Mayor: Mario Garza
Mayor Pro-Tem: Pete Garcia
Commissioners: Jesus "Jesse" Ramirez
Ernesto "Neto" Guajardo
Leonardo "Lenny" Sanchez

The City of San Juan does not discriminate on the basis of disability in the admission of, access to, treatment of, or employment in its programs, activities, or public meetings. Any individual with a disability in need of an accommodation is encouraged to contact the Office of the City Secretary at 956-223-2200 at least 24 hours prior to the scheduled meeting to make proper arrangements.

SAN JUAN CITY COMMISSION

Location: San Juan Memorial Library
Multipurpose Meeting Room
1010 S. Standard
San Juan, Texas 78589
Tuesday, April 9, 2019

REGULAR MEETING AGENDA
6:00 PM

I. CALL TO ORDER

II. INVOCATION

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENTS

V. PRESENTATIONS

A. Presentation on Recognizing Department of Utilities Staff Competing at the Texas Water Conference 2019.

B. Presentation and Proclamation Proclaiming May 2nd, 219 as National Day of Prayer.

C. Presentation of Departmental Reports: Department of Planning and Zoning, Department of Parks and Recreation, San Juan Memorial Library and Department of Sanitation.

1. Department of Planning and Zoning Monthly Report.

2. Department of Parks and Recreation Monthly Report.

3. Department of Sanitation Monthly Report

4. San Juan Memorial Library Monthly Report .

VI. PUBLIC HEARING/ORDINANCES

A. Conduct a Public Hearing and Consider Accepting Petition for the Voluntary Annexation of the Proposed Hacienda San Fernando Subdivision being out of Lot 7, Block 9 and Lot 5, Block 13, John Closner Subdivision of Porciones 71 and 72, as per map recorded in Volume 0, Page 4, Map Records, Hidalgo County, Texas located approximately 1,000 feet of Nebraska Avenue along the South side of Moore Road.

B. Consideration and Approval of an Ordinance Authorizing the Issuance, Sale and Delivery of City of San Juan, Texas Waterworks and Sewer System Revenue Bonds Series 2019; Providing for the Payment of the Bonds, Together with Certain Currently Outstanding Previously Issued Bonds, from a First Lien on and Pledge of the Net Revenues of the City's Waterworks and Sewer System; Resolving Other Matters Incident and Relating to the Issuance, Payment, Security Sale and Delivery of the Bonds Including the Approval of an Application to the Texas Water Development Board; Authorizing the Execution of a Paying Agent/Registrar Agreement and an Escrow Agreement; Complying with the Requirements of the Depository Trust Company's Letter of Representations; Complying with the Regulations Promulgated by the Texas Water Development Board; and Providing for an Effective Date.

C. Consideration and Approval of an Ordinance Authorizing the Issuance, Sale and Delivery of City of San Juan, Texas Waterworks and Sewer System Revenue Bonds Series 2019A; Providing for the Payment of the Bonds, Together with Certain Currently Outstanding Previously Issued Bonds, from a First Lien on and Pledge of the Net Revenues of the City's Waterworks and Sewer System; Resolving Other Matters Incident and Relating to the Issuance, Payment, Security Sale and Delivery of the Bonds Including the Approval of an Application to the Texas Water Development Board; Authorizing the Execution of a Paying Agent/Registrar Agreement and an Escrow Agreement; Complying with the Requirements of the Depository Trust Company's Letter of Representations; Complying with the Regulations Promulgated by the Texas Water Development Board; and Providing for an Effective Date.

VII. DISCUSSION AND POSSIBLE ACTION ON ALL THE FOLLOWING MATTERS:

A. Discussion and Possible Action to Accept the City of San Juan Sanitary Sewer Collection System Extension Project, Texas Water Development Board (TWDB) Clean Water State Revolving Fund (CWSRF) Project No. 10441 as Completed as per Plans and Specifications and Authorize the City Manager to Execute all Project Close-out Documents, Final Pay Application No.10 and all Related Documents.

B. Discussion and Possible Action of Ordinance No. 2019-XX Authorizing Erection of Stop Signs at the Intersection of Cesar Chavez and Ridge Road.

C. Discussion and Possible Action to Approve Work Order #1 to Javier Hinojosa Engineering for Engineering Services for City of San Juan Public Safety Building-Parking Lot in the Amount of $8,500.00.

D. Discussion on Human Resources Employment Background Check Process and Procedures for City of San Volunteers Staff.

VIII. CONTRACTUALS/RESOLUTIONS

A. Consider Amending Resolution Authorizing the Submission of an Application Under the 2020 Local Border Security Program Solicitation to the Governor's Office Homeland Security Grant Division.(Juan Gonzalez, Chief of Police)

B. Consideration and Approval of a Resolution Approving the Principal Forgiveness Agreement Clean Water State Revolving Fund in the Amount of $498,000.00 and an Escrow Agreement Relating Thereto; Authorizing the Mayor and/or City Secretary, or their Designees, to Execute any and All Documents Related Thereto; and Other Matters in Connection Therewith.

C. Consideration and Approval of a Resolution Approving the Principal Forgiveness Agreement Clean Water State Revolving Fund in the Amount of $2,562,000.00 and an Escrow Agreement Relating Thereto; Authorizing the Mayor and/or City Secretary, or their Designees, to Execute any and All Documents Related Thereto; and Other Matters in Connection Therewith.

IX. CONSENT AGENDA

A. Consider Second and Final Reading of an Ordinance for the Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at "Isla 360°" Drive-Thru legally described as Lot 11, Plazita Piedra Grande Subdivision, located at 4202 N. Raul Longoria Road, as Requested by Carranza Development, LLC.

B. Meeting Minutes
- January 22, 2019
- January 24, 2019

X. ADJOURNMENT

C E R T I F I C A T I O N

I certify that the above notice of the Regular Called Meeting of the City of San Juan is true and correct; and that I posted such notice on the bulletin board. A place convenient and readily accessible to the public on the in accordance with the Texas Open Meetings Act (Tex. Gov't. Code §551-041 - §551.050).

____
DIANA CAVAZOS
CITY SECRETARY
CITY OF SAN JUAN, TEXAS

C E R T I F I C A T I O N   O F   R E M O V A L

I certify that the agenda of items to be considered by the City Commission was removed by the City Secretary's Office from the San Juan City Hall bulletin area on the the ________ of ___________________ , 2019.

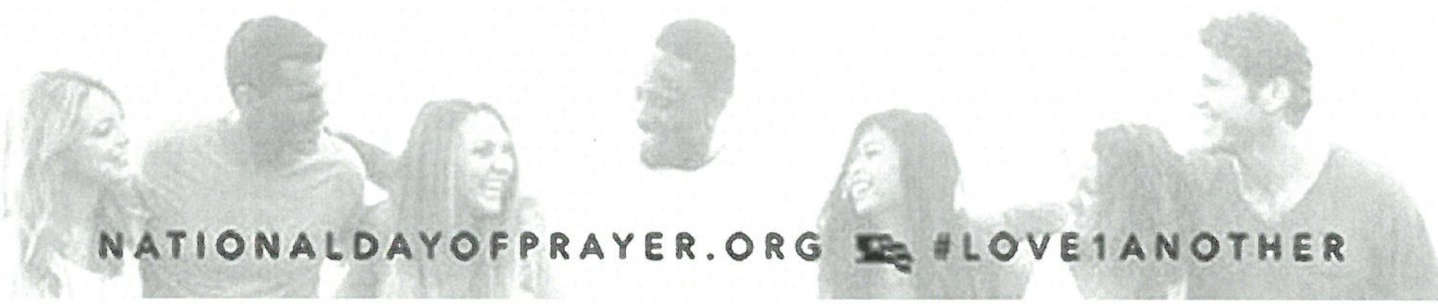
____
OFFICE OF THE CITY SECRETARY

THE NATIONAL DAY OF PRAYER | MAY 2, 2019

★ **PRAY** FOR **AMERICA** ★

LOVE ONE ANOTHER

LOVE ONE ANOTHER. JUST AS I HAVE LOVED YOU **JOHN 13:34**



MEMORANDUM

TO: Benjamin Arjona, City Manager

FROM: Roberto Escobar, Planning Director

DATE: 3/26/2019

SUBJECT: Department of Planning and Zoning Monthly Report.

The City of San Juan Planning Department is busy processing subdivision plats, rezoning applications, applications for special/conditional use permits, applications for variances and undertaking other duties as listed below.

• 89 building permits were issued with a $1,806,815.00 in total valuation.
• 172 garage sale permits were issued ($1,720.00 in revenues).
• Provided customer service and support to 850 people and handled approximately 1,640 calls.
• The building inspectors made approximately 268 inspections.
• Seven (7) permits were issued for new houses $771,452.00 in total valuation.
• Twenty-five (25) occupational business licenses were issued with a $1,000.00 in total valuation.
• Three (3) health inspections were issued during the month of March.

SUBDIVISIONS IN PROCESS
• Hacienda San Fernando Subdivision
• Rio Grande Regional Hospital
• County Park Phase 1
• Perez-Garza
• Kings Apartments
• Las Misiones de San Juan
• Ekamp Subdivision
• Arguello Subdivision
• Garco Subdivision
• Re-Plat for Cedillo Subdivision

709 S. Nebraska Ave. • San Juan, Texas 78589-2649
Phone: (956)223-2200 • Fax: (956) 787-5978

NEW BUSINESSES OPENING IN THE CITY DURING THIS MONTH

- FZ Auto Mart – 1106 E. FM 495
- New Generation Barber Shop – 302 E. Business 83
- RGV Queens – 208 S. Nebraska Avenue
- Studio Sonia Party Event – 905 W. 1st Street

SUBSTANTIAL BUILDING PERMITS ISSUED OR PROCESSED IN THE PAST MONTH

- Denny's Restaurant

CONDITIONAL AND SPECIAL USE PERMITS IN PROCESS

- Conditional Use Permit for "Isla 360° Drive-Thru" located at 4202 N. Raul Longoria Road.

VOLUNTARY ANNEXATION

The Department is working on the annexation of a property located at Moore and Nebraska Avenue for a proposed Hacienda San Fernando Subdivision. The first public hearing to accept annexation petition will he held on April 9th at the City Commission Meeting, second public hearing will be held at April 23rd City Commission Meeting. Two more hearings before the City Commission will be held on May for the First and Second Reading of the Annexation Ordinance. City Commission approved a Resolution to accept voluntary annexation petition and setting dates and times for public hearings on March 12, 2019.

METROPOLITAN PLANNING ORGANIZATION

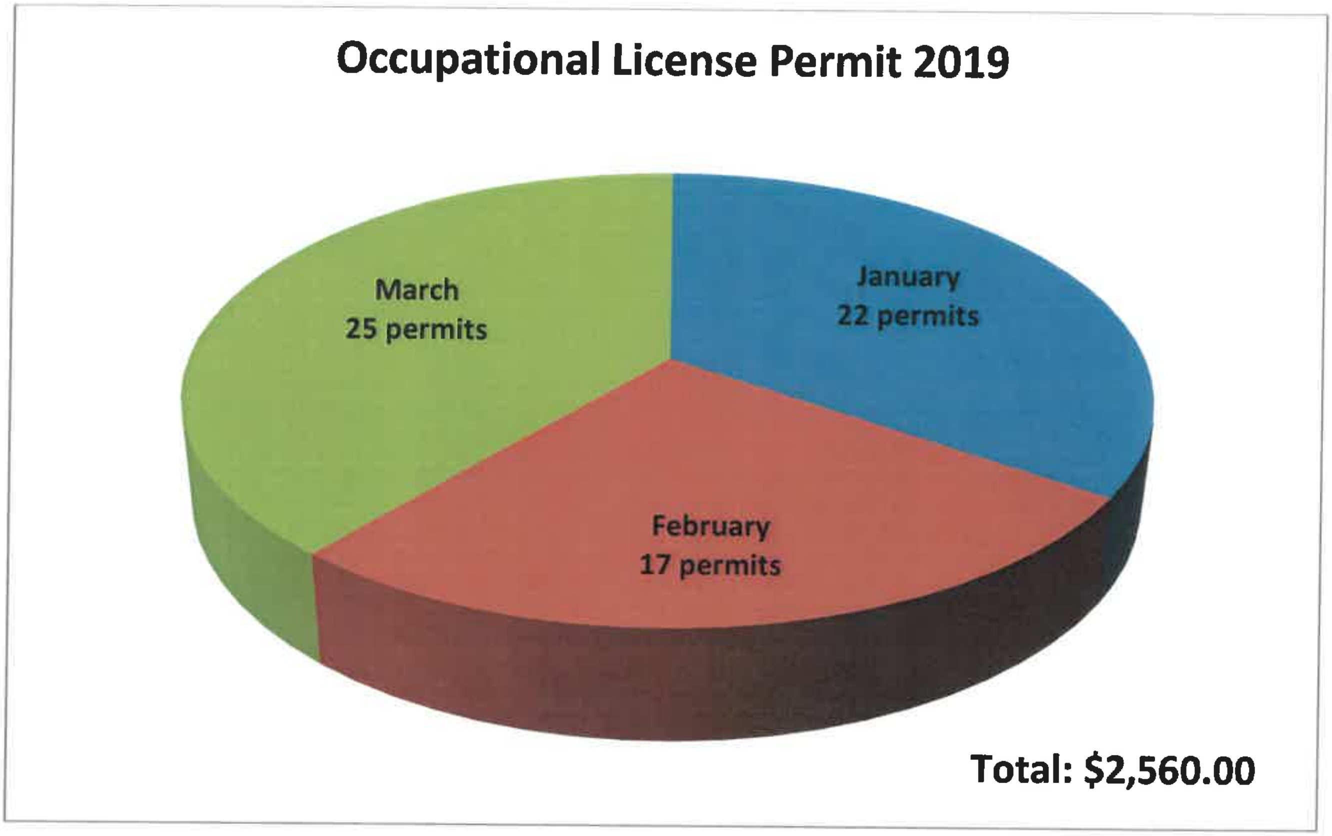
The Department represents the City of San Juan in the Metropolitan Planning Organization (MPO) Technical Advisory Committee for County-wide transportation planning. Meetings are attended monthly.

COMPREHENSIVE PLAN PROJECT

A Meeting with Ann Bagley was held on March 21, 2019 where the Planning and Zoning Commission joined the meeting and discussed the draft of the Comprehensive Plan and Future Land Use Map. They received a full version of the completed sections. The next meeting will be a Community Meeting on April 17 from 5:00 p.m. to 7:00 p.m. at the San Juan Memorial Library where citizens are invited to attend to learn about the plans in progress for the next 15 to 20 years.

HEALTH DEPARTMENT

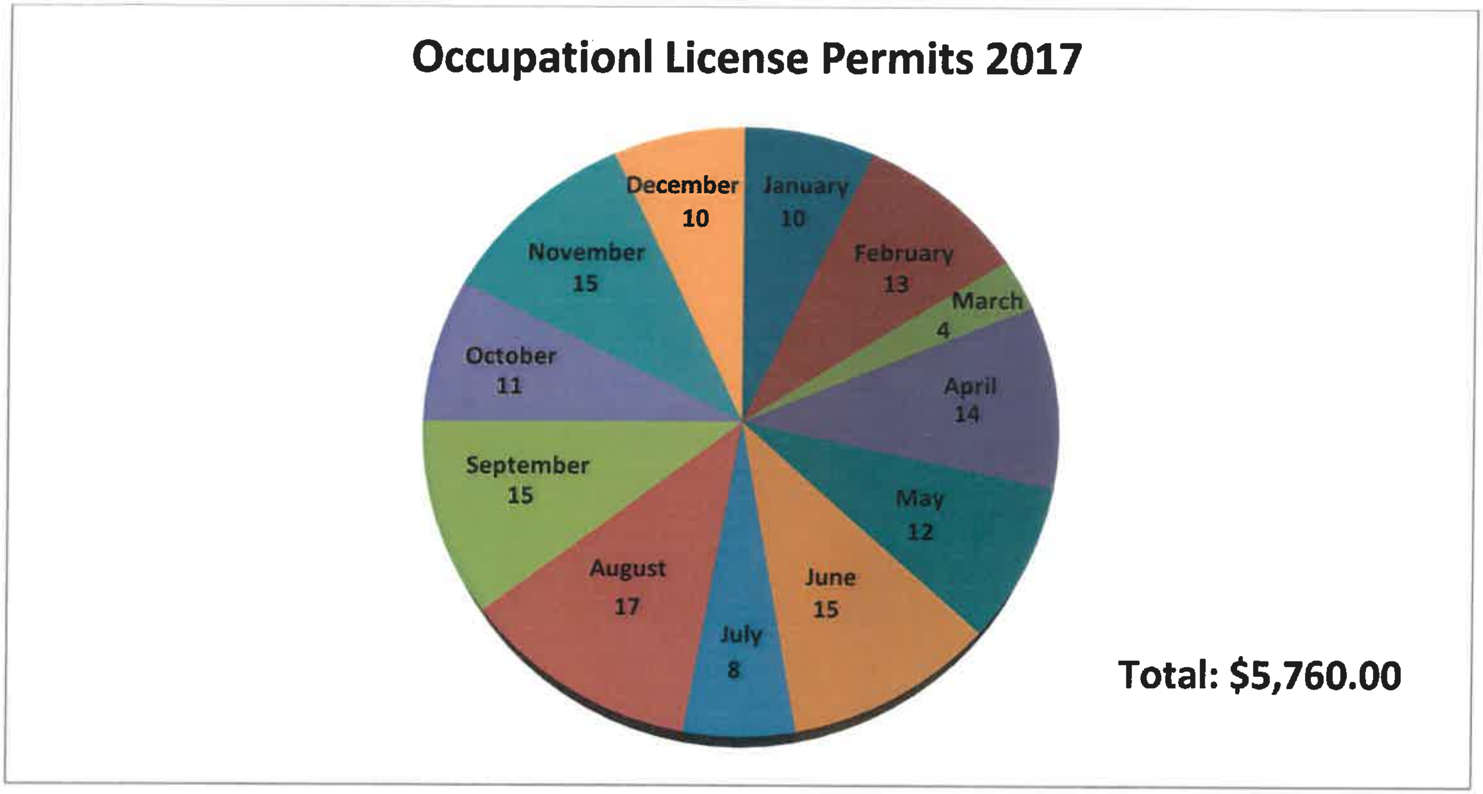
Officers Monroy and Ortegon started visiting all the businesses to check if the occupational licenses and health permits were up to date. Business owners are renewing their business permits with the city. A total of 25 business permits were renewed with a $1,000.00 in total valuation.


Occupational License Permit 2019
March
25 permits
January
22 permits
February
17 permits
Total: $2,560.00

City of San Juan Health Department
PAID HEALTH PERMITS BETWEEN 01/01/2019 AND 03/29/2019

March 29, 2019

Business Name & Contact	Account No.	Physical Address	Date Paid	Amt Paid
TAQUERIA TACOS AL PASTOR DON RAMIRO & DOLORES VILLAGRAN	(17-0310-1611)	2025 N RAUL LONGORIA RD	**B** - 02/07/2019 **H** - 03/11/2019	40.00 100.00
THE LEARNING EXPRESS LETICIA SALAZAR DELGADO	(14-1230-1333)	617 S VETERANS BLVD (S "I" RD	**B** - 03/27/2019 **H** - 03/27/2019	40.00 100.00
			BUSINESS:	0.00
			HEALTH:	200.00
			Total Collections: $	200.00


Occupationl License Permits 2017
December
10
January
10
February
13
March
4
April
14
May
12
June
15
July
8
August
17
September
15
October
11
November
15
Total: $5,760.00


Occupational License Permits 2018
December
5
November
7
January
16
February
11
March
12
April
16
May
15
June
19
July
20
August
5
September
18
October
13
Total: $6,280.00

Business Name & Contact	Account No.	Physical Address	Date Paid	Amt Paid
100% ANTOJITOS MEXICANOS INC JOSE MENDEZ	(16-0617-0954)	105 S CESAR CHAVEZ RD	**B** - 03/21/2019	40.00
ANGELS HOME DAY CARE GARCIA, EMMA	(12-0309-1213)	1217 E TEXAS AVE	**B** - 01/16/2019	40.00
AZIZ QUICK STOP #3 AZIZ QUICK STOP LLC	(18-1207-1650)	2803 N RAUL LONGORIA RD	**B** - 02/13/2019	40.00
BALLEW CHILD LEARNING CENTER PSJA ISD	(17-1122-1110)	715 S STANDARD AVE	**B** - 01/21/2019	40.00
BAMBINO'S MEXICAN ICES SALAZAR, EDUARDO	(16-0713-0949)	2812 N RAUL LONGORIA RD	**B** - 02/25/2019	40.00
CANDILLEJAS EVENTS GERONIMO MENDOZA	(19-0226-1120)	2103 N RAUL LONGORIA RD	**B** - 02/26/2019	40.00
CANDY KIDS 123 MAYRA OZUNA	(14-0801-1600)	614 E NOLANA LOOP	**B** - 01/25/2019	40.00
CELEBRATION FIESTA PLACE NICOLAS CANTU	(13-0521-0836)	3004 N RAUL LONGORIA RD	**B** - 03/21/2019	40.00
CHILDREN FIRST ACADEMY SOCORO MARTINEZ	(13-0108-0906)	1208 EL PRESIDENTE AVE	**B** - 01/22/2019	40.00
CHURCH'S CHICKEN THE HUTTON COMPANY	(19-0220-1222)	1612 N RAUL LONGORIA RD	**B** - 01/10/2019	40.00
E.L.I.T.E. ACADEMY CHAVEZ, YISEL	(11-0927-1252)	703 S VETERANS BLVD (S "I" RD	**B** - 02/27/2019	40.00
EL TABERNACULO CHURCH ROBERTO SANCHEZ	(11-0309-1405)	209 E THELMA ST	**B** - 02/07/2019	40.00
FASHION NAILS BAO HO	(19-0226-1341)	1618 N VETERANS BLVD (N "I" RD	**B** - 02/26/2019	40.00
FAST AUTO SALES UVALDO GUERRA	(17-0120-1621)	100 W SALAZAR ST	**B** - 01/21/2019	40.00
FIT ZUMBA STUDIO QUINTANILLA, MA AMALIA	(17-1002-1042)	2105 N RAUL LONGORIA RD	**B** - 03/26/2019	40.00
FOSTER HOME MARIA GARZA	(15-1112-1122)	304 E SANTANA ST	**B** - 01/10/2019	40.00
FOSTER HOME ABREGO AMELIA ABREGO	(13-0205-1006)	308 NADIA ST	**B** - 03/26/2019	40.00

City of San Juan Health Department

PAID BUSINESS & HEALTH PERMITS BETWEEN 01/01/2019 AND 03/28/2019

March 28, 2019

Business Name & Contact	Account No.	Physical Address	Date Paid	Amt Paid
FOSTER HOME MORENO VERONICA & FRANCISCO MORENO	(13-0226-1510)	2019 LOMA BONITA ST	**B** - 02/19/2019	40.00
FZ AUTO MART ZARATE, FEDERICO	(19-0322-1247)	1106 E FM 495	**B** - 03/22/2019	40.00
GARZA COMPRESSORS & A/C SERV. ROQUE GARZA	(13-0226-1448)	1102 E BUS HWY 83	**B** - 03/20/2019	40.00
GLOBO KIDZ LUIS ZECCA	(19-0318-1442)	2604 N RAUL LONGORIA RD	**B** - 03/18/2019	40.00
GONZALEZ RECYCLING GERARDO GONZALEZ	(19-0125-0934)	3801 N VETERANS BLVD (N "I" RD	**B** - 01/25/2019	40.00
GORDITAS DONA TOTA DE LEON, MARGARITA	(15-0727-1644)	105 S CESAR CHAVEZ RD	**B** - 03/14/2019	40.00
H & D MEAT DISTRIBUTORS HECTOR TORRES	(19-0206-1032)	905 W FM 495	**B** - 02/06/2019	40.00
IKER'S PARTY CENTER OLGUIN, JOSE E	(16-0328-0816)	618 E NOLANA RD	**B** - 03/26/2019	40.00
J A CARRIERS, LLC JUAN G ALANIS	(18-0309-1630)	2504 S VETERANS BLVD (S "I" RD	**B** - 03/07/2019	40.00
JC USED CARS #2 JOEL CANO	(16-0106-1255)	427 S IOWA AVE	**B** - 03/21/2019	40.00
LA COCINA DE MAMA (STEC) JALEESHA RANGEL	(19-0214-0947)	1101 E FM 495	**B** - 02/14/2019	40.00
LEAL AUTO SALES, LLC CESAR LARA	(17-0608-1502)	4905 N RAUL LONGORIA RD	**B** - 02/12/2019	40.00
LIFE SPAN REHABILITATION RODRIGUEZ, JOHNNY	(13-0918-1428)	1200 E BUS HWY 83	**B** - 03/25/2019	40.00
LITTLE SCHOOL HOUSE LEARNING MACARENA CHAVEZ	(19-0207-0923)	1211 E FM 495	**B** - 02/07/2019	40.00
LITTLE SCHOOL HOUSE LEARNING MACARENA CHAVEZ	(19-0215-0927)	1097 E 7TH ST	**B** - 02/15/2019	40.00
LIZETTE'S SNOW FLAVORS CANO, PAULA	(10-0707-1520)	911 E FM 495	**B** - 03/07/2019	40.00
LOONEY TUNES DAY CARE INC. II MENDOZA, GERONIMO	(13-0829-1138)	2107 N RAUL LONGORIA RD	**B** - 03/07/2019	40.00

