibit B and incorporated herein by reference as a part of this Ordinance for all purposes, at the price of par, plus a net reoffering premium of \$ _____ (including the Purchasers' compensation of \$ _____), plus accrued interest to the date of initial delivery of the Certificates to the Purchasers and is hereby approved and confirmed. The Initial Certificate shall be registered in the name of _____. The pricing and terms of the sale of the Certificates are hereby found and determined to be the most advantageous reasonably obtainable by the City. Any Authorized Official is hereby authorized and directed to execute the Purchase Contract for and on behalf of the City and as the act and deed of this City Council, and in regard to the approval and execution of the Purchase Contract, the City Council hereby finds, determines and declares that the representations, warranties, and agreements of the City contained in the Purchase Contract are true and correct in all material respects and shall be honored and performed by the City. Delivery of the Certificates to the Purchasers shall occur as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of the Purchase Contract.

Proceeds from the sale of the Certificates shall be applied as follows:

(1) Accrued interest in the amount of \$ _____ received from the Purchasers shall be deposited into the Certificate Fund.

(2) The City received a [net] reoffering premium from the sale of the Certificates of \$ _____ which is hereby allocated by the City in the following manner: (i) \$ _____ to pay the Purchasers' compensation (ii) \$ _____ shall be deposited into the Construction Account established in paragraph (3) below, and (iii) \$ _____ to pay the remaining costs of issuance of the Certificates.

(3) The balance of the proceeds (being a portion of the Certificates in the amount of \$ _____, _____, _____ .00 and a portion of the reoffering premium in the amount of \$ _____)

derived from the sale of the Certificates (after paying costs of issuance) shall be deposited into the special construction account or accounts created for the projects to be constructed with the proceeds of the Certificates and used to pay costs of such projects. This special construction account shall be established and maintained at the Depository and shall be invested in accordance with the provisions of Section 10 of this Ordinance. Interest earned on the proceeds of the Certificates pending completion of construction of the projects financed with such proceeds shall be accounted for, maintained, deposited, and expended as permitted by the provisions of Chapter 1201, as amended, Texas Government Code, or as required by any other applicable law. Thereafter, such amounts shall be expended in accordance with Section 14 of this Ordinance.

Furthermore, the City hereby ratifies, confirms, and approves in all respects (i) the City's prior determination that the Preliminary Official Statement was, as of its date, "deemed final" in accordance with the Rule (hereinafter defined) and (ii) the use and distribution of the Purchase Contract and Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Certificates. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale referenced in the Purchase Contract (together with such changes approved by any Authorized Official, or any one or more of said officials), shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute the final Official Statement, dated August 2, 2022, in the reoffering, sale and delivery of the Certificates to the public. The Mayor and City Secretary are further authorized and directed to manually execute and deliver for and on behalf of the City copies of the Official Statement in final form as may be required by the Purchasers, and such final Official Statement in the form and content manually executed by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Purchasers. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Certificates.

SECTION 27. Covenants to Maintain Tax-Exempt Status.

A. Definitions. When used in this Section, the following terms have the following meanings:

"Closing Date" means the date on which the Certificates are first authenticated and delivered to the initial purchasers against payment therefor.

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Certificates.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Certificates are invested and which is not acquired to carry out the governmental purposes of the Certificates.

“Rebate Amount” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Certificates. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Yield” of

(1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and

(2) the Certificates means the combined yield on the Bonds and the Certificates, treating them as a single issue and as calculated pursuant to Section 1.148-4 of the Regulations.

B. Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Certificate, the City shall comply with each of the specific covenants in this Section.

C. No Private Use or Private Payments. Except to the extent it will not cause the Certificates to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Certificates:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Certificates, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Certificates or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

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

E. Not to Invest at Higher Yield. Except to the extent it will not cause the Certificates to become “arbitrage bonds” within the meaning of section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Certificates directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of the Certificates.

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

G. Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

H. Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Certificate is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Certificates with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Certificates until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Certificates by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States out of the Certificate Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Certificates equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

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

J. Certificates Not Hedge Bonds.

(1) The City reasonably expects to spend at least 85% of the spendable proceeds of the Certificates within three years after such Certificates are issued.

(2) Not more than 50% of the proceeds of the Certificates will be invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

K. Elections. The City hereby directs and authorizes any Authorized Official, either individually or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Certificates, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document. Such elections shall be deemed to be made on the Closing Date.

SECTION 28. Control and Custody of Certificates. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas and shall take and have charge and control of the Certificates pending their approval by the Attorney General of the State of Texas, the registration thereof by the Comptroller of Public Accounts of the State of Texas and the delivery of the Certificates to the Purchasers.

Furthermore, any Authorized Official, either individually or any combination of them, is hereby authorized and directed to furnish and execute such documents relating to the City and its financial affairs as may be necessary for the issuance of the Certificates, the approval of the Attorney General of the State of Texas and their registration by the Comptroller of Public Accounts of the State of Texas and, together with the City's financial advisors, Bond Counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Certificate to the Purchasers and, when requested in writing by the Purchasers, the initial exchange thereof for definitive Certificates.

SECTION 29. Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Certificates, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied and the lien on and pledge of the Pledged Revenues under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Certificates, or any principal amount(s) thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Certificates or the principal amount(s) thereof at Stated Maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, and/or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities will mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any money deposited therewith, if any, to pay when due the principal of and interest on such Certificates, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof for the Certificates. In the event of a defeasance of the Certificates, the City shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent accounting firm, or another qualified third party concerning the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Certificate. To the extent applicable, if at all, the City covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which

would cause the Certificates to be treated as arbitrage bonds within the meaning of section 148 of the Code (as defined in Section 27 hereof).

Any money so deposited with the Paying Agent/Registrar, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Certificates, or any principal amount(s) thereof, or interest thereon with respect to which such money has been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Certificates and remaining unclaimed for a period of three (3) years after the Stated Maturity of the Certificates, or applicable redemption date of the Certificates, such money was deposited and is held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor, subject to the unclaimed property laws of the State of Texas.

Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem defeased Certificates that is made in conjunction with the payment arrangements specified in subsection (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the defeased Certificates immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Certificates, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Certificates.

SECTION 30. Printed Opinion. The Purchasers' obligation to accept delivery of the Certificates is subject to their being furnished a final opinion of Norton Rose Fulbright US LLP, Austin, Texas, as Bond Counsel, approving certain legal matters as to the Certificates, this opinion to be dated and delivered as of the date of initial delivery and payment for such Certificates. Printing of a true and correct copy of this opinion on the reverse side of each of the Certificates, with appropriate certificate pertaining thereto executed by facsimile signature of the City Secretary of the City is hereby approved and authorized.

SECTION 31. CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Certificates shall be of no significance or effect as regards the legality thereof, and neither the City nor Bond Counsel are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Certificates.

SECTION 32. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 33. Ordinance a Contract, Amendments - Outstanding Certificates. The City acknowledges that the covenants and obligations of the City herein contained are a material inducement to the purchase of the Certificates. This Ordinance shall constitute a contract with the Holders from time to time, binding on the City and its successors and assigns, and it shall not be

amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of Holders holding a majority in aggregate principal amount of the Certificates then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided, however, that, without the consent of all Holders of Outstanding Certificates, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required for consent to any such amendment, addition, or rescission.

SECTION 34. Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, Bond Counsel, Paying Agent/Registrar, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, Bond Counsel, Paying Agent/Registrar, and the Holders.

SECTION 35. Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters ordained herein.

SECTION 36. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 37. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 38. Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 39. Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council of the City.

SECTION 40. Authorization of Paying Agent/Registrar Agreement. The City Council of the City hereby finds and determines that it is in the best interest of the City to authorize the

execution of a Paying Agent/Registrar Agreement concerning the payment, exchange, registration, and transferability of the Certificates. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated by reference to the provisions of this Ordinance.

SECTION 41. Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 42. Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the City or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

SECTION 43. No Recourse Against City Officials. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Certificate or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Certificate.

SECTION 44. Continuing Disclosure Undertaking.

A. Definitions.

As used in this Section, the following terms have the meanings ascribed to such terms below:

EMMA means the MSRB's Electronic Municipal Market Access system, accessible by the general public, without charge, on the internet through the uniform resource locator (URL) <http://www.emma.msrb.org>.

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

MSRB means the Municipal Securities Rulemaking Board.

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

SEC means the United States Securities and Exchange Commission.

Undertaking means the City's continuing disclosure undertaking, described in Paragraphs B through F below, hereunder accepted and entered into by the City for the purpose of compliance with the Rule.

B. Annual Reports.

The City shall file annually with the MSRB, (1) within six months after the end of each fiscal year of the City ending in or after 2022, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 26 of this Ordinance, being the information described in Exhibit C hereto, and (2) if not provided as part of such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the City commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall file unaudited financial statements within such period and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such financial statements becomes available. Under current Texas law, including, but not limited to, Chapter 103, as amended, Texas Local Government Code, the City must have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The annual financial statement, including the auditor's opinion on the statement, shall be filed in the office of the City Secretary within 180 days after the last day of the City's fiscal year. Additionally, upon the filing of this financial statement and the annual audit, these documents are subject to the Texas Open Records Act, as amended, Texas Government Code, Chapter 552.

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

C. Notice of Certain Events.

The City shall file notice of any of the following events with respect to the Certificates to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other

material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;

- (7) Modifications to rights of Holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;
- (15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

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

D. Limitations, Disclaimers, and Amendments.

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

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

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

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

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

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (b) a person that is

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

E. Information Format – Incorporation by Reference.

The City information required under this Section shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents submitted to EMMA must be in word-searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public through EMMA or filed with the SEC.

F. General Policies and Procedures Concerning Compliance with the Rule.

Because the issuance of the Certificates is subject to the provisions of the Rule and because the potential “underwriters” in a negotiated sale of the Certificates or the initial purchasers in a competitive sale of the Certificates may be subject to MSRB rules and regulations with respect to such sale (including certain due diligence and suitability requirements, among others), the City hereby adopts the General Policies and Procedures Concerning Compliance with the Rule (the “Policies and Procedures”), attached hereto as Exhibit E, with which the City shall follow to assure compliance with the Undertaking. The City has developed these Policies and Procedures for the purpose of meeting its requirements of the Undertaking and, in connection therewith, has sought the guidance from its internal staff charged with administering the City’s financial affairs, its municipal or financial advisors, its legal counsel (including its Bond Counsel), and its independent accountants (to the extent determined to be necessary or advisable). The Policies and Procedures can be amended at the sole discretion of the City and any such amendment will not be deemed to be an amendment to the Undertaking. Each Authorized Official is hereby authorized to amend the Policies and Procedures as a result of a change in law, a future issuance of indebtedness subject to the Rule, or another purpose determined by the Authorized Official to be necessary or desirable for or with respect to future compliance with the Undertaking.

SECTION 45. Book-Entry Only System.

The Certificates shall initially be registered so as to participate in a securities depository system (the *DTC System*) with the Depository Trust Company, New York, New York, or any successor entity thereto (*DTC*), as set forth herein. Each Stated Maturity of the Certificates shall be issued (following cancellation of the Initial Certificates described in Section 7) in the form of a single definitive Certificate. Upon issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Certificates shall be registered in the name of Cede & Co., as the nominee of DTC. The City and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit D (the *Representation Letter*).

With respect to the Certificates registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Certificates from time to time as securities depository (a *Depository Participant*) or to any person on behalf of whom such a Depository Participant holds an interest in the Certificates (an *Indirect Participant*). Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Certificates, as shown on the Security Register, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Certificate, of any amount with respect to principal of, premium, if any, or interest on the Certificates. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a bond certificate evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the Holder, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

In the event that (a) the City determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the City determines that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the City shall notify the Paying Agent/Registrar, DTC, and the Depository Participants of the availability within a reasonable period of time through DTC of bond certificates, and the Certificates shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the City may determine that the Certificates shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the City, or such depository's agent or designee, and if the City and the Paying Agent/Registrar do not select such alternate securities depository system then the Certificates may be registered in whatever name or names the Holders of Certificates transferring or exchanging the Certificates shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 46. Further Procedures. The officers and employees of the City are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of the Certificates, the Purchase Contract, the Paying Agent/Registrar Agreement, and the Official Statement. In addition, prior to the initial delivery of the Certificates, any Authorized Official and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance and as described in the Official Statement necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Certificates by the Texas Attorney General's office. In case any officer of the City whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 47. Contracts with Financial Advisor. The City Council authorizes any Authorized Official, or their designees, to take all actions necessary to execute any necessary financial advisory contracts with SAMCO Capital Markets, Inc., as the financial advisor to the City (the *Financial Advisor*). The City understands that under applicable federal securities laws and regulations that the City must have a contractual arrangement with its Financial Advisor relating to the sale, issuance, and delivery of the Certificates.

SECTION 48. City's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the City hereby consents to and authorizes any Authorized Official, Bond Counsel to the City, and/or Financial Advisor to the City to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Certificates; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Certificates.

SECTION 49. Effective Date. Pursuant to the provisions of Section 1201.028, as amended, Texas Government Code, this Ordinance shall be effective immediately upon adoption, notwithstanding any provision in the City's Home Rule Charter to the contrary concerning a multiple reading requirement for the adoption of ordinances.

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PASSED, APPROVED, AND ADOPTED on the 2nd day of August, 2022.

CITY OF SCHERTZ, TEXAS

Mayor

ATTEST:

City Secretary

(CITY SEAL)

INDEX TO EXHIBITS

Exhibit A	Paying Agent/Registrar Agreement
Exhibit B	Purchase Contract
Exhibit C	Description of Annual Financial Information
Exhibit D	DTC Letter of Representations
Exhibit E	General Policies and Procedures Concerning Compliance with the Rule

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

See Tab No. 3

EXHIBIT B
PURCHASE CONTRACT

See Tab No. 6

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 44 of this Ordinance.

Annual Financial Statements and Operating Data

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

(1) The City's audited financial statements for the most recently concluded fiscal year or to the extent these audited financial statements are not available, the portions of the unaudited financial statements of the City appended to the Official Statement as Appendix D, but for the most recently concluded fiscal year.

(2) The information in the Official Statement under Table 1 of the Official Statement and Tables 1 through 20 of Appendix A to the Official Statement.

Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time.

EXHIBIT D

DTC LETTER OF REPRESENTATIONS

See Tab No. 4

EXHIBIT E

GENERAL POLICIES AND PROCEDURES CONCERNING COMPLIANCE WITH THE RULE

I. Capitalized terms used in this Exhibit have the meanings ascribed thereto in Section 44 of the Ordinance. “Certificates” refer to the Certificates that are the subject of the Ordinance to which this Exhibit is attached.

II. As a capital markets participant, the City is aware of its continuing disclosure requirements and obligations existing under the Rule prior to February 27, 2019, the effective date of the most recent amendment to the Rule (the “Effective Date”), and has implemented and maintained internal policies, processes, and procedures to ensure compliance therewith. Adherence to these internal policies, processes, and procedures has enabled underwriters in non-exempt negotiated sales and initial purchasers in non-exempt competitive sales to comply with their obligations arising under various MSRB rules and regulations concerning due diligence and findings of suitability, among other matters, regarding the City’s compliance with the Rule.

III. The City is aware that the Rule was amended as of the Effective Date (the *Rule Amendment*) and has accommodated this amendment by adding subparagraphs (15) and (16) to Section 44C of the Ordinance, which provisions are a part of the Undertaking.

IV. The City is aware that “participating underwriters” (as such term is defined in the Rule) of the Certificates must make inquiry and reasonably believe that the City is likely to comply with the Undertaking and that the standards for determining compliance have increased over time as a result of, among others, the United States Securities and Exchange Commission’s Municipalities Continuing Disclosure Cooperation Initiative and regulatory commentary relating to the effectiveness of the Rule Amendment.

V. The City now establishes the following general policies and procedures (the “Policies and Procedures”) for satisfying its obligations pursuant to the Undertaking, which policies and procedures have been developed based on the City’s informal policies, procedures, and processes utilized prior to the Effective Date for compliance with the City’s obligations under the Rule, the advice from and discussions with the City’s internal senior staff (including staff charged with administering the City’s financial affairs), its municipal or financial advisors, its legal counsel (including Bond Counsel), and its independent accountants, to the extent determined to be necessary or advisable (collectively, the “Compliance Team”):

1. the City Manager of the City (the “Compliance Officer”) shall be responsible for satisfying the City’s obligations pursuant to the Undertaking through adherence to these Policies and Procedures;
2. the Compliance Officer shall establish reminder or “tickler” systems to identify and timely report to the MSRB, in the format thereby prescribed from time to time, the City’s information of the type described in Section 44B of the Ordinance;
3. the Compliance Officer shall promptly determine the occurrence of any of the events described in Section 44C of the Ordinance;

4. the Compliance Officer shall work with external consultants of the City, as and to the extent necessary, to timely prepare and file with the MSRB the annual information of the City and notice of the occurrence of any of the events referenced in Clauses 2 and 3 above, respectively, the foregoing being required to satisfy the terms of the Undertaking;
5. the Compliance Officer shall establish a system for identifying and monitoring any Financial Obligations, whether now existing or hereafter entered into by the City, and (upon identification) determining if such Financial Obligation has the potential to materially impact the security or source of repayment of the Certificates;
6. upon identification of any Financial Obligation meeting the materiality standard identified in Clause 5 above, the Compliance Officer shall establish a process for identifying and monitoring any City agreement to covenants, events of default, remedies, priority rights, or other similar terms under such Financial Obligation;
7. the Compliance Officer shall establish a process for identifying the occurrence of any default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation, the occurrence of any of which reflect financial difficulties of the City; and
8. the Compliance Officer shall annually review these Policies and Procedures with the remainder of the Compliance Team, make any modifications on an internal document retained by the Compliance Officer and available to any “participating underwriter” (as defined in the Rule), if requested, and on the basis of this annual review (to the extent determined to be necessary or desirable), seek additional training for herself or himself, as well as other members of the City’s internal staff identified by the Compliance Officer to assist with the City’s satisfaction of the terms and provisions of the Undertaking.

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of August 2, 2022 (this *Agreement*) is between the City of Schertz, Texas (the *Issuer*) and UMB Bank, N.A., Austin, Texas, a national banking association duly organized and existing under the laws of the United States of America and authorized to transact business in the State of Texas (the *Bank*).

RECITALS OF THE ISSUER

The Issuer has duly authorized and provided for the issuance of its “CITY OF SCHERTZ, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022A” (the *Securities*), dated August 1, 2022 in the aggregate principal amount of \$_____ to be issued as registered securities without coupons;

All things necessary to make the Securities the valid obligations of the Issuer, in accordance with their terms, will be taken upon the issuance and delivery thereof;

The Issuer is desirous that the Bank act as the Paying Agent of the Issuer in paying the principal, premium (if any) and interest on the Securities, in accordance with the terms thereof, and that the Bank act as Registrar for the Securities;

The Issuer has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement the valid agreement of the Issuer, in accordance with its terms, have been done.

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 Appointment.

The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Securities in order to pay, when due, the principal, premium (if any), and interest on all or any of the Securities to the Holders of the Securities, all in accordance with this Agreement and the Ordinance (hereinafter defined).

The Issuer hereby appoints the Bank as Registrar with respect to the Securities.

The Bank hereby accepts its appointment, and agrees to act, as the Paying Agent and the Registrar.

Section 1.02 Compensation.

As compensation for the Bank’s services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Annex A hereto; provided, however, notwithstanding anything herein or in Annex A to the contrary, the aggregate value of this

Agreement shall not exceed the dollar limitation set forth in Section 2271.002(a)(2) of the Texas Government Code or Section 2274.002(a)(2) of the Texas Government Code. The Issuer covenants to provide notice to the Bank upon any change in the Issuer's Fiscal Year within ten (10) business days of the governing body of the Issuer's decision to change the Fiscal Year of the Issuer.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

Section 2.01 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms, whenever the same appears herein without qualifying language, are defined to mean as follows:

Acceleration Date of any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated, to the extent permitted by law, pursuant to the terms of the Security.

Bank Office means the corporate trust office of the Bank set forth on the signature page of this agreement. The Bank will notify the Issuer, in writing, of any change in location of the Bank Office.

Fiscal Year means the fiscal year of the Issuer, which currently begins on October 1 and ends on September 30 of each year.

Holder and *Security Holder* each means a Person in whose name a Security is registered in the Security Register.

Issuer Request and *Issuer Order* each means a written request or order signed in the name of the Issuer by the Mayor or the City Secretary of the Issuer or the City Manager and delivered to the Bank.

Legal Holiday means a day on which the Bank is required or authorized to be closed.

Ordinance means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, certified by the City Secretary of the City Council or any other officer of the Issuer, and delivered to the Bank.

Person means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

Predecessor Securities of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purpose of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Ordinance).

Record Date means the Record Date as defined in the Ordinance.

Redemption Date when used with respect to any Security to be redeemed means the date fixed for such redemption pursuant to the terms of the Ordinance.

Responsible Officer when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

Securities means the securities defined in the recital paragraphs herein.

Security Register means a register maintained by the Bank on behalf of the Issuer providing for the registration of Securities and of transfers of Securities.

Stated Maturity means the date specified in the Ordinance as the fixed date on which the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions.

The terms “Bank”, “Issuer”, and “Securities” have the meanings assigned to them in the opening paragraph of this Agreement or in the recitals of the Issuer.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

Section 2.03 Construction of Terms.

If appropriate in the context of this Agreement, words of the singular shall be considered to include the plural, words of the plural shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders.

ARTICLE THREE PAYING AGENT

Section 3.01 Duties of Paying Agent.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due. The Bank shall compute the amount of interest to be paid each Holder, and shall prepare and send a check in the amount by United States mail (first class postage prepaid) on or prior to each interest payment date, to the Holder of each Security (or Predecessor Securities) whose name appears in the Security Register on the Record Date. Such checks shall be mailed in such manner to such Holder at the address for each such Holder appearing on the Security Register, or shall be transmitted to such Holder on each interest payment date by such other method acceptable to the Bank, requested in writing by, and at the risk and expense of the Holder.

Section 3.02 Payment Dates.

The Issuer hereby instructs the Bank to pay the principal and interest on the Securities at the dates specified in the Ordinance. The Issuer agrees to transfer or to cause to be transferred, in immediately available funds, to the Bank to pay principal and/or interest, either or both, by no later than 4:00 p.m. on the business day immediately preceding the payment dates.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of and interest on each Security when due, by computing the amount of interest to be paid each Holder, preparing the checks and mailing the checks on the payment date, to the Holders of the Securities on the Record Date, addressed to their address appearing on the Security Register.

ARTICLE FOUR REGISTRAR

Section 4.01 Transfer and Exchange.

The Issuer shall keep at the Bank Office a register (the *Security Register*) in which, subject to such reasonable written regulations as the Issuer may prescribe (which regulations shall be furnished to the Bank herewith or subsequent hereto by Issuer Order), the Issuer shall provide for the registration of the Securities and for transfers of Securities. The Bank is hereby appointed Registrar for the purpose of registering Securities and transfers of Securities as herein provided. The Bank agrees to maintain the Security Register while it is Registrar.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, in form satisfactory to the Bank, duly executed by the Holder thereof, or his agent, duly authorized in writing.

As a condition to effecting a re-registration, transfer or exchange of the Securities, the Registrar may request any supporting documentation it feels necessary to effect a re-registration,

transfer or exchange of the Securities. To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof shall be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be canceled and exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Certificates.