Business Name & Contact	Account No.	Physical Address	Date Paid	Amt Paid
LOS PRIMOS TAQUERIA GLORIA LOPEZ & CARLOS CANTU	(16-0927-1618)	514 S STANDARD AVE	**B** - 01/07/2019	40.00
LULU PARTY SUPPLY MARILU MONICA MARTINEZ	(10-0209-1112)	502 S SAN ANTONIO AVE	**B** - 02/20/2019	40.00
LUNA'S CARWASH BRAYAN EMILIO MANCILLA	(18-0208-1100)	3913 N VETERANS BLVD (N "I" RD	**B** - 01/29/2019	40.00
MCREED MOTOR CO. LLC RICK R REED	(19-0102-1645)	236 W BUS HWY 83	**B** - 01/02/2019	40.00
MEGATAX CARLOS MORENO	(17-1129-1426)	5201 N RAUL LONGORIA RD	**B** - 01/21/2019	40.00
MERCY'S FLOWER SHOP MERCEDES BARBA	(19-0102-1408)	620 S STANDARD AVE	**B** - 01/02/2019	40.00
MESQUITE PCS, LLC METRO PCS SERGIO AGUILAR	(17-0620-1501)	2604 N RAUL LONGORIA RD	**B** - 01/30/2019	40.00
NEW GENERATION BARBER SHOP JORGE JARAMILLO	(19-0328-1053)	302 E BUS HWY 83	**B** - 03/28/2019	40.00
PALMA VISTA MAIN OFFICE ALBERTO TREVINO	(17-1002-0832)	901 W 1ST ST	**B** - 01/15/2019	40.00
PRIM'S PLACE LLC MARCOS MONTALVO	(13-0823-1220)	202 W BUS HWY 83	**B** - 02/22/2019	40.00
READY TO LEARN ACADEMY IRMA E RODRIGUEZ	(15-1214-1025)	2211 S VETERANS BLVD (S "I" RD	**B** - 01/04/2019	40.00
RGV POWERHOUSE SAN JUAN MARQUEZ, MARIO	(14-0721-1322)	1101 E FM 495	**B** - 03/27/2019	40.00
RGV QUEENS CLARA GUERRERO	(19-0313-1440)	208 N NEBRASKA AVE	**B** - 03/13/2019	40.00
SAN JUAN NURSING HOME DIOCESE OF BROWNSVILLE	(15-0108-1615)	300 S NEBRASKA AVE	**B** - 03/07/2019	40.00
SHEARS DELIGHT BY SENDY ALEXIS & SENDY QUINTANILLA	(17-1101-1319)	4811 N RAUL LONGORIA RD	**B** - 01/16/2019	40.00
SIFUENTES INDUSTRIAL CLOTHING SIFUENTES, MARIA DE JESUS	(16-1110-1326)	1902 N NEBRASKA AVE	**B** - 03/07/2019	40.00
SMART START CHILD CARE EDWARD GARZA JR	(19-0130-1630)	102 W AMY DR	**B** - 01/30/2019	40.00

City of San Juan Health Department
PAID BUSINESS & HEALTH PERMITS BETWEEN 01/01/2019 AND 03/28/2019

March 28, 2019

Business Name & Contact	Account No.	Physical Address	Date Paid	Amt Paid
STUDIO SONIA PARTY EVENT REYES BANDA, SONIA	(19-0320-1524)	905 W 1ST ST	**B** - 03/20/2019	40.00
SWEET DENTAL FROST CHEN/HUAN BUI	(19-0118-1509)	108 E FM 495	**B** - 01/18/2019	40.00
SYLVIA'S BEAUTY SALON SILVIA QUINTERO	(14-1003-1353)	2207 N RAUL LONGORIA RD	**B** - 02/04/2019	40.00
SYLVIA'S EVENT CENTER SYLVIA DE LA CERDA	(18-0209-1655)	115 E 6TH ST	**B** - 03/08/2019	40.00
TACOS KISSI OSCAR KISSI	(14-1022-1614)	5004 N RAUL LONGORIA RD	**B** - 03/15/2019	40.00
TACOS REBECCA DONATO SALAZAR	(19-0321-1547)	309 S NEBRASKA AVE	**B** - 03/21/2019	40.00
TAQUERIA TACOS AL PASTOR DON RAMIRO & DOLORES VILLAGRAN	(17-0310-1611)	2025 N RAUL LONGORIA RD	**B** - 02/07/2019 **H** - 03/11/2019 **CUP** - / /	40.00 100.00 0.00
THE HALL EVENT CENTER EZEQUIEL SANTOS	(17-0908-0908)	502 N VETERANS BLVD (N "I" RD	**B** - 01/17/2019	40.00
THE LEARNING EXPRESS LETICIA SALAZAR DELGADO	(14-1230-1333)	617 S VETERANS BLVD (S "I" RD	**B** - 03/27/2019 **H** - 03/27/2019 **CUP** - / /	40.00 100.00 0.00
THREADING & SPA SERBELLA VERONICA ESCOBEDO & DORA E P	(15-0310-1000)	118 S NEBRASKA AVE	**B** - 02/08/2019	40.00
TOP XNOTCH BARBER SHOP LETICIA GONZALEZ	(16-0721-1649)	2604 N RAUL LONGORIA RD	**B** - 01/14/2019	40.00
TREVINO APPLIANCE JORGE HI	(19-0129-1420)	2016 N RAUL LONGORIA RD	**B** - 01/29/2019	40.00
WORLD FINANCE WORLD FINANCE CORP	(17-1025-1331)	111 W FM 495	**B** - 02/07/2019	40.00

SJ PLANS

Come to the

Community Meeting Open House

for two new plans for the City of San Juan

Envisioning Our Future

the new San Juan Comprehensive Plan

and

2019 Parks and Recreation Master Plan

San Juan Memorial Library

1010 S Standard Avenue in San Juan

Wednesday, April 17, 2018

5:00 PM to 7:00 PM

(come anytime between those times)

You can learn about the plans in progress that will help guide the City of San Juan for the next 15 to 20 years.

City staff and board members will be there to listen to what you think the City needs and to explain the sections of the plans.

Please come–there will be refreshments.

SJP&R

SAN JUAN

Mayor: Mario Garza
Mayor Pro-Tem: Pete Garcia
Commissioners: Jesus "Jesse" Ramirez
Ernesto "Neto" Guajardo
Leonardo "Lenny" Sanchez

MEMORANDUM

TO: Benjamin Arjona, City Manager

FROM: Patrick Willingham, Director of Parks and Recreation

DATE: 4/2/2019

SUBJECT: Department of Parks and Recreation Monthly Report.

For the month of March 2019, we have the following to report:

Parks Division, staff continues to maintain our city parks and landscape areas as needed. This past month staff worked on the following areas:

- Continue to prepare baseball parks for the upcoming season.
- Cleaning up the wetlands preparing for earth day event on April 30, 2019
- Landscaping at the Library.
- Repainting parking lots at City Hall and Liberty Park.
- Working on sprinkler systems at the parks in preparation for the spring and summer season.

Events Division, Event Coordinator Ruben Rodriguez and staff having been working and/or took part in the following events:

- Staff assisted the promotion and sponsorship of the PSJA Autism Event which was held March 30, 2019.
- Mr. Rodriguez has been preparing for the Opening Day Ceremony (Upgrading fields, benches, etc...)
- Prepared Liberty Park for the Annual Veterans Motorcycle Run that stops by each year to pay tribute to our fallen Veterans.

Recreation Division, this past month staff has been coordinating and organizing upcoming fall events and leagues

- **PONY BASEBALL/SOFTBALL:** 2019 PONY Baseball/Softball League draft was held on Monday & Tuesday, March 11 & 12, 2019 at the Amigos del Valle. Coaches started picking up equipment on March 13 so they could start scheduling practices.

- **WINTER LEAGUES:** Boys Basketball League had 38 teams finished on March 19. All basketball games were played at local PSJA ISD elementary gyms. Girls Soccer League has 15 teams and all games were played at Municipal Park.
- **CLOSING CEREMONIES:** Closing Ceremonies were held at PSJA HS Gym on Wednesday, March 27, 2019. Girls Soccer was scheduled at 6 p.m. and Boys Basketball was scheduled at 6:45 p.m.

Players received their awards and pictures, if they bought league pictures.

OPEN/CLOSE PARKS: My staff was opening/closing parks as needed for league practice or rentals.

Maintenance Division, staff continues to provide professional maintenance and custodial service throughout the city. The following areas were addressed this past month.

- Cleaning the coils of the A/C units At City Hall and Water Plant #2.
- Assisted IT to run cable for fiber optics.
- Repainted old jail cells at the Northside PD.
- Began replacing all the hardware, toilets and sinks at the Fire Department.

UPCOMING EVENTS:

- Opening Ceremonies for Baseball/ Softball- April 6, 2019.
- Earth Day Event at the Wetlands- April 23, 2019.

MEMORANDUM

TO: Benjamin Arjona, City Manager

FROM: Roel Garza, Sanitation Director

DATE: 4/2/2019

SUBJECT: Department of Sanitation Monthly Report

Sanitation Department

- Solid Waste Collection ran on schedule all month
- Brush Pickup ran 2 weeks behind schedule
- Drop off Site – 556 residents
- Residential – 667.05 Tons
- Commercial – 1071.90 Tons
- Roll-Off – 151.53 Tons25 loads(commercial rental)
- Brush – 606.44& 135 loads of brush

Central Garage

- Open 3
- Closed23
- 5 Residential Side Loaders operating
- 1 Commercial Side Loaders operating

709 S. Nebraska Ave. • San Juan, Texas 78589-2649
Phone: (956)223-2200 • Fax: (956) 787-5978

- 2 Commercial Front Loaders operating
- 2 Brush trucks are down and only 1 is operating
- 1 Brush tractor (grapple) operating
- 1 Brush Grapple Trucks operating
- 3 Roll-Off Trucks operating

Recycling

- Cardboard:9.05 tons/$646.00
- Mix Paper:4.47 tons/$223.50
- Office Paper0.58 tons/$101.50
- Newspaper2.40 tons/$204.00
- Alum. Cans:0.28 tons/$76.80
- Tin Cans:1.50 tons/$120.00
- E-Waste1.95 tons/$156.20
- Curbside Rec.1.98 tons/$0.00
- E-Waste:9 pieces/$228.00
- E-Waste:2 Pieces/$20.00

- Total Tons/Revenue22.21 tons/$1,776

Savings of: $444.20

Walk-ins: 569

Streets Department

- Sweeper –
  - 03/01/2019 – Nebraska, Kansas, 15th St & 14th St (Jose Huerta)
  - 03/04/2019 – Rail Road, N. Standard, 1st St., 2nd St., 3rd St., 4th St., Salazar St., W. Hazel St., San Diego, Los Ebanos, Lincoln (Jose Huerta)
  - 03/05/2019 – Tulipan, Jardin, Jacaranda, Anacua, Linda, Palmas and Amistad (Jose Huerta)
  - 03/06/2019- Sylvia Cir, Robert Dr., Curtis, Leticia, Thelma St., Deanna St., West Sandra, and Jaime St. (Jose Huerta)
  - 03/07/2019 – San Antonio, Garfield 100-219, San Antonio 2200-2300, Blue Bird 219-101, Cardinal 210-100, Dove 219-101, Eagle 219-101,

Lincoln 2200-2314.(Joe Huerta)

- 03/22/2019 – 18th St – 217-101, State 1712-1600, Kansas 1712-1600, Sioux Rd. 1601-1715, S. Ohio 1712-1600, 16th, S. Texas 1601-1715, 16th Street 220-102, 405-415, 409, East St, 17th Street 101-215.(Joe Huerta)
- 03/26/2019- 14th street 105, Ohio St. 1310-1211, East 12th Street-110, East 12th Street 115, Kansas Street 1329-1400, State 1400-1418, Kansas 331-1401, 13th Street Mucua Tierra, 14 ½ 302-318, E. 15th St. 334-354, E. 15th Street 349-301.(Joe Huerta)
- 03/27/2019 16th 214-102, San Antonio, Standard, 16 ½ 509-505, 11th Street 101-215, W. Texas 1504-1510, 17th Street 216-100, W. 16 ½ Street, Sun Valley Street 1101-1307, 13th Street 1107.(Joe Huerta)
- 03/28/2019 – Shufford 1301-1334, Taylor 611-407, Andrew 1301-1329, Taylor 400-608 (Joe Huerta)
- 03/269/2019 – Standard 1911-1801, 18th Street 216-202, Standard 1800-2110, Standard 2111 (Jose Huerta)

- ROW-

- 03/05/2019 – Cut grass and pick up trash on Ridge rd. Cut grass and spray weed killer on Nebraska (Juan Gonzalez, Tomas Mendez, David Garcia)
- 03/06/2019 – Help clean and pick up trash in Sanitation Shop (Juan Gonzalez, Tomas Mendez, David A. Garcia)
- 03/07/2019 –Cut grass and trimmed trees along ridge rd. and Nebraska (Juan Gonzalez, Tomas Mendez, David A. Garcia)
- 03/14/2019 – Cut Raul Longoria from Sioux Rd to Owassa East and West. (Randy, Luis Robert.)
- 03/15/2019 – Cut and Weeded from Expressway to Sioux, North Gate Apartments and Fire Department (Luis and Randy) Cut ROW from El Dora to Express, Cut Grass on Northgate and South Gate (Tomas Mendez, Isaiah's Guttierez).
- 03/19/2019 -Scrapped curb on Retama St. and N. El Dora (Robert, Luis, Tomas, Juan, Jose Montemayor)
- 03/22/2019 – Scraped E. Sam Houston. Orange Estates, Cut and weeded E. Sam Houston and picked up trash and cust Cesar Chavez Rd. (Raudy, Tomas, Luis, Robert, Daniel, Lupe)
- 03/27/2019 – Finished cutting grass and weedingHall Acres, Sgt. Trevino Rd from Cesar Chavez to Retama Street. (Raudy, Daniel. Tomas, Pablo)
- 03/29/2019 – Cut Santa Fe Lots ROW, Finished Sgt. Trevino, Cut Retama St. and Corner (Raudy, Pablo, Tomas and Daniel)

- Street Signs –

- 03/15/2019 installed a STOP sign on South Ridge and Raul :Longoria, Deanna and a Narrow Bridge (Tomas Mendez and Isaiahs)
- 03/20/2019 installed a STOP sign at 495 & Lincoln (Isahias, David A Garcia, Guadaupe Pruneda)

- Alley's –

- 03/01/2019 Continue on East Thelma, Silvia Cir, Anna Cir, Curtis Dr., Robert Dr., and Silvia Cir. clean around neighborhood.
    - 03/04/02019 Cleaned out back shed and tree limbs outside of it. Picked up trash at 1111 E. 13th Street and bags of trash along San Antonio Street. (Mando, Isaias and Randy)Picked up trunks along Robert Drive, Cleaned alleys of Pullin Street, Hooper Street and Short Rd (Emilio, Luis, Robert, Joe M)
    - 03/05/2019 Cut alleys of Foster and San Juan Garden, also picked up trash and cut around the shop (Raudel and Mando)
    - 03/07/2019 Put up sign at Recycle Center, put no traffic sign at 2nd street and Entrance of shop (Armando Cordova and Raudel)
    - 03/08/2019 Picked up trash along N. Nebraska, cut grass along W. Rail Road, Cut grass along sidewalk of N. Nebraska and picked up trash. (Tomas, Juan, David)
    - 03/11/2019 loading trash cans in Roll-offs and taking off wheels and lids. (Randy, Luis, Roberto)
    - 03/12/2019 Cut grass along bus 83 all the way to I rd. picked up trash, cut ROW on Viking St picked up trash and applied round up, fix trailer floor and installed new 2x6's (Tomas, Isaias, and Juan)
    - 03/13/2019 Scrapped curb on Sam Houston north and southside, weeded on Ridge Rd., picked up and cut branch that fell on Ciro Dr. (Luis, Raudel, Robert), scrapped side curb on Ridge, used blower to blow dirt, sprayed round up to include E. 11th St.
    - 03/18/2019 Scrapped curbs on, Catalina St, Jay Dr., Zelda Dr., Jessica Dr., Zee Dr., Campo verde, Las Flores Neighborhood, 14th Street, Kansas Ave, Ohio Ave (Raudel, Tomas, Luis and Robert) arranged trash containers using backhoe, loadedbroken trashcans to roll-off to take for recycling (Armando, Isaias, David Garcia)
    - 03/19/2019 cleaned containers and started loading them into a roll off, cut down trees, cut grass using weed-eater (Isaias, Armando, and David Garcia)
    - 03/20/2019 Finished cleaning trash containers to load on roll off and took 5 (300gallon) trash bins to recycle center. (Isaias, David, Guadalupe)
    - 03/21/2019 Finished cutting and weeding along Sioux Rd and picking up trash (Raudel, Tomas, Guadalupe) One load of trash form alley on Jacob and cut ROW on El Dora and Sioux Rd. (Isaiah, David and Armando)
    - 03/25/2019 Cut grass on Alleys of W. Salazar, Hazel and took 3yarder to Rancho Grande also cut ROW behind Church's and blow grass (Armando Cordova, David Garcia, Guadalupe Pruneda)
    - 03/26/2019 Cut Grass on Alleys of Douglas, Lincoln, Azteca, Maria Lane and San Diego St. (Armando Cordova, Isaias, David Garcia, Guadalupe Pruneda)
    - 03/27/2019 Cut grass on Alleys of Alfredo St, Jaime, Sandra St., Alta St. and Douglass Street (Armando Cordova, Isaias, David A. Garcia and Guadaluoe Pruneda)

- 03/28/2019 Cut grass along the following alleys, Alfredo St, Frances, Jaime St and Guadalupe St. (Armando Cordova, Isaias, David Garcia, Guadalupe Pruneda) Cut and weeded Sgt. Trevino Rd and cut Fireman's Park (Raudel,Tomas, Juan Pablo, Daniel)
- 03/29/2019 Scrapped curve side on Retama to Sgt. Trevino, started cleaning ponds on Guadalupe, and installed new storm drain along Guayavitos (Guadalupe Pruneda, David Garcia, Isaias, Armando Cordova)
- Street and Alley patching– 60 Locations
- Trimming Trees – 13 sites

TRAININGS

- MAE Power Safety Maintenance Seminar March 06, 2019
- Raudel Herrera
- David A. Garcia
- Armando Cordova
- Isaias Gonzalez
- Tomas Mendez
- 2019 South Texas All Hazardous Conference

- Martin Cepeda
- Robert Nichols
- Luis Salazar

- 2019 Texas SWANA

- Roel Garza
- Jose Jaime Salinas

MEMORANDUM

TO: Benjamin Arjona, City Manager

FROM: Armandina Sesin, Director of Library

DATE: 4/2/2019

SUBJECT: San Juan Memorial Library Monthly Report .

Enclosed is the March monthly report including statistics and programs:

For the month of March we had, 1,780 visitors. Out of those visitors, 1,099 were here for computer use only. We had 87 new patrons added to our circulation system. We requested and received thirty four (34) Interlibrary Loans (ILL). The library checked out a total of 1,433 items both adult and children's. We had 158 in-house circulation items. We helped the public with an estimated 732 reference/informational questions. We had 75 fax transactions. There were 14 children's programs with an attendance of 145 people. The monthly amount deposited was $1,476.67 both fines and fees.

Please see the attached statistical report.

During the month of March

- Attended the Directors' meetings.
- Attended the City Commission meetings.
- Went to City Hall to make the weekly money deposits for the library.
- Attended the Library Board meeting.
- Attended the HCLS monthly meeting at the Peñitas Public Library.
- Attended the Planning and Zoning Community meeting.
- Attended the showing of the movie Roma at the Mexican Consulate.

709 S. Nebraska Ave. • San Juan, Texas 78589-2649
Phone: (956)223-2200 • Fax: (956) 787-5978

- Attended the presentation of Exhibición pictórica “Sueños y espejismos” at the Mexican Consulate.
- Managed the day to day operations of the San Juan Memorial Library

Meetings to be held in April, 2019

Multipurpose Room

EDC Meetings, April 2nd & 16th

Library Board Meeting, April 3rd

Planning & Zoning Meetings, April 4th, 17th & 18th

City Commission Meetings, April 9th & 23rd

Directors’ Meetings, April 10th & 24th

TML Training, April 10th

Keep San Juan Beautiful Meeting, April 10th

City of San Juan HR, Executive Session room, April 15th

Día de los Niños/Día de los Libros Event, April 30th

Training Room:

Spanish GED, April 1st thru April 29th

Computer Classes, April 2nd thru April 30th

709 S. Nebraska Ave. San Juan, Texas 78589-2649

Phone: (956)223-2200 Fax: (956) 787-5978

San Juan Memorial Library
March 2019 Statistics

Statistics	
Total Visitors	1,780
Computer Users	1,099
Total Checkouts	1,433
In-House Use	158
Inter-Library Loans	34
New Patrons	87
Reference\ Informational Questions	732
FAX transactions	75
Children's Programs	14
Attendance	145

Checkouts	
DVDs	393
Books Juvenile	829
Books Adult	211
Total	**1,433**

WiFi Usage	
LibGuest	100
LibStaff	23
LibAdmin	0
Total	**123**

Multipurpose Room Reservations	Attendance
1st San Juan City Mayor	59
2nd Dr. Seuss' Day	68
5th EDC Meeting	15
6th IT Training	17
6th Library Board	7
7th Civil Service Meeting	10
8th IT Training	10
9th Francisco Cristano Filming	8
12th City Commission	31
13th Directors Meeting - Executive Room	14
19thEDC Meeting	18
20th Fire Entry Exam	29
20th Keep San Juan Beautiful	8
21st Planning & Zoning	13
26th City Commission	52
27th Directors Meeting - Executive Room	14
27th City Manager - Executive Room	4
27th Human Resources - Executive Room	4
28th Human Resources - Executive Room	4
28th Civil Service Meeting	7
Total	**392**

Study Room Attendance	
Study Rooms	**83**

Facebook Page	
Likes	**5**
Visitors	**20**

SJML Homepage	
Visitors	**49,459**

Deposits	
Fines	$ 663.47
Copies	$ 813.20
Total	**$ 1,476.67**

Computer Classes	
Attendance	**2**

Training Room Reservations	Attendance
4th Spanish GED	5
5th Computer Class	2
6th Spanish GED	5
7th Spanish GED	6
11th Gale Webinar	2
20th Spanish GED	4
21st Spanish GED	7
21st Girl Scouts of America	13
25th Spanish GED	6
27th Spanish GED	5
28th Spanish GED	6
Total	**61**

Youth & Children's Programs/Attendance

Date	Program	Attendance
Saturday, March 2, 2019	Dr. Seuss Party	68
Tuesday, March 3, 2019	Story Time/Craft	3
Wednesday, March 6, 2019	Head Start	17
Thursday, March 7, 2019	Game Night	4
Wednesday, March 13, 2019	Toddler Time	3
Saturday, March 16, 2019	Story Time/Craft	4
Tuesday, March 19, 2019	Story Time/Craft	6
Wednesday, March 20, 2019	Toddler Time	5
Thursday, March 21, 2019	Game Night	3
Thursday, March 21, 2019	Girl Scout Coloring	13
Friday, March 22, 2019	Story Time/Color	5
Tuesday, March 26, 2019	Story Time/Craft	5
Wednesday, March 27, 2019	Toddler Time	6
Friday, March 29, 2019	Story Time/Color	3
Total	14	145

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
APRIL 9, 2019

Conduct a Public Hearing and Consider Accepting Petition for the Voluntary Annexation of the Proposed Hacienda San Fernando Subdivision being out of Lot 7, Block 9 and Lot 5, Block 13, John Closner Subdivision of Porciones 71 and 72, as per map recorded in Volume 0, Page 4, Map Records, Hidalgo County, Texas located approximately 1,000 feet of Nebraska Avenue along the South side of Moore Road.

STAFF COMMENTS AND RECOMMENDATIONS:

The Planning Department is processing a residential subdivision located along the South side of Moore Road, between Nebraska and Stewart Road. The proposed subdivision is just outside the city limits within the City of San Juan Extraterritorial Jurisdiction (ETJ). It is the City's policy to annex subdivisions processed and approved within the city's ETJ. On March 12, 2019 the City Commission approved a Resolution 2019-06 accepting petition for voluntary annexation and setting dates and times for public hearings.

The property owner of the subject property has submitted a petition of a voluntary annexation to the City of San Juan. Upon annexation, recording of the subdivision plat, building permits and inspections will be processed by City for proposed residences. Annexation of this property is being undertaken in accordance with the provisions of the Texas Local Government Code, Chapter 43, Municipal Annexation, Section 43.028 and the City Charter.

RECOMMENDATION:

Accept Petition for the Voluntary Annexation of the proposed Hacienda San Fernando Subdivision.

PREPARED BY:	**APPROVED BY:**
Roberto Escobar, Planning Director	Benjamin Arjona, City Manager

---

Planning & Zoning Department

VOLUNTARY ANNEXATION SCHEDULE

Subject Property	**Hacienda San Fernando Subdivision** **Being 18.45 acre tract of land, being out of Lot 7, Block 9 and Lot 5, Block 13, John Closner Subdivision of Porciones 71 and 72, as per map recorded in Volume 0, Page 4, Map Records, Hidalgo County, Texas, as Requested by Hector Guerra.**
Wednesday, March 6, 2019	Planning Department distributes location map, annexation map and subdivision plat to other city departments for their review and comments.
Wednesday, March 6, 2019	Negotiate written service agreement with property owner and City.
Tuesday, March 12, 2019	City Commission accepts the petition for Voluntary Annexation, setting dates and times for public hearings by a Resolution.
Wednesday, March 27, 2019	First Public Hearing Notice is published in local newspaper. Send Written Notice by Certified Letter to school district, public entity, and appraisal district, etc.
Tuesday, April 9, 2019	City Commission holds public hearing on and accepts petition for Voluntary Annexation.
Wednesday, April 10, 2019	Notice of 2nd Public Hearing is published in the local newspaper.
Tuesday, April 23, 2019	City Commission holds 2nd public hearing on Voluntary Annexation.
Tuesday, May 14, 2019	First Reading: City Commission Approves Voluntary Annexation Ordinance.
Tuesday, May 28, 2019	2nd Reading: City Commission Approves Voluntary Annexation Ordinance.

EMPIRE INVESTORS, LLC and REAL SOLUTIONS, LP
824 Del Oro Lane
Pharr, Texas 78577
956-638-5580 * 956-787-6857 Fax
Hguerrasr12@yahoo.com

February 21, 2019

City of San Juan
Planning Department
709 S. Nebraska Ave.
San Juan, Texas 78589
(956) 223-2220
(956) 787-5978 Fax

To the Mayor and Board of Commissioners, City of San:

The undersigned inhabitant and qualified voter of the following described property which adjoins the city limits petitions the Board of Commissioners of the City of San Juan to Annex the following tract of land:

"SEE EXHIBIT A"

Hector Guerra
Its: Member

State of Texas
County of Hidalgo

Before me, on the undersigned authority, on this day personally appeared Hector Guerra, member of Empire Investors, LLC being duly sworn; deposed and said that he/she is an inhabitant of the property described herein and is a qualified voter.

Hector Guerra
Its: Member

Sworn to and subscribed before me on this 21st, day of February, 2019.

Rosalinda Guajardo

NOTARY PUBLIC, STATE OF TEXAS

ROSALINDA GUAJARDO
Notary Public, State of Texas
ID# 523860-0
My Commission Expires
09-19-2022

Notary's printed name: Rosalinda Guajardo

My commission expires: 09-19-2022

RESOLUTION NO. 19 – 07

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS, ACCEPTING PETITION FOR VOLUNTARY ANNEXATION; SETTING THE DATES AND TIMES FOR PUBLIC HEARINGS REGARDING THE PROPOSED ANNEXATION OF THE BELOW MENTIONED PROPERTIES; AND DIRECTING THE PLANNING DEPARTMENT TO PREPARE A PLAN OF SERVICES FOR SAID ANNEXATION.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS:

Section 1. The City of San Juan has received a petition from the following property owners for voluntary annexation of properties described in Exhibit "A". The City Commission of the City of San Juan hereby declares its intention to institute proceedings to annex to the City the territory generally described in Exhibit "A" and being out of the and made a part hereof by the passage of an ordinance of annexation extending the general corporate limits of the City of San Juan for all purposes to include such territory. A map of such proposed annexation is attached hereto as Exhibit "A" and made a part hereof for all purposes.

Section 2. The City Commission of the City of San Juan hereby calls two (2) public hearings at which time all interested persons shall have the right and opportunity to appear and be heard upon such proposal to annex the territories described above. The first public hearing shall be held at the San Juan Memorial Library located at 1010 S. Standard Avenue, San Juan, Texas 78589 at 6:00 p.m. on April 9, 2019. The second public hearing shall be held at the San Juan Memorial Library located at 1010 S. Standard Avenue, San Juan, Texas 78589 at 6:00 p.m. on April 23, 2019. The annexation proceeding, of which notice of intention to annex is given by this Resolution, shall be instituted not less than eleven (11) days nor more than twenty (20) days subsequent to such public hearings.

Section 3. The City Secretary of the City of San Juan is hereby directed to cause notices of such public hearings to be given by publication in a newspaper having general circulation within the City of San Juan and within the territory proposed to be annexed, the publication of notice of each public hearing to be made at least once in such newspaper not less than eleven (11) days nor more than twenty (20) days prior to the day of that public hearing.

Section 4. The Planning Department is hereby directed to cause to be prepared a service plan that provides for the extension of municipal services to the territories that are proposed to be annexed. The proposed service plan shall be made available for public inspection and shall be explained to the inhabitants of the territory at the public hearings called herein. Such service plan shall be prepared in accordance with the provisions of Chapter 43 of the Texas Local Government Code.

CONSIDERED, PASSED AND APPROVED on this **12th day of March, 2019**, at a meeting of the City Commission of the City of San Juan, at which a quorum was present and which was held in accordance with Chapter 551, Texas Government Code.

Mario Garza
Mayor

Attest:

Diana H Cavazos

Diana Cavazos
City Secretary

MAP OF HACIENDA SAN FERNANDO SUBDIVISION

BEING A SUBDIVISION OF 18.46 ACRES OF LAND OUT OF LOT 7, BLOCK 8, AND LOT 8, BLOCK 13, JOHN CLOSNER ET AL SUBDIVISION OF PORCIONES 71 AND 72, HIDALGO COUNTY, TEXAS, RECORDED IN VOLUME 0, PAGE 4, MAP RECORDS.

[illegible]

I, MICHAEL FABIAN, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, HEREBY CERTIFY THAT THIS PLAT IS TRUE AND CORRECT AND IS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION.

DATE: 01/28/2019

[illegible]

STATE OF TEXAS:
COUNTY OF HIDALGO:

BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC, THURSDAY PERSONALLY APPEARED AND XXXXXXXXX PROVED TO BE THROUGH THEIR TEXAS DRIVER'S LICENSE, TO BE THE PERSON WHOSE NAME IS ARE SUBSCRIBED TO THE FOREGOING INSTRUMENT, WHO BEING BY, A DULY SWORN, DECLARED THAT THEIR STATEMENTS CONTAINED THEREIN ARE TRUE AND CORRECT, AND ACKNOWLEDGED THAT THEY EXECUTED THE SAME FOR THE PURPOSE AND CONSIDERATION THEREIN EXPRESSED. ALL GIVEN UNDER MY HAND AND SEAL OF OFFICE.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS ____ DAY OF ____________ 2019

NOTARY PUBLIC FOR THE STATE OF TEXAS

CITY COUNCIL'S CERTIFICATION:

THE PLAT OF HACIENDA SAN FERNANDO SUBDIVISION, HAS BEEN SUBMITTED TO AND CONSIDERED IN THE CITY COUNCIL OF THE CITY OF SAN JUAN, TEXAS IS HEREBY APPROVED BY SUCH COMMISSION.

DATE THIS ____ DAY OF ____________ 2019

MAYOR, CITY OF SAN JUAN BY: CITY SECRETARY, CITY OF SAN JUAN

PLANNING AND ZONING COMMISION'S CERTIFICATION:

THE PLAT OF HACIENDA SAN FERNANDO SUBDIVISION HAS BEEN SUBMITTED TO AND CONSIDERED BY PLANNING & ZONING COMMISION OF THE CITY OF SAN JUAN, TEXAS AND IS HEREBY APPROVED BY SUCH COMMISSION.

DATE THIS ____ DAY OF ____________ 2019

ATTESTED: PLANNING BOARD CHAIRPERSON BY: SECRETARY

STATE OF TEXAS:
COUNTY OF HIDALGO:
I, DARIO V. GUERRA III, A LICENSED PROFESSIONAL ENGINEER IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT PROPER ENGINEERING CONSIDERATION HAS BEEN GIVEN TO THIS PLAT

DARIO V. GUERRA III
REGISTERED PROFESSIONAL ENGINEER
P.O. BOX 721025
MC ALLEN, TEXAS 78501
DATE

HIDALGO COUNTY IRRIGATION DISTRICT NO. 2

THIS PLAT APPROVED BY HIDALGO CO. IRRIGATION DISTRICT, HIDALGO COUNTY NUMBER 2 ON THIS ______ DAY OF __________ 2019.

SECRETARY PRESIDENT

STATE OF TEXAS:
COUNTY OF HIDALGO:
I, THE UNDERSIGNED, MICHAEL FABIAN A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, HEREBY CERTIFY THAT THIS PLAT IS TRUE AND WAS CORRECTLY MADE AND IS PREPARED FROM AN ACTUAL SURVEY OF THE PROPERTY MADE UNDER MY SUPERVISION ON THE GROUND.

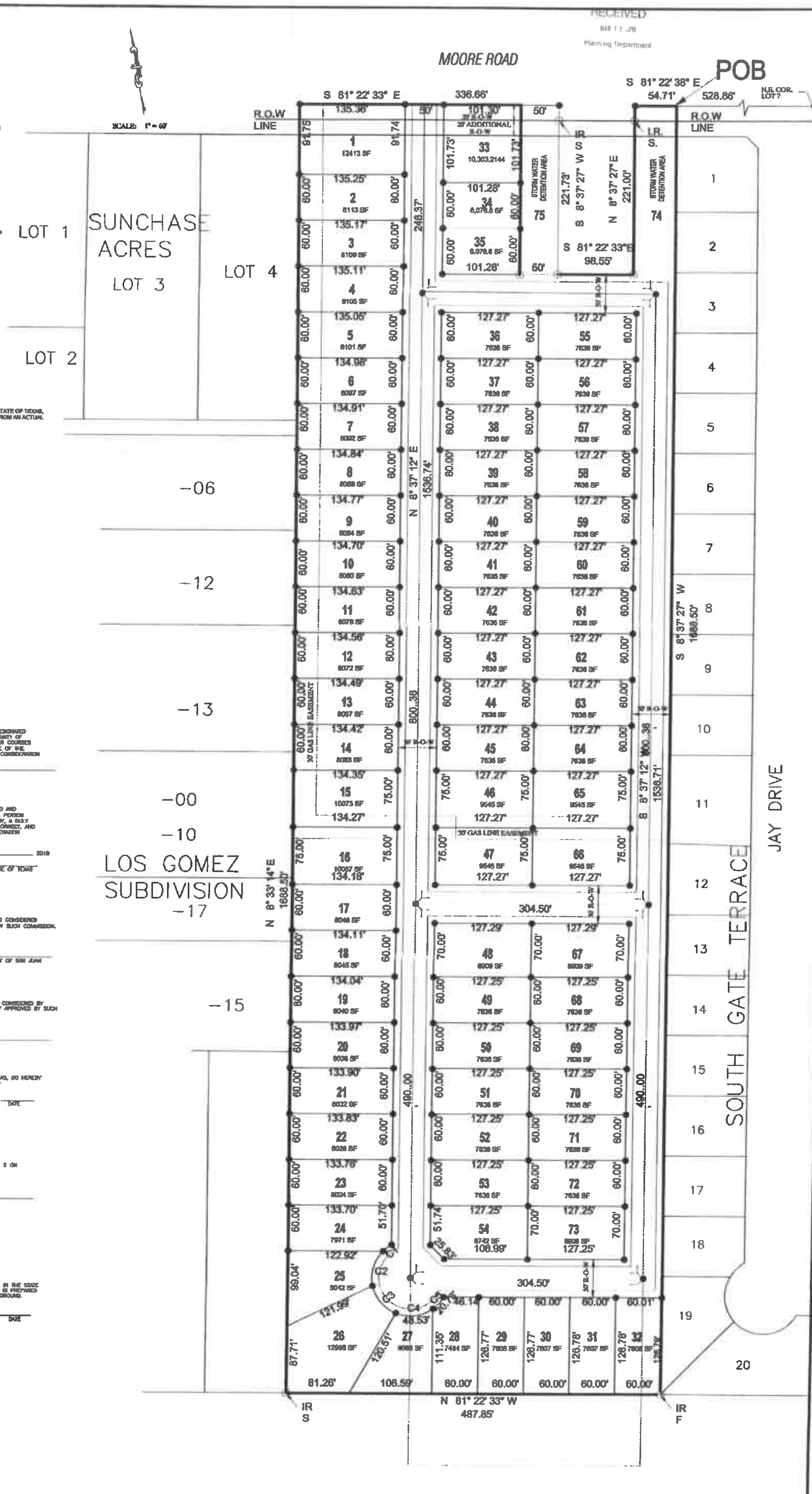
MICHAEL FABIAN
REGISTERED PROFESSIONAL LAND SURVEYOR
1203 E. HACKBERRY AVE.
MCALLEN, TEXAS 78501 PH. # (956) 630-1432
DATE

ON: __________ AT ________ AM/PM
INSTRUMENT NUMBER ________
OF THE MAP RECORDS OF HIDALGO COUNTY, TEXAS
BY: ______________ DEPUTY

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1 HEREBY CERTIFIES THAT THE DRAINAGE PLANS FOR THIS SUBDIVISION COMPLY WITH THE MINIMUM STANDARDS OF THE DISTRICT ADOPTED UNDER TEXAS WATER CODE 49.211(C). THE DISTRICT HAS NOT REVIEWED AND DOES NOT CERTIFY THAT THE DRAINAGE STRUCTURES DESCRIBED ARE APPROPRIATE FOR THE SPECIFIC SUBDIVISION, BASED ON GENERALLY ACCEPTED ENGINEERING CRITERIA. IT IS THE RESPONSIBILITY OF THE DEVELOPER AND HIS ENGINEER TO MAKE THESE DETERMINATIONS.

HIDALGO COUNTY DRAINAGE DISTRICT NO. 1

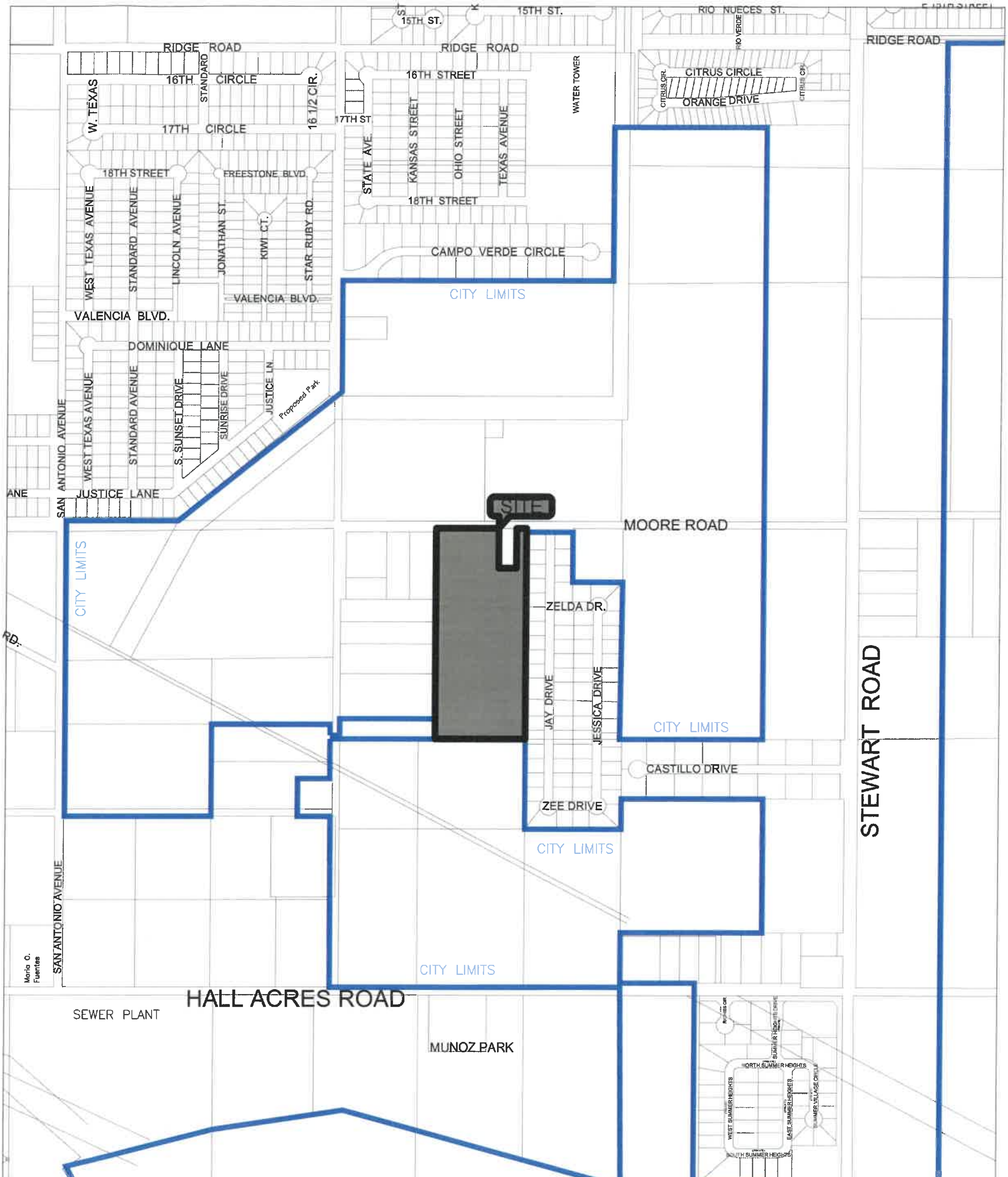
RAUL E. SESIN, P.E., C.F.M. DATE
GENERAL MANAGER



BIG D. ENGINEERING
DARIO V. GUERRA III
P.O. BOX 721025
McALLEN, Texas 78504
FIRM # 1084
REGISTRATION # 64689
EMAIL: BDENGINE@AOL.COM
TEL. (956) 342 1376 FAX (956) 383 2148

PREPARED BY
MICHAEL FABIAN SURVEYING, INC.
1203 E. HACKBERRY AVE.
McALLEN, TEXAS 78501
REGISTRATION # 4698
FIRM # 10196865
EMAIL: SURVEY@MFABIANSURVEYING.COM
TEL. (956) 630-1432 FAX (956) 687-4668

PRELIMINARY



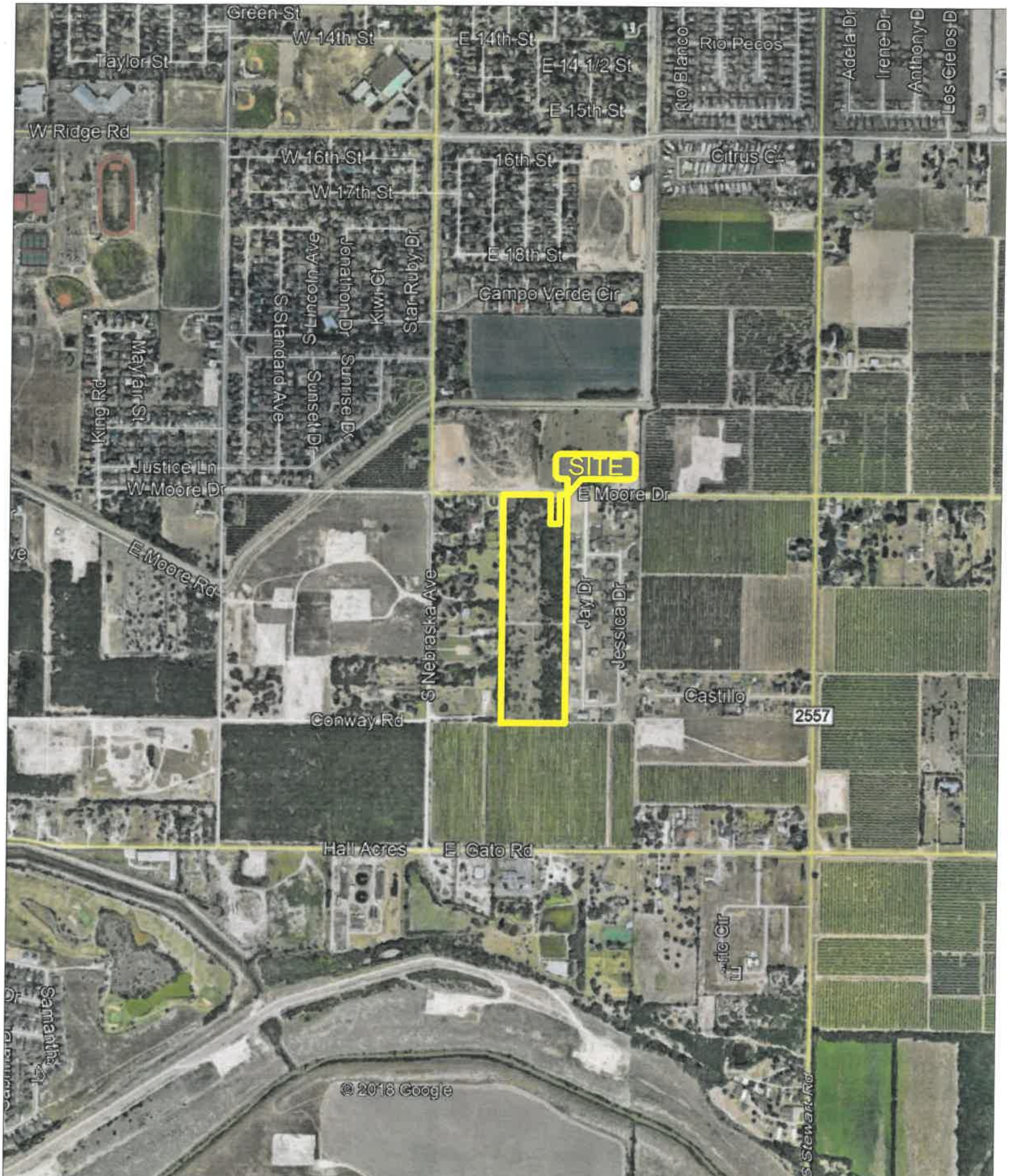
Legend

CITY LIMITS

Proposed area

Conduct a Public Hearing and Consider Accepting Petition for the Voluntary Annexation of the Proposed Hacienda San Fernando Subdivision being out of Lot 7, Block 9 and Lot 5, Block 13, John Closner Subdivision of Porciones 71 and 72, as per map recorded in Volume 0, Page 4, Map Records, Hidalgo County, Texas located approximately a 1,000 feet of Nebraska Avenue along the South side of Moore Road.