The Issuer shall provide the Registrar with an adequate inventory of Securities certificates to facilitate transfers. The Bank covenants that it will maintain the Securities certificates in safekeeping and will use reasonable care in maintaining such Securities certificates in safekeeping, which shall not be less than the level of care it maintains for debt securities of other political subdivisions or corporations for which it serves as registrar, or which it maintains for its own securities.

Section 4.03 Form of Security Register.

The Bank as Registrar will maintain the records of the Security Register in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 List of Security Holders.

The Bank will provide the Issuer at any time requested by the Issuer, upon payment of any required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the content of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a subpoena, court order, or as required by law. Upon receipt of a subpoena or court order the Bank will notify the Issuer so that the Issuer may contest the subpoena or court order, provided such subpoena, court order or lawful request does not prevent the Bank from providing such notice.

Section 4.05 Return of Canceled Securities.

The Bank will destroy all canceled Securities pursuant to the Securities Exchange Act of 1934.

Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities Certificates.

The Issuer hereby instructs the Bank to deliver and issue Securities certificates in exchange for or in lieu of mutilated, destroyed, lost or stolen Securities certificates as long as the same does not result in an over-issuance.

The Bank will issue and deliver a new Security certificate in exchange for a mutilated Security certificate surrendered to it. The Bank will issue a new Security certificate in lieu of a Security certificate for which it received written representation from the Holder that the certificate representing such Security is destroyed, lost, or stolen, without the surrender or production of the original certificate. The Bank will pay on behalf of the Issuer the unpaid principal and premium, if any, of a Security at the Stated Maturity or on the Redemption Date or Acceleration Date, for which it receives written representation that the certificate representing such Security is destroyed, lost, or stolen without the surrender or production of the original certificate.

The Bank will not issue a replacement Security certificate or pay such replacement Security certificate unless there is delivered to the Bank such security or indemnity as it may require (which may be by the Bank's Blanket Lost Original Instrument Bond or similar certifications that may be required by the Bank) to save both the Bank and the Issuer harmless.

On satisfaction of the Bank and the Issuer that a Security certificate has been mutilated, destroyed, lost or stolen, the certificate number on the mutilated, destroyed, lost or stolen Security certificate will be canceled with a notation that it has been mutilated, destroyed, lost or stolen and a new Security certificate will be issued of the same series and of like tenor and principal amount bearing a number (according to the Security Register) not contemporaneously outstanding.

The Bank may charge the Holder the Bank's fees and expenses in connection with issuing a new Security certificate in lieu of or exchange for a mutilated, destroyed, lost, or stolen Security certificate.

The Issuer hereby accepts the Bank's insurance policy, surety, or other form of security from time to time maintained thereby that secures lost, stolen, or destroyed certificates that the Bank may arrange; and agrees that the coverage under any such form of security is acceptable to it and meets the Issuer's requirements as to security or indemnity therefor. The Bank need not notify the Issuer of any changes in the security or other company giving such security or the terms of such form of security. At any time the Bank is customarily open for business, the applicable form of security then utilized for the purpose of lost, stolen, or destroyed certificates by the Bank shall be available for inspection by the Issuer on request. The Issuer hereby accepts the Bank's indemnity to replace the Security certificates destroyed or lost while in the possession or under the control of the Bank.

Section 4.07 Transaction Information to Issuer.

The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01 and Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01.

ARTICLE FIVE THE BANK

Section 5.01 Duties of Bank.

The Bank undertakes to perform the duties set forth herein and in the Ordinance and agrees to use reasonable care in the performance thereof.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum as prepared by the Issuer's financial advisor, bond counsel, or other agent. The Bank may act on a facsimile or email transmission of the closing memorandum acknowledged by the financial advisor, bond counsel, or the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.02 Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer. The Bank may act on any order, request, approval or other authority relating to the Securities which is provided by the Issuer through a facsimile or e-mail transmission without the necessity of obtaining an original or executed copy of any such authority.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.03 Recitals of Issuer.

The recitals contained herein and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar or any other agent, provided that such dealings do not result in a breach of any duties or agreements imposed by this Agreement.

Section 5.05 Money Held by Bank.

A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of money received from the Issuer hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under the laws of the State of Texas to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation.

The Bank shall be under no liability for interest on any money received by it hereunder.

Any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code (Unclaimed Property).

The Bank will comply with the reporting provisions of Chapter 74 of the Texas Property Code with respect to property that is presumed abandoned under Chapter 72 or Chapter 75 of the Texas Property Code or inactive under Chapter 73 of the Texas Property Code.

Section 5.06 Indemnification.

The Issuer agrees, to the extent it legally may, to indemnify the Bank (including its directors, officers and employees) for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. The foregoing indemnities in this paragraph shall survive the resignation or substitution of the Bank or the termination of this Agreement.

Section 5.07 Interpleader.

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demands or controversy over its persons as well as funds on deposit, in either a Federal or State District Court located in the State of Texas and County or Counties where either the Bank (Texas offices only) or the Issuer is located, waive personal service of any process, and agree that service of process by certified or registered mail, return receipt requested, shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming interest herein.

Section 5.08 Depository Trust Company.

It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements”, promulgated from time to time by The Depository Trust Company, which establishes requirements for securities to be eligible for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX
MISCELLANEOUS PROVISIONS

Section 6.01 Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereof.

Section 6.02 Assignment.

This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

Section 6.04 Effect of Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05 Successors and Assigns; Merger, Conversion, Consolidation or Succession.

All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Any corporation into which the Bank may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank hereunder without the execution or filing of any paper or any further act on the part of either of the parties hereto. In case any Security shall have been registered, but not delivered, by the Bank then in office, any successor by merger, conversion, or consolidation to such authenticating Bank may adopt such registration and deliver the Security so registered with the same effect as if such successor Bank had itself registered such Security.

Section 6.06 Severability.

In case any provision herein, or application thereof, shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions or applications shall not in any way be affected or impaired thereby.

Section 6.07 Benefits of Agreement.

Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.08 Entire Agreement.

This Agreement and the Ordinance constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar for the Securities, and if any conflict exists between this Agreement and the Ordinance, the Ordinance shall govern.

Section 6.09 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10 Termination.

This Agreement will terminate on the date of final payment by the Bank issuing its checks for the final payment of principal of, and premium, if any, and interest on the Securities.

This Agreement may be earlier terminated upon 60 days written notice by either party; provided, however, that this Agreement may not be terminated (i) by the Bank until a successor Paying Agent/Registrar that is a national or state banking institution and a corporation or association organized and existing under the laws of the United States of America or of any state which possesses trust powers and is subject to supervision or examination by a federal or state

regulatory agency has been appointed by the Issuer and has accepted such appointment, or (ii) at any time during which such termination might, in the judgment of the Issuer, disrupt, delay, or otherwise adversely affect the payment of the principal, premium, if any, or interest on the Securities. Prior to terminating this Agreement, the Issuer may reasonably require the Bank to show that such termination will not occur during a period described in (ii) above.

The resigning Paying Agent/Registrar may petition any court of competent jurisdiction for the appointment of a successor Paying Agent/Registrar if an instrument of acceptance by a successor Paying Agent/Registrar has not been delivered to the resigning Paying Agent/Registrar within sixty (60) days after the giving of such notice of resignation.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11 Contracts with Companies Engaged in Business with Iran, Sudan or Foreign Terrorist Organizations Prohibited (S.B. 252 85th Texas Legislature).

The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Texas or Federal law and excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.12 Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of Texas and the United States of America.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CITY OF SCHERTZ, TEXAS

By: _____
Title: City Manager
Address: 1400 Schertz Parkway
Schertz, Texas 78154

UMB BANK, N.A.
as Paying Agent/Registrar

By: _____
Title: _____
Address: 6034 West Courtyard Drive, Suite 370
Austin, Texas 78730

Annex A

Paying Agent/Registrar Fee Schedule

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Representative. This Agreement shall become a binding agreement between you and the Underwriters when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

ROBERT W. BAIRD & CO. INCORPORATED
RAYMOND JAMES & ASSOCIATES, INC.
FROST BANK

By: ROBERT W. BAIRD & CO. INCORPORATED

By: _____
Authorized Official

Accepted and agreed to as of the date first set forth above, at ____: _____.m. Central Time

CITY OF SCHERTZ, TEXAS

By: _____
Authorized Official

CITY OF SCHERTZ, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Signature Page

CITY COUNCIL MEMORANDUM

City Council Meeting: August 2, 2022
Department: Engineering
Subject: Ordinance No. 22-T-34 – Consideration and/or action approving an Ordinance by the City Council of the City of Schertz, Texas, authorizing a budget adjustment relating to the Corbett Ground Storage Tank. *First Reading* (M. Browne/K. Woodlee/J. Shortess)

BACKGROUND

The Corbett Elevated Storage Tank serves approximately 2,300 water connections (a population of approximately 5,800). The addition of the proposed 3.0 million gallon Corbett Ground Storage Tank will provide critical storage and redundancy at the Corbett Tank Site in order to provide water to customers on a daily basis and to a larger portion of the City in an emergency situation. The Corbett Tank Site is one of two SSLGC connection points which provide continual water flow to the southern water zone. In addition to the construction of a new ground storage tank, a pump station will be installed to feed the southern water zone through the existing elevated tank on site and to pump water to the Live Oak Tank Site when needed. Generator design is proposed to run all of the pumps during an electrical outage.

The ground storage tank and pump station is a project identified in the City's current Impact Fee Capital Improvement Plan. The Corbett Ground Storage Tank Project was bid and \$7,730,818.70 (lowest responsible bid plus contingency) is needed to fully fund construction. Appropriation funding via the award of \$3,500,000 from the Fiscal Year 2022 Federal Omnibus Legislation has been secured for a portion of the project. Proposed Ordinance 22-T-34 allocates \$4,230,818.70 from Water Capital Recovery Fees to provide the remainder of funding needed to construct the proposed Corbett Ground Storage Tank, pump station, and generator.

GOAL

The goal of this ordinance is to amend the fiscal year 2021-2022 budget to allocate Water Capital Reserve dollars to provide funding to construct the 3.0 million gallon Corbett Ground Storage Tank.

COMMUNITY BENEFIT

The proposed 3.0 million gallon Corbett Ground Storage Tank will provide critical storage and redundancy at the Corbett Tank Site in order to provide water to customers on a daily basis and to a larger portion of the City in an emergency situation.

SUMMARY OF RECOMMENDED ACTION

Approval of Ordinance 22-T-34 authorizing the budget adjustment on first reading.

FISCAL IMPACT

As of June 30, 2022, the Water Capital Recovery Fund had \$8.9 million available. This ordinance will allocate \$4.23 million from the Water Capital Recovery Fees to construction services related to the Corbett Ground Storage Tank project.

RECOMMENDATION

Staff recommends approval of Ordinance 22-T-34.

Attachments

Community Project Funding

Bill Signing Letter

2022-004 Bid Log

Ordinance 22-T-34

April 7, 2021

Office of Congressman Vicente Gonzalez

Community Project Funding

City of Schertz Project Abstract: Corbett Water Ground Storage Tank

Explanation of why the project is a priority for the community

The City of Schertz is pleased to submit the Corbett Water Ground Storage Tank Project to Congressman Gonzalez's office in response to the Community Project Funding request for projects.

The City of Schertz receives water from the Schertz Seguin Local Government Corporation (SSLGC) at two locations in the City. The first and primary location is the Live Oak Tank Site located in Central Schertz. This tank site provides water to the "Lower" and "Upper" water zones in the City. The second location that the City receives SSLGC water is at the Corbett Tank Site which is located in Southern Schertz. This tank site currently serves the "Southern" water zone in the City out of an existing elevated water storage tank.

The Corbett Tank Site serves approximately 2,300 water connections which equates to a population of approximately 5,800. The addition of the proposed 3.0 million gallon concrete water ground storage tank will provide critical storage and redundancy at the Corbett Tank Site in order to provide water to customers on a daily basis and to a larger portion of the City in an emergency situation. As detailed above, because the Corbett Tank Site has an SSLGC connection, it will serve as the primary water supply point for the City if the Live Oak Tank Site SSLGC connection fails. The 3.0 million gallons of storage is capable of providing continual water flow to the southern water zone, and is sized to cover the storage needs of the 1.5 million gallon ground storage tank at the Live Oak Tank Site in case of failure. In conjunction with the construction of the new ground storage tank, a new pump station will also be constructed and sized to feed the southern water zone through the existing elevated tank on site, and to pump water to the Live Oak Tank Site. From the Live Oak Tank Site, the water could then be pumped to the remaining water zones in the City, which would provide water to all 16,800 water customers which equates to a population of roughly 42,700. Finally, the project is planned to include a generator adequately sized to run all of the pumps during an electrical outage as experienced during the severe Winter Storm in Texas during February 12-19, 2021

The City of Schertz has begun design of the project and expects design to be completed in 6 months and expects the project to be "shovel ready" in October 2021. The City owns all of the necessary property to construct the project as planned, so no property acquisition is required. The City of Schertz is estimating the project cost is \$5 million as currently scoped.

Congress of the United States
Washington, DC 20515

March 16, 2022

The City of Schertz
1400 Schertz Parkway
Schertz, Texas 78154

Dear City of Schertz,

I am happy to share that your project, Corbett Ground Storage Tank Project, including a total of \$3,500,000 was signed into law yesterday, March 15, 2022, by President Joseph R. Biden Jr. as a part of the Fiscal Year 2022 Omnibus legislation. I am proud to see this project authorized and will continue working to ensure these projects are funded and recognized.

Furthermore, my office will share guidance from the House Appropriations Committee on how federal agencies will contact project recipients about accessing funds as we receive it.

Congratulations again and thank you for your work to make this a reality!

Should you have any questions about this process please do not hesitate to reach out to my office at any of the below contacts:

Chandler Smith: (202) 377-9719, Chandler.Smith@mail.house.gov

Jorge Galindo: (202) 285-7141, Jorge.Galindo@mail.house.gov

Stephanie Toscano: Stephanie.Toscano@mail.house.gov

Albert Martinez: Albert.Martinez@mail.house.gov

Louise Bentsen: Louise.Bentsen@mail.house.gov

Sincerely,



Vicente Gonzalez
Member of Congress

City of Schertz Bid/RFP Response Log

Project #	2022-004	Due Date	6/2/2022
Project Name	CORBETT GROUND STORAGE TANK	Due Time	3:00PM

Name of Proposer	Date Received	Time Received	Bid Amount
ACP	2 June 2022	14:32	7,305,000.00
Shannon-Monic Inc. The Good Guys	2 JUNE 2022	14:43	8,009,000.00
Jim Pipeline	2 June 2022	14:46	7,372,140.00
Integrity Outlets	2 June 2022	14:47	7,652,100.00
Pesado	2 JUNE 2022	14:48	7,028,017.00

JUN 2 '22 15:00
88

ORDINANCE NO. 22-T-34

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AUTHORIZING AN ADJUSTMENT TO THE FISCAL YEAR 2021-2022 BUDGET TO PROVIDE FUNDING FOR CONSTRUCTION RELATED TO THE CORBETT GROUND STORAGE TANK, REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, pursuant to Ordinance 21-T-38, the City of Schertz (the “City”) adopted the budget for the City for the fiscal year 2021-2022 (the “Budget”), which provides funding for the City’s operations throughout the 2021-2022 fiscal year; and

WHEREAS, the City needs to authorize budget amounts of \$4,230,818.70 for the purpose of construction services and other associated expenses related to the Corbett Ground Storage Tank from the Water Capital Recovery Fund; and

WHEREAS, City staff recommends that the City Council of the City adjust the Budget and approve the ordinance; and

WHEREAS, the City Council of the City has determined that it is in the best interest of the City to adjust the Budget and approve the budget transfer for the Corbett Ground Storage Tank, as more fully set forth in this Ordinance.

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

Section 1. The City shall set a budget of \$4,230,818.70 from the Water Capital Recovery Fund for the contracting of construction services and other associated expenses related to the Corbett Ground Storage Tank.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

Section 3. All ordinances and codes, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

Section 4. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of

such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 7. This Ordinance shall be effective upon the date of final adoption hereof and any publication required by law.

PASSED ON FIRST READING, the 2nd day of August, 2022.

PASSED, APPROVED and ADOPTED ON SECOND READING, the 9th day of August, 2022.

CITY OF SCHERTZ, TEXAS

Mayor

ATTEST:

City Secretary

(CITY SEAL)

CITY COUNCIL MEMORANDUM

City Council Meeting: August 2, 2022
Department: Public Works
Subject: SSLGC Contract Revenue Bonds - Discussion and consideration of forthcoming Schertz/Seguin Local Government Corporation plan to issue up to \$4,500,000 Contract Revenue Bonds, New Series 2022. (C. Kelm/S. Williams/A. Beard)

BACKGROUND

The Schertz/Seguin Local Government Corporation (the “SSLGC” or the “Corporation”) was created on December 23, 1998 on behalf of the City of Schertz and Seguin to assist in acquiring water outside of the Edwards Aquifer. The Corporation was created by the Cities to operate a wholesale water system for the benefit of the two City’s Utility Systems. The Corporation has financed the construction of well fields and cross-country pipelines and today provides a reliable, drought-resistant water source. The Bonds are supported by Contracts between the Cities and the Corporation, and the liability is evenly split between the two Cities. Currently, the Corporation has \$128,925,000 of Bonds outstanding that are supported by the two Cities. The proposed bonds are intended to pay for preliminary design and engineering related to a future project to construct parallel pipelines to serve the Gonzales and Guadalupe Treatment Plants. The Cowey Pipeline will be 42” in diameter and the Elm Creek Pipeline will be 36” in diameter.

GOAL

To have the City of Schertz City Council proceed with considering a Parameter Sale Resolution at a later City Council Meeting.

COMMUNITY BENEFIT

The City of Schertz is a member of the Schertz/Seguin Local Government Corporation. It is through the SSLGC that the City provides water to its citizens and businesses. Moving forward with the consideration of SSLGC selling bonds will help ensure that the citizens and businesses of Schertz continue to receive this vital service by providing the infrastructure that is necessary to provide water and meet the demands of Schertz.

SUMMARY OF RECOMMENDED ACTION

This action provides SSLGC the ability to move forward with preparing a parameter sale resolution to present to Schertz City Council at the August 16th meeting.

FISCAL IMPACT

The annual debt service related to the financing has not been incorporated into the future rate structure and staff will propose an additional 1% increase on water fees, estimated at \$0.50 for the average water bill. SAMCO Capital Markets, the City's and the Corporation's Financial Advisor, proposes to sell the bonds on August 18, 2022. To complete the transaction, the SSLGC Board will need to approve proceeding and then each City will need to ratify the SSLGC Board action. The SSLGC Board authorized the parameter sale on July 21, 2022. The City of Seguin is planning to authorize the parameter sale resolution on August 2, 2022. The City of Schertz will consider and act on a parameter sale resolution authorizing the Corporation to sell bonds at the August 16 City Council meeting. Only after both Cities approve the Resolutions can SSLGC proceed to a bond sale.

RECOMMENDATION

City Staff and consultants recommend that the City Council proceed with the consideration of a Parameter Sale Resolution at the August 16, 2022 City Council meeting.

Attachments

Bond Timeline

Schertz/Seguin Local Government Corporation
Contract Revenue Bonds, New Series 2022 (the "Bonds")
Preliminary Timeline - Subject to Change

July 7, 2022

DATE	ACTION
7/5/2022	SSLGC Executive Committee recommends moving forward to issue new bonds in the amount of \$4,500,000 Projects: Preliminary work on two parallel pipelines to serve the Gonzales and Guadalupe Treatment Plants 1). Cowey pipeline - 42" 2). Elm Creek pipeline - 36"
7/6/2022	Financial advisors and staff begin preparation of Preliminary Official Statement ("POS")
7/11/2022	Distribute first draft of POS for review
7/12/2022	Bond Counsel to distribute updated draft of Bond Resolution for review
7/18/2022	Receive comments on first draft of POS Receive comments on first draft of Bond Resolution
7/19/2022	Distribute 2nd draft of POS for review
7/20/2022	Distribute POS and bond information to rating agencies and insurance companies
7/21/2022	<i>SSLGC Board to consider, as a parameter approval, the issuance of the Bonds including:</i> 1) the approval of the POS; 2) the selection of the underwriter(s); and 3) the designation of a pricing officer.
7/26/2022	Receive any comments on 2nd draft of POS
7/27/2022	Distribute 3rd draft of POS for review
8/2/2022	<i>City of Seguin to consider the parameter approval of the SSLGC Bond Issue</i>
8/2/2022	<i>City of Schertz Council meeting to be advised on potential SSLGC bond issuance</i>
8/3/2022	Receive comments for 3rd draft of POS
8/4/2022	Distribute final draft of POS for review
8/5/2022	Underwriter's counsel to distribute first draft of Bond Purchase Agreement ("BPA")
8/10/2022	Schedule a Due Diligence call with Underwriters and SSLGC and associated parties Receive comments on final draft of POS Receive comments on final draft Bond documents
8/11/2022	Post and electronically distribute the POS
8/12/2022	Receive ratings and insurance qualifications and premiums on the Bond issue
8/16/2022	<i>City of Schertz to consider the parameter approval of the SSLGC Bond Issue</i>
8/18/2022	Price the Bonds in market
8/19/2022	<i>SSLGC Pricing Officer provides written award of the sale of the Bonds</i>
8/19/2022	Prepare Final Official Statement ("FOS") and distribute for comments
8/22/2022	Bond Counsel delivers transcript of the Bond issue to the Texas Attorney General's office ("TXAG") for review and approval
8/24/2022	Receive comments on FOS
8/25/2022	Send FOS to printer for final delivery to Underwriters
9/14/2022	Receive preliminary approval of the Bonds from TXAG
9/21/2022	Settlement and delivery of Bond issue

CITY COUNCIL MEMORANDUM

City Council Meeting: August 2, 2022
Department: Finance
Subject: Ordinance No. 22-M-40 - Consideration and/or action to approve an Ordinance by the City Council of the City of Schertz, Texas amending the City of Schertz Code of Ordinances and certain other Ordinances by amending and establishing fees for certain licenses, permits, and other services provided by the City of Schertz. *First Reading* (M. Browne/J. Walters)

BACKGROUND

City Departments collect a wide variety of fees for permits, services, fines and other charges that are all part of everyday operations of municipal government. Since September 2008, the fees have been incorporated into a single fee schedule. Ordinance 08-M-43 established the consolidated fee schedule and allows for the modification of existing fees to be done by resolution while new fees are established or added to the Fee Schedule by ordinance.

The Fee Schedule ordinance provides a single document with all City fees that directly affect the users. The changes to the fees ensure the continued operation of public utilities, provides for essential services to the community and to adequately maintain the investment in existing infrastructure. All changes to the fee schedule will have a 45-day period before the new fees take effect. This allows staff to update and advise citizens on the upcoming changes. The recommended effective date of these fee changes will be October 1, 2022.

Schertz Magazine rates have not been increased since its creation in 2008; however, many area publications have also held steady rates over the years as well. Recently Schertz Magazine costs for paper/printing have increased about 20-25% since last year and to help offset rising costs staff is proposing a 10% increase on advertising fees. To keep our rates competitive in the market and to avoid a sharp increase which may impact interest from small businesses staff recommends a gradual increase of 10%.