N



Legend		
CITY LIMITS Proposed area	Conduct a Public Hearing and Consider Accepting Petition for the Voluntary Annexation of the Proposed Hacienda San Fernando Subdivision being out of Lot 7, Block 9 and Lot 5, Block 13, John Closner Subdivision of Porciones 71 and 72, as per map recorded in Volume 0, Page 4, Map Records, Hidalgo County, Texas located approximately a 1,000 feet of Nebraska Avenue along the South side of Moore Road.	N

LEGAL NOTICE

PUBLIC NOTICE

NOTICE IS HEREBY GIVEN TO ALL INTERESTED PERSONS, THAT: The City of San Juan, Texas will conduct a public hearing on **Tuesday, April 9, 2019 at 6:00 p.m.** at the San Juan Memorial Library located at 1010 S. Standard Avenue, regarding the following annexation petition:

DESCRIPTION OF ACRES OF LAND

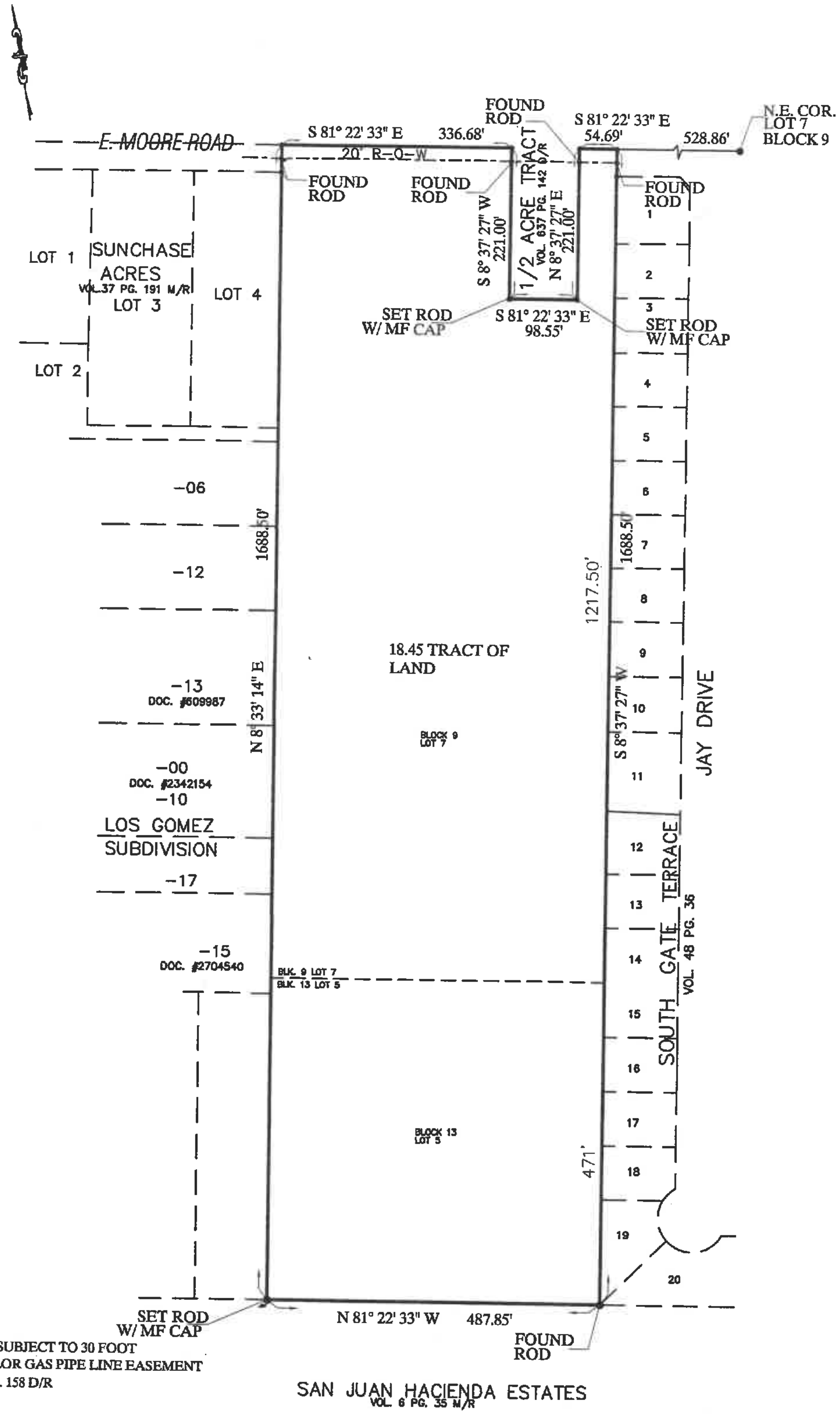
Consider petition for the voluntary annexation of the proposed Hacienda San Fernando Subdivision being 18.45 acre tract of land, being out of Lot 7, Block 9 and Lot 5, Block 13, John Closner Subdivision of Porciones 71 and 72, as per map recorded in Volume 0, Page 4, Map Records, Hidalgo County, Texas located approximately a 1,000 feet of Nebraska Avenue along the South side of Moore Road.

The public is invited to attend the public hearing and express support or opposition of this annexation request.

WITNESS MY HAND AND SEAL, this 25th day of March, 2019.

Robert Escobar
Planning Director

(Published in the Advance News Journal on March 27, 2019)



PROPERTY SUBJECT TO 30 FOOT DELHI-TAYLOR GAS PIPE LINE EASEMENT VOL. 1008 PG. 158 D/R

I, MICHAEL FABIAN, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THE FOREGOING MAP IS A REPRESENTATION OF SURVEY MADE ON THE GROUND UNDER MY SUPERVISION AND THAT THERE ARE NO VISIBLE AND APPARENT

MAP
OF
A 18.45 ACRES TRACT OF LAND OUT OF LOT 7, BLOCK 9 AND LOT 5, BLOCK 13, JOHN CLOSNER ET AL SUBDIVISION

EXHIBIT "A"

An 18.5 acre tract of land out of Lots 7, Block 9 and Lot 5, Block 13, JOHN CLOSNER SUBDIVISION, Hidalgo County, Texas, according to map thereof recorded in Volume 0, Page 4, Map Records of Hidalgo County, Texas; said tract of land being more particularly described by metes and bounds as follows:

BEGINNING at a point in the North line of Lot 7, Block 9, North 81 degrees 31 minutes West, 528.36 feet from the Northeast corner of said Lot for the Northeast corner of this description:

THENCE, South 8 degrees 29 minutes West and parallel to the East line of Lot 7, at 20.0 feet pass an iron pipe set in the South line of a county road, at 1217.5 feet pass a point in the North line of Lot 5, Block 13, from which point the Northeast corner of said Lot 5 bears South 81 degrees 31 minutes East, 528.36 feet, 1,688.5 feet in all to an iron pipe set in the South line of the North 12.16 acres of Lot 5 for the southeast corner of this description;

THENCE, with the South line of the North 12.16 acres of Lot 5, North 81 degrees 31 minutes West, 488.44 feet to an iron pipe set for the Southwest corner of this description;

THENCE, North 8 degrees 29 minutes East, 417.0 feet to an iron pipe set in the South line of Lot 7, Block 9, for an interior corner in the West line of this description;

THENCE, with the South line of Lot 7, North 81 degrees 31 minutes West, 2.4 feet to an iron pipe set for an exterior corner in the West line of this description;

THENCE, North 8 degrees 29 minutes East, at 1,197.5 feet pass an iron pipe set in the South line of a county road, 1217.6 feet in all to a point in the North line of Lot 7 for the Northwest corner of this description;

THENCE, with the North line of Lot 7, South 81 degrees 31 minutes East, 337.6 feet to a point for the Northwest corner of that certain 1/2 acre in the North part of Lot 7 described in Deed appearing in Volume 637, Page 142, Deed Records, Hidalgo County, Texas for an exterior corner in the North line of this description;

THENCE, with the West line of that certain 1/2 acre in the North part of Lot 7, South 8 degrees 29 minutes West, at 20.0 feet pass an iron pipe set in the South line of a county road, 221.0 feet in all to an iron pipe set for the Southwest corner of that certain 1/2 acre in the North part of Lot 7 for an interior corner in the North line of this described tract;

THENCE, with the South line of that certain 1/2 acre in the North part of Lot 7, south 81 degrees 31 minutes East, 98.55 feet to an iron pipe set for the Southeast corner of that certain 1/2 acre in the North part of Lot 7 and for an interior corner in the North line of this description;

THENCE, with the East line of that certain 1/2 acre in the North part of Lot 7, North 8 degrees 29 minutes East, at 201.0 feet pass an iron pipe set in the South line of a county road, 221.0 feet in all

to a point in the North line of Lot 7 for the Northeast corner of that certain 1/2 acre in the North part of Lot 7 and for an exterior corner in the North line of this description;

THENCE, with the North line of Lot 7, South 81 degrees 31 minutes East, 54.69 feet to the PLACE OF BEGINNING, this description containing 18.5 acres, more or less of which 13.22

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
APRIL 9, 2019

Consideration and Approval of an Ordinance Authorizing the Issuance, Sale and Delivery of City of San Juan, Texas Waterworks and Sewer System Revenue Bonds Series 2019; Providing for the Payment of the Bonds, Together with Certain Currently Outstanding Previously Issued Bonds, from a First Lien on and Pledge of the Net Revenues of the City's Waterworks and Sewer System; Resolving Other Matters Incident and Relating to the Issuance, Payment, Security Sale and Delivery of the Bonds Including the Approval of an Application to the Texas Water Development Board; Authorizing the Execution of a Paying Agent/Registrar Agreement and an Escrow Agreement; Complying with the Requirements of the Depository Trust Company's Letter of Representations; Complying with the Regulations Promulgated by the Texas Water Development Board; and Providing for an Effective Date.

STAFF COMMENTS AND RECOMMENDATIONS:

The City of San Juan, Applied to the Texas Water Development Board for Financial Assistance and Received Approval on February 4, 2019. The City will Fund the Following Projects:

1. Rehabilitation of the Wastewater Treatment Plant. Applied for a total funding in the amount of $9,207,00 under the Clean Water State Revolving Fund. out of the total funding requested, Texas Water Development Board awarded $2,562,000 in Principal Forgiveness.

2. Rehabilitation of Lift Station and Force Mains. Applied for a total Funding in the amount of $2,213,000 under the Clean Water State Revolving Fund. Out of the total funding requested, Texas Water Development Board awarded $498,000 in Principal Forgiveness.

The Total Principal Forgiveness Granted by the Texas Water Development Board is $3,060,000 out of the Total of $11,420,000.

RECOMMENDATION:

Approve Ordinance as presented.

PREPARED BY:	**APPROVED BY:**
Diana Cavazos, City Secretary	Benjamin Arjona, City Manager

HilltopSecurities
A Hilltop Holdings Company.

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SAN JUAN

Waterworks and Sewer System Revenue Bonds, Series 2019 & 2019A
Transaction Summary

April 9, 2019

City of San Juan, Texas

Table of Contents

Plan of Finance

City of San Juan, Texas

- The City of San Juan, TX (the "City") applied to the Texas Water Development Board (the "TWDB") for financial assistance and received approval on February 4, 2019. The City will fund the following projects:

  a) The City applied for a total funding in the amount of $9,207,000 under the CWSRF (Clean Water State Revolving Fund) program to fund a Rehabilitation of an Existing Wastewater Treatment Plant. **Out of the total funding, the TWDB granted $2,562,000 of loan forgiveness.** The City financed the remaining difference for a total of **$6,645,000**

  b) The City applied for a total funding in the amount of $2,213,000 under the CWSRF (Clean Water State Revolving Fund) program to fund the Rehabilitation of Lift Stations and Force Mains. **Out of the total funding, the TWDB granted $498,000 of loan forgiveness**. The City financed the remaining difference for a total of **$1,715,000**

  c) **The Total loan forgiveness granted is $3,060,000 out of a total of $11,420,000 financial assistance provided by the TWDB, which is equivalent to almost 27% of the total cost.** ***The loan forgiveness represents debt service savings in the estimated amount of $3,867,000 at the interest rates provided by the TWDB for this program.***

Plan of Finance

City of San Juan, Texas

- The City will sell $8,360,000 Waterworks and Sewer System First Lien Revenue Bonds to the TWDB for the remainder of the cost

- The City will offer a pledge of a first lien on the net revenues of the waterworks and sewer system as sufficient security for the repayment of the Bonds.

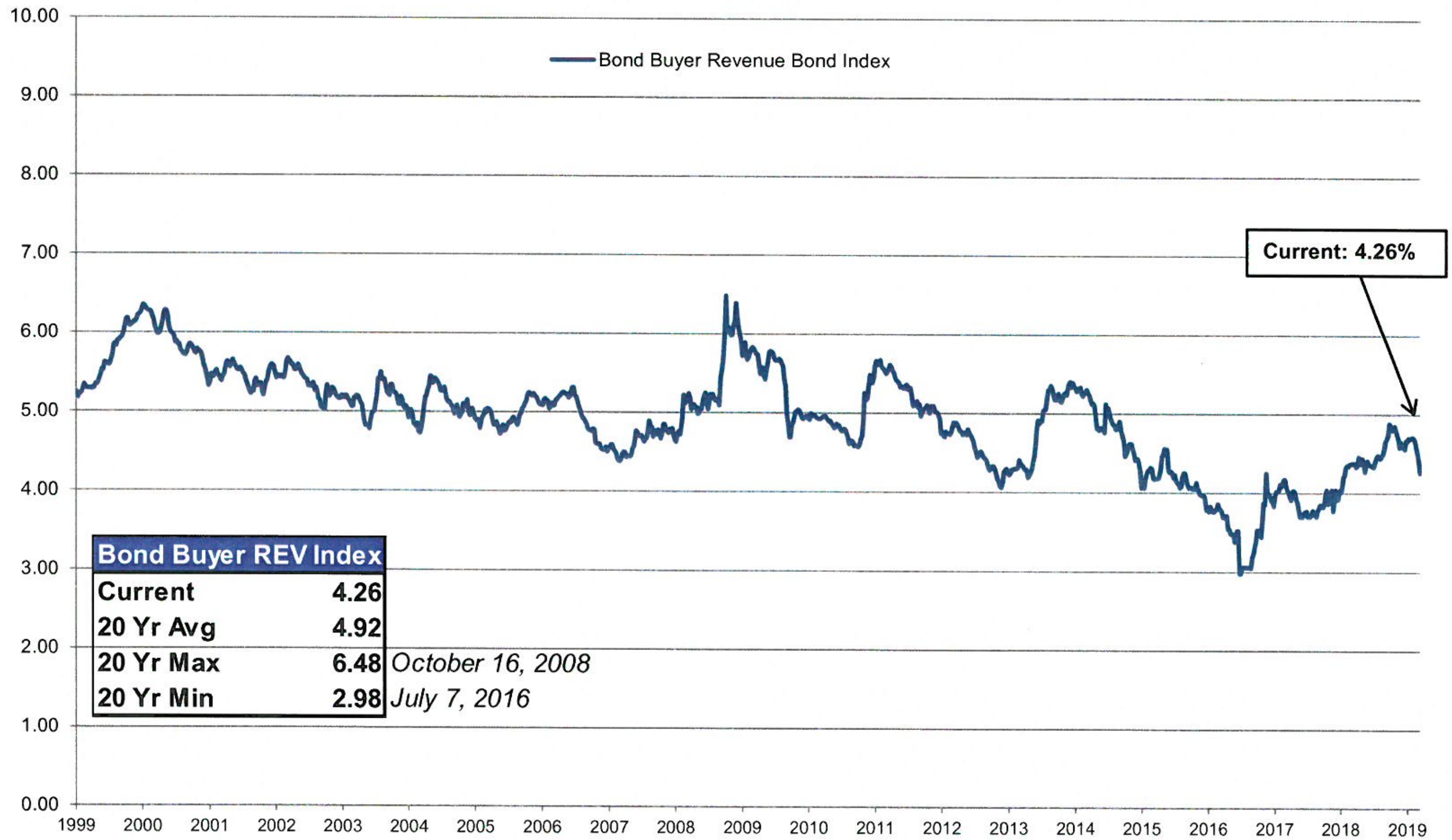
- The Bonds are structured with level debt service payments.

- **No utility rate impact or negative debt coverage implications are projected by this issuance. The City received an equivalency subsidy of 1.65% from the TWDB Clean Water State Revolving Fund.**

Municipal Market Update (Bond Buyer REV Index)

City of San Juan, Texas

Bond Buyer Revenue Index
20 Year History
As of 3/28/2019



Bond Buyer REV Index		
Current	4.26	
20 Yr Avg	4.92	
20 Yr Max	6.48	*October 16, 2008*
20 Yr Min	2.98	*July 7, 2016*

This graph depicts historical interest rates and their respective relationships. Future interest rates are dependent upon many factors such as, but not limited to, interest rate trends, tax rates, the supply and demand of short term securities, changes in laws, rules and regulations, as well as changes in credit quality and rating agency considerations. The effect of changes in such factors individually or in any combination could materially affect the relationships and effective interest rates. These results should be viewed with these potential changes in mind as well as the understanding that there may be interruptions in the short term market or no market may exist at all.

Source: The Bond Buyer

Summary Statistics

City of San Juan, Texas

Waterworks & Sewer System Revenue Bonds, Series 2019 & 2019A		
Summary Statistics	Existing WTTP Rehabilitation ***Series 2019***	Lift Station Rehabilitation ***Series 2019A***
Project Cost	**$9,207,000**	**$2,213,000**
Less: Principal Forgiveness	**($2,562,000)**	**($498,000)**
Total Par Amount	**$6,645,000**	**$1,715,000**
Final Subsidized Interest Rate(1)	1.29%	1.29%
First interest payment	1/1/2020	1/1/2020
First principal payment	1/1/2020	1/1/2020
Final maturity	1/1/2049	1/1/2049
Average Annual Debt Service (2020-2049)	$263,283	$67,969
W&S Revenue Debt Service Coverage(2)	**1.83x**	

(1) Assumes TWDB Clean Water State Revolving Fund Loan Commitment Interest Rates as of 4/3/2019.

(2) Additional Bonds Test is 1.25x the Net Revenues over the Average Annual Debt Service of the Parity Bonds (W&S revenue bonds only). Based on the pro forma calculations in the following slide, the Additional Bonds Test is satisfied.

Final Sources & Uses

City of San Juan, Texas

City of San Juan, Texas

Waterworks and Sewer System Revenue Bonds, Series 2019 & Series 2019A

Final Sources & Uses

Clean Water State Revolving Fund - Project No. 12773

Par Amount of WW&SS Revenue Bonds, Series 2019	**$**	**6,645,000.00**
Loan Forgiveness		**2,562,000.00**
Total Sources of Funds	**$**	**9,207,000.00**
Uses of Funds:		
Project Fund	$	8,990,000.00
CWSRF Loan Origination Fee (1.75%)		114,287.47
Financial Advisor		43,133.75
Bond Counsel		46,500.00
Attorney General Fee		6,645.00
Issuance Cost (CUSIP)		913.00
Paying Agent/Escrow Agent		400.00
Fiscal Contingency		5,120.78
Total Uses of Funds	**$**	**9,207,000.00**

Clean Water State Revolving Fund - Project No. 12901

Par Amount of WW&SS Revenue Bonds, Series 2019A	**$**	**1,715,000.00**
Loan Forgiveness		**498,000.00**
Total Sources of Funds	**$**	**2,213,000.00**
Uses of Funds:		
Project Fund	$	2,125,000.00
CWSRF Loan Origination Fee (1.75%)		29,496.31
Financial Advisor		26,577.19
Bond Counsel		26,500.00
Attorney General Fee		1,715.00
Issuance Cost (CUSIP)		913.00
Paying Agent/Escrow Agent		400.00
Fiscal Contingency		2,398.50
Total Uses of Funds	**$**	**2,213,000.00**

Final Cash Flows

City of San Juan, Texas

City of San Juan, Texas

Loan Commitment Interest Rates as of 4/3/2019

Waterworks and Sewer System Revenue Bonds, Series 2019 & 2019A - *Texas Water Development Board - Clean Water State Revolving Fund*

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
		Outstanding Senior Lien W&S	*Outstanding W&S Revenue*	TOTAL Outstanding	$6,645,000 Waterworks and Sewer System Revenue Bonds, Series 2019 (Sr Lien) True Interest Cost = 1.29%(2)			$1,715,000 Waterworks and Sewer System Revenue Bonds, Series 2019A (Sr Lien) True Interest Cost = 1.29%(2)			NEW Estimated TOTAL		Aggregate	W&S Revenue Bonds
FYE 9/30	Net Revenues(1)	*Revenue D/S*	*Supp. GO D/S*	System D/S	*Principal*	*Interest*	*Total D/S*	*Principal*	*Interest*	*Total D/S*	W&S Revenue Debt Service	Surplus Cash Flow	D/S Coverage	D/S Coverage(3)
2019	$1,819,310	$ 731,175	$ 409,175	$ 1,140,350	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,140,350	$ 678,960	1.60x	2.49x
2020	1,819,310	730,257	411,575	1,141,832	190,000	71,477	261,477	50,000	18,472	68,472	1,471,781	347,529	1.24x	1.83x
2021	1,819,310	729,730	413,375	1,143,105	200,000	62,375	262,375	50,000	16,121	66,121	1,471,601	347,710	1.24x	1.83x
2022	1,819,310	732,686	408,975	1,141,661	200,000	62,185	262,185	50,000	16,073	66,073	1,469,919	349,391	1.24x	1.83x
2023	1,819,310	684,833	457,388	1,142,221	200,000	61,855	261,855	50,000	15,991	65,991	1,470,066	349,244	1.24x	1.92x
2024	1,819,310	686,428	459,438	1,145,866	200,000	61,365	261,365	50,000	15,868	65,868	1,473,099	346,212	1.24x	1.92x
2025	1,819,310	667,379	480,925	1,148,304	205,000	60,737	265,737	50,000	15,713	65,713	1,479,753	339,557	1.23x	1.95x
2026	1,819,310	667,671	161,700	829,371	205,000	59,978	264,978	55,000	15,518	70,518	1,164,867	654,443	1.56x	1.95x
2027	1,819,310	667,068	162,000	829,068	205,000	59,097	264,097	55,000	15,282	70,282	1,163,446	655,864	1.56x	1.95x
2028	1,819,310	665,661	162,100	827,761	205,000	58,082	263,082	55,000	15,009	70,009	1,160,852	658,458	1.57x	1.96x
2029	1,819,310	668,459	162,000	830,459	205,000	56,913	261,913	55,000	14,696	69,696	1,162,068	657,242	1.57x	1.96x
2030	1,819,310	675,389	161,700	837,089	210,000	55,553	265,553	55,000	14,336	69,336	1,171,977	647,333	1.55x	1.93x
2031	1,819,310	671,522	161,200	832,722	210,000	53,978	263,978	55,000	13,923	68,923	1,165,623	653,688	1.56x	1.94x
2032	1,819,310	666,983	160,500	827,483	210,000	52,204	262,204	55,000	13,458	68,458	1,158,144	661,166	1.57x	1.96x
2033	1,819,310	666,736	164,500	831,236	215,000	50,226	265,226	55,000	12,947	67,947	1,164,409	654,901	1.56x	1.95x
2034	1,819,310	157,825	163,200	321,025	215,000	48,076	263,076	55,000	12,397	67,397	651,498	1,167,813	2.79x	4.32x
2035	1,819,310	155,603	-	155,603	220,000	45,781	265,781	55,000	11,817	66,817	488,200	1,331,110	3.73x	4.32x
2036	1,819,310	158,298	-	158,298	220,000	43,350	263,350	55,000	11,209	66,209	487,857	1,331,453	3.73x	4.31x
2037	1,819,310	155,915	-	155,915	220,000	40,809	260,809	55,000	10,574	65,574	482,298	1,337,013	3.77x	4.37x
2038	1,819,310	158,453	-	158,453	225,000	38,139	263,139	60,000	9,883	69,883	491,474	1,327,836	3.70x	4.32x
2039	1,819,310	155,915	-	155,915	230,000	35,317	265,317	60,000	9,139	69,139	490,371	1,328,940	3.71x	4.32x
2040	1,819,310	153,349	-	153,349	230,000	32,373	262,373	60,000	8,371	68,371	484,093	1,335,217	3.76x	4.38x
2041	1,819,310	160,660	-	160,660	235,000	29,315	264,315	60,000	7,582	67,582	492,557	1,326,753	3.69x	4.28x
2042	1,819,310	157,848	-	157,848	235,000	26,166	261,166	60,000	6,778	66,778	485,792	1,333,518	3.75x	4.34x
2043	1,819,310	159,963	-	159,963	240,000	22,936	262,936	60,000	5,962	65,962	488,861	1,330,450	3.72x	4.30x
2044	1,819,310	157,007	-	157,007	245,000	19,602	264,602	65,000	5,103	70,103	491,711	1,327,599	3.70x	4.32x
2045	1,819,310	154,038	-	154,038	245,000	16,208	261,208	65,000	4,202	69,202	484,448	1,334,862	3.76x	4.38x
2046	1,819,310	160,950	-	160,950	250,000	12,756	262,756	65,000	3,296	68,296	492,001	1,327,309	3.70x	4.29x
2047	1,819,310	157,745	-	157,745	255,000	9,208	264,208	65,000	2,382	67,382	489,335	1,329,975	3.72x	4.31x
2048	1,819,310	55,569	-	55,569	260,000	5,564	265,564	65,000	1,463	66,463	387,596	1,431,714	4.69x	5.67x
2049	1,819,310	-	-	-	260,000	1,859	261,859	70,000	501	70,501	332,360	1,486,951	5.47x	6.95x
		$ 12,571,111	$ 4,499,750	$ 17,070,861	$ 6,645,000	$ 1,253,482	$ 7,898,482	$ 1,715,000	$ 324,061	$ 2,039,061	$ 27,008,405	$ 29,390,205		

Assumptions:

(1) Audited as of Fiscal Year 2018. Excludes depreciation expense and capital outlay.

(2) Assumes TWDB Clean Water State Revolving Fund Loan Commitment Interest Rates as of 4/3/2019.

(3) Additional Bonds Test is 1.25x the Net Revenues over the Avg. Annual Debt Service of the Parity Bonds (W&S revenue bonds). Based on the proforma calculations above, the Additional Bonds Test is satisfied.

Schedule of Events

City of San Juan, Texas

Date	Event
Completed	**City Commission approves Resolutions Requesting Financial Assistance**
Completed	Texas Water Development approves financial assistance application
Completed	**City Commission reviews TWDB 2019 funding program Plan of Finance** **City Commission directs Staff and consultants to move forward with funding program**
Completed	Deadline to submit draft Bond Ordinances, Legal Documents, Timetable, Distribution List, PPMs, Preliminary Numbers, etc. to TWDB for review
Completed	Pricing of Bonds – TWDB provides final interest rates
4/9/2019	**City Commission to approve Bond Ordinances authorizing the issuance of the 2019A and 2019B W&S Revenue Bonds**
5/9/2019	Closing and Delivery of Funds to Escrow Agent

Key Actions to be Taken by City Commission

CRUZ-HOGAN *Consultants, Inc.*

ENGINEERS I PLANNERS I CONSULTANTS
McAllen I Harlingen I Weslaco
TBPE Firm Reg No. F-4860

April 1, 2019

Benjamin Arjona
City Manager
City of San Juan
709 South Nebraska St.
San Juan, Texas 78589

Re: Wastewater Treatment Plant Improvements
Phase II Project
TWDB - CWSRF Project No. 73796
City of San Juan

Dear Mr. Arjona:

The proposed Wastewater Treatment Plant Improvements, Phase II – Wastewater Treatment Plant Improvements Project currently being funded through funds provided from the Texas Water Development Board for CWSRF Project No. 73796, mainly consists of making equipment improvements and rehabilitations at the existing City's Wastewater Treatment Plant.

The project includes the construction of a new plant lift station, a new control building, new disinfection facilities, replacement of existing plant process mechanical equipment, electrical and plant control work, general site work improvements and other associated plant rehabilitations and improvements all to be done at the City's existing Wastewater Treatment Plant.

As such, the life expectancy and useful life of the proposed improvements, with proper, necessary and needed ongoing maintenance, should be a minimum of 30 years.

Sincerely,

Orlando S. Cruz, P.E.
President

605 E. Violet, Suite 1 • McAllen, Texas 78504
(956) 682-5022 • Fax (956) 682-5089
www.cruzhogan.net

DRAFT 3/20/2019

ORDINANCE NO. __________

AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF CITY OF SAN JUAN, TEXAS WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2019; PROVIDING FOR THE PAYMENT OF THE BONDS, TOGETHER WITH CERTAIN CURRENTLY OUTSTANDING PREVIOUSLY ISSUED BONDS, FROM A FIRST LIEN ON AND PLEDGE OF THE NET REVENUES OF THE CITY'S WATERWORKS AND SEWER SYSTEM; RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF THE BONDS, INCLUDING THE APPROVAL OF AN APPLICATION TO THE TEXAS WATER DEVELOPMENT BOARD; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT; COMPLYING WITH THE REQUIREMENTS OF THE DEPOSITORY TRUST COMPANY'S LETTER OF REPRESENTATIONS; COMPLYING WITH THE REGULATIONS PROMULGATED BY THE TEXAS WATER DEVELOPMENT BOARD; AND PROVIDING FOR AN EFFECTIVE DATE

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AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF CITY OF SAN JUAN, TEXAS WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2019; PROVIDING FOR THE PAYMENT OF THE BONDS, TOGETHER WITH CERTAIN CURRENTLY OUTSTANDING PREVIOUSLY ISSUED BONDS, FROM A FIRST LIEN ON AND PLEDGE OF THE NET REVENUES OF THE CITY'S WATERWORKS AND SEWER SYSTEM; RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF THE BONDS, INCLUDING THE APPROVAL OF AN APPLICATION TO THE TEXAS WATER DEVELOPMENT BOARD; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT; COMPLYING WITH THE REQUIREMENTS OF THE DEPOSITORY TRUST COMPANY'S LETTER OF REPRESENTATIONS; COMPLYING WITH THE REGULATIONS PROMULGATED BY THE TEXAS WATER DEVELOPMENT BOARD; AND PROVIDING FOR AN EFFECTIVE DATE

THE STATE OF TEXAS	§
COUNTY OF HIDALGO	§
CITY OF SAN JUAN	§

WHEREAS, the City of San Juan, Texas (the "***City***") currently has the following outstanding obligations which are secured by a parity first lien on and pledge of the "Net Revenues" (as such term is defined herein) of the City's Waterworks and Sewer System (the "***System***"):

(1) The City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2012, currently outstanding in the aggregate principal amount of $225,000 (the "***Series 2012 Bonds***"); and

(2) The City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2013-A, currently outstanding in the aggregate principal amount of $5,675,000 (the "***Series 2013-A Bonds***"); and

(3) The City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2013-B, currently outstanding in the aggregate principal amount of $1,205,000 (the "***Series 2013-B Bonds***");

(4) The City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2014, currently outstanding in the aggregate principal amount of $105,000 (the "***Series 2014 Bonds***");

(5) The City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2017 currently outstanding in the aggregate principal amount of $2,285,000 (the ***"Series 2017 Bonds***");

(6) The City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2018 currently outstanding in the aggregate principal amount of $1,270,000 (the ***"Series 2018 Bonds***"); and

(7) Upon issuance concurrently with the issuance of the Bonds, the City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2019A (the ***"Series 2019A Bonds***").

WHEREAS, the City may, subject to complying with certain conditions, issue Additional Bonds (hereinafter defined), payable from a first lien on and pledge of the Net Revenues on parity with the outstanding Parity Bonds (hereinafter defined);

WHEREAS, the City Commission of the City deems it in the best interests of the City to issue revenue bonds as authorized under Chapter 1502, Texas Government Code, and to use the proceeds thereof to finance utility system improvements and to pay the costs of issuance related to the issuance of these bonds;

WHEREAS, the City Commission hereby finds and determines that all of the bonds herein authorized to be issued and the deposits to certain accounts can and should be payable from and secured by a first lien on and pledge of the Net Revenues of the System on a parity with the City's currently outstanding Previously Issued Bonds;

WHEREAS, the Bonds herein authorized for issuance are to be delivered to the Texas Water Development Board (the *TWDB, Board,* or *Purchaser*) in evidence of a loan commitment received in the aggregate amount of the Bonds; and

WHEREAS, the City Commission hereby finds and determines that this action and the adoption of this Ordinance is in the best interest of the residents of the City; now, therefore,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN:

SECTION 1. DEFINITIONS.

Throughout this Ordinance the following terms and expressions as used herein shall have the meanings set forth below:

"***Additional Bonds***" shall mean the additional first lien revenue bonds which the City reserves the right to issue in the future on a parity and equal dignity with the Bonds and the Parity Bonds.

"***Attorney General***" shall mean the Attorney General of Texas.

"Authorized Official" shall mean the Mayor, Mayor Pro Tem, City Manager, Finance Director, or the City Secretary.

"***Average Annual Debt Service Requirements***" means the average requirements of annual debt service (taking into account all mandatory principal redemption requirements) scheduled to occur in any future Fiscal Year or in the then current Fiscal Year for the particular obligations for which such calculation is made. Capitalized interest payments provided from Bond proceeds, accrued interest on any Bonds, and interest earnings thereon shall be excluded in making such computation; provided, however, when the Previously Issued Bonds issued on or before May 27, 2014 are no longer outstanding, the bond documents are properly amended, or the purchaser of those obligations consents, the term "*Average Annual 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 calculated by assuming (i) that the interest rate for every 12-month period on such bonds is equal to the rate of interest reported in the most recently published edition of *The Bond Buyer* (or its successor) at the time of calculation as the "Revenue Bond Index" or, if such Revenue Bond Index is no longer being maintained by *The Bond Buyer* (or its successor) at the time of calculation, such interest rate shall be assumed to be 80% of the rate of interest then being paid on United States Treasury obligations of like maturity and (ii) that, in the case of bonds not subject to fixed scheduled mandatory sinking fund redemptions, that the principal of such bonds is amortized such that annual debt service is substantially level over the remaining stated life of such bonds or in the manner permitted under Section 1371.057(c), as amended, Texas Government Code as the same relates to interim or non–permanent indebtedness, and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to stated maturity according to a fixed schedule, the principal amounts thereof will be redeemed prior to stated maturity in accordance with the mandatory redemption provisions applicable thereto (in each case notwithstanding any contingent obligation to redeem bonds more rapidly). For the term of any credit agreement in the form of an interest rate hedge agreement entered into in connection with any such obligations, Average Annual Debt Service Requirements shall be computed by netting the amounts payable to the City under such hedge agreement from the amounts payable by the City under such hedge agreement and such obligations.

"***Board***" shall mean the Board of Directors of the TWDB.

"***Bonds***" and "***Series 2019 Bonds***" shall mean "City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2019" (and includes all other substitute bonds and replacement bonds issued pursuant hereto), and the term "Bond" shall mean any of the Bonds.

"***Business Day***" shall mean any day which is not a Saturday, Sunday, or a day on which the Paying Agent/Registrar is authorized by law or executive order to remain closed or a legal holiday.

"***City***" and "***Issuer***" shall mean the City of San Juan, Texas, and any successor to its duties and functions.

"***City Commission***" shall mean the City Commission of the City.

"***Code***" shall mean the Internal Revenue Code of 1986, as amended.

"***Comptroller***" shall mean the Comptroller of Public Accounts of the State of Texas.

"***DTC***" shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

"***Fiscal Year***" shall mean the City's designated Fiscal Year which is the twelve month accounting period used in the operation of the System, currently ending on September 30 of each year, which may be any twelve consecutive month period established by the City.

"***Government Obligations***" as used herein, shall mean direct obligations of, including obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, which are non-callable prior to the respective stated maturities of the Bonds and may be United States Treasury Obligations such as the State and Local Government Series and may be in book-entry form; provided, however, when the Previously Issued Bonds issued on or before May 27, 2014 are no longer outstanding, the bond documents are properly amended, or the purchaser of those obligations consents, the term "*Government Obligations*" 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.

"***Gross Proceeds***" shall mean any proceeds and replacement proceeds of the issue of obligations authorized under the Ordinance.

"***Gross Revenues***" shall mean all of the revenues, income and receipts of every nature derived or received by the City from the operation and ownership of the System.

"***Issue Date***" shall mean the date on which the Bonds are initially delivered to and paid for by the Texas Water Development Board.

"***Junior Lien Bonds***" means (i) any bonds, notes, warrants, certificates of obligation or other debt 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, such pledge being junior and inferior to the lien on and pledge of the Net Revenues that are or will be pledged to the payment of any Parity Bonds and (ii) obligations hereafter issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured, in whole or in part, by a junior and inferior lien on and pledge of the Net Revenues on a parity with the Junior Lien Bonds.

"***MSRB***" shall mean the Municipal Securities Rulemaking Board.

"***Net Revenues***" and "***Net Earnings***" shall mean all Gross Revenues of the System after deducting therefrom Operation and Maintenance Expenses as hereinafter defined.

"***Operation and Maintenance Expense***" shall mean the reasonable and necessary expenses of operation and maintenance of the System as required by Section 1502.056, Texas Government Code, as amended, including all salaries, labor, materials, repairs and extensions necessary to render efficient service (but only such repairs and extensions as, in the judgment of the governing body of the City, are necessary to keep the System in operation and render adequate service) to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or conditions which would otherwise impair the Parity Bonds and any subordinate lien obligations and all payments under contracts now or hereafter defined as operating expenses by the Texas Legislature. Depreciation, amortization, or other expenditures which, under standard accounting practice, should be charged to capital expenditures shall not constitute or be regarded as an Operation and Maintenance Expense. Payments into and out of the Parity Bonds Interest and Sinking Fund and the Parity Bonds Debt Service Reserve Fund for the Previously Issued Bonds, the Bonds and any Additional Bonds shall never be considered as an Operation and Maintenance Expense.

"***Ordinance***" as used herein and in the Bonds shall mean this Ordinance authorizing the Bonds.

"***Owner***" shall mean any person who shall be the registered owner of any outstanding Bond as shown on the registration books maintained by the Paying/Agent Registrar, initially the Texas Water Development Board.

"***Paying Agent/Registrar***" shall mean BOKF, NA, Austin, Texas, and its successors in the capacities of Paying Agent/Registrar for the Bonds.

"***Parity Bonds***" shall mean the Bonds, the Previously Issued Bonds, and any Additional Bonds hereafter issued by the City or obligations issued to refund any of the foregoing (as determined within the sole discretion of the City Commission in accordance with applicable law), if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured by a first lien on and pledge of the Pledged Revenues.

"***Parity Bonds Debt Service Reserve Fund***" shall mean a reserve fund to pay principal of and interest on the Parity Bonds in the occasion that funds in the Parity Bonds Interest and Sinking Funding are insufficient for the purpose.

"***Parity Bonds Interest and Sinking Fund***" shall mean the fund described in Section 21 of this Ordinance.

"***Pledged Revenues***" shall mean the Net Revenues.

"***Previously Issued Bonds***" shall mean the Series 2012 Bonds, the Series 2013-A Bonds, the Series 2013-B Bonds, the Series 2014 Bonds, the Series 2017 Bonds, and the Series 2018 Bonds.

"***Project***" shall mean the design and construction costs for the construction improvements to the utility system as approved by the Texas Water Development Board in Resolution No. 19-017 identified as Project No. 73796.

"***Purchaser***" shall mean the initial purchaser of the Bonds.

"***Record Date***" for the interest payable on any interest payment date as used in connection with any Bond, shall mean the fifteenth day of the month preceding each interest payment date.

"***Register***" shall mean the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of, and the principal amounts of the Bonds registered to, each Owner.

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

"***SEC***" shall mean the United States Securities and Exchange Commission.

"***System***" shall mean and include the City's entire waterworks and sewer system, together with all future extensions, improvements, enlargements, and additions thereto, and all replacements thereof; provided, however, when the Previously Issued Bonds issued on or before May 27, 2014 are no longer outstanding, the bond documents are properly amended, or the purchaser of those obligations consents, 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 Parity Bonds including, but not limited to, special contract revenues or payments received from any other legal entity in connection with such facilities.

"***TWDB***" shall mean the Texas Water Development Board.

SECTION 2. FINDINGS. The City hereby finds and determines that the recitations contained in the preamble hereto are true and correct and incorporates the said recitals in the preamble as if set forth in full at this place.

SECTION 3. AUTHORIZATION: DESIGNATION: PURPOSES. The Bonds shall be designated as the "***City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2019***" and shall be issued in fully registered form in the total authorized aggregate principal amount of $6,645,000 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) to finance the costs of improvements and extensions to the City's waterworks and sewer system, (2) the purchase of materials, supplies, equipment, land, and rights-of-way for authorized needs and purposes relating to the waterworks and sewer system improvements, and (3) the payment of professional services related to the construction and financing of the aforementioned projects (collectively, the "***Project***"). The Bonds are authorized to be issued pursuant to the authority conferred by and in conformity with the laws of the State of Texas, particularly Chapter 1502, as amended, Texas Government Code and the Ordinance.

SECTION 4. DATE: INTEREST AND INTEREST PAYMENT DATES. The Bonds shall be dated May 1, 2019. Interest on the Bonds at the rate set out in Section 5 hereof, will accrue from the Closing Date and will be payable on January 1 and July 1 each year commencing on January 1, 2020; and will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

SECTION 5. INITIAL AND DEFINITIVE BONDS: NUMBERS AND DENOMINATIONS.

(a) The Initial Bonds herein authorized shall be issued either (i) as a single fully registered Bond in the total principal amount of $6,645,000 with principal and interest payments to become due and payable as provided in this Section 5 and numbered T-l, or (ii) as separate, fully registered Bonds for each year of stated maturity in the applicable principal amounts and denominations and to be numbered consecutively from T-l and upward (the ***"Initial Bond"***), and, in either case, the Initial Bond shall be registered in the name of the Purchaser, to-wit: TEXAS WATER DEVELOPMENT BOARD or the designee(s) thereof. The Initial Bond shall be 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 and delivered to the initial purchaser. Any time after the delivery of the Initial Bond, the Paying Agent/Registrar, pursuant to written instructions from the Purchaser, or the designee(s) thereof, shall cancel the Initial Bond delivered hereunder and exchange therefore Definitive Bonds (as hereinafter defined) of authorized denominations, stated maturities, principal amounts and bearing applicable interest rates, 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 Purchaser, or the designee(s) thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require. The Initial Bond submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced.

(b) The Definitive Bonds (the ***"Definitive Bonds"***) shall be numbered consecutively from R- 1, upward and shall mature and bear interest at the rates set forth in the following schedules, and may be transferred and exchanged as set out in this Ordinance. The Bonds shall mature on January 1 in each of the years and in the principal amounts set out in such schedules:

Year of Stated Maturity	Principal Amounts ($)	Interest Rates (%)
2020		
2021		
2022		

Year of Stated Maturity	Principal Amounts ($)	Interest Rates (%)
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		
2047		
2048		
2049		

SECTION 6. REDEMPTION.

(a) Optional Redemption. The Bonds having stated maturities on and after January 1, 2030 shall be subject to redemption prior to stated maturity, at the option of the City, in inverse order of stated maturity, on July 1, 2029, 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) Special Mandatory Redemption. In the event that the Purchaser at such time remains the sole holder of the Bonds and the final accounting delivered by the City to the Purchaser in the form and manner specified in, and in compliance with the provisions of, Section 30(d) of this Ordinance evidences that the total cost of the project to be financed with Bond proceeds is less than the amount of Bond proceeds available for paying such costs, then the City shall, as soon as practicable (but in no event later than six months after the Purchaser's acceptance of the aforementioned accounting) redeem Bonds in the amount of such excess to the nearest multiple of the authorized denomination for the Bonds. Bonds redeemed pursuant to this provision shall be redeemable on any date, in inverse order of stated maturity, 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.

(c) Exercise of Redemption Option. At least forty-five (45) days prior to a date set for the redemption of Bonds (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 Bonds, 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 Bonds shall be entered in the minutes of the governing body of the City.

(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, a notice of redemption shall 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 Owner of a Bond to be redeemed, in whole or in part, at the address of the Owner 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 Owner. 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 Owner. 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 said 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. Neither the City nor the Paying Agent/Registrar shall be required 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 to transfer or exchange any Bond selected for redemption, provided; however, such limitation of transfer shall not be applicable to an exchange by the Owner of the unredeemed balance of a Bond which is subject to redemption in part.

SECTION 7. EXECUTION OF BONDS; SEAL. The Bonds shall be signed by the Mayor of the City and countersigned by the City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of such officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds. If any officer of the City whose signature shall be on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

SECTION 8. APPROVAL BY ATTORNEY GENERAL: REGISTRATION BY COMPTROLLER. The Initial Bond shall be delivered to the Attorney General for approval and shall be registered by the Comptroller. The Mayor and the City Secretary are authorized hereby to have control and custody of the Bonds and all necessary records and proceedings pertaining thereto pending their delivery, and the Mayor and the City Secretary and other officers and employees of the City are hereby authorized and directed to make such certifications and to execute such instruments as may be necessary to accomplish the delivery of the Bonds and to assure the investigation, examination and approval thereof by the Attorney General and the registration of the Initial Bond by the Comptroller. Upon registration of the Bonds, the Comptroller (or the Comptroller's bond clerk, or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually execute the registration certificate of the Comptroller substantially in the form provided in Section 17 of this Ordinance, and such certificate shall be affixed or attached to the Bonds to be initially issued, and the seal of the Comptroller shall be impressed, or placed in facsimile, thereon.

SECTION 9. AUTHENTICATION. Except for the Initial Bond which need not be authenticated by the Paying Agent/Registrar, only such Bonds as shall bear thereon a certificate of authentication, substantially in the form provided in Section 17 of this Ordinance, manually executed by an authorized representative of the Paying Agent/Registrar shall be entitled to the benefits of this Ordinance or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Bond so authenticated was delivered by the Paying Agent/Registrar hereunder.

SECTION 10. PAYMENT OF PRINCIPAL AND INTEREST: PAYING AGENT/REGISTRAR. BOKF, NA, Austin, Texas, Paying Agent/Registrar, is hereby appointed as the registrar and paying agent for the Bonds pursuant to the terms and provisions of the Paying

Agent/Registrar Agreement, a substantial copy of which is attached hereto as Exhibit A, which is hereby authorized, approved and incorporated hereto by reference by the City and are each hereby authorized to execute, attest and affix the City's seal to the Paying Agent/Registrar Agreement, the terms and provisions of which are hereby approved. Such initial Paying Agent/Registrar and any successor, by undertaking the performance of the duties of the registrar and paying agent hereunder, and in consideration of the payment of any fees pursuant to the terms of the agreement between the Paying Agent/Registrar and the City and/or the deposits of money pursuant to this Ordinance, shall be deemed to accept and agree to abide by the terms of this Ordinance. All money transferred to the Paying Agent/Registrar in its capacity as registrar or paying agent for the Bonds under this Ordinance (except any sums representing registrar or paying agent fees) shall be held in trust for the benefit of the City, shall be the property of the City and shall be disbursed in accordance with this Ordinance. Subject to the provisions of Section 13, all matured Bonds presented to the Paying Agent/Registrar for payment shall be paid without the necessity of further instructions from the City. Such Bonds shall be canceled as provided herein.

SECTION 11. SUCCESSOR PAYING AGENTS/REGISTRARS. The City covenants that at all times while any Bonds are outstanding it will provide a legally qualified bank, trust company, financial institution or other agency to act as Paying Agent/Registrar for the Bonds. The City reserves the right to change the Paying Agent/Registrar for the Bonds on not less than sixty (60) days written notice to the Paying Agent/Registrar, as long as any such notice is effective not less than 60 days prior to the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or a copy thereof to the new Paying Agent/Registrar, and the new Paying Agent/Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Paying Agent/Registrar. Each Paying Agent/Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Ordinance.

SECTION 12. SPECIAL RECORD DATE. In the event of a nonpayment of interest on any interest payment date which continues for thirty (30) days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest (the "***Special Record Date***") upon receipt of funds from or on behalf of the City to make such interest payment. The Special Record Date shall be fifteen days prior to the scheduled payment date (the "***Scheduled Payment Date***") of past due interest. Notice of the Scheduled Payment Date of past due interest and the Special Record Date shall be given by U.S. mail, Paying Agent/Registrar class postage prepaid, not later than five (5) days prior to the Special Record Date, to each Owner of an affected Bond as of the close of business on the Business Day prior to the mailing of such notice.

SECTION 13. OWNERSHIP; UNCLAIMED PRINCIPAL AND INTEREST. The City, the registered as the absolute Owner of such Bond for the purpose of making and receiving payment of the principal of or interest on such Bond and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Paying Agent/Registrar which represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three (3) years from the date such amounts have become due and payable shall be reported and disposed of by the Paying Agent/Registrar in accordance with the applicable provisions of Texas law, including, to the extent applicable, Title 6 of the Texas Property Code, as amended. To the extent such provisions of the Property Code do not apply to the funds, such funds shall be paid by the Paying Agent/Registrar to the City upon receipt by the Paying Agent/Registrar of a written request therefor from the City. The Paying Agent/Registrar shall have no liability to the Owners of the Bonds by virtue of actions taken in compliance with this Section.

SECTION 14. REGISTRATION, TRANSFER AND EXCHANGE. As long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the Register at its trust office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Ordinance. The Paying Agent/Registrar has also agreed to keep a copy of the Register at its offices, or its agent's offices, located in Austin, Texas.

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

All Bonds shall be exchangeable upon presentation and surrender thereof at the principal trust office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section. Each Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered, sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the City.

SECTION 15. MUTILATED, LOST OR STOLEN BONDS. Upon the presentation and surrender to the Paying Agent/Registrar of a damaged or mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The City or the Registrar may require the Owner of a damaged or mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith, including the fees and expenses of the Registrar.

If any Bond is lost, apparently destroyed or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The City or the Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

(a) furnish to the City and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;

(b) furnish such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;

(c) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and

(d) meet any other reasonable requirements of the City and the Paying Agent/Registrar.

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

If any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Bond, authorize the Registrar to pay such Bond. Each replacement Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered. This section further constitutes authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the City or any other body or person, and the duty of replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar.

SECTION 16. CANCELLATION OF BONDS. All Bonds paid in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment. The Paying Agent/Registrar shall furnish the City with appropriate certificates of destruction of such Bonds.

SECTION 17. FORM OF BONDS. The form of the Bonds, including the form of the Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, which shall be attached or affixed to the Bonds initially issued shall be, respectively, substantially as follows, with such additions, deletions and variations, including any guarantee legend or statement, as may be necessary or desirable and not prohibited by this Ordinance.

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

Form of Initial Bond to be submitted to the Texas Attorney General in substantially the form attached hereto as Exhibit B.

Form of Definitive Bond.

REGISTERED NO.	PRINCIPAL AMOUNT $______________

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF SAN JUAN, TEXAS
WATERWORKS AND SEWER SYSTEM REVENUE BONDS,
SERIES 2019

Bond Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
May 1, 2019			

REGISTERED OWNER: ____

PRINCIPAL AMOUNT: ____ DOLLARS

THE CITY OF SAN JUAN, TEXAS (the "City"), for value received, promises to pay to the Registered Owner set forth above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Bond at the principal trust office of BOKF, NA, Austin, Texas, or its successor (the "Paying Agent/Registrar"), the principal amount identified above payable in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year composed of twelve 30-day months, from the delivery date or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable semi-annually on January 1 and July 1 each year, beginning January 1, 2020 until maturity of this Bond, by check mailed by the Paying Agent/Registrar to the Registered Owner of record as of the fifteenth day of the month immediately preceding the applicable interest payment date, as shown on the registration books kept by the Paying Agent/Registrar. Interest shall be paid by the Paying Agent/Registrar by check sent on the appropriate date of payment by United States Mail, first-class postage prepaid, to the Owner hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Owner hereof at the Owner's risk and expense. While the Bonds are held by the Purchaser payment of principal of, premium, if any, and interest on the Bonds shall be made by federal funds wire transfer, at no cost to the Purchaser, to an account at a financial institution located in the United States designated by the Purchaser.