The last meaningful rate increases for the rental facilities took place in FY 2017-18. The pandemic and frequent closures(COVID, Vaccine Clinics and HVAC replacement) of our facilities sidelined rate evaluations and adjustments over the past 5 years. The proposed fee schedule adjustments and increases are aimed at continuing to increase our cost recovery while also maintaining a competitive market position among other venues of similar size and quality. Additionally, throughout the last 5 years the City has made tremendous investments (\$1.36 million) into the rental facilities (ballroom kitchen remodel, new floors, new AV system, new chairs and new HVAC) and the proposed rates better reflect the quality of services offered to our customers. Below is a breakdown of the proposed changes:
Proposed Adjustments to current fees:

- Adjustment to the Kitchen Fee to now be Kitchen/F&B Fee. In the past this fee was tied to a capital recovery fee for the replacement of kitchen items. We no longer have a capital recovery account for the kitchens, so we are adding F&B into this fee to account for any events that have food and accumulate trash and additional work for event staff.
- In 2020 we renovated the ballroom kitchen to include a larger area and additional appliances. We

would recommend a fee increase to \$300.00 to account for the increased amenities.

- Early Open fee is being increased to deter folks from booking additional hours. During peak seasons, additional event hours add time and stress to our staff, and we are hoping this fee will deter folks from either booking additional hours or coming in early for their events. Staff feels there is value in offering an additional rental hour in certain circumstances, so we do not wish to remove the fee entirely.
- We increased the special rates for HOA/Funerals to maintain a \$50 discount on the normal room rental. This adjustment is driven by the increase in the standard room rental.
- Across the board, we are recommending fee increases by 10-15% in all rental venues. These increases are in line with other rates in the area and push us forward in closing the gap on cost recovery. In 2019 (the last time we were able to complete an accurate cost recovery) we were running about an 85% cost recovery, but expenses have increased (staff salaries up by 13%, supplies, utilities) since that time so our current cost recovery is estimated to be in the 70% range. A 25-30% fee increase would not be recommended at one time so instead, staff recommends a 10-15% rate increase. New Braunfels Civic Center is also proposing similar fee increases this year.
- We are recommending the elimination of the half-day rate in the ballroom/cut-off hall on Sundays. The size of this room does not lend itself to shorter events on the weekend and for consistency, we will couple Sunday and Friday rates together as we do in the Bluebonnet Hall.
- Clarification was added for the A/V services in the bluebonnet hall, ballroom and applicable breakout rooms. Current A/V rates will include access to 2 screens/projectors. We are recommending the A/V services fee in the bluebonnet hall be increased to match the ballroom fee as the A/V system has been upgraded and both rooms offer the same services and features.
- We are also recommending the elimination of the banquet package in the ballroom and bluebonnet hall Mon-Thur. This fee is not often used as most events during the week don't need a dance floor, bar, up lights, etc. Renters will still be able to add amenities as needed and enjoy the lower room rates offered during the week.

Proposed New Fees:

- Staff would like to offer a beverage tub for our clients. This tub would be used to cool soft drinks, water, and other beverages during events to eliminate the use of ice chests in the Civic Center. In the past ice chests have leaked onto the floors causing a hazard during events and also damage to the floor. Even with floor mats under them we have experienced these issues. The beverage tub would aim to eliminate the need/use of ice chests in the building and protect our new floors in the ballroom.
- Staff would like to create a fee for the private suite attached to the ballroom. This room has recently been renovated to offer a comfortable space for a small group of people to meet. The fee is comparable to other area venues.
- Based on evaluation of the quality-of-life fee and the renters who use this staff is recommending eliminating this fee. In lieu of this fee, we would recommend a Gym Use Fee for the Community Center only. This fee is more broadly defined and fits better for different community recreation types of events. The recommended fee is low compared to other Gym Use Fees but there is minimal work to be done with these types of recreation groups and we do not wish to deter folks from using the facility.

In City Events, staff is adding in the Signs of Love for the Kick Cancer walk/run event. Indoor volleyball league will be removed or lack of participation as well as the fee for the t-shirt decorating contest at Jubilee that we are not planning on having next year.

Parks is adding fees for group picnic areas as a new reservation service hoping to meet the needs of larger gatherings.

Pools is adding fees describing the Float & Fireworks event and the Paws in the Pool event.

The fee to add a paver at the Veteran's Memorial will be added to the fee schedule.

The Senior Center Membership Fee will be added to the fee schedule.

Under Health and Sanitation, staff recommends removing the section describing the City Code Violation Court Fee of \$10 as this amount is under the preview of the Judge and is set by them during court.

Fire recommends removing Flammable liquid and gas tank permits as this is now reviewed by the state making staff's review redundant.

EMS proposes to increase millage to \$22. This fee hasn't been updated since FY 2013-14 and staff has seen higher fuel and vehicle maintenance costs.

EMS also recommends increase the Per Capita fee charged to service areas by 2% to help offset inflation costs.

Planning & Zoning added some clarifying language on the Appeals and request for amendments to include requests to the Comprehensive Land Use Plan.

Inspections recommends adding a increasing scale for reinspections. Staff is getting too many re-inspection requests from builders and is being used as quality control. Quality control is the responsibility of the contractor and the volume of requests makes it hard for staff to keep up, ultimately slowing development. This graduated scale will keep first reinspection requests the same as staff understands it can take a few tries to get something right. The third reinspection increases from \$75 to \$150 and each other reinspection is \$500. This is per trade and not per project so getting a reinspection on plumbing won't increase the fee to get an inspection on electrical.

Also in Inspections, staff changed language of license/registrations of trade to clarify what is required. No changes will change any fees or current requirements. Also recommended is the removal fo the miscallaneous fees as staff feels the existing fee options will cover the customers' requests.

In 2021, City Council approved a new water and wastewater rate model that provided regular funding for water and wastewater projects, specifically large maintenance and recapitalization projects. The adopted rate model projected out to 2030 to show that to meet the funding necessary to complete the planned projects, an annual 4% water and 4% wastewater rate increase would be needed. Over the past year SSLGC has been evaluating their water system and a need has been identified within the pipeline system. In order to transport the full water supply being added by the new Guadalupe Water Treatment Plant, two additional parallel transmission main segments must be constructed. To fund the design and construction of the Elm Creek and Cowey transmission main segments, SSLGC will be required to issue bonds. The SSLGC bond payments are split evenly between Schertz and Seguin, so the projected bond payments for both design and construction have been added to the rate model. Based on the additional bond costs for the Elm Creek and Cowey transmission main segments, staff is recommending an additional 1% increase to the water rates to bring the total recommended water rate increase to 5% and staff recommends continuing with the planned 4% wastewater rate increase.

GOAL

To update the Adopted Fee Schedule for FY 2022-23.

COMMUNITY BENEFIT

Provide a single place for information on City fees.

SUMMARY OF RECOMMENDED ACTION

Staff recommends council approve the proposed changes to the fees schedule.

FISCAL IMPACT

The fee changes will all affect the General Fund but have a low overall fiscal impact due to the narrow scope of their estimated use but are intended as cost recovery of providing the described services.

The average bill increase for EMS transports would increase \$24 with the mileage change and the overall effect to covered cities would be \$44,000 combined.

On average, residential utility customers would see a \$3.57 per month increase under the recommended 5 year rate plan and an additional \$0.50 per month for the new parallel pipeline sections. Rate increases are based on 8,400 gallons of water and 5,000 of sewer which are a good average for residential. The average commercial user at 47,900 gallons would see rate increases of \$33.13 with an additional \$3.50 for the SSLGC project.

RECOMMENDATION

Adopt Ordinance 21-M-40 and updated fees for FY 2021-22

Attachments

Ord 22-M-40
Fee Schedule

ORDINANCE NO. 22-M-40

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AMENDING THE CITY OF SCHERTZ CODE OF ORDINANCES AND CERTAIN OTHER ORDINANCES BY AMENDING AND ESTABLISHING FEES FOR CERTAIN LICENSES, PERMITS, AND OTHER SERVICES PROVIDED BY THE CITY OF SCHERTZ.

WHEREAS, the City of Schertz (the “City”) has established by ordinances and resolutions for fees for licenses, permits, and services provided by the City; and

WHEREAS, the City Council has authorized a review and a consolidation of certain fees for licenses, permits, and services provided by the City; and

WHEREAS, the Schedule of Fees attached as Exhibit A reflects revisions to certain fees, a restatement of certain fees not revised, and a consolidation of all such fees; and

WHEREAS, due to the need for periodic modification of said fees and for the purposes of efficiency, the City Council desires to adopt future fee changes by resolution rather than by ordinance.

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

SECTION 1.

All persons, firms, or corporations applying for licenses or permits or receiving other City services described on Exhibit A that require the payment of a fee incident to such application or service shall pay the fees as prescribed in the Fee Schedule attached hereto as Exhibit A and made a part of hereof. It shall be a violation of this Ordinance to conduct any activity or commence any use or receive any service for which payment of a fee described herein is required until such fee has been paid (if required to be paid in advance) or to fail to pay such fee when properly billed.

SECTION 2.

This Ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the City of Schertz, Texas as to the fees set forth on Exhibit A effect on the effective date of this Ordinance, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such Code, in which event the conflicting provisions of such ordinances and such Code are hereby repealed.

SECTION 3.

The City Council may, from time to time, by ordinance add to the fees set forth on Exhibit A, and the fees now or hereafter set forth on Exhibit A may be modified from time to time by resolution of the City Council.

SECTION 4.

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

SECTION 5.

Subject to the last sentence of this Section, any person, firm, or corporation who violates, disobeys, omits, neglects, or refuses to comply with or who resists the enforcement of any of provisions of this Ordinance shall be fined not more than Five Hundred Dollars (\$500.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense. If any other ordinance, including the Code of Ordinances, establishes a different penalty for the failure to pay any fee on Exhibit A, the provisions of such other ordinance or the Code of Ordinances shall control with respect to such penalty.

SECTION 6.

All rights and remedies of the City are expressly saved as to any and all violations of the provisions of the Code of Ordinances in effect on the effective date of this Ordinance and modified by this Ordinance or any other ordinances in effect on the effective date of this Ordinance and modified by this Ordinance and requiring the payment of fees for licenses, permits, and other services provided by the City which have accrued on the effective date of this Ordinance; and any and all accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

SECTION 7.

This Ordinance shall be in full force and effect from and after its final passage and any publication required by law.

Passed and approved on the first reading this 2nd day of August 2022.

PASSED AND APPROVED ON FINAL READING this 9th day of August 2022.

Mayor, City of Schertz

ATTEST:

City Secretary, City of Schertz, Texas

City of Schertz



Schedule of Fees

Effective October 1, 2022

**City of Schertz
Schedule of Fees**

Summary of Changes	2021-22	2022-23
<u>Magazine</u>		
Display Ads:	\$ 300.00	\$ 325.00
Eighth Page for 6 mo., per month	\$ 275.00	\$ 300.00
Eighth Page for 12 mo., per month	\$ 550.00	\$ 600.00
Quarter Page for 6 mo., per month	\$ 400.00	\$ 450.00
Quarter Page for 12 mo., per month	\$ 1,000.00	\$ 1,100.00
Half Page for 6 mo., per month	\$ 700.00	\$ 775.00
Half Page for 12 mo., per month	\$ 1,500.00	\$ 1,650.00
Full Page for 6 mo., per month	\$ 1,200.00	\$ 1,325.00
Premium Placement:	\$ 1,800.00	\$ 2,000.00
Back Cover for 6 mo., per month	\$ 1,500.00	\$ 1,650.00
Back Cover for 12 mo., per month		

**City of Schertz
Schedule of Fees**

Summary of Changes	2021-22	2022-23
<i>Event Facilities</i>		
Vendor/Ancillary Fees		
Kitchen/F&B Fee, Ballroom	\$ 200.00	\$ 300.00
Kitchen/F&B Fee, Bluebonnet Room	\$ 75.00	\$ 100.00
Early Open Fee (one hour only)	\$ 25.00	\$ 200.00
Beverage Tub	NA	\$ 75.00
Private Suite	NA	\$ 150.00
Discount/Special Rates		
Day before setup - 50% of regular room rate (only in ballroom or entire Civic Center)		
H.O.A. Meeting Fee	\$ 75.00	\$ 100.00
Funeral Reception Only in Bluebonnet Hall/Community Centers 3 hr maximum	\$ 75.00	\$ 100.00
Gym Use Fee (Community Center/per hour)		\$ 25.00
Quality of Life Events (Community Centers Only)	\$ 15.00	-
Civic Center - Grand Ballroom- (7,198 sq. ft)		
Regular Rentals (room only)		
Sunday, Full day	\$ 800.00	\$ 925.00
Sunday, Half day	\$ 450.00	-
Friday, Full Day (half day not available)	\$ 800.00	\$ 925.00
Saturday, Full day (half day not available)	\$ 1,800.00	\$ 1,975.00
Banquet Package - includes hall and kitchen rental, easel, tables/chairs, dance floor, AV panel access, ice, private suite, portable bar, cocktail tables, uplighting package, beverage tub:		
Sunday, Full day	\$ 1,625.00	-
Sunday, Half day	\$ 1,075.00	-
Monday - Thursday, Full day	\$ 1,425.00	-
Monday - Thursday, Half day	\$ 1,000.00	-
Friday/Sunday, Full Day (half day not available)	\$ 1,625.00	\$ 2,025.00
Saturday, Full day (half day not available)	\$ 2,625.00	\$ 3,000.00
Civic Center Cut-Off Hall (Larger portion of Ballroom - (4,172 sq ft)		
Regular Rentals		
Sunday, Full day	\$ 600.00	\$ 700.00
Sunday, Half day	\$ 325.00	-
Friday, Full Day (half day not available)	\$ 600.00	\$ 700.00
Saturday, Full day (half day not available)	\$ 1,400.00	\$ 1,550.00
Banquet Package - includes hall and kitchen rental, easel, tables/chairs, dance floor, AV panel access, ice, private suite, portable bar, cocktail tables, uplighting package, beverage tub:		
Sunday, Full day	\$ 1,425.00	-
Sunday, Half day	\$ 950.00	-
Monday - Thursday, Full day	\$ 1,250.00	-
Monday - Thursday, Half day	\$ 875.00	-
Friday/Sunday, Full day (half day not available)	\$ 1,425.00	\$ 1,725.00
Saturday, Full day (half day not available)	\$ 2,225.00	\$ 2,575.00
Civic Center Conference Hall (Smaller portion of Ballroom - (3,026 sq ft)		
Regular Rentals		
Friday/Sunday, Half day	\$ 250.00	-
Audio/Visual Panel Access (for 2 screens/projectors)	\$ 75.00	\$ 100.00

**City of Schertz
Schedule of Fees**

Summary of Changes	2021-22	2022-23
Civic Center - Bluebonnet Hall- (2,500 sq ft)		
Regular Rentals		
Friday/Sunday, Full day	\$ 400.00	\$ 450.00
Friday/Sunday, Half day	\$ 200.00	\$ 225.00
Monday - Thursday, Full day	\$ 250.00	\$ 275.00
Monday - Thursday, Half day	\$ 125.00	\$ 150.00
Saturday, Full day (half day not available)	\$ 700.00	\$ 775.00
Kitchen	\$ 75.00	-
Audio/Visual Panel Access (for 2 screens/projectors)	\$ 75.00	\$ 100.00
Banquet Package - includes hall rental, kitchen, tables/chairs, AV panel access, ice, uplights, portable bar:		
Friday/Sunday, Full day	\$ 675.00	\$ 925.00
Friday/Sunday, Half day	\$ 550.00	\$ 700.00
Monday - Thursday, Full day	\$ 525.00	-
Monday - Thursday, Half day	\$ 275.00	-
Saturday, Full day (half day not available)	\$ 975.00	\$ 1,250.00
Community Center North- 3501 Morning Dr- (2,006 sq ft)		
Daily Maximum (up to 12 hours)	\$ 350.00	\$ 375.00
Community Center Central (2,940 sq ft)		
Daily Maximum (up to 12 hours)	\$ 450.00	\$ 475.00
<u>City Events</u>		
Kick Cancer 1k/5k		
5K Non-Timed Run/Walk	25	0
Signs of Love	NA	\$ 20.00
Indoor Volleyball		
Individual	\$ 25.00	-
Late Fee per Individual	\$ 10.00	-
Jubilee		
T-Shirt Decorating Contest	\$ 7.00	-
<u>Parks</u>		
Group Picnic Areas (Resident)		
Weekday Full Day (Mon-Thur)		\$15.00
Weekend Half Day (Fri-Sun)		\$20.00
Weekend Full Day (Fri-Sun)		\$30.00
Group Picnic Areas (Non-Resident)		
Weekday Full Day (Mon-Thur)		\$22.50
Weekend Half Day (Fri-Sun)		\$35.00
Weekend Full Day (Fri-Sun)		\$45.00
Pools		
Float & Fireworks		\$ 3.00
Paws in the Pool		\$ 3.00

**City of Schertz
Schedule of Fees**

Summary of Changes	2021-22	2022-23
Veteran's Memorial Plaza Pavers		
Per Paver	\$	75.00
Senior Center Membership		
Per Person	\$	36.00
Per Couple	\$	65.00
Health and Sanitation Division		
* City Code Violation Court Fee	\$ 10.00	\$ -
*Any citation issued by individuals defined in Section 22-40 (Authority to issue notice of violations), shall be able to collect a dismissal fee from an individual who abates such violation upon their court appearance. Judge Stephen Takas suggested that we charge a dismissal fee to remedy some of the expenses incurred from the issuance of such citation.		
<u>Fire</u>		
Flammable or combustible liquid tanks, each review	\$ 25.00	\$ -
Flammable or combustible gas tanks, each review	\$ 150.00	\$ -
<u>EMS</u>		
Mileage, per mile	\$ 20.00	\$ 22.00
Per Capita	\$ 15.79	\$ 16.10
<u>Planning & Zoning</u>		
Appeals and requests for amendments Considered by City Council, the Planning & Zoning Commission, the Building and Standards Commission, or the Board of Adjustment as allowed by the Unified Development Code, to include requested amendments to the Comprehensive Land Use Plan	\$ 500.00	\$ 500.00
<u>Inspections Division</u>		
Re-Inspection Fees		
First re-inspection, per trade	\$ 75.00	\$ 75.00
Re-inspections after first, per trade	\$ 100.00	\$150.00
Re-inspections after second and all subsequent, per trade		\$500.00
Licenses/Registrations:		
General Contractor (Initial)		
Journeyman Electrician (Annually) State of Texas Issued	N/C	N/C
Apprentice/Wireman Electrician (Annually) State of Texas Issued	N/C	N/C
Electrical Contractor (Annually) State of Texas Issued	N/C	N/C
For any item not specifically included in the preceding schedule, the Inspections Division shall establish a fee consistent with the level of work and necessary inspections established by the schedule and the applicant shall be advised accordingly.	Delete	

**City of Schertz
Schedule of Fees**

Summary of Changes	2021-22	2022-23
<u>Sewer</u>		
<u>Residential Rates (Single Family)</u>		
Base Rate-per month	\$ 14.43	15.01
Per 1,000 gal Charge, Per Month		
City line Maintenance fee plus Franchise fee		
User Charge based on 100% of avg consumption mo.		
User avg. based on Nov, Dec, and Jan, min. 500 gals.		
Per 1,000 gal charge Total- 12,000 gallons or less	\$ 4.75	4.94
greater than 12,000 gallons	\$ 10.79	11.22
<u>Business and Multi-family Dwelling Units:</u>		
Base Rate per month	\$ 18.15	18.88
The base rate shall be assessed in terms of connection equivalents which shall be as follows: the customer's previous 12 month water consumption as determined at the annual re-rating in February divided by 365, with the results of such division then divided by 245 gallons. The figure arrived at by the second division shall be the customer's "connection equivalent". Each business shall be assessed a base rate.		
Per 1,000 gal Charge, Per Month		
Line Maintenance-Commercial/Industrial users plus Franchise fee		
User Charge-based on 100% of water consumed		
Per 1,000 gal charge Total- 12,000 gallons or less	\$ 4.87	5.06
greater than 12,000 gallons	\$ 10.89	11.33
<u>YMCA</u>		
Per 1,000 gal Charge, Per Month	\$ 3.20	3.33

**City of Schertz
Schedule of Fees**

Public Works - Water Rates Residential	2022-23
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GALLONS SOLD BY METER SIZE (RESIDENTIAL)

METER	BLOCK GALLONS	CURRENT BLOCK RATE	PROPOSED BLOCK RATE	CURRENT RATE 1000	PROPOSED RATE 1000
5/8 IN CODE 1	0	\$ 24.61	\$ 25.84	\$ 3.04	\$ 3.19
	6,000	\$ 42.85	\$ 44.98	\$ 3.40	\$ 3.57
	12,000	\$ 63.25	\$ 66.40	\$ 3.98	\$ 4.18
	18,000	\$ 87.13	\$ 91.48	\$ 4.86	\$ 5.10
	30,000	\$ 145.45	\$ 152.68	\$ 6.17	\$ 6.48
3/4 IN CODE 2	0	\$ 36.89	\$ 38.73	\$ 3.04	\$ 3.19
	6,000	\$ 55.13	\$ 57.87	\$ 3.40	\$ 3.57
	12,000	\$ 75.53	\$ 79.29	\$ 3.98	\$ 4.18
	18,000	\$ 99.41	\$ 104.37	\$ 4.86	\$ 5.10
	30,000	\$ 157.73	\$ 165.57	\$ 6.17	\$ 6.48
1.0 IN CODE 3	0	\$ 61.49	\$ 64.56	\$ 3.04	\$ 3.19
	6,000	\$ 79.73	\$ 83.70	\$ 3.40	\$ 3.57
	12,000	\$ 100.13	\$ 105.12	\$ 3.98	\$ 4.18
	18,000	\$ 124.01	\$ 130.20	\$ 4.86	\$ 5.10
	30,000	\$ 182.33	\$ 191.40	\$ 6.17	\$ 6.48
1 1/2 IN CODE 4	0	\$ 122.99	\$ 129.14	\$ 3.04	\$ 3.19
	6,000	\$ 141.23	\$ 148.28	\$ 3.40	\$ 3.57
	12,000	\$ 161.63	\$ 169.70	\$ 3.98	\$ 4.18
	18,000	\$ 185.51	\$ 194.78	\$ 4.86	\$ 5.10
	30,000	\$ 243.83	\$ 255.98	\$ 6.17	\$ 6.48
2 IN SIMPLE COMPOUND CODE 5	0	\$ 196.78	\$ 206.62	\$ 3.04	\$ 3.19
	6,000	\$ 215.02	\$ 225.76	\$ 3.40	\$ 3.57
	12,000	\$ 235.42	\$ 247.18	\$ 3.98	\$ 4.18
	18,000	\$ 259.30	\$ 272.26	\$ 4.86	\$ 5.10
	30,000	\$ 317.62	\$ 333.46	\$ 6.17	\$ 6.48
2IN TURBINE CODE 6	0	\$ 245.96	\$ 258.26	\$ 3.04	\$ 3.19
	6,000	\$ 264.20	\$ 277.40	\$ 3.40	\$ 3.57
	12,000	\$ 284.60	\$ 298.82	\$ 3.98	\$ 4.18
	18,000	\$ 308.48	\$ 323.90	\$ 4.86	\$ 5.10
	30,000	\$ 366.80	\$ 385.10	\$ 6.17	\$ 6.48

**City of Schertz
Schedule of Fees**

Public Works - Water Rates Residential	2022-23
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GALLONS SOLD BY METER SIZE (RESIDENTIAL)