IN THE EVENT of a non-payment of interest on a scheduled payment date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the 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 15 days after the Special Record Date shall be sent at least five business days prior to the Special Record Date by United States mail, Paying Agent/Registrar class, postage prepaid, to the address of each Registered Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the Business Day prior to the mailing of such notice.

IF THE DATE for any payment due on the Bonds shall be a Saturday, Sunday, or legal holiday, or a day on which banking institutions in the City where the principal trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date of such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND, dated May 1, 2019, has been authorized in accordance with the Constitution and laws of the State of Texas, in the principal amount of $6,645,000 for paying all or a portion of the City's contractual obligations for the purpose paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) to finance the costs of improvements and extensions to the City's waterworks and sewer system, (2) the purchase of materials, supplies, equipment, land, and rights-of-way for authorized needs and purposes relating to the waterworks and sewer system improvements, and (3) the payment of professional services related to the construction and financing of the aforementioned projects. The Bonds are authorized to be issued pursuant to the authority conferred by and in conformity with the laws of the State of Texas, particularly Chapter 1502, as amended, Texas Government Code, and the Ordinance.

The Bonds stated to mature on and after January 1, 2030 may be redeemed prior to their Stated Maturities, at the option of the City, in inverse order of stated maturity, on July 1, 2029, 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, together with 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 Owners 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 Owner 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.

In addition to the foregoing right to optional redemption, in the event that the Purchaser at such time remains the sole holder of the Bonds and the final accounting delivered by the City to the Purchaser in the form and manner specified in the Ordinance (and in compliance with the provisions of Section 30(d) of the Ordinance) evidences that the total cost of the project to be financed with Bond proceeds is less than the amount of Bond proceeds available for paying such costs, then the City shall, as soon as practicable (but in no event later than six months after the Purchaser's acceptance of the aforementioned accounting) redeem Bonds in the amount of such excess to the nearest multiple of the authorized denomination for the Bonds. Bonds redeemed pursuant to this provision shall be redeemable on any date, in inverse order of stated maturity, 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.

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption 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 City 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 Owner of the unredeemed balance hereof in the event of its redemption in part.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the trust office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Ordinance.

THE CITY has reserved the right, subject to the restrictions stated, and adopted by reference in the Ordinance, to issue Additional Bonds which may be made payable from, and secured by, a first lien on and pledge of the "Net Revenues" equally and ratably on a parity with the Parity Bonds, as well as any Junior Lien Bonds, which may be made payable from, and secured by a junior and inferior lien on and pledge of the Net Revenues.

THE BONDS are issuable in the form of fully registered Bonds without coupons in the denominations of $5,000 or any integral multiple of $5,000 for any one maturity. The Registered Owner of any Bond may surrender the same in exchange for any equal aggregate principal amount of Bonds of the same maturity and for any other authorized denominations. Such exchanges shall be without expense to the Registered Owner hereof, but any taxes, fees or other governmental charges required to be paid with respect to the same shall be paid by the Registered Owner requesting such exchange as a condition precedent to the exercise of such privilege.

THIS BOND, and the other Parity Bonds of the series of which it is a part and the interest thereon, are secured by and payable from a first lien on and pledge of the Net Revenues of the City's Waterworks and Sewer System as described in the Ordinance. The Bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the City or System, except with respect to the Net Revenues.

THE REGISTERED OWNER HEREOF SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THIS OBLIGATION OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION, OR FROM ANY SOURCE WHATSOEVER OTHER THAN THE AFORESAID REVENUES.

THE CITY HAS RESERVED the right to amend the Ordinance with the approval of the holders of 51% of all outstanding Bonds subject to the restrictions stated in the Ordinance.

Reference is hereby made to the Ordinance, copies of which are on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Owner by his acceptance hereof hereby assents, for definitions of terms; the description and nature of the Net Revenues of the System pledged for the payment of the Bonds; the terms and conditions under which the City may issue Additional Bonds or Junior Lien Bonds; the terms and conditions relating to the transfer or exchange of the Bonds; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Owners; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond 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 have the same meanings assigned in the Ordinance.

This Bond, 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 Owner 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.

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 Bond in order to render the same a legal, valid, and binding special obligation of the City have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that 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 and interest on the Bonds by a pledge of and lien on the Net Revenues of the System. 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.

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IN WITNESS WHEREOF, this Bond has been signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary, and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

CITY OF SAN JUAN, TEXAS

____
Mayor

ATTEST:

____
City Secretary

(CITY SEAL)

Form of Registration Certificate
<u>of Comptroller of Public Accounts</u>

COMPTROLLER'S REGISTRATION CERTIFICATE

REGISTER NO._____

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

WITNESS MY SIGNATURE AND SEAL this ______________________.

____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

<u>Form of Paying Agent/Registrar Authentication Certificate</u>

AUTHENTICATION CERTIFICATE

It is hereby certified that this bond has been delivered pursuant to the Ordinance described in the text of this bond, in exchange for or in replacement of a bond, bonds or a portion of a bond or bonds of an issue of bonds which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Date of Authentication

BOKF, NA, Austin, Texas
as Paying Agent/Registrar

By: ___________________________________
Authorized Signature

Form of Assignment

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto ______________________ (Please print or type name, address, and zip code of Transferee) ________________________ (Please insert Social Security or Taxpayer Identification Number of Transferee) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints___________________ attorney to transfer such bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: ______________________

Signature
Guaranteed:______________________________ ______________________
Registered Owner

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

Notice: The Signature above must correspond to same name of the registered owner as show on the face of this bond in every particular, without alteration, enlargement, or change whatsoever.

SECTION 18. OPINION OF BOND COUNSEL: CUSIP. Norton Rose Fulbright US LLP, San Antonio, Texas, is engaged as bond counsel. The approving opinion of bond counsel, a City Secretary's certificate certifying that the opinion of bond counsel is on file with the City, and CUSIP numbers, may be printed on the Bonds, but errors or omissions in the printing of such opinion or such numbers shall have no effect on the validity of the Bonds.

SECTION 19. PLEDGE. (a) While any of the Parity Bonds are outstanding, an Authorized Official shall cause to be transferred to the Paying Agent/Registrar therefor, from funds on deposit in the Parity Bonds Interest and Sinking Fund, and, if necessary, in the Parity Bonds Debt Service Reserve Fund, amounts sufficient to fully pay and discharge promptly each installment of interest on and principal of the Parity Bonds as such installment accrues or matures; such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Parity Bonds at the close of the business day next preceding the date a debt service payment is due on the Parity Bonds. The City covenants that the Net Revenues of the System, with the exception of those in the amounts required to establish and maintain the funds as hereinafter provided, are hereby irrevocably pledged for the payment and security of the Parity Bonds.

(b) Chapter 1208, as amended, Texas Government Code, applies to the issuance of the Bonds and the pledge of Net Revenues granted by the City under subsection (a) of this Section, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the Net Revenues granted by the City is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in this pledge, the City Commission agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, as amended, Texas Business & Commerce Code and enable a filing to perfect the security interest in this pledge to occur.

SECTION 20. DEPOSITS TO SYSTEM FUND: USE OF SURPLUS. There has been created and established on the books of the City, and accounted for separately and apart from all other funds of the City, a special fund entitled the "City of San Juan, Texas, Waterworks and Sewer System Fund" (the "***System Fund***"). All Gross Revenues of the System shall be credited to the System Fund immediately upon receipt and all Operation and Maintenance Expenses of the System shall be paid from such Gross Revenues as a first charge against same.

Gross Revenues of the System not actually required to pay the Operation and Maintenance Expenses are hereby pledged and shall be appropriated and deposited to the following Funds in the order of precedence shown:

First, to the Parity Bonds Interest and Sinking Fund in equal monthly installments made on or before the 1st day of each month hereafter, as will be sufficient to pay the interest scheduled to come due on the Parity Bonds on the next interest payment date; and such amounts, in equal monthly installments, as will be sufficient to pay the next maturing principal of the Parity Bonds;

Second, to the Parity Bonds Debt Service Reserve Fund, as necessary, on or before the 1st day of each month hereafter, commencing on the 1st day of each month after the delivery of the Bonds, an amount sufficient to provide a reserve equal to the Average Annual Debt Service Requirements on all of the outstanding Parity Bonds; and

Third, to the Junior Lien Bonds Interest and Sinking Fund (and reserve fund, if any), when and in the amounts required by the ordinances authorizing their issuance.

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

SECTION 21. PARITY BONDS INTEREST AND SINKING FUND; REQUIREMENTS. (a) For the sole purpose of paying the principal of and interest on the Previously Issued Bonds, the Bonds, and any Additional Bonds, as the same come due, there shall be created and established on the books of the City a separate fund entitled the "City of San Juan, Texas, Waterworks and Sewer System Parity Bonds Interest and Sinking Fund" (hereinafter called the "***Parity Bonds Interest and Sinking Fund***") pledged to the payment of principal and interest on the Parity Bonds. While any Parity Bonds are outstanding, funds will be deposited to the Parity Bonds Interest and Sinking Fund as required under Section 20.

(b) The required monthly deposits and credits to the Parity Bonds Interest and Sinking Fund shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in and credited to the Parity Bonds Interest and Sinking Fund is equal to the amount required to fully pay and discharge all outstanding Parity Bonds (principal, premium, if any, and interest) or (ii) the Parity Bonds are no longer outstanding. All amounts on deposit in and credited to the Parity Bonds Debt Service Reserve Fund, for purposes of determining whether sufficient funds are on deposit in the Parity Bonds Interest and Sinking Fund to fully pay and discharge all outstanding Parity Bonds, shall be deemed to be on deposit in and credited to the Parity Bonds Interest and Sinking Fund for the sole benefit of the Parity Bonds.

(c) Accrued interest and capitalized interest, if any, received at Closing from the purchaser of any Parity Bonds shall be taken into consideration and reduce the amount of the deposits and credits hereinabove required in the Interest and Sinking Fund.

(d) While any of the Parity Bonds are outstanding, the City shall transfer to the respective paying agent/registrar therefor, from funds on deposit in and credited to the Parity Bonds Interest and Sinking Fund, and, if necessary, funds on deposit in the Parity Bonds Debt Service Reserve Fund, amounts sufficient to fully pay and discharge promptly the interest on and principal of the Parity Bonds as shall become due on each interest or principal payment date of the Parity Bonds. Such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with each respective paying agent/registrar for the Parity Bonds not later than the business day next preceding the date such payment is due and shall only be used to pay the principal of and interest on such Parity Bonds. The Paying Agent/Registrar shall destroy all paid Parity Bonds and furnish the City with an appropriate certificate of cancellation or destruction.

SECTION 22. PARITY BONDS DEBT SERVICE RESERVE FUND. (a) The Parity Bonds Debt Service Reserve Fund has been established by the City in order to accumulate and maintain an aggregate debt service reserve for the payment of the Parity Bonds equal to an amount which shall never exceed the limits provided under subsection (b) hereof. The City may fund any increase in the Required Reserve Amount resulting from the issuance of Additional Bonds on the date of issuance of the Additional Bonds by the deposit of available funds to the Parity Bonds Debt Service Reserve Fund, or may accumulate the increase in the Required Reserve Amount in equal monthly installments over the initial sixty (60) months following the date of issuance of the Bonds. The City certifies that the Parity Bonds Debt Service Reserve Fund contains an amount equal to $__________ and the City covenants to yield restrict any excess amounts and may withdraw such amounts to be used for qualified purposes. The City covenants to maintain the amount of $__________ (the ***"Required Reserve Amount"***).

(b) The balance in the Parity Bonds Debt Service Reserve Fund shall be calculated by the City annually not later than the date of adoption of its annual budget. The aggregate balance in the Parity Bonds Debt Service Reserve Fund shall never exceed the lower of (1) ten percent (10%) of the outstanding aggregate principal amount of the Parity Bonds; (2) the average annual debt service of the Parity Bonds, or (3) the maximum annual debt service payment. Earnings and income derived from the investment of amounts held for the credit of the Parity Bonds Debt Service Reserve Fund shall be retained in the Parity Bonds Debt Service Reserve Fund until it contains the Required Reserve Amount. Thereafter, such earnings and income shall be deposited to the credit of the System Fund to be used by the City for any lawful purpose.

(c) The City further covenants and agrees that, subject only to the prior deposits and credits to be made to the Parity Bonds Interest and Sinking Fund, the Net Revenues shall be applied and appropriated and used to establish and maintain, on a pro rata basis, (i) the Required Reserve Amount in the Parity Bonds Debt Service Reserve Fund, and (ii) any reserve established for the benefit of any issue or series of Additional Bonds and to cure any deficiency in such amounts as required by the terms of this Ordinance, and any other ordinance pertaining to the issuance of Additional Bonds.

SECTION 23. DEFICIENCIES IN FUNDS. If on any occasion there shall not be sufficient Net Revenues to make the required deposits into the Parity Bonds Interest and Sinking Fund and the Parity Bonds Debt Service Reserve Fund, as required herein, or as required by ordinance authorizing issuance of Additional Bonds, then such deficiency shall be made up as soon as possible from the next available Net Revenues.

SECTION 24. REMEDIES IN EVENT OF DEFAULT. In addition to all the rights and remedies provided by the laws of the State of Texas, the City also covenants and agrees particularly that in the event the City (a) defaults in the payments to be made to the Parity Bonds Interest and Sinking Fund or Parity Bonds Debt Service Reserve 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 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 remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedy shall not be deemed to be exclusive.

For the avoidance of doubt, for so long as the Purchaser is a holder of Bonds, the Purchaser may exercise all rights and remedies available to it in law or equity, and any provision of the Bonds that restricts or limits the Purchaser's full exercise of these remedies shall be of no force and effect.

SECTION 25. ADDITIONAL BONDS ON A PARITY WITH THE BONDS. (a) Issuance of Additional Parity Bonds. The City shall have the right and power, upon obtaining written consent from the TWDB (for as long as the TWDB is the registered owner of the Series 2012 Bonds, the Series 2013-A Bonds, the Series 2013-B Bonds, the Series 2014 Bonds, and the Series 2017 Bonds), at any time and from time to time and in one or more series or issues, to authorize, issue, and deliver Additional Parity Bonds, in accordance with law, in any amounts, for the purpose of completing the Project and refunding of Bonds, or other obligations. For the avoidance of doubt, when the Previously Issued Bonds issued on or before August 22, 2017 are no longer outstanding, the bond documents are properly amended, or the purchaser of those obligations consents, the City reserves the right to issue Additional Bonds at any time, upon satisfying the requirements of Section 26 hereof.

Such Additional Parity Bonds, if and when authorized, issued and delivered in accordance with this Ordinance, shall be secured by and made payable from a lien on and pledge of the Net Revenues, equally and ratably on a parity in all respects with the Parity Bonds. If and when authorized, issued and delivered in accordance with this Ordinance, Additional Parity Bonds shall be payable from and secured by the Parity Bonds Interest and Sinking Fund and Parity Bonds Debt Service Reserve Fund.

The principal and interest of all Additional Parity Bonds must be scheduled to be paid or mature on January 1 and/or July 1, of the years in which such principal and interest is scheduled to be paid or mature.

(b) Issuance of Junior Lien Bonds. For as long as the TWDB is the registered owner of the Series 2012 Bonds, the Series 2013-A Bonds, the Series 2013-B Bonds, the Series 2014 Bonds, and the Series 2017 Bonds, any obligations payable from a junior and inferior lien pledge of the Net Revenues may only be issued with the consent of TWDB; provided, however, when the Previously Issued Bonds issued on or before August 22, 2017 are no longer outstanding, the bond documents are properly amended, or the purchaser of those obligations consents, the City reserves the right to issue, at any time, obligations including, but not limited to, Junior Lien Bonds payable from and equally and ratably secured, in whole or in part, by a lien on and pledge of the Net Revenues of the System, subordinate and inferior in rank and dignity to the lien on and pledge of such Pledged Revenues securing the payment of the Parity Bonds, as may be authorized by the laws of the State of Texas upon satisfying any conditions precedent contained in the ordinances authorizing the issuance of any then outstanding bonds payable from and equally and ratably secured by a first lien on and pledge of the Pledged Revenues.

SECTION 26. REQUIREMENTS FOR ISSUANCE OF ADDITIONAL BONDS. Additional Bonds shall be issued only in accordance with this Ordinance, and no installment, series, or issue of Additional Bonds shall be issued or delivered unless the following requirements are satisfied:

(a) The Mayor and the City Secretary of the City sign a written certificate to the effect that the City is not in default (except for a refunding to cure a default) as to any covenant, condition, or obligation in connection with all outstanding Previously Issued Bonds and the ordinances authorizing same, and that the Parity Bonds Interest and Sinking Fund and the Parity Bonds Debt Service Reserve Fund each contains the amount then required to be therein.

(b) An independent certified public accountant, or independent firm of certified public accountants, acting by and through a certified public accountant, signs a written certificate to the effect that, in his or its opinion, during either the next preceding fiscal year, or any 12 consecutive calendar month period ending not more than ninety (90) days preceding adoption of the ordinance authorizing the issuance of the then proposed Additional Bonds is passed, the Net Revenues were at least equal to 1.25 times an amount equal to the average annual principal and interest requirements of all Parity Bonds and Additional Bonds which are scheduled to be outstanding after the issuance of the then proposed Additional Bonds, or the City certifies that the City is expected to continue to meet or exceed the net revenue test with a minimum coverage of 1.25 times the Average Annual Debt Service Requirements. It is specifically provided, however, that in calculating the amount of Net Revenues for the purposes of this subsection (b), if there has been any increase in the rates or charges for services of the System which is then in effect, but which was not in effect during all or any part of the entire period for which the Net Revenues are being calculated (hereinafter referred to as the "entire period") then the certified public accountant, or in lieu of the certified public accountant, a firm of consulting engineers, shall determine and certify the amount of Net Revenues as being the total of (i) the actual Net Revenues for the entire period, plus (ii) a sum equal to the aggregate amount by which the actual billings to customers of the System during the entire period would have been increased if such increased rates or charges had been in effect during the entire period.

(c) Provision shall be made in the ordinance authorizing their issuance for immediately increasing the Parity Bonds Debt Service Reserve Fund as of the date of issue, to the Required Reserve Amount as required by Section 22 hereof with the proceeds of the Additional Bonds, or other available source, or as otherwise required under Section 22 hereof.

(d) All calculations of average annual principal and interest requirements of any bonds made in connection with the issuance of any then proposed Additional Bonds shall be made as of the date of such Additional Bonds; and also in making calculations for such purpose, and for any other purpose under this Ordinance, principal amounts of any Bonds which must be redeemed prior to maturity pursuant to any applicable mandatory redemption requirements shall be deemed to be maturing amounts of principal of such bonds.

SECTION 27. INVESTMENTS; FUNDS SECURED. Money in all funds created, or continued, by this Ordinance shall be invested in investments authorized by the Public Funds Investment Act (V.T.C.A., Government Code, Chapter 2256) and, to the extent not invested, shall be held at a state designated state depository institution and secured in the manner prescribed by the Public Funds Collateral Act (V.T.C.A., Government Code, Chapter 2257).

SECTION 28. RATES AND CHARGES. The City covenants and agrees with the Owners of the Bonds as follows:

The City shall prepare, prior to the beginning of each Fiscal Year, an annual budget, in accordance with law, reflecting an estimate of cash receipts and disbursements for the ensuing Fiscal Year in sufficient detail to indicate the provable Gross Revenues and Net Revenues of such Fiscal Year. The City shall fix, establish, maintain, and collect such rates, charges and fees for the use and availability of the System at all times as are necessary (1) to produce Gross Revenues sufficient, to pay all current Operation and Maintenance Expenses of the System, and (2) to produce an amount of Net Revenues during each fiscal year sufficient to meet and pay annual principal and interest requirements of all outstanding obligations secured by Net Revenues of the System, including maintenance of Funds created under Section 20, 21, and 22 of the Ordinance. If the System should become legally liable for any other obligations or indebtedness, the City shall fix, maintain, charge, and collect additional rates and charges for services rendered by the System sufficient to establish and maintain funds for the payment thereof.

SECTION 29. GENERAL COVENANTS. The City further covenants and agrees as follows in accordance with and to the extent required or permitted by law:

(a) PERFORMANCE. The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the Ordinance, and in the Bonds; that it will promptly pay or cause to be paid the principal of and interest on the Bonds, on the dates and in the places and manner prescribed in the Ordinance; and that it will, at the times and in the manner prescribed, deposit or cause to be deposited the amounts required to be deposited into the Parity Bonds Interest and Sinking Fund and the Parity Bonds Debt Service Reserve Fund; and any owner of the Bonds may require the City, its officials and employees to carry out, respect or enforce the covenants and obligations of the Ordinance, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the City, its officials and employees.

(b) CITY'S LEGAL AUTHORITY. The City is a duly created and existing home-rule municipality of the State of Texas, and is duly authorized under the laws of the State of Texas to issue the Bonds; that all action on its part for the issuance of said Bonds has been duly and effectively taken, and that said Bonds in the hands of the holders and owners thereof are and will be valid and enforceable special obligations of the City in accordance with their terms.

(c) TITLE. The City has or will obtain lawful title to the lands, buildings, structures, and facilities constituting the System. It warrants that it will defend the title to all the aforesaid lands, buildings, structures, and facilities, and every part thereof, for the benefit of the holders and owners of the Bonds, against the claims and demands of all persons whomsoever. It is lawfully qualified to pledge the Net Revenues to the payment of the Bonds in the manner prescribed herein, and has lawfully exercised such rights.

(d) LIENS. The City will from time to time and before the same become delinquent pay and discharge all taxes, assessments and governmental charges, if any, which shall be lawfully imposed upon it, or the System; it will timely pay all lawful claims for rents, royalties, labor, materials, and supplies and satisfy, if applicable, the requirements of Sections 53.231 - 53.238 of the Texas Property Code, as amended, as applicable so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and it will not create or suffer to be created any mechanic's, laborer's, material man's or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided, however, that no such tax, assessment or charge, and that no such claims which might be used as the basis of a mechanic's, laborer's, material man's or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the City.

(e) OPERATION OF SYSTEM; NO FREE SERVICE.

(i) While the Bonds are outstanding and unpaid the City shall continuously and efficiently operate the System, and shall maintain the System in good condition, repair and working order, all at reasonable cost. No free service of the System shall be allowed, and should the City or any of its agencies or instrumentalities, lessees, or concessionaires make use of the services and facilities of the System, payment monthly of the standard retail price of the services provided shall be made by the City or any of its agencies or instrumentalities, lessees, or concessionaires out of funds from sources other than the revenues of the System, unless made from surplus Net Revenues.

(ii) The City shall adequately enforce the authority granted to the City by Texas Water Code § 17.934(a)(2) to require and ensure that all property owners capable of receiving service from the System constructed with Bond proceeds shall connect to said service within a reasonable period of time not to exceed 90 days from the date the City notifies the property owner that service is available.

(f) FURTHER ENCUMBRANCE. While the Bonds are outstanding and unpaid, the City shall not additionally encumber the Net Revenues in any manner, except as permitted in this Ordinance, unless said encumbrance is made junior and inferior in all respects to the liens, pledges, covenants, and agreements of the Parity Bonds. The right of the City to issue obligations payable from a pledge of and lien on surplus Net Revenues is specifically recognized and retained.

(g) SALE OR DISPOSAL OF PROPERTY. While the Bonds are outstanding and unpaid, the City shall not sell, convey, mortgage, encumber, lease or in any manner transfer title to, or dedicate to other use, or otherwise dispose of the System, or any significant or substantial part thereof, provided further that whenever the City deems it necessary to dispose of any other property, machinery, fixtures or equipment, or dedicate such property to other use, it may do so either when it has made arrangements to replace the same or provide substitutes therefor, or it is determined by Ordinance of the City Commission that no such replacement or substitute is necessary.

(h) INSURANCE.

(1) The City shall insure all work during construction and upon completion which is being financed with proceeds of the Bonds and proceeds from the TWDB grant program in any amount sufficient to protect the TWDB's interest in the Project as required by 31 TAC Section 375.91(b)(2)(k). The City shall cause to be insured such parts of the System as would usually be insured by municipal corporations operating like properties, against risks, accidents or casualties against which and to the extent insurance is usually carried by corporations operating like properties, including, to the extent reasonably obtainable, fire and extended coverage insurance, insurance against damage by floods, and use and occupancy insurance. Public liability and property damage insurance shall also be carried unless the City Attorney of the City gives a written opinion to the effect that the City is not liable for claims which would be protected by such insurance. All insurance premiums shall be paid as an expense of operation of the System. At any time while any contractor engaged in construction work shall be fully responsible therefor, the City shall not be required to carry insurance on the work being constructed if the contractor is required to carry appropriate insurance. All such policies shall be open to the inspection of the Bondholders and their representatives at all reasonable times. Upon the happening of any loss or damage covered by insurance from one or more of said causes, the City shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the City. The proceeds of insurance covering such properly, together with any other funds necessary and available for such purpose, shall

be used forthwith by the City for repairing the property damaged or replacing the property destroyed; provided, however, that if said insurance proceeds and other funds are insufficient for such purpose, then said insurance proceeds pertaining to the System shall be deposited in a special and separate trust fund, at an official depository of the City, to be designated the Insurance Account. The Insurance Account shall be held until such time as other funds become available which, together with the Insurance Account, will be sufficient to make the repairs or replacements originally required.

(2) The annual audit hereinafter required shall contain a section commenting on whether or not the City has complied with the requirements of this Section with respect to the maintenance of insurance as required hereunder, and shall state whether or not all insurance premiums upon the insurance policies to which reference is made have been paid.

(i) RECORDS. The City will keep proper books of record and account in which full, true and correct entries will be made of all dealings, activities, and transactions relating to the System, the Net Revenues, and the Funds created pursuant to this Ordinance, and all books, documents and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any Bondholder or citizen of the City. To the extent consistent with the provisions of this Ordinance, the City shall keep its books and records in a manner conforming to standard accounting practices as usually would be followed by private corporations owning and operating a similar System, with appropriate recognition being given to essential differences between municipal and corporate accounting practices.

(j) AUDITS. After the close of each Fiscal Year while any of the Bonds are outstanding, an audit will be made of the books and accounts relating to the System and the Net Revenues by an independent CPA or an independent firm of CPAs. No later than 180 days after the close of each Fiscal year, a copy of such audit shall be furnished, without charge, to the (i) Texas Water Development Board, Attention: Executive Administrator, and upon written request, to and at the expense of such holder, to (ii) any subsequent holder thereof. The annual audit reports shall be open to the inspection of the Bondholders and their agents and representatives at all reasonable times.

(k) GOVERNMENTAL AGENCIES. The City will comply with all of the terms and conditions of any and all franchises, permits and authorizations applicable to or necessary with respect to the System, and which have been obtained from any governmental agency; and the City has or will obtain and keep in full force and effect all franchises, permits, authorization, and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation, and maintenance of the System.

(l) NO COMPETITION. It will not operate, or grant any franchise or, to the extent it legally may, permit the acquisition, construction, or operation of, any facilities which would be in competition with the System, and to the extent that it legally may, the City will prohibit any such competing facilities.

SECTION 30. COMPLIANCE WITH THE TEXAS WATER DEVELOPMENT BOARD'S RULES AND REGULATIONS. The City will comply with all of the requirements contained in the resolution or resolutions adopted by the Purchaser with respect to the issuance of the Bonds. In addition, in compliance with the Purchaser's Clean Water State Revolving Fund Program Rules, the City agrees and covenants:

(a) to keep and maintain full and complete records and accounts pertaining to the construction of the project financed with the proceeds of sale of the Bonds, including the Construction Fund, in accordance with the standards set forth by the Government Accounting Standard Board;

(b) to create and establish at the Depository a "City of San Juan, Texas Clean Water State Revolving Fund Program Loan Construction Fund" (the "***Construction Fund***"**)** for the receipt and disbursement of all proceeds from the sale of the Bonds and all other funds acquired by the City in connection with the planning and construction of the projects financed, in whole or in part, by the Purchaser pursuant to the loan evidenced by the Bonds and all funds deposited to the credit of the Construction Fund shall be disbursed only for the payment of costs and expenses incurred in connection with the planning and building of such projects as approved by the Purchaser and as otherwise allowed by the rules and in accordance with the provisions of Chapter 15 or 17 of the Texas Water Code, as amended;

(c) to provide the Purchaser with copies of "as built plans" pertaining to the projects financed, in whole or in part, with any funds of the Purchaser;

(d) upon completion of the construction of the projects financed, in whole or in part, by the loan evidenced by the Bonds, to provide a final accounting to the Purchaser of the total costs of the projects. Thereafter, the City shall submit a final accounting and a final funds registration form to the Executive Administrator, or his designee. Upon receipt of this information, the Purchaser shall within 60 days of receipt of this information provide written direction to the City of the course of action to be taken with respect to such surplus funds. If the projects as finally completed are built at a total cost less than the amount of available funds for building the projects, or if the Executive Administrator of the Purchaser disapproves construction of any portion of such projects as not being in accordance with the plans and specifications, the City agrees to immediately, with filing of the final accounting, return to the Purchaser the amount of any such excess and/or the cost determined by the Executive Administrator of the Purchaser relating to the parts of such projects not built in accordance with the plans and specifications, to the nearest multiple of the authorized denominations for the Bonds, by (i) the effectuation of a redemption of such amount of Bonds pursuant to Section 6(b) hereof, (ii) the deposit into the Parity Bonds Interest and Sinking Fund for the next scheduled payment of interest or principal on the Bonds, or (iii) spending such amount on other eligible project costs as authorized by the Executive Administrator. In determining the amount of available funds for building the project, the City agrees to account for all amounts deposited to the credit of the Construction Fund, including all loan funds extended by the Purchaser, all other funds available from the projects as described in the project engineer's or fiscal representative's sufficiency of funds statement and all interest earned by the City on money in the Construction Fund;

(e) in addition to the requirements contained in Section 29(h) hereof, to maintain adequate insurance coverage on the projects financed with the proceeds of the Bonds in amounts adequate to protect the Purchaser's interest;

(f) in addition to the requirements contained in Section 29(i) hereof, to maintain current, accurate, and complete records and accounts necessary to demonstrate compliance with financial assistance related legal and contractual provisions;

(g) notwithstanding any other term, condition, requirement, or provision contained in this Ordinance, the TWDB rules and loan document provisions shall control to the extent of any conflict between the Ordinance and such TWDB agency rules or such loan document provisions.

(h) to implement any water conservation program required by the Purchaser until all financial obligations to the Purchaser has been discharged;

(i) to comply with any special conditions, if any, specified by the City's water conservation plan maintained in accordance with 31 TAC 363.15, as well as any environmental determination until all financial obligations to the Purchaser has been discharged;

(j) to abide by the Purchaser's rules and relevant state statutes, including, but not limited to, the Purchaser's pre-design funding procedures and pursuant to the requirements of the Purchaser's Resolution No. 19-017 adopted on February 4, 2019; and

(k) all laborers and mechanics employed by contractors and subcontractors for projects shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality in accordance with the Davis-Bacon Act, and the U.S. Department of Labor's implementing regulations. The City, all contractors, and all subcontractors shall ensure that all project contracts mandate compliance with Davis-Bacon. All contracts and subcontracts for the construction of the project carried out in whole or in part with financial assistance made available as provided herein shall insert in full in any contract in excess of $2,000 the contract clauses as provided by the TWDB;

(l) the City shall abide by all applicable construction requirements related to the use of iron and steel products produced in the United States, as required by 31 TAC §375.3 and 33 U.S.C. §1388, as well as related State Revolving Fund Policy Guidelines;

(m) the City agrees to notify the TWDB of the conveyance of Bonds or any conversion of the City. Prior to any action by the City to convey its Bonds held by the TWDB to another entity, the conveyance and the assumption of the Bonds must be approved by the TWDB. The City will notify the Executive Administrator prior to taking any actions to alter its legal status in any manner, such as by conversion to a conservation and reclamation City or a sale-transfer-merger with another retail public utility;

(n) the City shall provide the TWDB with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282, as amended by Pub. L. 110-252. The City shall obtain a Data Universal Numbering System ("***DUNS***") Number and shall register with the System for Award Management ("***SAM***"), and maintain current registration at all times during which the Bonds are outstanding;

(o) the City covenants that all loan proceeds will be timely and expeditiously used as required by federal statutes and EPA regulations. The City will adhere to an Executive

Administrator-approved project schedule, which shall not be altered except for good cause shown and only with the written approval of the Executive Administrator;

(p) the City shall not use loan proceeds from the Bonds that are determined to be surplus proceeds remaining after completion of the project except for the following purposes as approved by the Executive Administrator: (1) to redeem, in inverse annual order, the Bonds owned by the TWDB; (2) deposit into the Parity Bonds Interest and Sinking Fund or other debt service account for the payment of interest or principal on the Bonds owned by the TWDB; or (3) to pay eligible project costs as authorized by the Executive Administrator;

(q) to not use Bond proceeds to pay for the cost of sampling, testing, removing or disposing of injection well fluids, brine concentration, municipal solid wastes, soils and/or media contaminated by hazardous substances, and for managing and disposing of any other hazardous substances, including (but not limited to) radioactive substances and low-level radioactive wastes, that may be generated at the project site during planning, design, and construction activities;

(r) loan proceeds shall not be used by the City when sampling, testing, removing or disposing of contaminated soils and/or media at the project site and the City also agrees, to the extent permitted by law, to indemnify, hold harmless and protect the Purchaser from any and all claims, causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment, and disposition of any hazardous substance, radioactive substance, and/or solid waste, as those terms are defined in the Texas Solid Waste Disposal Act (codified at Chapter 361, as amended, Texas Health and Safety Code) and the Radiation Control Act (codified at Chapter 401, as amended, Texas Health and Safety Code, and/or removal and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the City, its contractors, consultants, agents, officials, and employees during the course of the project;

(s) to apply for and obtain all permits, licenses, letter authorizations, notifications of solid waste registration, notices of intent and other regulatory approvals that may be required by those federal, state, regional, and local governmental entities responsible for regulating environmental, health and safety, and transportation-related matters arising from or pertaining to the generation, management, and disposal of all municipal solid wastes, radioactive substances, and low-level radioactive-wastes that may be generated as the result of the planning, design, and construction of the project financed with Bond proceeds, including (but not necessarily limited to) surface water discharge permit(s), stormwater permits, underground injection control permits, solid waste facility registrations, notifications, and/or permits, hazardous waste permits, radioactive materials management licenses, and low-level radioactive waste permits, registrations, and exemptions;

(t) to comply, and take steps to assure that its contractors shall comply, with subchapter IV of chapter 31 of Title 40 of the United States Code (the "***Davis-Bacon Act***"), with respect to projects financed with the proceeds of the Bonds, if applicable;

(u) to not use any portion of the Bond proceeds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire Nonpurpose Investments (as defined in Section 33 hereof) which produce a yield materially higher than the yield on the

Purchaser's bonds that are used to provide the Purchaser with proceeds that it will use to purchase the Bonds (the "***Source Series Bonds***"), other than Nonpurpose Investments acquired with:

(i) Proceeds of the Source Series Bonds invested for a reasonable temporary period of up to three (3) years (reduced by the period of investment by the Purchaser) until such proceeds are needed for the facilities to be financed;

(ii) Amounts invested in a bona fide debt service fund, within the meaning of §1.148-1(b) of the Regulations (as defined in Section 33 hereof); and

(iii) Amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed the least of maximum annual debt service on the Bonds, 125% of average annual debt service on the Bonds, or 10% of the stated principal amount (or, in the case of a discount, the issue price) of the Bonds.

(v) neither the City nor a related party thereto will acquire any of the Source Series Bonds in an amount related to the amount of the Bonds to be acquired from the City by the Purchaser.

(w) the City shall be required to submit outlay reports with sufficient supporting documentation (e.g., invoices, receipts) on a quarterly basis, and the Purchaser shall retain the right to request project progress reports and outlay reports monthly as the project proceeds through each project phase and the City covenants to ensure that all Bond proceeds are timely and expeditiously utilized on the Project;

(x) all loan proceeds will be timely and expeditiously used, as required by 40 CFR §35.3135(d), and also shall provide that the City will adhere to the approved project schedule;

(y) the City will comply with the requirements set forth in 33 U.S.C. §1382 *et seq*. related to maintaining project accounts containing financial assistance for planning, design, acquisition, or construction, as applicable, in accordance with generally accepted accounting principles (*GAAP*). These standards and principles also apply to the reporting of underlying infrastructure assets;

(z) the City will provide the Purchaser documentation that it met all applicable state and federal procurement requirements under the Disadvantaged Business Enterprises program.

(aa) the City will provide documentation that it has met all applicable federal procurement requirements as specifically set forth in 40 U.S.C. §1101 *et seq*. and 33 U.S.C. §1382(b)(14) prior to the release of funds for professional services related to architecture or engineering, including but not limited to, contracts for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or other architectural and engineering services as defined in 40 U.S.C. §1102(2)(A)(C);

(bb) the City will comply with all conditions as specified in the final environmental finding of the Executive Administrator, including the standard emergency discovery conditions for threatened and endangered species and cultural resources, including that the City will ensure compliance with the Migratory Bird Treaty Act and Texas Parks and Wildlife Code regarding clearing vegetation in rights-of-way or easement outside the migratory bird nesting season, and relocation of the state-threatened Texas Tortoise if found in the project site;

(cc) the Bonds shall provide that all loan proceeds will be timely and expeditiously used, as required by federal statute and Environmental Protection Agency's regulations, and also shall provide that the City will adhere to an Executive Administrator-approved project schedule, which shall not be altered except for good cause shown and only with the written approval of the Executive Administrator; and

(dd) Since the Bonds are issued for new money purposes only and because current federal law prohibits "advance refunding" of existing tax-exempt debt, the City certifies to the Purchaser that it will refrain from using any proceeds of the Bonds to pay any debt service on another issue of the City's tax-exempt obligations in contravention of section 149(d) of the Code.

SECTION 31. AMENDMENT OF ORDINANCE.

(a) The owners of Bonds aggregating in principal amount 51% of the aggregate principal amount of then outstanding Bonds shall have the right to approve any amendment to this Ordinance in any manner not detrimental to the interests of the Owners which may be deemed necessary or desirable by the City; provided, however, that without the prior written consent of the owners of all of the Bonds at the time outstanding, nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Ordinance or in the Bonds with respect to the following matters:

(1) Make any change in the maturity of the outstanding Bonds;

(2) Reduce the rate of interest borne by any of the outstanding Bonds;

(3) Reduce the amount of the principal payable on the outstanding Bonds;

(4) Modify the terms of payment of principal of or interest on the outstanding Bonds or impose any conditions with respect to such payment;

(5) Affect the rights of the holders of less than all of the Bonds then outstanding;

(6) Change the minimum percentage of the principal amount of Bonds necessary for consent to such amendment.

(b) If at any time the City shall desire to amend the Ordinance under this Section, the City shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in The City of New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all holders of Bonds. Written notice shall be given to each Owner of the Bonds at the same time it is published in the New York paper.

(c) Whenever at any time not less than 30 days, and within one year from the date of the Paying Agent/Registrar publication of said notice or other service of written notice, the City shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all Bonds then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically give consent to and approval of such amendment in substantially the form of the copy thereof on file with the Paying Agent/Registrar, the City Commission may pass the amendatory ordinance in substantially the same form.

(d) Upon the passage of any amendatory ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be amended in accordance with such amendatory ordinance, and the respective rights, duties and obligations under this Ordinance of the City and all the holders of then outstanding Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendments.

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

(f) For the purpose of this Section the identity of the holders of Bonds, the amounts and numbers of such Bonds and the date of their holding same shall be proved by the registration books of the appropriate Paying Agent/Registrar. For purposes of this Section, the holder of a Bond shall be the owner thereof as shown on such registration books. The City may conclusively assume that such ownership continues until written notice to the contrary is served upon the City.

(g) The foregoing provisions of this Section notwithstanding, the City, by action of the City Commission, may amend this Ordinance for any one or more of the following purposes:

(1) To add other covenants and agreements of the City in this Ordinance contained, other covenants and agreements thereafter to be observed, grant additional rights or remedies to Bondholders, or to surrender, restrict, or limit any right or power herein reserved to or conferred upon the City;

(2) To make such provisions for the purpose of curing any ambiguity, or curing, correcting, or supplementing any defective provision contained in this Ordinance, or to clarify matters or questions arising under this Ordinance, as are necessary or desirable and not contrary to or inconsistent with this Ordinance and which shall not adversely affect the interests of the holders of the Bonds;

(3) To modify any of the provisions of this Ordinance; provided that (i) any modification is expressly effective only after all Bonds outstanding at the date of the

adoption of such modification shall cease to be outstanding, and (ii) such modification shall be specifically referred to in the text of all Additional Subordinate Lien Obligations issued after the date of the adoption of such modification.

SECTION 32. DEFEASANCE OF THE BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be set by reason of maturity or otherwise) either (i) shall have been made or made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such payment (1) lawful money of the United States of America sufficient to provide for such payments, or (2) "Government Obligations" which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its paying agency services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the revenue herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable from such money or Government Obligations.

(b) Any money so deposited with the Paying Agent/Registrar may at the written direction of the City also be invested as hereinbefore set forth, and all income from such Government Obligations received by the Paying Agent/Registrar which is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City.

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

SECTION 33. COVENANTS REGARDING TAX EXEMPTION.

(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 purchaser 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.

Series 2019A Bonds means the "City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2019A" in the original principal amount of $1,715,000, issued concurrently with the Bonds.

Yield of

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

(ii) the Bonds means the combined yield on the Bonds and the Series 2019A Bonds, 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 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 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 Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as would 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 City shall at all times prior to the last stated maturity of Bonds:

(i) 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

(ii) 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 City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except as would 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 City 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 as would not cause the Bonds 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 Bonds 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 Bonds.

(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 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 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:

(i) 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 Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds 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.

(ii) 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 Bonds until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchaser 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 Parity Bonds Interest and Sinking 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.

(iv) 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 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.

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

(ii) 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 4 years or more.

(k) Elections. The City hereby directs and authorizes any Authorized Official 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 Bonds, 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 34. CONTROL AND CUSTODY OF BONDS. The Mayor 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 Bonds pending their approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery of the Bonds to the Purchaser.

Furthermore, any Authorized Official 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 Bonds, the approval of the Attorney General and their registration by the Comptroller of Public Accounts and, together with the City's financial advisor, bond counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the Purchaser.

SECTION 35. AUTHORIZATION OF ESCROW AGREEMENT. The City Commission hereby finds and determines that it is in the best interest of the City to authorize the execution of an Escrow Agreement, to comply with the Purchaser's rules and regulations and provide for the installment deliveries of the proceeds of the Bonds to the Purchaser, if any. A copy of the Escrow Agreement is attached hereto, in substantially final form, as Exhibit C, and is incorporated by reference to the provisions of this Ordinance for all purposes. The Mayor and/or the City Manager, or the respective designee of either of such parties, are authorized to execute the Escrow Agreement as the act and deed of the City Commission.

SECTION 36. APPLICATION TO TEXAS WATER DEVELOPMENT BOARD. The City Commission ratifies and confirms its prior approval of the form and content of the Application to the Texas Water Development Board prepared in the sale of the Bonds and hereby approves the form and content of any addenda, supplement, or amendment thereto.

SECTION 37. PRINTED OPINION. The Purchaser's obligation to accept delivery of the Bonds is subject to its being furnished a final opinion of Norton Rose Fulbright US LLP, as Bond Counsel, approving certain legal matters as to the Bonds, said opinion to be dated and delivered as of the date of initial delivery and payment for such Bonds. Printing of a true and correct copy of said opinion on the reverse side of each of said Bonds, with appropriate certificate pertaining thereto executed by facsimile signature of the City Secretary of the City is hereby approved and authorized.

SECTION 38. CUSIP NUMBERS. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof, and neither the City nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 39. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 40. 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 Owners, 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, the Paying Agent/Registrar, and the Bondholders.

SECTION 41. BOOK-ENTRY ONLY SYSTEM.

(a) It is intended that the Bonds initially shall 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 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 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*).

(b) With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any 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 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 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 an Owner 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 City to make payments of principal, premium, if any, and interest on the Bonds 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 Owner, the word “Cede & Co.” in this Ordinance shall refer to such new nominee of DTC.

(c) 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 Bonds that they be able to obtain certificated Bonds, the City shall notify the Paying Agent/Registrar, DTC, and the 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. However, the City will not discontinue the use of DTC without the prior notice and consent of the Purchaser for so long as the Purchaser is the holder of any of the Bonds. At that time, the City 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 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 Bonds may be registered in whatever name or names the Owners of Bonds transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

(d) 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 42. SALE OF INITIAL BOND.

The Bonds are hereby sold and shall be delivered to the TEXAS WATER DEVELOPMENT BOARD at a price equal to the par amount thereof, less an origination fee payable to the Texas Water Development Board of $__________ calculated pursuant to the Texas Water Development Board rules. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable. The Bonds shall initially be registered in the name of the Texas Water Development Board.

In order that the City shall satisfy in a timely manner all of its obligations under this Ordinance, and the agreement executed in connection with the sale of the Bonds the Mayor, the City Secretary and all other appropriate officers and agents of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance and delivery of the Bonds, including, without limitation, executing and delivering on behalf of the City all certificates, consents, receipts, requests, notices and other documents as may be reasonably necessary to satisfy the City's obligations under this Ordinance, and the agreement executed in connection with the sale of the Bonds and to direct the transfer and application of funds of the City consistent with the provisions of this Ordinance. The Mayor is authorized to execute any agreement with the TWDB, including an agreement setting forth the terms and uses of all grant funds to be made available by TWDB, and an agreement executing a separate financing in form and substance acceptable to the Executive Director.

While Texas Water Development is the owner of the Bonds, the principal of the Bonds shall be payable, at no charge to the Texas Water Development Board, by wire transfer without exchange or collection charges. Otherwise, principal of the Bonds shall be payable in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender, as they respectively become due and payable, at the principal trust office of the Paying Agent/Registrar. As long as TWDB is the owner of the Bonds, the interest on each Bond shall be payable, at no charge to the Texas Water Development Board, by wire transfer dated as of the interest payment date. Otherwise, interest on each Bond shall be payable in any coin or currency of the United States of America mailed by the Paying Agent/Registrar on or before each interest payment date to the owner of record as of the Record Date, to the address of such Owner as shown on the Bond Register.

If the date for payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date payment was originally due.

SECTION 43. CONSTRUCTION FUND.

There shall be established a Construction Fund with the City's depository bank and upon release of funds from the Escrow Fund such funds shall be deposited into this Construction Fund. The cost of issuance of the Bonds, being legal, fiscal and engineering fees, may be paid from this Fund. The cost of the construction of the sewer system improvements will be paid from this Construction Fund upon direction of the City. All interest and profits from investments made with moneys in the Construction Fund shall remain on deposit in the Construction Fund as a part thereof. All funds in the Construction Account shall be kept apart and separate from any other accounts and funds as required by 31 TAC 371.70. After completion of the payment of all costs of the System improvements, any residue remaining in the Construction Fund shall be applied in accordance with Section 30(d) hereof.

SECTION 44. 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 45. NO RECOURSE AGAINST CITY 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 City or any person executing any Bond.

SECTION 46. COVENANTS TO UNDERTAKE CONTINUING DISCLOSURE.

(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.

(b) Annual Reports.

The City shall file annually with the MSRB, within six months after the end of each fiscal year ending in or after 2019, financial information and operating data with respect to the City of the general type included in the final Application authorized by Section 36 of this Ordinance being the information described in Exhibit E hereto. All such information must be filed with MSRB pursuant to its Electronic Municipal Access (EMMA) System. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit E 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 Year with the MSRB, when and if the audit report on such statements becomes available.

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

(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:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) 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;

(vii) modifications to rights of holders of the Bonds, if material;

(viii) Bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;

(xiii) 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;

(xiv) appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;

(xv) 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

(xvi) 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, any event described in the immediately preceding paragraph (xii) 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.

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 Board 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 Owners 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 OWNER 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 the Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the 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 Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding 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, it shall include with any amended financial information or operating data next provided in accordance with subsection B of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. 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.

SECTION 47. 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 48. 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 Bonds, the Paying Agent/Registrar Agreement, the Purchase

Contract, and the Application. In addition, prior to the initial delivery of the Bonds, the Mayor, the City Manager, the City Attorney 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 necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Application, (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 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 49. SEVERABILITY. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 50. REPEALED, VOID, AND VOIDABLE PROVISIONS. All Ordinances or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency. Should one or more provisions in this Ordinance be held to be null, void, voidable or, for any reason whatsoever of no force or effect, such provision(s) shall be construed as severable from the remainder of this Ordinance and shall not affect the validity of all other provisions of this Ordinance which shall remain in full force and effect.

SECTION 51. 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 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 52. 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 AND APPROVED ON APRIL 9, 2019.