METER	BLOCK GALLONS	CURRENT BLOCK RATE	PROPOSED BLOCK RATE	CURRENT RATE 1000	PROPOSED RATE 1000
3 IN COMPOUND CODE 7	0	\$ 393.55	\$ 413.23	\$ 3.04	\$ 3.19
	6,000	\$ 411.79	\$ 432.37	\$ 3.40	\$ 3.57
	12,000	\$ 432.19	\$ 453.79	\$ 3.98	\$ 4.18
	18,000	\$ 456.07	\$ 478.87	\$ 4.86	\$ 5.10
	30,000	\$ 514.39	\$ 540.07	\$ 6.17	\$ 6.48
3 IN TURBINE CODE 8	0	\$ 590.33	\$ 619.85	\$ 3.04	\$ 3.19
	6,000	\$ 608.57	\$ 638.99	\$ 3.40	\$ 3.57
	12,000	\$ 628.97	\$ 660.41	\$ 3.98	\$ 4.18
	18,000	\$ 652.85	\$ 685.49	\$ 4.86	\$ 5.10
	30,000	\$ 711.17	\$ 746.69	\$ 6.17	\$ 6.48
4 IN COMPOUND CODE 9	0	\$ 614.93	\$ 645.68	\$ 3.04	\$ 3.19
	6,000	\$ 633.17	\$ 664.82	\$ 3.40	\$ 3.57
	12,000	\$ 653.57	\$ 686.24	\$ 3.98	\$ 4.18
	18,000	\$ 677.45	\$ 711.32	\$ 4.86	\$ 5.10
	30,000	\$ 735.77	\$ 772.52	\$ 6.17	\$ 6.48
4 IN TURBINE CODE 10	0	\$ 1,033.08	\$ 1,084.73	\$ 3.04	\$ 3.19
	6,000	\$ 1,051.32	\$ 1,103.87	\$ 3.40	\$ 3.57
	12,000	\$ 1,071.72	\$ 1,125.29	\$ 3.98	\$ 4.18
	18,000	\$ 1,095.60	\$ 1,150.37	\$ 4.86	\$ 5.10
	30,000	\$ 1,153.92	\$ 1,211.57	\$ 6.17	\$ 6.48
6 IN COMPOUND CODE 11	0	\$ 1,229.86	\$ 1,291.35	\$ 3.04	\$ 3.19
	6,000	\$ 1,248.10	\$ 1,310.49	\$ 3.40	\$ 3.57
	12,000	\$ 1,268.50	\$ 1,331.91	\$ 3.98	\$ 4.18
	18,000	\$ 1,292.38	\$ 1,356.99	\$ 4.86	\$ 5.10
	30,000	\$ 1,350.70	\$ 1,418.19	\$ 6.17	\$ 6.48
6 IN TURBINE CODE 12	0	\$ 2,262.93	\$ 2,376.08	\$ 3.04	\$ 3.19
	6,000	\$ 2,281.17	\$ 2,395.22	\$ 3.40	\$ 3.57
	12,000	\$ 2,301.57	\$ 2,416.64	\$ 3.98	\$ 4.18
	18,000	\$ 2,325.45	\$ 2,441.72	\$ 4.86	\$ 5.10
	30,000	\$ 2,383.77	\$ 2,502.92	\$ 6.17	\$ 6.48
8 IN COMPOUND CODE 13	0	\$ 1,987.74	\$ 2,087.13	\$ 3.04	\$ 3.19
	6,000	\$ 2,005.98	\$ 2,106.27	\$ 3.40	\$ 3.57
	12,000	\$ 2,026.38	\$ 2,127.69	\$ 3.98	\$ 4.18
	18,000	\$ 2,050.26	\$ 2,152.77	\$ 4.86	\$ 5.10
	30,000	\$ 2,108.58	\$ 2,213.97	\$ 6.17	\$ 6.48

**City of Schertz
Schedule of Fees**

Public Works - Water Rates Residential	2022-23
GALLONS SOLD BY METER SIZE (RESIDENTIAL)	

METER	BLOCK GALLONS	CURRENT BLOCK RATE	PROPOSED BLOCK RATE	CURRENT RATE 1000	PROPOSED RATE 1000
8 IN TURBINE CODE 14	0	\$ 3,975.48	\$ 4,174.25	\$ 3.04	\$ 3.19
	6,000	\$ 3,993.72	\$ 4,193.39	\$ 3.40	\$ 3.57
	12,000	\$ 4,014.12	\$ 4,214.81	\$ 3.98	\$ 4.18
	18,000	\$ 4,038.00	\$ 4,239.89	\$ 4.86	\$ 5.10
	30,000	\$ 4,096.32	\$ 4,301.09	\$ 6.17	\$ 6.48
10 IN COMPOUND CODE 15	0	\$ 2,857.37	\$ 3,000.24	\$ 3.04	\$ 3.19
	6,000	\$ 2,875.61	\$ 3,019.38	\$ 3.40	\$ 3.57
	12,000	\$ 2,896.01	\$ 3,040.80	\$ 3.98	\$ 4.18
	18,000	\$ 2,919.89	\$ 3,065.88	\$ 4.86	\$ 5.10
	30,000	\$ 2,978.21	\$ 3,127.08	\$ 6.17	\$ 6.48
10 IN TURBINE CODE 16	0	\$ 6,211.67	\$ 6,522.25	\$ 3.04	\$ 3.19
	6,000	\$ 6,229.91	\$ 6,541.39	\$ 3.40	\$ 3.57
	12,000	\$ 6,250.31	\$ 6,562.81	\$ 3.98	\$ 4.18
	18,000	\$ 6,274.19	\$ 6,587.89	\$ 4.86	\$ 5.10
	30,000	\$ 6,332.51	\$ 6,649.09	\$ 6.17	\$ 6.48
12 IN TURBINE CODE 17	0	\$ 8,199.42	\$ 8,609.39	\$ 3.04	\$ 3.19
	6,000	\$ 8,217.66	\$ 8,628.53	\$ 3.40	\$ 3.57
	12,000	\$ 8,238.06	\$ 8,649.95	\$ 3.98	\$ 4.18
	18,000	\$ 8,261.94	\$ 8,675.03	\$ 4.86	\$ 5.10
	30,000	\$ 8,320.26	\$ 8,736.23	\$ 6.17	\$ 6.48

**City of Schertz
Schedule of Fees**

Public Works - Water Rates Commercial	2022-23
GALLONS SOLD BY METER SIZE (COMMERCIAL)	

METER	BLOCK GALLONS	CURRENT BLOCK RATE	PROPOSED BLOCK RATE	CURRENT RATE 1000	PROPOSED RATE 1000
5/8 IN CODE 1	0	\$ 24.61	\$ 25.84	\$ 3.04	\$ 3.19
	6,000	\$ 42.85	\$ 44.98	\$ 3.40	\$ 3.57
	12,000	\$ 63.25	\$ 66.40	\$ 3.98	\$ 4.18
	18,000	\$ 87.13	\$ 91.48	\$ 4.86	\$ 5.10
	30,000	\$ 145.45	\$ 152.68	\$ 6.17	\$ 6.48
3/4 IN CODE 2	0	\$ 36.89	\$ 38.73	\$ 3.04	\$ 3.19
	6,000	\$ 55.13	\$ 57.87	\$ 3.40	\$ 3.57
	12,000	\$ 75.53	\$ 79.29	\$ 3.98	\$ 4.18
	18,000	\$ 99.41	\$ 104.37	\$ 4.86	\$ 5.10
	30,000	\$ 157.73	\$ 165.57	\$ 6.17	\$ 6.48
1.0 IN CODE 3	0	\$ 61.49	\$ 64.56	\$ 3.04	\$ 3.19
	6,000	\$ 79.73	\$ 83.70	\$ 3.40	\$ 3.57
	12,000	\$ 100.13	\$ 105.12	\$ 3.98	\$ 4.18
	18,000	\$ 124.01	\$ 130.20	\$ 4.86	\$ 5.10
	30,000	\$ 182.33	\$ 191.40	\$ 6.17	\$ 6.48
1 1/2 IN CODE 4	0	\$ 122.99	\$ 129.14	\$ 3.04	\$ 3.19
	6,000	\$ 141.23	\$ 148.28	\$ 3.40	\$ 3.57
	12,000	\$ 161.63	\$ 169.70	\$ 3.98	\$ 4.18
	18,000	\$ 185.51	\$ 194.78	\$ 4.86	\$ 5.10
	30,000	\$ 243.83	\$ 255.98	\$ 6.17	\$ 6.48
2 IN SIMPLE COMPOUND CODE 5	0	\$ 196.78	\$ 206.62	\$ 3.04	\$ 3.19
	18,000	\$ 251.50	\$ 264.04	\$ 3.40	\$ 3.57
	36,000	\$ 312.70	\$ 328.30	\$ 3.98	\$ 4.18
	54,000	\$ 384.34	\$ 403.54	\$ 4.86	\$ 5.10
	90,000	\$ 559.30	\$ 587.14	\$ 6.17	\$ 6.48
2IN TURBINE CODE 6	0	\$ 245.96	\$ 258.26	\$ 3.04	\$ 3.19
	18,000	\$ 300.68	\$ 315.68	\$ 3.40	\$ 3.57
	36,000	\$ 361.88	\$ 379.94	\$ 3.98	\$ 4.18
	54,000	\$ 433.52	\$ 455.18	\$ 4.86	\$ 5.10
	90,000	\$ 608.48	\$ 638.78	\$ 6.17	\$ 6.48
3 IN COMPOUND CODE 7	0	\$ 393.55	\$ 413.23	\$ 3.04	\$ 3.19
	18,000	\$ 448.27	\$ 470.65	\$ 3.40	\$ 3.57
	36,000	\$ 509.47	\$ 534.91	\$ 3.98	\$ 4.18
	54,000	\$ 581.11	\$ 610.15	\$ 4.86	\$ 5.10
	90,000	\$ 756.07	\$ 793.75	\$ 6.17	\$ 6.48

**City of Schertz
Schedule of Fees**

Public Works - Water Rates Commercial	2022-23
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GALLONS SOLD BY METER SIZE (COMMERCIAL)

METER	BLOCK GALLONS	CURRENT BLOCK RATE	PROPOSED BLOCK RATE	CURRENT RATE 1000	PROPOSED RATE 1000
3 IN TURBINE CODE 8	0	\$ 590.33	\$ 619.85	\$ 3.04	\$ 3.19
	18,000	\$ 645.05	\$ 677.27	\$ 3.40	\$ 3.57
	36,000	\$ 706.25	\$ 741.53	\$ 3.98	\$ 4.18
	54,000	\$ 777.89	\$ 816.77	\$ 4.86	\$ 5.10
	90,000	\$ 952.85	\$ 1,000.37	\$ 6.17	\$ 6.48
4 IN COMPOUND CODE 9	0	\$ 614.93	\$ 645.68	\$ 3.04	\$ 3.19
	18,000	\$ 669.65	\$ 703.10	\$ 3.40	\$ 3.57
	36,000	\$ 730.85	\$ 767.36	\$ 3.98	\$ 4.18
	54,000	\$ 802.49	\$ 842.60	\$ 4.86	\$ 5.10
	90,000	\$ 977.45	\$ 1,026.20	\$ 6.17	\$ 6.48
4 IN TURBINE CODE 10	0	\$ 1,033.08	\$ 1,084.73	\$ 3.04	\$ 3.19
	18,000	\$ 1,087.80	\$ 1,142.15	\$ 3.40	\$ 3.57
	36,000	\$ 1,149.00	\$ 1,206.41	\$ 3.98	\$ 4.18
	54,000	\$ 1,220.64	\$ 1,281.65	\$ 4.86	\$ 5.10
	90,000	\$ 1,395.60	\$ 1,465.25	\$ 6.17	\$ 6.48
6 IN COMPOUND CODE 11	0	\$ 1,229.86	\$ 1,291.35	\$ 3.04	\$ 3.19
	18,000	\$ 1,284.58	\$ 1,348.77	\$ 3.40	\$ 3.57
	36,000	\$ 1,345.78	\$ 1,413.03	\$ 3.98	\$ 4.18
	54,000	\$ 1,417.42	\$ 1,488.27	\$ 4.86	\$ 5.10
	90,000	\$ 1,592.38	\$ 1,671.87	\$ 6.17	\$ 6.48
6 IN TURBINE CODE 12	0	\$ 2,262.93	\$ 2,376.08	\$ 3.04	\$ 3.19
	18,000	\$ 2,317.65	\$ 2,433.50	\$ 3.40	\$ 3.57
	36,000	\$ 2,378.85	\$ 2,497.76	\$ 3.98	\$ 4.18
	54,000	\$ 2,450.49	\$ 2,573.00	\$ 4.86	\$ 5.10
	90,000	\$ 2,625.45	\$ 2,756.60	\$ 6.17	\$ 6.48
8 IN COMPOUND CODE 13	0	\$ 1,987.74	\$ 2,087.13	\$ 3.04	\$ 3.19
	18,000	\$ 2,042.46	\$ 2,144.55	\$ 3.40	\$ 3.57
	36,000	\$ 2,103.66	\$ 2,208.81	\$ 3.98	\$ 4.18
	54,000	\$ 2,175.30	\$ 2,284.05	\$ 4.86	\$ 5.10
	90,000	\$ 2,350.26	\$ 2,467.65	\$ 6.17	\$ 6.48

**City of Schertz
Schedule of Fees**

Public Works - Water Rates Commercial	2022-23
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GALLONS SOLD BY METER SIZE (COMMERCIAL)

METER	BLOCK GALLONS	CURRENT BLOCK RATE	PROPOSED BLOCK RATE	CURRENT RATE 1000	PROPOSED RATE 1000
8 IN	0	\$ 3,975.48	\$ 4,174.25	\$ 3.04	\$ 3.19
TURBINE	18,000	\$ 4,030.20	\$ 4,231.67	\$ 3.40	\$ 3.57
CODE 14	36,000	\$ 4,091.40	\$ 4,295.93	\$ 3.98	\$ 4.18
	54,000	\$ 4,163.04	\$ 4,371.17	\$ 4.86	\$ 5.10
	90,000	\$ 4,338.00	\$ 4,554.77	\$ 6.17	\$ 6.48
10 IN	0	\$ 2,857.37	\$ 3,000.24	\$ 3.04	\$ 3.19
COMPOUND	18,000	\$ 2,912.09	\$ 3,057.66	\$ 3.40	\$ 3.57
CODE 15	36,000	\$ 2,973.29	\$ 3,121.92	\$ 3.98	\$ 4.18
	54,000	\$ 3,044.93	\$ 3,197.16	\$ 4.86	\$ 5.10
	90,000	\$ 3,219.89	\$ 3,380.76	\$ 6.17	\$ 6.48
10 IN	0	\$ 6,211.67	\$ 6,522.25	\$ 3.04	\$ 3.19
TURBINE	18,000	\$ 6,266.39	\$ 6,579.67	\$ 3.40	\$ 3.57
CODE 16	36,000	\$ 6,327.59	\$ 6,643.93	\$ 3.98	\$ 4.18
	54,000	\$ 6,399.23	\$ 6,719.17	\$ 4.86	\$ 5.10
	90,000	\$ 6,574.19	\$ 6,902.77	\$ 6.17	\$ 6.48
12 IN	0	\$ 8,199.42	\$ 8,609.39	\$ 3.04	\$ 3.19
TURBINE	18,000	\$ 8,254.14	\$ 8,666.81	\$ 3.40	\$ 3.57
CODE 17	36,000	\$ 8,315.34	\$ 8,731.07	\$ 3.98	\$ 4.18
	54,000	\$ 8,386.98	\$ 8,806.31	\$ 4.86	\$ 5.10
	90,000	\$ 8,561.94	\$ 8,989.91	\$ 6.17	\$ 6.48
FH METER		\$ 116.88	\$ 122.72	\$ 8.98	\$ 9.43
Cibolo Wholesale Water Rate				\$ 3.27	\$ 3.27

**City of Schertz
Schedule of Fees**

City Secretary		2021-22	2022-23
	Candidate Filing Fee	\$ 25.00	\$ 25.00
Codes	Licenses		
P	Package Store Permit	\$ 250.00	\$ 250.00
BG	Wine and Malt Beverage Retailer's Permit - Bexar County	\$ 500.00	\$ 500.00
BG	Wine and Malt Beverage Retailer's Permit - Bexar County Renewal	\$ 375.00	\$ 375.00
BG	Wine and Malt Beverage Retailer's Permit - All Other Counties	\$ 87.50	\$ 87.50
BQ	Wine and Malt Beverage Retailer's Off Premises Permit	\$ 30.00	\$ 30.00
BE	(Malt Beverage) Retail Dealer's On-Premise License - Bexar County	\$ 500.00	\$ 500.00
BE	(Malt Beverage) Retail Dealer's On-Premise License - Bexar County Renewal	\$ 375.00	\$ 375.00
BE	(Malt Beverage) Retail Dealer's On-Premise License - All Other Counties	\$ 75.00	\$ 75.00
Q	Wine-Only Package Store Permit	\$ 37.50	\$ 37.50
MB	Mixed Beverage Permit	\$ 375.00	\$ 375.00
W	Wholesaler's Permit	\$ 937.50	\$ 937.50
BC	Branch's Distributor's License	\$ 37.50	\$ 37.50
BF	(Malt Beverage) Retail Dealer's Off-Premise License	\$ 30.00	\$ 30.00
LP	Local Distributor's Permit	\$ 50.00	\$ 50.00
G	Winery Permit	\$ 37.50	\$ 37.50

**City of Schertz
Schedule of Fees**

All Departments	2021-22	2022-23
Records Requests		
Standard paper copy, per page (front and back is 2 pages)	\$ 0.10	\$ 0.10
Nonstandard-size copy:		
Oversize paper copy (11" X 17")	\$ 0.50	\$ 0.50
Specialty paper (Mylar, blueprint, blue line, map, photographic)	Actual	Actual
Certified Copy- Each Certification	\$ 5.00	\$ 5.00
Diskette	\$ 1.00	\$ 1.00
Magnetic tape - actual cost	Actual	Actual
Data cartridge -actual cost	Actual	Actual
Tape cartridge - actual cost	Actual	Actual
Rewritable CD (CD-RW)	\$ 1.00	\$ 1.00
Non-rewritable CD (CD-R)	\$ 1.00	\$ 1.00
Digital video disc (DVD)	\$ 3.00	\$ 3.00
JAZ drive - actual cost	Actual	Actual
Other electronic media - actual cost	Actual	Actual
Miscellaneous supplies - actual cost	Actual	Actual
Postage and shipping charge actual cost	Actual	Actual
Photographs - actual cost	Actual	Actual
Maps - actual cost	Actual	Actual
Labor charge:		
For locating, compiling, and reproducing, per hour (if documents are NOT located in the immediate area and over 50 pages)	\$ 15.00	\$ 15.00
Overhead charge - % of labor charge	20%	20%
Remote document retrieval charge	Actual	Actual
No Sales Tax shall be applied to copies of public information.		
Notary Fees		
Acknowledgement, Certified Copies, Jurat's, Oaths and Affirmation	\$ 6.00	\$ 6.00
Protests- Per Document	\$ 5.00	\$ 5.00
Convenience Fees		
Credit Card Payment Over Phone	\$ 1.00	\$ 1.00
Return Check Fee	\$ 25.00	\$ 25.00

**City of Schertz
Schedule of Fees**

Library	2021-22	2022-23
Non-Resident user fee- Library Card	\$ 15.00	\$ 15.00
Meeting Room Fee- Non-Schertz residents, 4 hours	\$ 50.00	\$ 50.00
Meeting Room Fee- After hour fee, per hour	\$ 25.00	\$ 25.00
Meeting Room Cleaning Fee (Spot Cleaning)	\$ 50.00	\$ 50.00
Meeting Room Cleaning Fee (Whole Room)	Actual	Actual
Additional Fee for After Hours Cleaning, per hour	\$ 25.00	\$ 25.00
Inter-Library Loans Materials (ILL Materials)		
Lost or damaged ILL items - Cost of item as billed by the lending library (may include additional fines or fees assessed by the lending library)	Actual	Actual
Inter-Library Loan items per day (3 day grace period)	\$ 1.00	\$ 1.00
Max overdue amount per ILL item	\$ 5.00	\$ 5.00
Return Postage Fee--for ILL items never picked up by customer after arrival	\$ 3.00	\$ 3.00
Overdue Fines (3 day grace period)		
All Items per day (except ILL items)	\$ 0.25	\$ 0.25
Max amount that can be charged	\$ 1.00	\$ 1.00
Replacement Library Card	\$ 1.00	\$ 1.00
Copier, per standard page (2-sided copies are the same as 2 pages; oversized copies are the same as 2 pages)		
Black and White	\$ 0.15	\$ 0.15
Color	\$ 0.50	\$ 0.50
Printing, per standard page (2-sided copies are the same as 2 pages; oversized copies are the same as 2 pages)		
Black and White	\$ 0.15	\$ 0.15
Color	\$ 0.50	\$ 0.50
Outgoing Fax, 1st page	\$ 1.00	\$ 1.00
Per each succeeding page	\$ 0.25	\$ 0.25
Lost & Damaged Materials - Cost of item		
plus a processing fee	\$ 5.00	\$ 5.00
Damaged DVD Case or Video Case	\$ 1.00	\$ 1.00
Damaged or Missing Barcode	\$ 1.00	\$ 1.00
Damaged or Missing RFID Tag	\$ 1.00	\$ 1.00
Damaged or Missing DVD/Video Cover (if replaceable) plus processing fee	\$ 3.00	\$ 3.00
Toddler Tote Bag	\$ 2.50	\$ 2.50
Juvenile Audiobook Bag	\$ 5.00	\$ 5.00
Materials Recovery Fee (per account sent to collections)	\$ 10.00	\$ 10.00

Note: If an item is lost and paid for, any overdue fines assessed against the item are waived. If part of an item is lost, the item as a whole is considered lost and the full cost of the item is charged to the patron. Again, any overdue fines assessed against the item are waived if the item is paid for. Refunds for items that were paid for and subsequently found and returned to the library are available for up to 60 days after payment and require the original receipt. Processing fees are non-refundable. No refunds will be given after 60 days.

**City of Schertz
Schedule of Fees**

Schertz Magazine	2021-22	2022-23
Display Ads:		
Eighth Page for 6 mo., per month	\$ 300.00	\$ 325.00
Eighth Page for 12 mo., per month	\$ 275.00	\$ 300.00
Quarter Page for 6 mo., per month	\$ 550.00	\$ 600.00
Quarter Page for 12 mo., per month	\$ 400.00	\$ 450.00
Half Page for 6 mo., per month	\$ 1,000.00	\$ 1,100.00
Half Page for 12 mo., per month	\$ 700.00	\$ 775.00
Full Page for 6 mo., per month	\$ 1,500.00	\$ 1,650.00
Full Page for 12 mo., per month	\$ 1,200.00	\$ 1,325.00
Special placement fee	\$ 100.00	\$ 100.00
Artwork ownership fee	\$ 95.00	\$ 95.00
Premium Placement:		
Back Cover for 6 mo., per month	\$ 1,800.00	\$ 2,000.00
Back Cover for 12 mo., per month	\$ 1,500.00	\$ 1,650.00

Churches, governmental entities, 501 (c) 3 and civic groups who provide a service to the residents of Schertz will receive a 25% discount on the above facility rental rates.

**City of Schertz
Schedule of Fees**

Event Facilities	2021-2022	2022-23
Vendor/Ancillary Fees		
Kitchen Fee, per person		
Kitchen/F&B Fee, Ballroom	\$ 200.00	\$ 300.00
Kitchen/F&B Fee, Bluebonnet Room	\$ 75.00	\$ 100.00
Electrical Fee (Tradeshows), per Exhibitor		
Linens		
Early Open Fee (one hour only)	\$ 25.00	\$ 200.00
Late Fee	\$ 200.00	\$ 200.00
Ice, one bin (80lbs)	\$ 15.00	\$ 15.00
Ice, unlimited	\$ 25.00	\$ 25.00
Beverage Service (for 50 people)	\$ 50.00	\$ 50.00
Beverage Linen per table	\$ 5.00	\$ 6.00
Cancellation Fee	\$ 50.00	\$ 50.00
Portable Bar (includes 5 cocktail tables)	\$ 200.00	\$ 200.00
Cocktail Tables (up to 5)	\$ 50.00	\$ 50.00
Uplighting, per light	\$ 15.00	\$ 15.00
Uplighting package, 10 lights	\$ 100.00	\$ 100.00
Pipe for Back Drop	\$ 25.00	\$ 25.00
Drape per linear ft.	\$ 2.00	\$ 2.00
Cleaning Fee	\$ 150.00	\$ 150.00
Beverage Tub		\$ 75.00
Private Suite		\$ 150.00
 Discount/Special Rates		
Frequent Renters 25% discount (Must rent at least 12 times calendar year)		
Multiple Day Renters 25% discount (Must rent two or more consecutive days)		
Day before setup - 50% of regular room rate (only in ballroom or entire Civic Center)		
Non-Profits 25% discount - rent only		
All comp'd requests will require approval from City Manager		
H.O.A. Meeting Fee	\$ 75.00	\$ 100.00
Funeral Reception Only in Bluebonnet Hall/Community Centers 3 hr maximum	\$ 75.00	\$ 100.00
Gym Use Fee (Community Center/per hour)		\$ 25.00
Quality of Life Events (Community Centers Only)	\$ 15.00	-
 Facility Security		
Security Coordination Fee	\$ 15.00	\$ 15.00
Regular- per officer, per hour (4 hour minimum)	\$ 40.00	\$ 40.00
Holiday- per officer, per hour (4 hour minimum)	\$ 50.00	\$ 50.00
 Civic Center - Grand Ballroom- (7,198 sq. ft)		
Regular Rentals (room only)		
Sunday, Full day	\$ 800.00	\$ 925.00
Sunday, Half day	\$ 450.00	-
Monday - Thursday, Full day	\$ 600.00	\$ 600.00
Monday - Thursday, Half day	\$ 375.00	\$ 375.00
Friday, Full Day (half day not available)	\$ 800.00	\$ 925.00
Saturday, Full day (half day not available)	\$ 1,800.00	\$ 1,975.00
Small Stage	\$ 200.00	\$ 200.00
Dance Floor	\$ 200.00	\$ 200.00
Damage/Cancellation Deposit	\$ 500.00	\$ 500.00
Audio/Visual Services (upgraded)	\$ 175.00	\$ 175.00
Additional time, per hour	\$ 50.00	\$ 50.00
Audio/Visual Panel Access (for 2 screens/projectors)	\$ 100.00	\$ 100.00
 Banquet Package - includes hall and kitchen rental, easel, tables/chairs, dance floor, AV panel access, ice, private suite, portable bar, cocktail tables, uplighting package, beverage tub:		
Sunday, Full day	\$ 1,625.00	-
Sunday, Half day	\$ 1,075.00	-
Monday - Thursday, Full day	\$ 1,425.00	-
Monday - Thursday, Half day	\$ 1,000.00	-

**City of Schertz
Schedule of Fees**

Event Facilities	2021-2022	2022-23
Friday/Sunday, Full Day (half day not available)	\$ 1,625.00	\$ 2,025.00
Saturday, Full day (half day not available)	\$ 2,625.00	\$ 3,000.00
Civic Center Cut-Off Hall (Larger portion of Ballroom - (4,172 sq ft)		
Regular Rentals		
Sunday, Full day	\$ 600.00	\$ 700.00
Sunday, Half day	\$ 325.00	-
Monday - Thursday, Full day	\$ 425.00	\$ 425.00
Monday - Thursday, Half day	\$ 250.00	\$ 250.00
Friday, Full Day (half day not available)	\$ 600.00	\$ 700.00
Saturday, Full day (half day not available)	\$ 1,400.00	\$ 1,550.00
Small Stage - move to only one stage	\$ 200.00	\$ 200.00
Dance Floor	\$ 200.00	\$ 200.00
Audiovisual Services (upgraded)	\$ 175.00	\$ 175.00
Additional time, per hour	\$ 50.00	\$ 50.00
Audio/Visual Panel Access (for 2 screens/projectors)	\$ 100.00	\$ 100.00
Damage/Cancellation Deposit	\$ 500.00	\$ 500.00
Banquet Package - includes hall and kitchen rental, easel, tables/chairs, dance floor, AV panel access, ice, private suite, portable bar, cocktail tables, uplighting package, beverage tub:		
Sunday, Full day	\$ 1,425.00	-
Sunday, Half day	\$ 950.00	-
Monday - Thursday, Full day	\$ 1,250.00	-
Monday - Thursday, Half day	\$ 875.00	-
Friday/Sunday, Full day (half day not available)	\$ 1,425.00	\$ 1,725.00
Saturday, Full day (half day not available)	\$ 2,225.00	\$ 2,575.00
Civic Center Conference Hall (Smaller portion of Ballroom - (3,026 sq ft)		
Regular Rentals		
Friday/Sunday, Full day	\$ 400.00	\$ 400.00
Friday/Sunday, Half day	\$ 250.00	-
Monday - Thursday, Full day	\$ 250.00	\$ 250.00
Monday - Thursday, Half day	\$ 175.00	\$ 175.00
Audio/Visual Panel Access (for 2 screens/projectors)	\$ 75.00	\$ 100.00
Damage/Cancellation Deposit	\$ 200.00	\$ 200.00
Civic Center - Bluebonnet Hall- (2,500 sq ft)		
Regular Rentals		
Friday/Sunday, Full day	\$ 400.00	\$ 450.00
Friday/Sunday, Half day	\$ 200.00	\$ 225.00
Monday - Thursday, Full day	\$ 250.00	\$ 275.00
Monday - Thursday, Half day	\$ 125.00	\$ 150.00
Saturday, Full day (half day not available)	\$ 700.00	\$ 775.00
Kitchen	\$ 75.00	-
Audio/Visual Panel Access (for 2 screens/projectors)	\$ 75.00	\$ 100.00
Damage/Cancellation Deposit	\$ 200.00	\$ 200.00
Banquet Package - includes hall rental, kitchen, tables/chairs, AV panel access, ice, uplights, portable bar:		
Friday/Sunday, Full day	\$ 675.00	\$ 925.00
Friday/Sunday, Half day	\$ 550.00	\$ 700.00
Monday - Thursday, Full day	\$ 525.00	-
Monday - Thursday, Half day	\$ 275.00	-
Saturday, Full day (half day not available)	\$ 975.00	\$ 1,250.00
Community Center North- 3501 Morning Dr- (2,006 sq ft)		
Sunday - Thursday per hour, 2 hour minimum	\$ 25.00	\$ 25.00
Friday - Saturday per hour, 4 hour minimum	\$ 50.00	\$ 50.00
Daily Maximum (up to 12 hours)	\$ 350.00	\$ 375.00
Damage/Cancellation Deposit	\$ 200.00	\$ 200.00
Community Center Central (2,940 sq ft)		
Sunday - Thursday per hour, 2 hour minimum	\$ 50.00	\$ 50.00

**City of Schertz
Schedule of Fees**

Event Facilities	2021-2022	2022-23
Friday - Saturday per hour, 4 hour minimum	\$ 75.00	\$ 75.00
Daily Maximum (up to 12 hours)	\$ 450.00	\$ 475.00
Projector/Screen/Microphone	\$ 50.00	\$ 50.00
Damage/Cancellation Deposit	\$ 200.00	\$ 200.00

Churches, governmental entities, 501 (c) 3 and civic groups who provide a service to the residents of Schertz will receive a 25% discount on the above facility rental rates.

**City of Schertz
Schedule of Fees**

Event Fee	2021-22	2022-23
Daddy Daughter/Mother Son Dances		
Adult	\$ 18.00	\$ 18.00
Child (17 and under)	\$ 12.00	\$ 12.00
Kick Cancer 1k/5k		
1K Kids Run	\$ 10.00	\$ 10.00
5K Timed Run/Walk	\$ 35.00	\$ 35.00
5K Non-Timed Run/Walk	\$ 25.00	-
Signs of Love		\$ 20.00
Movin on Main		
Vendor Fee	\$ 100.00	\$ 100.00
Non-Profit Vendor Fee	\$ 50.00	\$ 50.00
Jubilee		
Food Vendor	\$ 300.00	\$ 300.00
Carnival	\$ 6,000.00	\$ 6,000.00
Craft Vendor	\$ 50.00	\$ 50.00
Business Parade Entry	\$ 50.00	\$ 50.00
T-Shirt Decorating Contest	\$ 7.00	-
Kickball		
Individual	\$ 25.00	\$ 25.00
Late Fee Per Individual	\$ 10.00	\$ 10.00
Cornhole League		
Individual	\$ 25.00	\$ 25.00
Late Fee Per Individual	\$ 10.00	\$ 10.00
Holidazzle		
Food Vendor	\$ 50.00	\$ 50.00
Craft Vendor	\$ 50.00	\$ 50.00
Business Parade Entry	\$ 15.00	\$ 15.00
Breakfast with Santa	\$ 10.00	\$ 10.00
Indoor Volleyball		
Individual	\$ 25.00	-
Late Fee per Individual	\$ 10.00	-
New Years Eve Masquerade		
Food Vendor	\$ 50.00	\$ 50.00

**City of Schertz
Schedule of Fees**

Parks and Recreation	2021-22	2022-23
Small Pavilion (Resident)		
Weekday Full Day (Mon-Thur)	\$ 42.50	\$ 42.50
Weekend Half Day (Fri-Sun)	\$ 55.00	\$ 55.00
Weekend Full Day (Fri-Sun)	\$ 85.00	\$ 85.00
Small Pavilion (Non-Resident)		
Weekday Full Day (Mon-Thur)	\$ 67.50	\$ 67.50
Weekend Half Day (Fri-Sun)	\$ 90.00	\$ 90.00
Weekend Full Day (Fri-Sun)	\$ 135.00	\$ 135.00
Large Pavilion (Resident)		
Weekday without facilities (Mon-Thur)	\$ 50.00	\$ 50.00
Weekday with facilities (Mon-Thur)	\$ 100.00	\$ 100.00
Weekend without facilities (Fri-Sun)	\$ 100.00	\$ 100.00
Weekend with facilities (Fri-Sun)	\$ 200.00	\$ 200.00
Large Pavilion (Non-Resident)		
Weekday without facilities (Mon-Thur)	\$ 75.00	\$ 75.00
Weekday with facilities (Mon-Thur)	\$ 150.00	\$ 150.00
Weekend without facilities (Fri-Sun)	\$ 150.00	\$ 150.00
Weekend with facilities (Fri-Sun)	\$ 300.00	\$ 300.00
Group Picnic Areas (Resident)		
Weekday Full Day (Mon-Thur)		\$15.00
Weekend Half Day (Fri-Sun)		\$20.00
Weekend Full Day (Fri-Sun)		\$30.00
Group Picnic Areas (Non-Resident)		
Weekday Full Day (Mon-Thur)		\$22.50
Weekend Half Day (Fri-Sun)		\$35.00
Weekend Full Day (Fri-Sun)		\$45.00
Spike ball		
Spike ball nets with balls	\$ 15.00	\$ 15.00
Basketball		
Set of Half Dozen Basketballs	\$ 15.00	\$ 15.00
Pickleball		
Pickleball Net (Paddles and Balls are Included)	\$ 40.00	\$ 40.00
Pools		

**City of Schertz
Schedule of Fees**

Parks and Recreation	2021-22	2022-23
Daily Rates		
Per swimmer per entry	\$ 2.00	\$ 2.00
Daily pass	\$ 3.00	\$ 3.00
Admission is free for children under the age of 2 years.		
Float & Fireworks		\$ 3.00
Paws in the Pool		\$ 3.00
Season Rates-Maximum per season pass is six (6) members		
Schertz Residents		
Individual rate	\$ 40.00	\$ 40.00
2 member rate	\$ 50.00	\$ 50.00
3 member rate	\$ 60.00	\$ 60.00
4 member rate	\$ 70.00	\$ 70.00
5 member rate	\$ 80.00	\$ 80.00
6 member rate	\$ 90.00	\$ 90.00
Non-Schertz Residents		
Individual rate	\$ 70.00	\$ 70.00
2 member rate	\$ 80.00	\$ 80.00
3 member rate	\$ 90.00	\$ 90.00
4 member rate	\$ 100.00	\$ 100.00
5 member rate	\$ 110.00	\$ 110.00
6 member rate	\$ 120.00	\$ 120.00
Regular Preschool/Child Care Center		
Teacher/Child Care Attendant and 5 students per pass.		
In City	\$ 80.00	\$ 80.00
Out of City	\$ 120.00	\$ 120.00

****THESE RATES NOW SET BY CONTRACTOR****

**City of Schertz
Schedule of Fees**

Parks and Recreation	2021-22	2022-23
Swimming lessons rate		
Schertz Residents - per child	**	**
Non- Residents - per child	**	**
<u>Pool Reservations</u>		
Schertz Residents		
1 to 50 People	**	**
51 to 100 People	**	**
101 to 150 People	**	**
151 to 200 People	**	**
201 to 250 People	**	**
251 to 293 People	**	**
Non-Residents		
1 to 50 People	**	**
51 to 100 People	**	**
101 to 150 People	**	**
151 to 200 People	**	**
201 to 250 People	**	**
251 to 293 People	**	**
<u>Northcliffe Pool</u>		
Schertz Residents		
1 to 50 People (2 hours maximum)	**	**
50 to 100 People (2 hours maximum)	**	**
Non-Residents		
1 to 50 People (2 hours maximum)	**	**
50 to 100 People (2 hours maximum)	**	**
THESE RATES NOW SET BY CONTRACTOR		
Veteran's Memorial Plaza Pavers		
Per Paver		\$ 75.00
Senior Center Membership		
Per Person		\$ 36.00
Per Couple		\$ 65.00

**City of Schertz
Schedule of Fees**

Animal Services	2021-22	2022-23
Animal Adoption		
Dog	\$ 60.00	\$ 60.00
Cat	\$ 35.00	\$ 35.00
Adoption pricing may be discounted for adoption events or during special promotions		
Permits - A permit shall be issue after payment of application fee:		
Kennel authorized to house 10 or less dogs or cats	\$ 75.00	\$ 75.00
Kennel authorized to house more than 10 but less than 50	\$ 150.00	\$ 150.00
Kennel authorized to house 50 or more	\$ 200.00	\$ 200.00
Pet Shop	\$ 100.00	\$ 100.00
Grooming Shop	\$ 30.00	\$ 30.00
Commercial Riding Stable 10 or less	\$ 75.00	\$ 75.00
Commercial Riding Stable 11-50	\$ 150.00	\$ 150.00
Commercial Riding Stable 51 or more	\$ 200.00	\$ 200.00
Annual Crescent Bend Riding Permit, per horse	\$ 100.00	\$ 100.00
Auction	\$ 100.00	\$ 100.00
Zoological Park	\$ 200.00	\$ 200.00
Animal Exhibition/Circus/Petting Zoo	\$ 100.00	\$ 100.00
Guard Dog Training Center	\$ 200.00	\$ 200.00
Obedience Training Center	\$ 50.00	\$ 50.00
Commercial Establishment Using a Guard Dog	\$ 75.00	\$ 75.00
Commercial Annual Sellers Permit	\$ 150.00	\$ 150.00
Dangerous Dog Permit	\$ 200.00	\$ 200.00
Temporary Permit* - not to exceed 7 days	\$ 15.00	\$ 15.00
*Good for Crescent Bend Riding (per horse), Animal Exhibition/Circus/Petting Zoo, and Auction Permits		
Temporary Animal Sales Permit (Pet Expos), not to exceed 3 days	\$ 30.00	\$ 30.00
Impoundment Fee: An impoundment fee must be paid for each captured animal		
Dog/Cat Impoundment		
Within a 1 year period		
1st Offense		
Neutered	\$ 30.00	\$ 30.00
Un-neutered	\$ 45.00	\$ 45.00
2nd Offense		
Neutered	\$ 50.00	\$ 50.00
Un-neutered	\$ 70.00	\$ 70.00
3rd Offense		
Neutered	\$ 100.00	\$ 100.00
Un-neutered	\$ 120.00	\$ 120.00
4th Offense		
Neutered	\$ 150.00	\$ 150.00
Un-neutered	\$ 170.00	\$ 170.00
Each Additional Offense		
Base- Neutered	\$ 150.00	\$ 150.00
Base- Un-neutered	\$ 170.00	\$ 170.00
Per Additional Offense	\$ 50.00	\$ 50.00
Fowl or other small animal	\$ 30.00	\$ 30.00
Livestock	\$ 75.00	\$ 75.00
Zoological/Circus animal	\$ 200.00	\$ 200.00

**City of Schertz
Schedule of Fees**

Animal Services	2021-22	2022-23
Boarding Fee: A boarding fee must be paid for each animal		
Dog/Cat, per day	\$ 15.00	\$ 15.00
Fowl or other small animal, per day	\$ 10.00	\$ 10.00
Reptile, per day	\$ 30.00	\$ 30.00
Livestock, per day	\$ 50.00	\$ 50.00
Zoological/Circus animal, per day	\$ 200.00	\$ 200.00
Surrender Fee: Charge per animal with proof of Schertz residency		
Fowl/Reptile/Small Animal	\$ 10.00	\$ 10.00
Dog/Cat neutered/spayed /current rabies cert./heartworm negative	\$ 35.00	\$ 35.00
Dog/Cat all other surrenders	\$ 65.00	\$ 65.00
Small Livestock	\$ 50.00	\$ 50.00
Large Livestock	\$ 100.00	\$ 100.00
Zoological or Circus	\$ 200.00	\$ 200.00
Litter Fee (3 or more animals under 2 months old)	\$ 75.00	\$ 75.00
Quarantine Fee:		
Dog/Cat	\$ 50.00	\$ 50.00
Plus Daily Charge per animal for boarding	\$ 15.00	\$ 15.00
Micro Chipping	\$ 15.00	\$ 15.00
Trap Rental Fee:		
Trap Deposit, refundable when trap is returned	\$ 75.00	\$ 75.00
Trap Rental Fee, per day	\$ 5.00	\$ 5.00

**City of Schertz
Schedule of Fees**

Neighborhood Service	2021-22	2022-23
Health and Sanitation Division		
Food Establishment Fees:		
Non-Profit Organizations (regardless of number of employees)	\$ 100.00	\$ 100.00
1-3 Employees	\$ 150.00	\$ 150.00
4-6 Employees	\$ 285.00	\$ 285.00
7-10 Employees	\$ 540.00	\$ 540.00
11-20 Employees	\$ 575.00	\$ 575.00
21+ Employees	\$ 725.00	\$ 725.00
Temporary Food and/or Beverage Establishment	\$ 50.00	\$ 50.00
Mobile Vendors	\$ 100.00	\$ 100.00
Mobile Vendors, registration (existing permit from another government agency)	\$ 25.00	\$ 25.00
Public and HOA Swimming Pool License	\$ 110.00	\$ 110.00
Foster Care	\$ 50.00	\$ 50.00
Re-inspection fees	\$ 75.00	\$ 75.00
* City Code Violation Court Fee	\$ 10.00	\$ 10.00
Nuisance Abatement Administrative Fee	\$ 100.00	
First abatement		\$100.00
Second abatement		\$200.00
Third and subsequent abatements		\$500.00
*Any citation issued by individuals defined in Section 22-40 (Authority to issue notice of violations), shall be able to collect a dismissal fee from an individual who abates such violation upon their court appearance. Judge Stephen Takas suggested that we charge a dismissal fee to remedy some of the expenses incurred from the issuance of such citation.		
Sanitation Inspection Fees - Outside of City		
Hourly Charge, one hour minimum	\$ 50.00	\$ 50.00
Mileage over 15 miles, per mile	\$ 5.00	\$ 5.00
Administrative Fee	15%	15%

**City of Schertz
Schedule of Fees**

Police Department	2021-22	2022-23
Alarm Permit Fees		
Residential - Annually	\$ 10.00	\$ 10.00
Tier 1 Commercial	\$ 25.00	\$ 25.00
Tier 2 Commercial site alarm system required under local, state or national code	\$ 50.00	\$ 50.00
Alarm Service Fees: Other than Burglar Alarms		
4TH False Alarm within 12 Mo. Period	\$ 100.00	\$ 100.00
5TH False Alarm within 12 Mo. Period	\$ 150.00	\$ 150.00
6TH False Alarm within 12 Mo. Period	\$ 200.00	\$ 200.00
7TH False Alarm within 12 Mo. Period	\$ 250.00	\$ 250.00
8TH False Alarm within 12 Mo. Period	\$ 500.00	\$ 500.00
Others After 8TH within 12 Mo. Period	\$ 500.00	\$ 500.00
Burglar Alarm Service Fees:		
4TH False Alarm within 12 Mo. Period	\$ 50.00	\$ 50.00
5TH False Alarm within 12 Mo. Period	\$ 50.00	\$ 50.00
6TH False Alarm within 12 Mo. Period	\$ 75.00	\$ 75.00
7TH False Alarm within 12 Mo. Period	\$ 75.00	\$ 75.00
8TH False Alarm within 12 Mo. Period	\$ 100.00	\$ 100.00
Others After 8TH within 12 Mo. Period	\$ 100.00	\$ 100.00
Miscellaneous Fees		
Accident Reports, each	\$ 6.00	\$ 6.00
Fingerprints, per set	\$ 10.00	\$ 10.00
Solicitor/Peddler Permit	\$ 50.00	\$ 50.00
Background Check Fee	\$ 10.00	\$ 10.00
BODY CAM VIDEO (\$1.00 per minute +\$10.00)	\$ 10.00	\$ 10.00

**City of Schertz
Schedule of Fees**

Fire Department and Haz-Mat Fees	2021-22	2022-23
Permit Fee Schedule		
Certificate of Occupancy - Inspections	\$ 50.00	\$ 50.00
License Inspections	\$ 50.00	\$ 50.00
Base Fire Suppression System Installation	\$ 100.00	\$ 100.00
Additional installation charge, per sprinkler head	\$ 1.00	\$ 1.00
Base Fire Alarms Installation	\$ 100.00	\$ 100.00
Additional installation charge, per initiating or notification device	\$ 1.00	\$ 1.00
Re-Inspection	\$ 45.00	\$ 45.00
Smoke Control System Plan (for each review)	\$ 75.00	\$ 75.00
Flammable or combustible liquid tanks, each review	\$ 25.00	\$ -
Flammable or combustible gas tanks, each review	\$ 150.00	\$ -
After hours fee, per hour per inspector (beyond the hours of 8:00 a.m. to 5:00 p.m.)	\$ 75.00	\$ 75.00
Plan Review Fees, construction per hour	\$ 75.00	\$ 75.00
Plan Review Rush, Outsource - Sent out by Fire Marshal	Cost	Cost
SFR After Hours Plan Review Rush (per hour, 2 hour minimum)	\$ 75.00	\$ 75.00
Fireworks display permit	\$ 250.00	\$ 250.00
Operational Permits		
Open or Control Burn - Commercial	\$ 150.00	\$ 150.00
Open or Control Burn - Non-commercial	\$ 25.00	\$ 25.00
Tents	\$ 50.00	\$ 50.00
Cutting and Welding	\$ 50.00	\$ 50.00
Explosives	\$ 50.00	\$ 50.00
Flammable Storage	\$ 50.00	\$ 50.00
Carnivals and Fairs	\$ 50.00	\$ 50.00
Food Booth (per booth, per event)	\$ 25.00	\$ 25.00
Mobile Food Establishments (annual)	\$ 25.00	\$ 25.00
Battery Systems	\$ 50.00	\$ 50.00
Combustible Dust Product Options	\$ 50.00	\$ 50.00
Cryogenic Fluids	\$ 50.00	\$ 50.00
Haz-mat	\$ 50.00	\$ 50.00
Lumberyards	\$ 50.00	\$ 50.00
Spraying and Dipping	\$ 50.00	\$ 50.00
Storage of Tires	\$ 50.00	\$ 50.00
Operation Charges		
<i>Hazardous materials operations service fees.</i>		
The current replacement cost shall be charged for the use of consumable haz-mat supplies and firefighting agents	ACTUAL	ACTUAL
If any protective equipment or firefighting equipment is damaged or contaminated, the current replacement cost shall be charged.	ACTUAL	ACTUAL
Personnel cost will be calculated at the rate for the responding crew members.	ACTUAL	ACTUAL
Fire Watch Fee, cost based on weighted salary of dispatched employee	ACTUAL	ACTUAL

**City of Schertz
Schedule of Fees**

EMS	2021-22	2022-23
Response Services		
Aid Call	\$ 200.00	\$ 200.00
Air Medical Assist Call	\$ 700.00	\$ 700.00
BLS Non- Emergency	\$1,090.00	\$ 1,090.00
BLS Emergency	\$1,210.00	\$ 1,210.00
ALS Non Emergency	\$1,230.00	\$ 1,230.00
ALS Emergency No Specialty Care	\$1,440.00	\$ 1,440.00
ALS Emergency W \ Specialty Care	\$1,600.00	\$ 1,600.00
Mileage, per mile	\$ 20.00	\$ 22.00
Other Services		
Ambulance Standby, per hour	\$ 125.00	\$ 125.00
Gator Standby, per hour	\$ 95.00	\$ 95.00
AED Supplies	Actual	Actual
CPR Class and Supplies	Actual	Actual
System Continuing Education	Actual	Actual
Vaccinations	Actual	Actual
EMT Class	\$1,100.00	\$ 1,100.00
Passport to Care - Single (insured)	\$ 50.00	\$ 50.00
Passport to Care - Family (insured)	\$ 60.00	\$ 60.00
Passport to Care - Single (Not insured)	\$ 65.00	\$ 65.00
Passport to Care - Family (Not insured)	\$ 75.00	\$ 75.00
Per Capita	\$ 15.79	\$ 16.10

**City of Schertz
Schedule of Fees**

Planning and Zoning	2021-22	2022-23
Plat recording service:		
Fees assessed are due prior to recording:		
Plat recording fee is equal to the fee charged by the County Clerks Office		
Annexation Petition by Property Owner - Plus all related fees	\$ 750.00	\$ 750.00
Zone Change		
Zone change for 0 to 2 acres	\$ 650.00	\$ 650.00
Zone change for 2+ to 5 acres	\$1,000.00	\$1,000.00
Zone change for 5+ to 20 acres	\$2,000.00	\$2,000.00
Zone change for 20+ to 50 acres	\$3,500.00	\$3,500.00
Zone change for 50+ to 100 acres	\$4,000.00	\$4,000.00
Zone change for 100+ acres	\$6,000.00	\$6,000.00
Specific Use Permit (SUP) - plus other applicable items (i.e. Site Plan)		
Specific Use Permit (SUP) for 0 to 2 acres	\$ 650.00	\$ 650.00
Specific Use Permit (SUP) for 2+ to 5 acres	\$ 1,000.00	\$ 1,000.00
Specific Use Permit (SUP) for 5+ to 20 acres	\$ 2,000.00	\$ 2,000.00
Specific Use Permit (SUP) for 20+ to 50 acres	\$ 3,500.00	\$ 3,500.00
Specific Use Permit (SUP) for 50+ to 100 acres	\$ 4,000.00	\$ 4,000.00
Specific Use Permit (SUP) for 100+ acres	\$ 6,000.00	\$ 6,000.00
Building addition of a current/legal SUP	\$ 500.00	\$ 500.00
Master Development Plan		
All phased developments and PDD's	\$ 1,500.00	\$ 1,500.00
Master Development Plan Amendment (minor revision)	\$ 500.00	\$ 500.00
Preliminary Plat		
0 to 50 acres	\$ 2,000.00	\$ 2,000.00
greater than 50 acres	\$ 3,000.00	\$ 3,000.00
Final Record Plat or Re-plat		
0 to 50 acres	\$ 1,500.00	\$ 1,500.00
greater than 50 acres	\$ 2,000.00	\$ 2,000.00
Revised Final Plat (minor)	\$ 500.00	\$ 500.00
Amended Plat	\$ 1,500.00	\$ 1,500.00
Minor Plat	\$ 1,500.00	\$ 1,500.00
Vacate Plat	\$ 1,500.00	\$ 1,500.00
Plat Time Extension - plus all related fees	\$ 250.00	\$ 250.00
Street and Subdivision Name Changes	\$ 1,500.00	\$ 1,500.00

**City of Schertz
Schedule of Fees**

Planning and Zoning	2021-22	2022-23
Site Plan	\$ 1,500.00	\$ 1,500.00
Amended Site Plan (minor)	\$ 500.00	\$ 500.00
Park Fees - Residential		
Land Dedication: one (1) acre per 100 dwelling unit		
Fee in Lieu of Land Dedication: per dwelling unit	\$ 350.00	\$ 350.00
Park Development Fee: Per Dwelling unit	\$ 650.00	\$ 650.00
Park Fees - Multi-Family		
Land Dedication: one (1) acre per 100 dwelling unit		
Fee in Lieu of Land Dedication; per dwelling unit:	\$ 350.00	\$ 350.00
Park Development Fee: Per Dwelling unit	\$ 650.00	\$ 650.00
Miscellaneous		
Tree Mitigation, inch of DBH - Plus all related fees	\$ 100.00	\$ 100.00
Legal Review (i.e. Improvement Agreements)	Actual	Actual
Zoning Verification Letter - Single tract of land per Tract	\$ 150.00	\$ 150.00
Certificate of Determination - Single Tract of Land per Tract	\$ 150.00	\$ 150.00
Postponement of any Public Hearing by the Applicant	\$ 350.00	\$ 350.00
Appeals and requests for amendments Considered by City Council, the Planning & Zoning Commission, the Building and Standards Commission, or the Board of Adjustment as allowed by the Unified Development Code, to include requested amendments to the Comprehensive Land Use Plan	\$ 500.00	\$ 500.00
Variance and/or Waivers		
Unified Development Code, ea.	\$ 500.00	\$ 500.00
Building Code, ea.	\$ 500.00	\$ 500.00
Driveway width waiver requests will not be assessed with the waiver fee		
Copies, Plans, and Maps:		
Unified Development Code	\$ 50.00	\$ 50.00
Public Works Specification Manual	\$ 50.00	\$ 50.00
Staff Review - Application completeness review, internal SDR (staff) review & meeting with applicant to review application package. Fee included in all applications.		

**City of Schertz
Schedule of Fees**

Inspections		2021-22	2022-23
Residential Building Permit Fees			
Minimum permit fee		\$ 50.00	\$ 50.00
New Single Family Residential (one & two family dwellings)	per square foot	\$ 0.50	\$ 0.50
New Accessory structures	per square foot	\$ 0.50	\$ 0.50
Flatwork/Deck		\$ 100.00	\$ 100.00
Patio/Patio Cover		\$ 225.00	\$ 225.00
Roof Replacement		\$ 200.00	\$ 200.00
Window Replacement		\$ 150.00	\$ 150.00
Foundation Repair		\$ 225.00	\$ 225.00
No plan check fee applies to residential flatwork/deck permits			
A building permit is required for swimming pools greater than 24 inches (24") in depth.			
Swimming Pools - In ground		\$ 500.00	\$ 500.00
Swimming Pools - Above Ground (where a permit is required)		\$ 25.00	\$ 25.00
No permit required for prefabricated pools less than 24"			
A residential plan review fee of 50% of the building permit fee is assessed to all permits for the review of construction documents and plans associated with a permit.			
		50%	50%
See trade permit fees associated with residential permits below.			
Commercial Building Permit Fees			
Building Permit Fees			
New Construction - Commercial (see Cost table below)		Cost	Cost
Plan review fees for projects with a cost of \$5,000 or greater, are assessed review fees based on a percentage (%) of Permit Fee			
		50%	50%
Permit Fees:			
Cost of Construction (Cost)			
\$0.00 to \$1,000.00		\$ 50.00	\$ 50.00
\$1,001.00 to \$15,000.00, for each additional \$1,000 and fraction thereof		\$ 8.00	\$ 8.00
\$15,001.00 to \$50,000.00, for each additional \$1,000 and fraction thereof		\$ 7.00	\$ 7.00
\$50,001 and up, for each additional \$1,000 and fraction thereof		\$ 6.00	\$ 6.00
Following Use The Cost of Construction (Cost) Table above:			
Non - residential Flatwork/Deck		Cost	Cost
Non - residential Accessory Buildings		Cost	Cost
Non - residential Patio/Patio Cover		Cost	Cost
Non - residential Roof Replacement		Cost	Cost
Non - residential Window Replacement		Cost	Cost
Non - residential Swimming Pools in Ground		Cost	Cost
Non - residential Foundation Repair		Cost	Cost
Sign		Cost	Cost

**City of Schertz
Schedule of Fees**

Inspections	2021-22	2022-23
All other permit fees (Residential & Commercial):		
Fence (New and Replacement)	\$ 50.00	\$ 50.00
Siding/Fascia	\$ 75.00	\$ 75.00
Temporary Building or Structure	\$ 50.00	\$ 50.00
Moving Permit Fee	\$ 100.00	\$ 100.00
Demolition Permit Fee	\$ 60.00	\$ 60.00
Mobile Home Permit Fee (plus sub-trades as necessary)	\$ 25.00	\$ 25.00
Certificate of Occupancy	\$ 50.00	\$ 50.00
Pre Certificate of Occupancy Inspection	\$ 200.00	\$ 200.00
Failure to Obtain Certificate of Occupancy	\$ 200.00	\$ 200.00
Compliance Inspection, each trade	\$ 50.00	\$ 50.00
Temporary Sign	\$ 30.00	\$ 30.00
Development Sign	\$ 100.00	\$ 100.00
Banner	\$ 25.00	\$ 25.00
Street Span Banner	\$ 25.00	\$ 25.00
Home Occupation Permit (annually)	\$ 35.00	\$ 35.00
Construction beginning without permit, pay additional:	\$ 200.00	\$ 200.00
Failure to Request Inspection, per trade	\$ 100.00	\$ 100.00
Failure to Obtain Contractors License/Provide Insurance	\$ 100.00	\$ 100.00
Electrical Permit Fees		
Electrical Repair/Replacement	\$ 60.00	\$ 60.00
New Construction per building/unit	\$ 100.00	\$ 100.00
Solar	\$100.00	\$100.00
Mechanical Permit Fees		
Mechanical Repair/Replacement	\$ 60.00	\$ 60.00
New Construction per building/unit	\$ 100.00	\$ 100.00
Plumbing Permit Fees		
Plumbing Repair/Replacement	\$ 60.00	\$ 60.00
New Construction per building/unit	\$ 100.00	\$ 100.00
Irrigation Permit Fees		
Permit Fee	\$ 60.00	\$ 60.00
plus per sprinkler head	\$ 1.00	\$ 1.00
plus per backflow or RPZ	\$ 3.00	\$ 3.00
subsequent to the installation of the piping or equipment served, each		

**City of Schertz
Schedule of Fees**

Inspections	2021-22	2022-23
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Re-Inspection Fees

Each re-inspection, per trade	\$ 75.00	\$ 75.00
Re-inspections after first, per trade	\$ 100.00	\$150.00
Re-inspections after second and all subsequent, per trade		\$500.00

No permit fees will be charged for sites located on Main St. (All departments)

No permit fees will be charged to the Schertz Housing Authority (All departments)

Licenses/Registrations:

~~General Contractor (Initial)~~

General Contractor (Initial and Renewal)	\$ 100.00	\$ 100.00
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Master Electrician (Initial) State of Texas Issued	N/C	N/C
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~~Journeyman Electrician (Annually) State of Texas Issued~~

	N/C	N/C
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Apprentice/Wireman Electrician (Annually) State of Texas Issued	N/C	N/C
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Electrical Contractor (Annually) State of Texas Issued	N/C	N/C
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Mechanical Contractor (Annually) State of Texas Issued	N/C	N/C
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Plumbing Contractor (Annually)* State of Texas Issued	N/C	N/C
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Irrigation (Annually) State of Texas Issued	N/C	N/C
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Backflow Tester - State of Texas Issued	N/C	N/C
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Sign Contractor (Initial)	N/C	N/C
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Sign Contractor (Renewal)	\$ 50.00	\$ 50.00
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Electrical Sign Contractor (Initial) State of Texas Issued	\$ 40.00	\$ 40.00
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Electric Sign Journeyman Electrician (Annually) State of Texas Issued	N/C	N/C
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Electric Sign Apprentice/Wireman Electrician (Annually) State of Texas Issued	N/C	N/C
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Utility Contractor (Annually)	N/C	N/C
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Mobile Home Park (Annually)	\$ 50.00	\$ 50.00
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	\$ 40.00	\$ 40.00
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*N/C - No Charge for license per state law

Miscellaneous Fees

~~Inspections Division shall establish a fee consistent with the level of work and necessary inspections established by the schedule and the applicant shall be advised accordingly.~~

**City of Schertz
Schedule of Fees**

Engineering	2021-22	2022-23
Grading and Clearing Permit - Acreage		
For non-agricultural purposes		
Below 5 acres	\$ 100.00	\$ 100.00
5 to 20 acres	\$ 250.00	\$ 250.00
Per acre over 20, plus base charge for 20 acres	\$ 3.00	\$ 3.00
Over 100 acres	\$ 490.00	\$ 490.00
Development Permit		
% of total valuation of public infrastructure improvements	1%	1%
Reinspection Fee	\$ 50.00	\$ 50.00

Grading and Clearing Permit Fees are waived for applicants representing Home Owner's Associations proposing maintenance activities in drainage easements.

**City of Schertz
Schedule of Fees**

Drainage Fees	2021-22	2022-23
Charge Per Residence	\$ 5.20	\$ 5.20
Commercial, per LUE	\$ 5.20	\$ 5.20
Floodplain Permit, Residential	\$ 50.00	\$ 50.00
Floodplain Permit, Commercial	\$ 150.00	\$ 150.00

**City of Schertz
Schedule of Fees**

Public Works - Streets	2021-22	2022-23
Chipping charges, per half hour	\$ 40.00	\$ 40.00
Garbage Collection Fees	2021-22	2022-23
Residential:		
Zone I: Once a week pick up		
One 96 gallon cart provided by franchisee, per month	\$ 12.41	\$ 12.41
Residents request 2 carts total:	\$ 18.59	\$ 18.59
Resident requests 3 carts total:	\$ 24.80	\$ 24.80
Resident requests 4 carts total:	\$ 30.99	\$ 30.99
Recycling Fee, per month/container	\$ 2.05	\$ 2.05
Zone 2: Single Family, twice per week pick up, per month, no cart provided	\$ 12.41	\$ 12.41
Recycling Fee, per month/container	\$ 2.05	\$ 2.05
Front Porch Pick Up	\$ 18.11	\$ 18.11
Recycling Fee, per month/container	\$ 2.05	\$ 2.05
Special Pickup:		
Move Ins, Special Tree Trimmings, oversize materials, & similar circumstances; minimum	\$ 17.29	\$ 17.29
Class II: Mobile Home Parks		
Mobile Home Parks (2 or more mobile homes) (based on number in park on the 15th day of the month), per unit/monthly	\$ 9.90	\$ 9.90
Class III: Apartments		
per unit/monthly	\$ 9.90	\$ 9.90
Class IV: Motels		
per unit/monthly	\$ 4.37	\$ 4.37
2. Commercial		
Class V:		
Offices, barber shops and Professional services, per month	\$ 15.70	\$ 15.70
Class VI:		
Light retail, wholesale, commercial or industrial, 2000 to 4000 square feet and excluding large grocery stores, etc., per month	\$ 27.08	\$ 27.08
Class VII:		
Medium retail, wholesale commercial or industrial (2000 to 4000 square feet and exclude large grocery store, etc.), per month	\$ 39.34	\$ 39.34
2 Cart, 1 pickup per week	\$ 40.61	\$ 40.61

**City of Schertz
Schedule of Fees**

Garbage Collection Fees	2021-22	2022-23
Class VIII:		
Heavy Volume retail wholesale, commercial, or industrial (placement determined by a time and cost study of refuse generation and collection. The categories in this class usually require hand loading from rooms or pens and would not apply when commercial containers are used.)		
A. Two weekly pickups of 1.5 cubic yard containers, excluding large grocery, furniture or department stores, per month	\$ 69.89	\$ 69.89
B. Two weekly pickups of 3 cu. Yard containers, excluding large grocery, furniture or department stores, etc., per month	\$ 139.77	\$ 139.77
C. Three weekly pickups of 3 cu. Yard containers, excluding large grocery, furniture or department stores, etc., per month	\$ 218.41	\$ 218.41
D. Four weekly pickups of 4 cu. Yard containers, including large grocery, furniture or department stores, etc., per month	\$ 262.05	\$ 262.05
E. Five weekly pickups of 4 cu. Yard containers, including large grocery, furniture or department stores, etc., per month	\$ 349.42	\$ 349.42
F. Six weekly pickups of 4 cu. Yard containers, including large grocery, furniture or department stores, etc., per month	\$ 436.84	\$ 436.84
G. Customer requiring more than four (4) cu. Yds each pickup would be charged per cu. Yds. Collected., per yard	\$ 4.84	\$ 4.84

**City of Schertz
Schedule of Fees**

Garbage Collection Fees				2021-22	2022-23	
3. Commercial Containers.						
CONTRACTOR will provide commercial containers to those customers who desire to use them in lieu of garbage cans. The use of such CONTRACTOR provided containers is required by this contract. Rates for containers and pickup will be based on the following table:						
Container Size:	Frequency of Pickup					
<u>2017-18 through 2021-22</u>	1	2	3	4	5	6
2 cu. Yard	\$ 59.45	\$ 101.23	\$ 122.28	\$ 139.79	\$ 157.26	\$ 174.72
3 cu. Yard	\$ 71.65	\$ 129.26	\$ 178.23	\$ 204.38	\$ 230.63	\$ 256.82
4 cu. Yard	\$ 89.06	\$ 153.79	\$ 209.65	\$ 253.32	\$ 297.04	\$ 340.71
6 cu. Yard	\$ 125.84	\$ 209.65	\$ 288.30	\$ 366.95	\$ 445.49	\$ 524.14
8 cu. Yard	\$ 148.53	\$ 270.81	\$ 375.60	\$ 480.46	\$ 586.04	\$ 690.14
10 cu. Yard	\$ 171.19	\$ 314.45	\$ 445.49	\$ 559.12	\$ 672.64	\$ 786.19
Commercial Recycle Hauling Permit					\$2,500.00	\$2,500.00

**City of Schertz
Schedule of Fees**

Garbage Collection Fees	2021-22	2022-23
4. Roll-Off Rates Per Pull Open Top Containers - Dry Material		
20 cu. Yard	\$ 323.20	\$ 323.20
30 cu. Yard	\$ 384.34	\$ 384.34
40 cu. Yard	\$ 445.49	\$ 445.49
Roll-off Rental (no pulls within billing cycle) per container per month	\$ 133.65	\$ 133.65
 Collection and Disposal of Municipal Wastes		
5. Wet Material Rates on Compactor containers or open top containers with wet material must be negotiated with customers at the time they are needed. This type of waste must be hauled to a Type I landfill which generally has a higher disposal rate attached to it.		
Roll-off Container Delivery Charge per container	\$ 38.95	\$ 38.95
Roll-off Relocation or Trip Charge per container	\$ 38.95	\$ 38.95
2 cu. Yard compactor, per month (2 services per week)	\$ 230.27	\$ 230.27
Extra pick ups (2 yard compactor), each	\$ 87.31	\$ 87.31
4 cu. Yard compactor, per month (2 services per week)	\$ 474.39	\$ 474.39
30 cu yard Compactor, per pull	\$ 585.30	\$ 585.30
40 cu yard Compactor, per pull	\$ 695.37	\$ 695.37
30 cu yard Open-top (Recycle), per pull	\$ 218.27	\$ 218.27
 Front-Load container extra pick-up charges		
2 cu yard	\$ 29.70	\$ 29.70
3 cu yard	\$ 37.12	\$ 37.12
4 cu yard	\$ 44.56	\$ 44.56
6 cu yard	\$ 51.98	\$ 51.98
8 cu yard	\$ 59.41	\$ 59.41
10 cu yard	\$ 66.82	\$ 66.82
 OVER WEIGHT CHARGE	 \$ 29.79	 \$ 29.79

To address non standard requests, the solid waste contractor can negotiate a fee with the customer requesting the service. The City will collect 15% of the negotiated fee per the franchise agreement.

**City of Schertz
Schedule of Fees**

Business Office	2021-22	2022-23
Water Deposit		
In City	\$ 125.00	\$ 125.00
Out of City	\$ 150.00	\$ 150.00
Commercial	\$ 100.00	\$ 100.00
or 2.5 times estimated monthly billing	2.5x	2.5x
 Disconnect Fee	 \$ 20.00	 \$ 20.00
 Extension Fee	 \$ 5.00	 \$ 5.00
2 free extensions		
 Transfer Fee	 \$ 10.00	 \$ 10.00
 Garbage Deposit		
Residential	\$ 25.00	\$ 25.00
Commercial	\$ 100.00	\$ 100.00
or 2 1/2 times estimated monthly billing	2.5x	2.5x
 Meter Flow Test		
After Hours Disconnect/Reconnect	\$ 50.00	\$ 50.00
City Field Test	\$ 10.00	\$ 10.00
City Meter Bench Flow Test	\$ 25.00	\$ 25.00
 Schertz Seguin Water Customers	 \$ 4.00	 \$ 4.00
Non-Schertz Seguin Customer	\$ 15.00	\$ 15.00
 Extended Absence Charge	 \$ 10.00	 \$ 10.00
 Re-Installation Fee, per hour	 \$ 50.00	 \$ 50.00
 Fire Hydrant Fee		
Deposit	\$ 200.00	\$ 200.00
Service Fee	\$ 50.00	\$ 50.00

**City of Schertz
Schedule of Fees**

Public Works	2021-22	2022-23
Permit Fees - If tie into manhole or street cut	\$ 25.00	\$ 25.00
Fire Line Type Nos. 1 and 2 - (non-metered), in City		
4-inch service line connection or smaller	\$ 175.00	\$ 175.00
6 inch	\$ 235.00	\$ 235.00
8 inch	\$ 290.00	\$ 290.00
10 inch	\$ 340.00	\$ 340.00
12 inch	\$ 405.00	\$ 405.00
Fire Line - Outside City		
4-inch service line connection or smaller	\$ 225.00	\$ 225.00
6 inch	\$ 305.00	\$ 305.00
8 inch	\$ 375.00	\$ 375.00
10 inch	\$ 440.00	\$ 440.00
12 inch	\$ 525.00	\$ 525.00
Meter Installation Fees - Inside the City		
Meter Size		
5/8" X 3/4"	\$ 330.00	\$ 330.00
3/4" X 3/4"	\$ 345.00	\$ 345.00
1" X 1"	\$ 450.00	\$ 450.00
2" X 2"	\$ 1,940.00	\$ 1,940.00
*2" turbine	Cost + Labor	Cost + Labor
*3" Comp	Cost + Labor	Cost + Labor
*3" turbine	Cost + Labor	Cost + Labor
*4" Comp	Cost + Labor	Cost + Labor
*4" turbine	Cost + Labor	Cost + Labor

**City of Schertz
Schedule of Fees**

Public Works	2021-22	2022-23
Meter Installation Fees - Outside the City		
Meter Size		
5/8" X 3/4"	\$ 340.00	\$ 340.00
3/4" X 3/4"	\$ 355.00	\$ 355.00
1" X 1"	\$ 460.00	\$ 460.00
2" X 2"	\$ 1,950.00	\$ 1,950.00
*2" turbine	Cost + Labor	Cost + Labor
*3" Comp	Cost + Labor	Cost + Labor
*3" turbine	Cost + Labor	Cost + Labor
*4" Comp	Cost + Labor	Cost + Labor
*4" turbine	Cost + Labor	Cost + Labor
Fire Hydrant Meter for Construction		
Deposit (refundable)	\$ 200.00	\$ 200.00
Service Charge	\$ 50.00	\$ 50.00
Wholesale Water Distribution Rate		
Base Rate, per month		
3 Inch Compound Meter	\$ 315.28	\$ 315.28
3 Inch Turbine Meter	\$ 472.92	\$ 472.92
4 Inch Compound Meter	\$ 492.63	\$ 492.63
4 Inch Turbine Meter	\$ 827.62	\$ 827.62
6 Inch Compound Meter	\$ 985.26	\$ 985.26
6 Inch Turbine Meter	\$ 1,812.88	\$ 1,812.88
8 Inch Compound Meter	\$ 1,576.80	\$ 1,576.80
8 Inch Turbine Meter	\$ 3,153.60	\$ 3,153.60
10 Inch Compound Meter	\$ 2,266.65	\$ 2,266.65
10 Inch Turbine Meter	\$ 4,927.50	\$ 4,927.50
12 Inch Turbine Meter	\$ 6,504.30	\$ 6,504.30
Available by agreement to distributors with a self-maintained water distribution service, Military Bases, and for temporary use until reuse water is made available in a particular area.		
Network Nodes		
Application	\$ 500.00	\$ 500.00
Additional for each node over 5 on the application (up to 30)	\$ 100.00	\$ 100.00
Annual Public Right of Way	\$ 250.00	\$ 250.00
Node Support Pole Application Fee	\$ 1,000.00	\$ 1,000.00
Collaction Fee for Network Nodes on City Service Poles, per pole, per month	\$ 20.00	\$ 20.00
Transport Facilities		
Application	\$ 500.00	\$ 500.00
Additional for each node over 5 on the application (up to 30)	\$ 100.00	\$ 100.00
Rental Fee for Transport Facilities, per device per month	\$ 28.00	\$ 28.00
Annual Public Right of Way Fee	\$ 250.00	\$ 250.00
Permit Fees will be due at the time of the permit submission.		
Permit will not be accepted if the permit fee is not attached.		
Other fees will be assessed at the time of permit approval		

**City of Schertz
Schedule of Fees**

Capital Recovery Impact Fees			2021-22	2022-23
Meter Size	Meter Type	LUEs Water		
5/8"	SIMPLE	1.0	\$ 2,934	\$ 2,934
3/4"	SIMPLE	1.5	\$ 4,401	\$ 4,401
1"	SIMPLE	2.5	\$ 7,335	\$ 7,335
1.5"	SIMPLE	5.0	\$ 14,670	\$ 14,670
2"	SIMPLE	8.0	\$ 23,472	\$ 23,472
2"	COMPOUND	8.0	\$ 23,472	\$ 23,472
2"	TURBINE	10.0	\$ 29,340	\$ 29,340
3"	COMPOUND	16.0	\$ 46,944	\$ 46,944
3"	TURBINE	24.0	\$ 70,416	\$ 70,416
4"	COMPOUND	25.0	\$ 73,350	\$ 73,350
4"	TURBINE	42.0	\$ 123,228	\$ 123,228
6"	COMPOUND	50.0	\$ 146,700	\$ 146,700
6"	TURBINE	92.0	\$ 269,928	\$ 269,928
8"	COMPOUND	80.0	\$ 234,720	\$ 234,720
9"	TURBINE	160.0	\$ 469,440	\$ 469,440
10"	COMPOUND	115.0	\$ 337,410	\$ 337,410
10"	TURBINE	250.0	\$ 733,500	\$ 733,500
12"	TURBINE	330.0	\$ 968,220	\$ 968,220

SEWER COLLECTION IMPACT FEE

*Collection Impact Fee Per Living Unit Equivalent (LUE)	\$ 1,668	\$ 1,668
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*Sewer based on LUE: LUE = 245 gallons per day
These are only City of Schertz impact fees.

Other Utility Impact Fees

Treatment Impact Fee Per LUE:	\$ 1,800.00	\$ 1,800.00
Schertz Seguin Local Government Corporation (SSLGC)		

Meter Size	Meter Type			
5/8"	SIMPLE	1.0	\$ 1,607.24	\$ 1,607.24
3/4"	SIMPLE	1.5	\$ 2,410.86	\$ 2,410.86
1"	SIMPLE	2.5	\$ 4,018.10	\$ 4,018.10
1.5"	SIMPLE	5.0	\$ 8,036.20	\$ 8,036.20
2"	SIMPLE	8.0	\$ 12,857.92	\$ 12,857.92
2"	COMPOUND	8.0	\$ 12,857.92	\$ 12,857.92
2"	TURBINE	10.0	\$ 16,072.40	\$ 16,072.40
3"	COMPOUND	16.0	\$ 25,715.84	\$ 25,715.84
3"	TURBINE	24.0	\$ 38,573.76	\$ 38,573.76
4"	COMPOUND	25.0	\$ 40,181.00	\$ 40,181.00
4"	TURBINE	42.0	\$ 67,504.08	\$ 67,504.08
6"	COMPOUND	50.0	\$ 80,362.00	\$ 80,362.00
6"	TURBINE	92.0	\$147,866.08	\$147,866.08
8"	COMPOUND	80.0	\$128,579.20	\$128,579.20
9"	TURBINE	160.0	\$257,158.40	\$257,158.40
10"	COMPOUND	115.0	\$184,832.60	\$184,832.60
10"	TURBINE	250.0	\$401,810.00	\$401,810.00
12"	TURBINE	330.0	\$530,389.20	\$530,389.20

ROADWAY IMPACT FEE

Residential Home through 3/26/2021	\$ 2,696.00	\$ 2,696.00
Residential Home between 3/27/2021 and 3/26/2022	\$ 3,033.00	\$ 3,033.00
Residential Home after 3/26/2022	\$ 3,370.00	\$ 3,370.00
Nonresidential through 3/26/2021, per service unit*	\$ 100.00	\$ 100.00
Nonresidential after 3/26/2021, per service unit*	\$ 175.00	\$ 175.00

*The number of service units are based on the use of the property. A fee calculator is available on the City Website under the Engineering page

**City of Schertz
Schedule of Fees**

Sewer Rates	2021-22	2022-23
<u>Residential Rates (Single Family)</u>		
Base Rate-per month	\$ 14.43	15.01
Per 1,000 gal Charge, Per Month		
Per 1,000 gal charge Total- 12,000 gallons or less	\$ 4.75	4.94
greater than 12,000 gallons	\$ 10.79	11.33
<u>Business and Multi-family Dwelling Units:</u>		
Base Rate per month	\$ 18.15	18.88
The base rate shall be assessed in terms of connection equivalents which shall be as follows: the customer's previous 12 month water consumption as determined at the annual re-rating in February divided by 365, with the results of such division then divided by 245 gallons. The figure arrived at by the second division shall be the customer's "connection equivalent". Each business shall be assessed a base rate.		
Per 1,000 gal Charge, Per Month		
Per 1,000 gal charge Total- 12,000 gallons or less	\$ 4.87	5.06
greater than 12,000 gallons	\$ 10.89	11.33
<u>YMCA</u>		
Per 1,000 gal Charge, Per Month	\$ 3.20	3.33

**City of Schertz
Schedule of Fees**

Public Works - Water Rates Residential	2022-23
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GALLONS SOLD BY METER SIZE (RESIDENTIAL)

METER	BLOCK GALLONS	CURRENT BLOCK RATE	PROPOSED BLOCK RATE	CURRENT RATE 1000	PROPOSED RATE 1000
5/8 IN CODE 1	0	\$ 24.61	\$ 25.84	\$ 3.04	\$ 3.19
	6,000	\$ 42.85	\$ 44.98	\$ 3.40	\$ 3.57
	12,000	\$ 63.25	\$ 66.40	\$ 3.98	\$ 4.18
	18,000	\$ 87.13	\$ 91.48	\$ 4.86	\$ 5.10
	30,000	\$ 145.45	\$ 152.68	\$ 6.17	\$ 6.48
3/4 IN CODE 2	0	\$ 36.89	\$ 38.73	\$ 3.04	\$ 3.19
	6,000	\$ 55.13	\$ 57.87	\$ 3.40	\$ 3.57
	12,000	\$ 75.53	\$ 79.29	\$ 3.98	\$ 4.18
	18,000	\$ 99.41	\$ 104.37	\$ 4.86	\$ 5.10
	30,000	\$ 157.73	\$ 165.57	\$ 6.17	\$ 6.48
1.0 IN CODE 3	0	\$ 61.49	\$ 64.56	\$ 3.04	\$ 3.19
	6,000	\$ 79.73	\$ 83.70	\$ 3.40	\$ 3.57
	12,000	\$ 100.13	\$ 105.12	\$ 3.98	\$ 4.18
	18,000	\$ 124.01	\$ 130.20	\$ 4.86	\$ 5.10
	30,000	\$ 182.33	\$ 191.40	\$ 6.17	\$ 6.48
1 1/2 IN CODE 4	0	\$ 122.99	\$ 129.14	\$ 3.04	\$ 3.19
	6,000	\$ 141.23	\$ 148.28	\$ 3.40	\$ 3.57
	12,000	\$ 161.63	\$ 169.70	\$ 3.98	\$ 4.18
	18,000	\$ 185.51	\$ 194.78	\$ 4.86	\$ 5.10
	30,000	\$ 243.83	\$ 255.98	\$ 6.17	\$ 6.48
2 IN SIMPLE COMPOUND CODE 5	0	\$ 196.78	\$ 206.62	\$ 3.04	\$ 3.19
	6,000	\$ 215.02	\$ 225.76	\$ 3.40	\$ 3.57
	12,000	\$ 235.42	\$ 247.18	\$ 3.98	\$ 4.18
	18,000	\$ 259.30	\$ 272.26	\$ 4.86	\$ 5.10
	30,000	\$ 317.62	\$ 333.46	\$ 6.17	\$ 6.48
2IN TURBINE CODE 6	0	\$ 245.96	\$ 258.26	\$ 3.04	\$ 3.19
	6,000	\$ 264.20	\$ 277.40	\$ 3.40	\$ 3.57
	12,000	\$ 284.60	\$ 298.82	\$ 3.98	\$ 4.18
	18,000	\$ 308.48	\$ 323.90	\$ 4.86	\$ 5.10
	30,000	\$ 366.80	\$ 385.10	\$ 6.17	\$ 6.48

**City of Schertz
Schedule of Fees**

Public Works - Water Rates Residential	2022-23
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GALLONS SOLD BY METER SIZE (RESIDENTIAL)

METER	BLOCK GALLONS	CURRENT BLOCK RATE	PROPOSED BLOCK RATE	CURRENT RATE 1000	PROPOSED RATE 1000
3 IN COMPOUND CODE 7	0	\$ 393.55	\$ 413.23	\$ 3.04	\$ 3.19
	6,000	\$ 411.79	\$ 432.37	\$ 3.40	\$ 3.57
	12,000	\$ 432.19	\$ 453.79	\$ 3.98	\$ 4.18
	18,000	\$ 456.07	\$ 478.87	\$ 4.86	\$ 5.10
	30,000	\$ 514.39	\$ 540.07	\$ 6.17	\$ 6.48
3 IN TURBINE CODE 8	0	\$ 590.33	\$ 619.85	\$ 3.04	\$ 3.19
	6,000	\$ 608.57	\$ 638.99	\$ 3.40	\$ 3.57
	12,000	\$ 628.97	\$ 660.41	\$ 3.98	\$ 4.18
	18,000	\$ 652.85	\$ 685.49	\$ 4.86	\$ 5.10
	30,000	\$ 711.17	\$ 746.69	\$ 6.17	\$ 6.48
4 IN COMPOUND CODE 9	0	\$ 614.93	\$ 645.68	\$ 3.04	\$ 3.19
	6,000	\$ 633.17	\$ 664.82	\$ 3.40	\$ 3.57
	12,000	\$ 653.57	\$ 686.24	\$ 3.98	\$ 4.18
	18,000	\$ 677.45	\$ 711.32	\$ 4.86	\$ 5.10
	30,000	\$ 735.77	\$ 772.52	\$ 6.17	\$ 6.48
4 IN TURBINE CODE 10	0	\$ 1,033.08	\$ 1,084.73	\$ 3.04	\$ 3.19
	6,000	\$ 1,051.32	\$ 1,103.87	\$ 3.40	\$ 3.57
	12,000	\$ 1,071.72	\$ 1,125.29	\$ 3.98	\$ 4.18
	18,000	\$ 1,095.60	\$ 1,150.37	\$ 4.86	\$ 5.10
	30,000	\$ 1,153.92	\$ 1,211.57	\$ 6.17	\$ 6.48
6 IN COMPOUND CODE 11	0	\$ 1,229.86	\$ 1,291.35	\$ 3.04	\$ 3.19
	6,000	\$ 1,248.10	\$ 1,310.49	\$ 3.40	\$ 3.57
	12,000	\$ 1,268.50	\$ 1,331.91	\$ 3.98	\$ 4.18
	18,000	\$ 1,292.38	\$ 1,356.99	\$ 4.86	\$ 5.10
	30,000	\$ 1,350.70	\$ 1,418.19	\$ 6.17	\$ 6.48
6 IN TURBINE CODE 12	0	\$ 2,262.93	\$ 2,376.08	\$ 3.04	\$ 3.19
	6,000	\$ 2,281.17	\$ 2,395.22	\$ 3.40	\$ 3.57
	12,000	\$ 2,301.57	\$ 2,416.64	\$ 3.98	\$ 4.18
	18,000	\$ 2,325.45	\$ 2,441.72	\$ 4.86	\$ 5.10
	30,000	\$ 2,383.77	\$ 2,502.92	\$ 6.17	\$ 6.48
8 IN COMPOUND CODE 13	0	\$ 1,987.74	\$ 2,087.13	\$ 3.04	\$ 3.19
	6,000	\$ 2,005.98	\$ 2,106.27	\$ 3.40	\$ 3.57
	12,000	\$ 2,026.38	\$ 2,127.69	\$ 3.98	\$ 4.18
	18,000	\$ 2,050.26	\$ 2,152.77	\$ 4.86	\$ 5.10
	30,000	\$ 2,108.58	\$ 2,213.97	\$ 6.17	\$ 6.48

**City of Schertz
Schedule of Fees**

Public Works - Water Rates Residential	2022-23
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GALLONS SOLD BY METER SIZE (RESIDENTIAL)

METER	BLOCK GALLONS	CURRENT BLOCK RATE	PROPOSED BLOCK RATE	CURRENT RATE 1000	PROPOSED RATE 1000
8 IN TURBINE CODE 14	0	\$ 3,975.48	\$ 4,174.25	\$ 3.04	\$ 3.19
	6,000	\$ 3,993.72	\$ 4,193.39	\$ 3.40	\$ 3.57
	12,000	\$ 4,014.12	\$ 4,214.81	\$ 3.98	\$ 4.18
	18,000	\$ 4,038.00	\$ 4,239.89	\$ 4.86	\$ 5.10
	30,000	\$ 4,096.32	\$ 4,301.09	\$ 6.17	\$ 6.48
10 IN COMPOUND CODE 15	0	\$ 2,857.37	\$ 3,000.24	\$ 3.04	\$ 3.19
	6,000	\$ 2,875.61	\$ 3,019.38	\$ 3.40	\$ 3.57
	12,000	\$ 2,896.01	\$ 3,040.80	\$ 3.98	\$ 4.18
	18,000	\$ 2,919.89	\$ 3,065.88	\$ 4.86	\$ 5.10
	30,000	\$ 2,978.21	\$ 3,127.08	\$ 6.17	\$ 6.48
10 IN TURBINE CODE 16	0	\$ 6,211.67	\$ 6,522.25	\$ 3.04	\$ 3.19
	6,000	\$ 6,229.91	\$ 6,541.39	\$ 3.40	\$ 3.57
	12,000	\$ 6,250.31	\$ 6,562.81	\$ 3.98	\$ 4.18
	18,000	\$ 6,274.19	\$ 6,587.89	\$ 4.86	\$ 5.10
	30,000	\$ 6,332.51	\$ 6,649.09	\$ 6.17	\$ 6.48
12 IN TURBINE CODE 17	0	\$ 8,199.42	\$ 8,609.39	\$ 3.04	\$ 3.19
	6,000	\$ 8,217.66	\$ 8,628.53	\$ 3.40	\$ 3.57
	12,000	\$ 8,238.06	\$ 8,649.95	\$ 3.98	\$ 4.18
	18,000	\$ 8,261.94	\$ 8,675.03	\$ 4.86	\$ 5.10
	30,000	\$ 8,320.26	\$ 8,736.23	\$ 6.17	\$ 6.48

**City of Schertz
Schedule of Fees**

Public Works - Water Rates Commercial	2022-23
GALLONS SOLD BY METER SIZE (COMMERCIAL)	

METER	BLOCK GALLONS	CURRENT BLOCK RATE	PROPOSED BLOCK RATE	CURRENT RATE 1000	PROPOSED RATE 1000
5/8 IN CODE 1	0	\$ 24.61	\$ 25.84	\$ 3.04	\$ 3.19
	6,000	\$ 42.85	\$ 44.98	\$ 3.40	\$ 3.57
	12,000	\$ 63.25	\$ 66.40	\$ 3.98	\$ 4.18
	18,000	\$ 87.13	\$ 91.48	\$ 4.86	\$ 5.10
	30,000	\$ 145.45	\$ 152.68	\$ 6.17	\$ 6.48
3/4 IN CODE 2	0	\$ 36.89	\$ 38.73	\$ 3.04	\$ 3.19
	6,000	\$ 55.13	\$ 57.87	\$ 3.40	\$ 3.57
	12,000	\$ 75.53	\$ 79.29	\$ 3.98	\$ 4.18
	18,000	\$ 99.41	\$ 104.37	\$ 4.86	\$ 5.10
	30,000	\$ 157.73	\$ 165.57	\$ 6.17	\$ 6.48
1.0 IN CODE 3	0	\$ 61.49	\$ 64.56	\$ 3.04	\$ 3.19
	6,000	\$ 79.73	\$ 83.70	\$ 3.40	\$ 3.57
	12,000	\$ 100.13	\$ 105.12	\$ 3.98	\$ 4.18
	18,000	\$ 124.01	\$ 130.20	\$ 4.86	\$ 5.10
	30,000	\$ 182.33	\$ 191.40	\$ 6.17	\$ 6.48
1 1/2 IN CODE 4	0	\$ 122.99	\$ 129.14	\$ 3.04	\$ 3.19
	6,000	\$ 141.23	\$ 148.28	\$ 3.40	\$ 3.57
	12,000	\$ 161.63	\$ 169.70	\$ 3.98	\$ 4.18
	18,000	\$ 185.51	\$ 194.78	\$ 4.86	\$ 5.10
	30,000	\$ 243.83	\$ 255.98	\$ 6.17	\$ 6.48
2 IN SIMPLE COMPOUND CODE 5	0	\$ 196.78	\$ 206.62	\$ 3.04	\$ 3.19
	18,000	\$ 251.50	\$ 264.04	\$ 3.40	\$ 3.57
	36,000	\$ 312.70	\$ 328.30	\$ 3.98	\$ 4.18
	54,000	\$ 384.34	\$ 403.54	\$ 4.86	\$ 5.10
	90,000	\$ 559.30	\$ 587.14	\$ 6.17	\$ 6.48
2IN TURBINE CODE 6	0	\$ 245.96	\$ 258.26	\$ 3.04	\$ 3.19
	18,000	\$ 300.68	\$ 315.68	\$ 3.40	\$ 3.57
	36,000	\$ 361.88	\$ 379.94	\$ 3.98	\$ 4.18
	54,000	\$ 433.52	\$ 455.18	\$ 4.86	\$ 5.10
	90,000	\$ 608.48	\$ 638.78	\$ 6.17	\$ 6.48
3 IN COMPOUND CODE 7	0	\$ 393.55	\$ 413.23	\$ 3.04	\$ 3.19
	18,000	\$ 448.27	\$ 470.65	\$ 3.40	\$ 3.57
	36,000	\$ 509.47	\$ 534.91	\$ 3.98	\$ 4.18
	54,000	\$ 581.11	\$ 610.15	\$ 4.86	\$ 5.10
	90,000	\$ 756.07	\$ 793.75	\$ 6.17	\$ 6.48

**City of Schertz
Schedule of Fees**

Public Works - Water Rates Commercial	2022-23
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GALLONS SOLD BY METER SIZE (COMMERCIAL)

METER	BLOCK GALLONS	CURRENT BLOCK RATE	PROPOSED BLOCK RATE	CURRENT RATE 1000	PROPOSED RATE 1000
3 IN TURBINE CODE 8	0	\$ 590.33	\$ 619.85	\$ 3.04	\$ 3.19
	18,000	\$ 645.05	\$ 677.27	\$ 3.40	\$ 3.57
	36,000	\$ 706.25	\$ 741.53	\$ 3.98	\$ 4.18
	54,000	\$ 777.89	\$ 816.77	\$ 4.86	\$ 5.10
	90,000	\$ 952.85	\$ 1,000.37	\$ 6.17	\$ 6.48
4 IN COMPOUND CODE 9	0	\$ 614.93	\$ 645.68	\$ 3.04	\$ 3.19
	18,000	\$ 669.65	\$ 703.10	\$ 3.40	\$ 3.57
	36,000	\$ 730.85	\$ 767.36	\$ 3.98	\$ 4.18
	54,000	\$ 802.49	\$ 842.60	\$ 4.86	\$ 5.10
	90,000	\$ 977.45	\$ 1,026.20	\$ 6.17	\$ 6.48
4 IN TURBINE CODE 10	0	\$ 1,033.08	\$ 1,084.73	\$ 3.04	\$ 3.19
	18,000	\$ 1,087.80	\$ 1,142.15	\$ 3.40	\$ 3.57
	36,000	\$ 1,149.00	\$ 1,206.41	\$ 3.98	\$ 4.18
	54,000	\$ 1,220.64	\$ 1,281.65	\$ 4.86	\$ 5.10
	90,000	\$ 1,395.60	\$ 1,465.25	\$ 6.17	\$ 6.48
6 IN COMPOUND CODE 11	0	\$ 1,229.86	\$ 1,291.35	\$ 3.04	\$ 3.19
	18,000	\$ 1,284.58	\$ 1,348.77	\$ 3.40	\$ 3.57
	36,000	\$ 1,345.78	\$ 1,413.03	\$ 3.98	\$ 4.18
	54,000	\$ 1,417.42	\$ 1,488.27	\$ 4.86	\$ 5.10
	90,000	\$ 1,592.38	\$ 1,671.87	\$ 6.17	\$ 6.48
6 IN TURBINE CODE 12	0	\$ 2,262.93	\$ 2,376.08	\$ 3.04	\$ 3.19
	18,000	\$ 2,317.65	\$ 2,433.50	\$ 3.40	\$ 3.57
	36,000	\$ 2,378.85	\$ 2,497.76	\$ 3.98	\$ 4.18
	54,000	\$ 2,450.49	\$ 2,573.00	\$ 4.86	\$ 5.10
	90,000	\$ 2,625.45	\$ 2,756.60	\$ 6.17	\$ 6.48
8 IN COMPOUND CODE 13	0	\$ 1,987.74	\$ 2,087.13	\$ 3.04	\$ 3.19
	18,000	\$ 2,042.46	\$ 2,144.55	\$ 3.40	\$ 3.57
	36,000	\$ 2,103.66	\$ 2,208.81	\$ 3.98	\$ 4.18
	54,000	\$ 2,175.30	\$ 2,284.05	\$ 4.86	\$ 5.10
	90,000	\$ 2,350.26	\$ 2,467.65	\$ 6.17	\$ 6.48

**City of Schertz
Schedule of Fees**

Public Works - Water Rates Commercial	2022-23
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GALLONS SOLD BY METER SIZE (COMMERCIAL)

METER	BLOCK GALLONS	CURRENT BLOCK RATE	PROPOSED BLOCK RATE	CURRENT RATE 1000	PROPOSED RATE 1000
8 IN	0	\$ 3,975.48	\$ 4,174.25	\$ 3.04	\$ 3.19
TURBINE	18,000	\$ 4,030.20	\$ 4,231.67	\$ 3.40	\$ 3.57
CODE 14	36,000	\$ 4,091.40	\$ 4,295.93	\$ 3.98	\$ 4.18
	54,000	\$ 4,163.04	\$ 4,371.17	\$ 4.86	\$ 5.10
	90,000	\$ 4,338.00	\$ 4,554.77	\$ 6.17	\$ 6.48
10 IN	0	\$ 2,857.37	\$ 3,000.24	\$ 3.04	\$ 3.19
COMPOUND	18,000	\$ 2,912.09	\$ 3,057.66	\$ 3.40	\$ 3.57
CODE 15	36,000	\$ 2,973.29	\$ 3,121.92	\$ 3.98	\$ 4.18
	54,000	\$ 3,044.93	\$ 3,197.16	\$ 4.86	\$ 5.10
	90,000	\$ 3,219.89	\$ 3,380.76	\$ 6.17	\$ 6.48
10 IN	0	\$ 6,211.67	\$ 6,522.25	\$ 3.04	\$ 3.19
TURBINE	18,000	\$ 6,266.39	\$ 6,579.67	\$ 3.40	\$ 3.57
CODE 16	36,000	\$ 6,327.59	\$ 6,643.93	\$ 3.98	\$ 4.18
	54,000	\$ 6,399.23	\$ 6,719.17	\$ 4.86	\$ 5.10
	90,000	\$ 6,574.19	\$ 6,902.77	\$ 6.17	\$ 6.48
12 IN	0	\$ 8,199.42	\$ 8,609.39	\$ 3.04	\$ 3.19
TURBINE	18,000	\$ 8,254.14	\$ 8,666.81	\$ 3.40	\$ 3.57
CODE 17	36,000	\$ 8,315.34	\$ 8,731.07	\$ 3.98	\$ 4.18
	54,000	\$ 8,386.98	\$ 8,806.31	\$ 4.86	\$ 5.10
	90,000	\$ 8,561.94	\$ 8,989.91	\$ 6.17	\$ 6.48
FH METER		\$ 116.88	\$ 122.72	\$ 8.98	\$ 9.43
Cibola Wholesale Water Rate				\$ 3.27	\$ 3.27

**City of Schertz
Schedule of Fees**

Drought Contingency Surcharges	2021-22	2022-23
For the first 1,000 gallons over allocation*	\$ 2.00	\$ 2.00
For the second 1,000 gallons over allocation*	\$ 3.00	\$ 3.00
For the third 1,000 gallons over allocation*	\$ 4.00	\$ 4.00
For each additional 1,000 gallons over allocation*	\$ 5.00	\$ 5.00
 Drought Contingency Violation Fines, up to	 \$ 200.00	 \$ 200.00

*Refer to the Conservation Ordinance for all allocations

CITY COUNCIL MEMORANDUM

City Council Meeting: August 2, 2022
Department: Engineering
Subject: Monthly Update on Major Projects in progress/CIP. (B. James/K. Woodlee)

BACKGROUND

City staff has provided the attached update.

Attachments

July 2022 Major Project Update

CITY COUNCIL MEMORANDUM

City Council Meeting: August 2, 2022

Department: City Manager

Subject: Update on Major Projects in Progress

Background

This is the monthly update on large projects that are in progress or in the planning process. This update is being provided so Council will be up to date on the progress of these large projects. If Council desires more information on any project or on projects not on this list, please reach out to staff and that information will be provided.

Facilities Projects:

1. Animal Adoption Center HVAC Replacement Project

- Project Status: Closeout Phase
- Construction Start: October 2021
- Estimated Completion: February 2022
- Cost of Construction: \$700,000
- Project Update: City Staff has been operating inside the facility since February. The final punch items were completed in July and the project is being closed out.

2. Civic Center HVAC Replacement Project

- Project Status: Closeout Phase
- Consultant: M&S Engineering
- Contractor Sullivan Contracting Services
- Project Substantial Completion: June 2, 2022
- Design Cost: \$93,500 (NTE)
- Construction Cost: \$1,150,000 (NTE)
- Project Update: Sullivan Contracting has been working on resolving all punch items throughout July. A final walkthrough is expected to take place the last week of July to confirm the completion of all punch items after which the project will be closed out.

3. Borgfeld Facility Renovation Project

- Project Status: Scope Development Phase/ Demo of existing drywall, insulation, HVAC system and water heater.
- Projected Completion: Fall 2022
- Project Update: Project will consist of renovating approximately 1600 SF of office space. This will be primarily done in house by the Facilities Team.

4. Community Center HVAC Replacement

- Project Status: Complete
- Projected Completion: June 2022
- Estimated Cost: \$42,620
- Project Update: New units were installed and are working properly.

5. North Center HVAC Replacement

- Project Status: Complete
- Projected Completion: May 2022
- Estimated Cost: \$15,500
- Project Update: New units were installed and are working properly.

6. Building 2 Carpet Replacement.

- Project Status: Complete
- Project Completion: July 2022
- Estimated Cost: \$34,462
- Project Update: New carpeting and baseboard have been installed. Furniture has been put back, and computers have been re-connected.

Water and Wastewater Projects:

1. Woman Hollering Creek Wastewater Interceptor Main and Lift Station

- Project Status: Construction
- Construction Contractor: Thalle Construction Co., Inc.
- Construction Management: AG|CM
- Design Engineer: Cobb, Fendley & Associates, Inc.
- Construction Start: January 2022
- Expected Completion: February 2022
- Estimated Cost of Construction (including construction and ancillary contracts): \$12 million
- Project Update: The entire length of the project site has been cleared. Construction fencing has been installed and topsoil has been stripped. Installation of the 14-inch forcemain running from the proposed lift station site to the CCMA plant is 75 percent complete. Eight of the eleven total borings have been completed. Delivery of manholes and gravity pipe to the project site has begun. Installation of gravity pipe is expected to begin in mid-August.



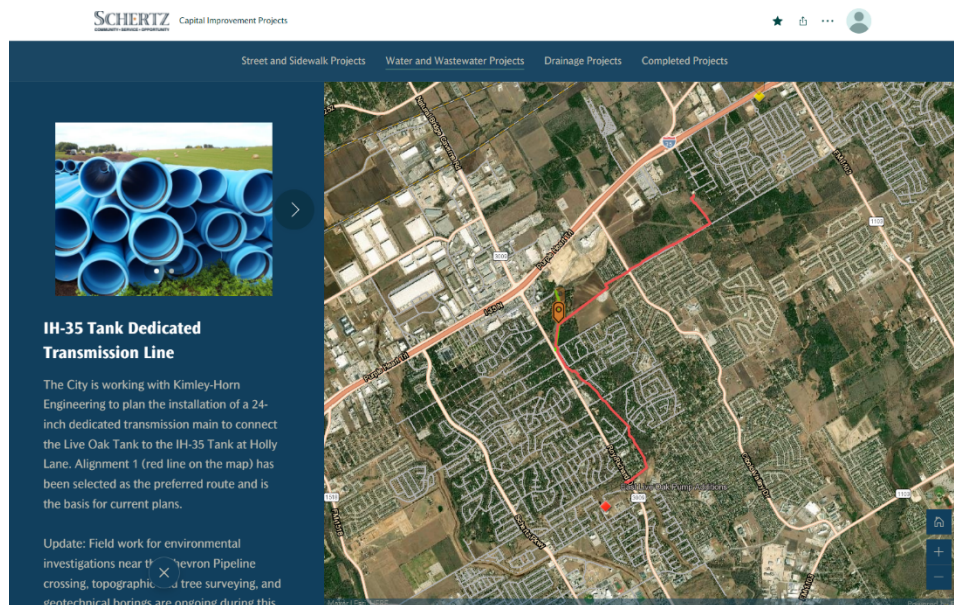
Photos:

Left: Installation in trench of 14" HDPE forcemain. Right: 48-inch steel casing pipe being installed by boring beneath Woman Hollering Creek just north of proposed lift station site along IH 10.

2. 24" Dedicated Transmission Main Design Phase II

Overall project intent is the construction of a 24" dedicated water transmission main to connect the Live Oak water storage facility to the IH 35 storage tank. Phase 1 (route study, land acquisition coordination) was completed in March 2021.

- Project Status: Design Phase
- Consultant: Kimley-Horn & Associates
- Design Project Start Date: June 1, 2021
- Project Completion Date: Winter 2022
- Project Cost (Phase 2 Design): \$1,508,875.50



- Project Update: Final site utility engineering investigations are being conducted. The revised route of the Dedicated Transmission Main is provided on the CIP Map. 100% design is ongoing and expected to be under review by the end of August. The IH-35 Tank will require a test shut-down for this project and Public Works will monitor pressures throughout the system during the test shut-down. Easement acquisition has not been initiated.

3. Riata Lift Station Relocation (Design Phase)

Overall project intent is to relocate the Riata Lift Station ahead of TxDOT's IH-35 NEX Project to remove it from conflict with the proposed improvements. The design phase will identify a new site for the lift station, design the new lift station, and design the abandonment of the existing lift station.

- Project Status: Design Phase
- Consultant: Utility Engineering Group, PLLC (UEG)
- Design Project Start Date: August 2020
- Expected Design Project Completion Date: Summer 2022
- Total Project Cost (Design Phase): \$129,795 (NTE \$143,000)
- Project Update: UEG is proceeding with the site acquisition phase of the project. They are also working with TXDOT for the Standard Utility Agreement.

4. Aviation Heights Water Main Construction – Phases 5, 6, and 7 (Construction Phase)

Overall project intent is the construction of an 8” water main within the Aviation Heights area along Aero Avenue, Brooks Avenue, Winburn Avenue, Mitchell Avenue, and Aviation Avenue.

- Project Status: Construction Phase
- Consultant: Unintech Consulting Engineers, Inc. (previously Ford Engineering)
- Project Start Date: October 18, 2021
- Expected Project Completion Date: January 24, 2023
- Total Project Cost: \$1,785,484.25
- Project Update: The water main for all segments of this project has been installed, tested, and is in service. Winburn Avenue has been reopened prior to school traffic demands. Residents continue to reach out to City staff to answer questions about the status of the project, disturbance on private property, and water main shut-downs. Of 219 affected property owners, 168 residents are operating from new mains.

5. Crest Oak Wastewater Upsize

Overall project intent is to upsize the existing 10” sewer main which extends approximately 2,600 linear feet north of Crest Oak.

- Project Status: Contract Phase
- Consultant: None
- Project Start Date: Spring 2022
- Project Completion Date: Summer 2022
- Total Project Cost: \$1,269,119.78 (NTE)
- Project Update: Fuquay, Inc. completed this project on July 21st, 2022. A total of 647 acres within Schertz and Cibolo drains to this new 15” sewer main.

6. FM 1518 Utility Relocations

Overall project intent is to relocate the water and sewer utilities to avoid conflicts as part of the TXDOT FM 1518 Project. The current contract is for the design services of the project.

- Project Status: Design Phase
- Consultant: Halff Associates
- Design Project Start Date: June 2021
- Expected Design Project Completion Date: September 2022
- Total Project Cost (Design Only): \$548,370 (NTE \$600,000)
- Project Update: Halff is continuing to work to secure easements for the 16” water line proposed across Aztec Lane to avoid conflicts. The joint bid design is nearly complete and pending final review by TXDOT. The latest update from TXDOT is that they are planning for a July 2023 letting date.

7. Corbett Ground Storage Tank

Overall project intent is the construction of a 3.0 Million Gallon ground storage tank for filling the Corbett Elevated Storage Tank, the East Live Oak Elevated Storage Tank, plus additional storage.

- Project Status: Contract Phase
- Consultant: Unintech Consulting Engineers, Inc. (previously Ford Engineering)
- Construction Start Date: To Be Determined
- Expected Project Completion Date: 550 calendar days after the date the contract is initiated

- Total Design Cost: Design \$466,265.00
- Total Construction Cost: \$7,028,017.00
- Project Update: Bids were received on June 2, 2022. A budget adjustment for this project is on the August 2nd and August 9th council meeting agenda. This project has received grant funding through the Governor's office and the full construction contract is on the August 9th council meeting agenda.

Street Projects:

2. 2018 Street Preservation and Maintenance Resurfacing Project

- Project Status: Under Construction
- Construction Start: March 2020
- Construction Completion: Summer 2020 (remedial efforts ongoing)
- Cost of Construction: \$791,174.34
- Project Update: The contractor doing the chip seal repairs had to pull off the project due to health concerns. The repairs should resume and be completed in the near future. Once the repairs are completed, the fog seal will be applied on all chip seal areas. The contractor has done some repairs in the Greenfield Village, Lone Oak, and Deer haven subdivisions. They have also applied the remainder of the chip seal on Live Oak.

3. Elbel Road Storm Drain and Paving

- Project Status: Design
- Consultant: Unintech Consulting Engineers, Inc. (previously Ford Engineering)
- Project Start Date: October 4, 2021
- Project Completion Date: Spring 2022
- Total Project Cost: \$1,964,000
- Project Update: Everything is complete except for the traffic signal at Westchester. We are still waiting on some signal parts. Once the parts arrive, the signal can be completed within a couple weeks. There is not a delivery date available for the parts at this time. The last delivery date has passed and the contractor is trying to get a new delivery date from the supplier.

4. 2020 Street Preservation and Maintenance (Resurfacing) Project

- Project Status: Under Construction
- Consultant: Kimley-Horn & Associates
- Project Start Date: November 15, 2021
- Project Completion Date: Fall 2022
- Estimated Cost of Construction: \$2,153,000
- Project Update: Asphalt repairs are still underway. The asphalt repairs have been completed in the Northcliffe area and are nearly complete in Oak Forest. Once the repairs are completed in Oak Forest, the contractor will move into Ashley Park. The Slurry seal is currently scheduled for application in early October. If the repairs get completed more quickly, the slurry application could move up.

The following note is provided in response to concerns raised by citizens:

The Live Oak staging area is currently being used for the 2020 SPAM Resurfacing Project (the slurry seal work). The large pile on site is the "sand" that goes into the slurry seal to be applied to the surface of the streets. This pile will be on site until completion of the sealing – expected to take place in October. The pile will start to decrease in size when the slurry seal application starts. As the contractor gears up for the slurry seal application, there will likely be equipment

moved into the area as well. The slurry seal application will go fairly quickly. It should only take a few weeks to apply the slurry. Once done, the area will be cleaned up and re-seeded.

The chip seal contractor is also using a small portion of the site. There is a small pile of chips on the site. That stockpile may increase in size as the contractor continues the repairs to the chip seal. They have temporarily pulled off the repair effort, but are expected to get back on task this week. This pile will ultimately be used up as the repairs are completed. There may be equipment showing up on the site for this effort as well. Equipment and a tanker truck are anticipated to be on site for the fog seal application. This will occur after all the chip seal repairs have been completed. Once done, everything will be removed from the site. Which is currently anticipated by the end of September.

In the future staff will evaluate staging near residential areas - considering what work will occur, what will be stored, length of time and impact to nearby residents. Council will be briefed as to the plan going forward. But staff understands the impacts on nearby residents may warrant staging further away.

5. Tri-County Parkway Reconstruction Project

- Project Status: Construction
- Consultant: Halff Associates
- Construction Start: Spring 2022
- Estimated Cost of Construction: \$4,900,000
- Project Update: The new sanitary sewer piping in Lookout is nearly fully complete. The contractor is starting to install the new sewer piping in Tri-County Parkway from Lookout towards FM 3009. New asphalt paving has been placed on the west side of Tri-County Parkway between Corridor Parkway and Lookout. The contractor is beginning to do the street reconstruction on the east side of this segment of Tri-County parkway.



First Layer of Pavement



Second Layer of Pavement

6. Pedestrian Routes and Bike Lanes Project

- Project Status: Complete
- Construction Start: Spring 2021
- Construction Management: AG|CM/City Staff
- Estimated Cost of Construction: \$1.3 million
- Project Update: The project is fully complete

7. Main Street Improvements Project

- Project Status: Design
- Consultant: Kimley-Horn Associates
- Project Update: The consultant continues to coordinate with private utility companies and refine the project elements. Staff has been working with the consultant on a new scope and fee for the project, based on Council's direction. Staff anticipates bring a revised contract fee to Council later this month for consideration. Our consultant continues to coordinate with the private utility companies on what facilities may need to be relocated as part of the project effort.

8. Eckhardt Road Maintenance Project

No update – project is complete. The City partnered with Guadalupe County to have some heavy maintenance performed on the section of Eckhardt Road from the entrance to the Parklands Subdivision past the intersection with Green Valley Road. The City purchased materials and Guadalupe County is provided labor and equipment to perform a more complete maintenance effort than continuing to address individual potholes as they appear. The work is now complete and the road now has a 2-Course Surface Treatment.

TxDOT Roadway Projects:

1. **FM 1103 Improvement Project:** No change from last update. The FM 1103 project remains delayed due to some ongoing utility work and a proposed change in a retaining wall design. TxDOT is currently expecting groundbreaking in fall 2022. The start date continues to be subject to change.
2. **FM 1518 Improvement Project:** No change from previous update. TxDOT is in the Plans, Specs, and Estimates (PS&E) stage of the project. At this time, the design consultant for TxDOT has prepared 90% construction plans and is working toward 95% completion. The project was scheduled to be let for construction in September 2022 but that date has shifted and is now planned for September 2023. The delay allows additional time for utility relocations as well as incorporation into the full project schedule of the segment of right of way adjacent to JBSA Randolph. CPS is actively placing new utility poles to accommodate the widened road section. It was previously expected that the segment of road adjacent to the Air Force Base would lag behind the rest of the project, but it is now planned for the entire length from FM 78 to IH 10 to be completed at once. In the case that the necessary right of way for full build out cannot be acquired from JBSA, a modified, undivided section (still with two lanes in each direction) will be constructed for the interim.
3. **I-35 Operational Improvements Project (FM 2252 to Schwab Road):** Work continues on project elements outside the travel lanes and on the VIA Park & Ride facilities. Overall project is more than 90% complete. Final completion of the project is expected by the end of summer 2022.
4. **I-35 NEX (I-410 South to FM 1103):** No change from last update. A groundbreaking ceremony was held in May. A design-build contract for the central segment of the I-35 Northeast Expansion project has been awarded to Alamo NEX Construction. The central section runs from 410 N to FM 3009 is fully funded. Significant construction is expected to begin in summer 2022.
5. **IH-10 Graytown Road to Guadalupe County Line:** Grading for the widening of the main lanes and utility relocations continue. (No City of Schertz utilities need to be relocated for this project.) Ramp and lane closures take place as necessary and occasionally include full closure of the main lanes for work such as bridge construction or demolition. The westbound frontage road bridge over Cibolo Creek is open. Construction of the Trainer Hale Road overpass is progressing. Work is progressing on the expansion of the FM 1518 bridge over IH 10.

Studies and Plans:

1. **Water and Wastewater Master Plan Update and Impact Fee Study**
 - Project Status: Study
 - Consultant: Lockwood, Andrews, and Newnam, Inc.
 - Project Start Date: December 2019
 - Project Completion Date: TBD 2022
 - Total Project Cost: \$467,280 (NTE \$500,000)
 - Project Update: Staff continues to work with LAN to fine tune land use assumptions in advance of Comprehensive Land Use Plan update to ensure that projections are appropriate. LAN is making final adjustments to utility models. LAN is beginning to

incorporate future conditions into the models for development of the Capital Improvement Plan for the Impact Fee update.

2. Stormwater Control Inventory and City Operations Assessment

The work of this project is an action included in the City's Stormwater Management Plan (Plan). The Plan is the blueprint of activities needed to comply with the City's Texas Commission on Environmental Quality (TCEQ) Texas Pollutant Discharge Elimination System (TPDES) General Permit required by virtue of the City's classification as Municipal Separate Storm Sewer System (MS4).

This project specifically consists of development of an inventory of City facility stormwater controls and an assessment of city operations as related to stormwater control and quality.

- Project Status: Study
- Consultant: Utility Engineering Group, PLLC
- Project Start Date: July 2020
- Project Completion Date: Summer 2022
- Total Project Cost: \$35,000
- Project Update: No change from last project update. Consultant and City staff have visited City sites for information collection. Consultant has submitted a final draft from the compiled information and Inventory Assessment is under review by staff.

3. PCI Data Collection Study

- Project Status: Study Underway
- Consultant: Fugro, Inc.
- Project Update: Fugro has driven all the streets and collected and verified all data. Staff is now in the process of uploading data into the City's GIS system and downloading reports to assess the new PCI scores for all City streets and compare scores to the last assessment. This information will inform updates of the City's Street Maintenance and Capital Improvement Plan.

Planning and Community Development Projects:

1. CityView Permitting and Development Software

The CityView software went live to the public on May 16, 2022. City Staff has continued to meet with the CityView project management team weekly to refine the software. The City IT received System Admin training the week of July 18-22nd. Additionally, the City IT and project team will attend advanced training on reporting and configuration of the software in August 2022. The City of Schertz is projected to do a final acceptance of the software in August/September 2022.

- i. Total Project Cost: \$523,766.00
- ii. Project Start Date: June 2018
- iii. Project Completion Date: August/September 2022

2. Comprehensive Land Use Plan Update

No change from previous update. The Request for Qualifications (RFQ) was posted and closed on March 30. Staff has met with the consultant that is proposed for the project and is awaiting a detailed scope of work. Staff anticipates bringing the contract to Council in August.