____
Mayor

ATTEST:

____
City Secretary

(CITY SEAL)

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

See Tab No. ___

EXHIBIT B
THE FORM OF THE INITIAL BOND

UNITED STATES OF AMERICA
STATE OF TEXAS

REGISTERED	**REGISTERED**
T-l	**PRINCIPAL**
	AMOUNT
	$__________

CITY OF SAN JUAN, TEXAS
WATERWORKS AND SEWER SYSTEM REVENUE BOND,
SERIES 2019

THE CITY OF SAN JUAN, TEXAS, HIDALGO COUNTY, TEXAS (the "City"), being a political subdivision of the State of Texas, hereby promises to pay to

TEXAS WATER DEVELOPMENT BOARD

or to the registered assignee or assignees of this Bond or any portion or portions hereof (in each case, the "registered owner") the aggregate principal amount of

____

in annual installments of principal due and payable on January 1 in each of the years, and in the respective principal amounts and rates per annum, as set forth in the following schedule:

Year of Stated Maturity (January 1)	Principal Amounts ($)	Interest Rates (%)
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		

Year of Stated Maturity (January 1)	Principal Amounts ($)	Interest Rates (%)
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		
2047		
2048		
2049		

The City, for value received, promises to pay to the Registered Owner set forth above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Bond at the principal trust office of BOKF, NA, Austin, Texas, or its successor (the "Paying Agent/Registrar "), the principal amount identified above payable in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year composed of twelve 30-day months, from the delivery date or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable semi-annually on January 1 and July 1 each year, beginning January 1, 2020 until maturity of this Bond, by check mailed by the Paying Agent/Registrar to the Registered Owner of record as of the fifteenth day of the month immediately preceding the applicable interest payment date, as shown on the registration books kept by the Paying Agent/Registrar. As long as Texas Water Development Board is the owner of the Bonds, principal of and the interest on each Bond shall be payable, at no charge to the Texas Water Development Board, by wire transfer dated as of each Interest Payment Date.

IN THE EVENT of a non-payment of interest on a scheduled payment date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the 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 15 days after the Special Record Date shall be sent at least five business days prior to the Special Record Date by United States mail, Paying Agent/Registrar class, postage prepaid, to the address of each Registered Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the Business Day prior to the mailing of such notice.

IF THE DATE for any payment due on the Bonds shall be a Saturday, Sunday, or legal holiday, or a day on which banking institutions in the City where the principal trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United

States Postal Service is not open for business, then the date of such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND, dated May 1, 2019, has been authorized in accordance with the Constitution and laws of the State of Texas, in the principal amount of $6,645,000 for paying all or a portion of the City's contractual obligations 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) to finance the costs of improvements and extensions to the City's waterworks and sewer system, (2) the purchase of materials, supplies, equipment, land, and rights-of-way for authorized needs and purposes relating to the waterworks and sewer system improvements, and (3) the payment of professional services related to the construction and financing of the aforementioned projects. The Bonds are authorized to be issued pursuant to the authority conferred by and in conformity with the laws of the State of Texas, particularly Chapter 1502, as amended, Texas Government Code, and the Ordinance.

The Bonds stated to mature on and after January 1, 2030 may be redeemed prior to their Stated Maturities, at the option of the City, in inverse order of stated maturity, on July 1, 2029, 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, together with 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 Owners 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 Owner 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.

In addition to the foregoing right to optional redemption, in the event that the Purchaser at such time remains the sole holder of the Bonds and the final accounting delivered by the City to the Purchaser in the form and manner specified in the Ordinance (and in compliance with the provisions of Section 30(d) of the Ordinance) evidences that the total cost of the project to be financed with Bond proceeds is less than the amount of Bond proceeds available for paying such costs, then the City shall, as soon as practicable (but in no event later than six months after the Purchaser's acceptance of the aforementioned accounting) redeem Bonds in the amount of such excess to the nearest multiple of the authorized denomination for the Bonds. Bonds redeemed pursuant to this provision shall be redeemable on any date, in inverse order of stated maturity, 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.

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption 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 City 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 Owner of the unredeemed balance hereof in the event of its redemption in part.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the trust office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Ordinance.

THE CITY has reserved the right, subject to the restrictions stated, and adopted by reference in the Ordinance, to issue Additional Bonds which may be made payable from, and secured by, a first lien on and pledge of the "Net Revenues" equally and ratably on a parity with the Parity Bonds, as well as any Junior Lien Bonds, which may be made payable from, and secured by a junior and inferior lien on and pledge of the Net Revenues.

THE BONDS are issuable in the form of fully registered Bonds without coupons in the denominations of $5,000 or any integral multiple of $5,000 for any one maturity. The Registered Owner of any Bond may surrender the same in exchange for any equal aggregate principal amount of Bonds of the same maturity and for any other authorized denominations. Such exchanges shall be without expense to the Registered Owner hereof, but any taxes, fees or other governmental charges required to be paid with respect to the same shall be paid by the Registered Owner requesting such exchange as a condition precedent to the exercise of such privilege.

THIS BOND, and the other Parity Bonds of the series of which it is a part and the interest thereon, are secured by and payable from a first lien on and pledge of the Net Revenues of the City's Waterworks and Sewer System as described in the Ordinance. The Bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the City or System, except with respect to the Net Revenues.

THE REGISTERED OWNER HEREOF SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THIS OBLIGATION OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION, OR FROM ANY SOURCE WHATSOEVER OTHER THAN THE AFORESAID REVENUES.

THE CITY HAS RESERVED the right to amend the Ordinance with the approval of the holders of 51% of all outstanding Bonds subject to the restrictions stated in the Ordinance.

Reference is hereby made to the Ordinance, copies of which are on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Owner by his acceptance hereof hereby assents, for definitions of terms; the description and nature of the Net Revenues of the System pledged for the payment of the Bonds; the terms and conditions under which the City may issue Additional Bonds or Junior Lien Bonds; the terms and conditions relating to the transfer or exchange of the Bonds; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Owners; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond 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 have the same meanings assigned in the Ordinance.

This Bond, 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 Owner 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.

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 Bond in order to render the same a legal, valid, and binding special obligation of the City have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that 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 and interest on the Bonds by a pledge of and lien on the Net Revenues of the System. 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.

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IN WITNESS WHEREOF, this Bond has been signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary, and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

CITY OF SAN JUAN, TEXAS

____
Mayor

ATTEST:

____
City Secretary

(CITY SEAL)

COMPTROLLER'S REGISTRATION CERTIFICATE

REGISTER NO. _________________

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

WITNESS MY SIGNATURE AND SEAL this _____________________.

____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____________________ (Please print or type name, address, and zip code of Transferee) ______________________ (Please insert Social Security or Taxpayer Identification Number of Transferee) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoint s_________________ attorney to transfer such bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: ______________________

Signature
Guaranteed:_____________________________

____
Registered Owner

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

Notice: The Signature above must correspond to same name of the registered owner as show on the face of this bond in every particular, without alteration, enlargement, or change whatsoever.

EXHIBIT C

ESCROW AGREEMENT

See Tab No. ___

EXHIBIT D

DTC LETTER OF REPRESENTATION

See Tab No. ___

EXHIBIT E

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 46 of this Ordinance.

I. 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 below:

The City's annual audit for the current fiscal year

II. Accounting Principles

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

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City of San Juan, Texas
Waterworks and Sewer System Revenue Bonds, Series 2019 & 2019A
Final Numbers

SOURCES AND USES OF FUNDS

City of San Juan, Texas
Waterworks and Sewer System Revenue Bonds, Series 2019 & 2019A
Final Numbers

Dated Date	05/09/2019
Delivery Date	05/09/2019

Sources:	Waterworks and Sewer System Revenue Bonds, Series 2019	Waterworks and Sewer System Revenue Bonds, Series 2019A	Total
Bond Proceeds:			
Par Amount	6,645,000.00	1,715,000.00	8,360,000.00
Other Sources of Funds:			
Loan Forgiveness	2,562,000.00	498,000.00	3,060,000.00
	9,207,000.00	2,213,000.00	11,420,000.00

Uses:	Waterworks and Sewer System Revenue Bonds, Series 2019	Waterworks and Sewer System Revenue Bonds, Series 2019A	Total
Project Fund Deposits:			
Project Fund	8,990,000.00	2,125,000.00	11,115,000.00
Cost of Issuance:			
Financial Advisor	43,133.75	26,577.19	69,710.94
Bond Counsel	46,500.00	26,500.00	73,000.00
Attorney General Fee	6,645.00	1,715.00	8,360.00
Issuance Cost (CUSIP)	913.00	913.00	1,826.00
Paying Agent/Escrow Agent	400.00	400.00	800.00
Fiscal Contingency	5,120.78	2,398.50	7,519.28
	102,712.53	58,503.69	161,216.22
Underwriter's Discount:			
Other Underwriter's Discount	114,287.47	29,496.31	143,783.78
	9,207,000.00	2,213,000.00	11,420,000.00

FORM 8038 STATISTICS

City of San Juan, Texas
Waterworks and Sewer System Revenue Bonds, Series 2019 & 2019A
Final Numbers

Dated Date	05/09/2019
Delivery Date	05/09/2019

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	01/01/2020	240,000.00	0.010%	100.000	240,000.00	240,000.00
	01/01/2021	250,000.00	0.070%	100.000	250,000.00	250,000.00
	01/01/2022	250,000.00	0.120%	100.000	250,000.00	250,000.00
	01/01/2023	250,000.00	0.210%	100.000	250,000.00	250,000.00
	01/01/2024	250,000.00	0.280%	100.000	250,000.00	250,000.00
	01/01/2025	255,000.00	0.340%	100.000	255,000.00	255,000.00
	01/01/2026	260,000.00	0.400%	100.000	260,000.00	260,000.00
	01/01/2027	260,000.00	0.460%	100.000	260,000.00	260,000.00
	01/01/2028	260,000.00	0.530%	100.000	260,000.00	260,000.00
	01/01/2029	260,000.00	0.610%	100.000	260,000.00	260,000.00
	01/01/2030	265,000.00	0.700%	100.000	265,000.00	265,000.00
	01/01/2031	265,000.00	0.800%	100.000	265,000.00	265,000.00
	01/01/2032	265,000.00	0.890%	100.000	265,000.00	265,000.00
	01/01/2033	270,000.00	0.970%	100.000	270,000.00	270,000.00
	01/01/2034	270,000.00	1.030%	100.000	270,000.00	270,000.00
	01/01/2035	275,000.00	1.080%	100.000	275,000.00	275,000.00
	01/01/2036	275,000.00	1.130%	100.000	275,000.00	275,000.00
	01/01/2037	275,000.00	1.180%	100.000	275,000.00	275,000.00
	01/01/2038	285,000.00	1.220%	100.000	285,000.00	285,000.00
	01/01/2039	290,000.00	1.260%	100.000	290,000.00	290,000.00
	01/01/2040	290,000.00	1.300%	100.000	290,000.00	290,000.00
	01/01/2041	295,000.00	1.330%	100.000	295,000.00	295,000.00
	01/01/2042	295,000.00	1.350%	100.000	295,000.00	295,000.00
	01/01/2043	300,000.00	1.370%	100.000	300,000.00	300,000.00
	01/01/2044	310,000.00	1.380%	100.000	310,000.00	310,000.00
	01/01/2045	310,000.00	1.390%	100.000	310,000.00	310,000.00
	01/01/2046	315,000.00	1.400%	100.000	315,000.00	315,000.00
	01/01/2047	320,000.00	1.410%	100.000	320,000.00	320,000.00
	01/01/2048	325,000.00	1.420%	100.000	325,000.00	325,000.00
	01/01/2049	330,000.00	1.430%	100.000	330,000.00	330,000.00
		8,360,000.00			8,360,000.00	8,360,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	01/01/2049	1.430%	330,000.00	330,000.00		
Entire Issue			8,360,000.00	8,360,000.00	15.8986	1.1749%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	305,000.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

PROOF OF ARBITRAGE YIELD

City of San Juan, Texas
Waterworks and Sewer System Revenue Bonds, Series 2019 & 2019A
Final Numbers

Date	Debt Service	Total	Present Value to 05/09/2019 @ 1.1748913410%
01/01/2020	290,657.85	290,657.85	288,471.83
07/01/2020	39,291.50	39,291.50	38,768.25
01/01/2021	289,291.50	289,291.50	283,771.95
07/01/2021	39,204.00	39,204.00	38,231.42
01/01/2022	289,204.00	289,204.00	280,382.26
07/01/2022	39,054.00	39,054.00	37,641.59
01/01/2023	289,054.00	289,054.00	276,973.14
07/01/2023	38,791.50	38,791.50	36,953.15
01/01/2024	288,791.50	288,791.50	273,498.86
07/01/2024	38,441.50	38,441.50	36,193.26
01/01/2025	293,441.50	293,441.50	274,666.12
07/01/2025	38,008.00	38,008.00	35,368.35
01/01/2026	298,008.00	298,008.00	275,691.84
07/01/2026	37,488.00	37,488.00	34,478.19
01/01/2027	297,488.00	297,488.00	272,005.63
07/01/2027	36,890.00	36,890.00	33,533.07
01/01/2028	296,890.00	296,890.00	268,297.39
07/01/2028	36,201.00	36,201.00	32,523.53
01/01/2029	296,201.00	296,201.00	264,557.35
07/01/2029	35,408.00	35,408.00	31,440.61
01/01/2030	300,408.00	300,408.00	265,190.06
07/01/2030	34,480.50	34,480.50	30,260.46
01/01/2031	299,480.50	299,480.50	261,292.38
07/01/2031	33,420.50	33,420.50	28,988.61
01/01/2032	298,420.50	298,420.50	257,335.26
07/01/2032	32,241.25	32,241.25	27,640.04
01/01/2033	302,241.25	302,241.25	257,594.63
07/01/2033	30,931.75	30,931.75	26,208.60
01/01/2034	300,931.75	300,931.75	253,491.57
07/01/2034	29,541.25	29,541.25	24,738.91
01/01/2035	304,541.25	304,541.25	253,544.44
07/01/2035	28,056.25	28,056.25	23,221.69
01/01/2036	303,056.25	303,056.25	249,369.68
07/01/2036	26,502.50	26,502.50	21,680.21
01/01/2037	301,502.50	301,502.50	245,201.86
07/01/2037	24,880.00	24,880.00	20,115.90
01/01/2038	309,880.00	309,880.00	249,079.98
07/01/2038	23,141.50	23,141.50	18,492.39
01/01/2039	313,141.50	313,141.50	248,770.20
07/01/2039	21,314.50	21,314.50	16,834.07
01/01/2040	311,314.50	311,314.50	244,438.44
07/01/2040	19,429.50	19,429.50	15,166.59
01/01/2041	314,429.50	314,429.50	244,009.02
07/01/2041	17,467.75	17,467.75	13,476.46
01/01/2042	312,467.75	312,467.75	239,662.59
07/01/2042	15,476.50	15,476.50	11,801.14
01/01/2043	315,476.50	315,476.50	239,152.26
07/01/2043	13,421.50	13,421.50	10,114.97
01/01/2044	323,421.50	323,421.50	242,319.75
07/01/2044	11,282.50	11,282.50	8,403.91
01/01/2045	321,282.50	321,282.50	237,913.69
07/01/2045	9,128.00	9,128.00	6,719.92
01/01/2046	324,128.00	324,128.00	237,225.49

PROOF OF ARBITRAGE YIELD

City of San Juan, Texas
Waterworks and Sewer System Revenue Bonds, Series 2019 & 2019A
Final Numbers

Date	Debt Service	Total	Present Value to 05/09/2019 @ 1.1748913410%
07/01/2046	6,923.00	6,923.00	5,037.27
01/01/2047	326,923.00	326,923.00	236,484.52
07/01/2047	4,667.00	4,667.00	3,356.23
01/01/2048	329,667.00	329,667.00	235,692.17
07/01/2048	2,359.50	2,359.50	1,677.05
01/01/2049	332,359.50	332,359.50	234,849.81
	9,937,543.35	9,937,543.35	8,360,000.00

Proceeds Summary

Delivery date	05/09/2019
Par Value	8,360,000.00
Target for yield calculation	8,360,000.00

BOND SUMMARY STATISTICS

City of San Juan, Texas
Waterworks and Sewer System Revenue Bonds, Series 2019
Clean Water State Revolving Fund
Callable @ Par on July 1, 2029
Loan Commitment Interest Rates

Dated Date	05/09/2019
Delivery Date	05/09/2019
First Coupon	01/01/2020
Last Maturity	01/01/2049
Arbitrage Yield	1.174891%
True Interest Cost (TIC)	1.297237%
Net Interest Cost (NIC)	1.295146%
All-In TIC	1.409753%
Average Coupon	1.186927%
Average Life (years)	15.893
Weighted Average Maturity (years)	15.893
Duration of Issue (years)	14.226
Par Amount	6,645,000.00
Bond Proceeds	6,645,000.00
Total Interest	1,253,482.08
Net Interest	1,367,769.55
Bond Years from Dated Date	105,607,333.33
Bond Years from Delivery Date	105,607,333.33
Total Debt Service	7,898,482.08
Maximum Annual Debt Service	265,781.00
Average Annual Debt Service	266,440.55
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	17.199017
Total TWDB Loan Origination Fee	17.199017
Bid Price	98.280098

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	6,645,000.00	100.000	1.187%	15.893
	6,645,000.00			15.893

BOND SUMMARY STATISTICS

City of San Juan, Texas
Waterworks and Sewer System Revenue Bonds, Series 2019
Clean Water State Revolving Fund
Callable @ Par on July 1, 2029
Loan Commitment Interest Rates

	TIC	All-In TIC	Arbitrage Yield
Par Value	6,645,000.00	6,645,000.00	6,645,000.00
+ Accrued Interest			
+ Premium (Discount)			
- TWDB Loan Origination Fee	-114,287.47	-114,287.47	
- Cost of Issuance Expense		-102,712.53	
- Other Amounts			
Target Value	6,530,712.53	6,428,000.00	6,645,000.00
Target Date	05/09/2019	05/09/2019	05/09/2019
Yield	1.297237%	1.409753%	1.174891%

BOND PRICING

City of San Juan, Texas
Waterworks and Sewer System Revenue Bonds, Series 2019
Clean Water State Revolving Fund
Callable @ Par on July 1, 2029
Loan Commitment Interest Rates

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	01/01/2020	190,000	0.010%	0.010%	100.000
	01/01/2021	200,000	0.070%	0.070%	100.000
	01/01/2022	200,000	0.120%	0.120%	100.000
	01/01/2023	200,000	0.210%	0.210%	100.000
	01/01/2024	200,000	0.280%	0.280%	100.000
	01/01/2025	205,000	0.340%	0.340%	100.000
	01/01/2026	205,000	0.400%	0.400%	100.000
	01/01/2027	205,000	0.460%	0.460%	100.000
	01/01/2028	205,000	0.530%	0.530%	100.000
	01/01/2029	205,000	0.610%	0.610%	100.000
	01/01/2030	210,000	0.700%	0.700%	100.000
	01/01/2031	210,000	0.800%	0.800%	100.000
	01/01/2032	210,000	0.890%	0.890%	100.000
	01/01/2033	215,000	0.970%	0.970%	100.000
	01/01/2034	215,000	1.030%	1.030%	100.000
	01/01/2035	220,000	1.080%	1.080%	100.000
	01/01/2036	220,000	1.130%	1.130%	100.000
	01/01/2037	220,000	1.180%	1.180%	100.000
	01/01/2038	225,000	1.220%	1.220%	100.000
	01/01/2039	230,000	1.260%	1.260%	100.000
	01/01/2040	230,000	1.300%	1.300%	100.000
	01/01/2041	235,000	1.330%	1.330%	100.000
	01/01/2042	235,000	1.350%	1.350%	100.000
	01/01/2043	240,000	1.370%	1.370%	100.000
	01/01/2044	245,000	1.380%	1.380%	100.000
	01/01/2045	245,000	1.390%	1.390%	100.000
	01/01/2046	250,000	1.400%	1.400%	100.000
	01/01/2047	255,000	1.410%	1.410%	100.000
	01/01/2048	260,000	1.420%	1.420%	100.000
	01/01/2049	260,000	1.430%	1.430%	100.000
		6,645,000			

Dated Date	05/09/2019	
Delivery Date	05/09/2019	
First Coupon	01/01/2020	
Par Amount	6,645,000.00	
Original Issue Discount		
Production	6,645,000.00	100.000000%
TWDB Loan Origination Fee	-114,287.47	-1.719902%
Purchase Price	6,530,712.53	98.280098%
Accrued Interest		
Net Proceeds	6,530,712.53	

BOND DEBT SERVICE

City of San Juan, Texas
Waterworks and Sewer System Revenue Bonds, Series 2019
Clean Water State Revolving Fund
Callable @ Par on July 1, 2029
Loan Commitment Interest Rates

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2020	190,000	0.010%	71,477.08	261,477.08
09/30/2021	200,000	0.070%	62,375.00	262,375.00
09/30/2022	200,000	0.120%	62,185.00	262,185.00
09/30/2023	200,000	0.210%	61,855.00	261,855.00
09/30/2024	200,000	0.280%	61,365.00	261,365.00
09/30/2025	205,000	0.340%	60,736.50	265,736.50
09/30/2026	205,000	0.400%	59,978.00	264,978.00
09/30/2027	205,000	0.460%	59,096.50	264,096.50
09/30/2028	205,000	0.530%	58,081.75	263,081.75
09/30/2029	205,000	0.610%	56,913.25	261,913.25
09/30/2030	210,000	0.700%	55,553.00	265,553.00
09/30/2031	210,000	0.800%	53,978.00	263,978.00
09/30/2032	210,000	0.890%	52,203.50	262,203.50
09/30/2033	215,000	0.970%	50,226.25	265,226.25
09/30/2034	215,000	1.030%	48,076.25	263,076.25
09/30/2035	220,000	1.080%	45,781.00	265,781.00
09/30/2036	220,000	1.130%	43,350.00	263,350.00
09/30/2037	220,000	1.180%	40,809.00	260,809.00
09/30/2038	225,000	1.220%	38,138.50	263,138.50
09/30/2039	230,000	1.260%	35,317.00	265,317.00
09/30/2040	230,000	1.300%	32,373.00	262,373.00
09/30/2041	235,000	1.330%	29,315.25	264,315.25
09/30/2042	235,000	1.350%	26,166.25	261,166.25
09/30/2043	240,000	1.370%	22,936.00	262,936.00
09/30/2044	245,000	1.380%	19,601.50	264,601.50
09/30/2045	245,000	1.390%	16,208.25	261,208.25
09/30/2046	250,000	1.400%	12,755.50	262,755.50
09/30/2047	255,000	1.410%	9,207.75	264,207.75
09/30/2048	260,000	1.420%	5,564.00	265,564.00
09/30/2049	260,000	1.430%	1,859.00	261,859.00
	6,645,000		1,253,482.08	7,898,482.08

BOND DEBT SERVICE

City of San Juan, Texas
Waterworks and Sewer System Revenue Bonds, Series 2019
Clean Water State Revolving Fund
Callable @ Par on July 1, 2029
Loan Commitment Interest Rates

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2020	190,000	0.010%	40,254.58	230,254.58	
07/01/2020			31,222.50	31,222.50	
09/30/2020					261,477.08
01/01/2021	200,000	0.070%	31,222.50	231,222.50	
07/01/2021			31,152.50	31,152.50	
09/30/2021					262,375.00
01/01/2022	200,000	0.120%	31,152.50	231,152.50	
07/01/2022			31,032.50	31,032.50	
09/30/2022					262,185.00
01/01/2023	200,000	0.210%	31,032.50	231,032.50	
07/01/2023			30,822.50	30,822.50	
09/30/2023					261,855.00
01/01/2024	200,000	0.280%	30,822.50	230,822.50	
07/01/2024			30,542.50	30,542.50	
09/30/2024					261,365.00
01/01/2025	205,000	0.340%	30,542.50	235,542.50	
07/01/2025			30,194.00	30,194.00	
09/30/2025					265,736.50
01/01/2026	205,000	0.400%	30,194.00	235,194.00	
07/01/2026			29,784.00	29,784.00	
09/30/2026					264,978.00
01/01/2027	205,000	0.460%	29,784.00	234,784.00	
07/01/2027			29,312.50	29,312.50	
09/30/2027					264,096.50
01/01/2028	205,000	0.530%	29,312.50	234,312.50	
07/01/2028			28,769.25	28,769.25	
09/30/2028					263,081.75
01/01/2029	205,000	0.610%	28,769.25	233,769.25	
07/01/2029			28,144.00	28,144.00	
09/30/2029					261,913.25
01/01/2030	210,000	0.700%	28,144.00	238,144.00	
07/01/2030			27,409.00	27,409.00	
09/30/2030					265,553.00
01/01/2031	210,000	0.800%	27,409.00	237,409.00	
07/01/2031			26,569.00	26,569.00	
09/30/2031					263,978.00
01/01/2032	210,000	0.890%	26,569.00	236,569.00	
07/01/2032			25,634.50	25,634.50	
09/30/2032					262,203.50
01/01/2033	215,000	0.970%	25,634.50	240,634.50	
07/01/2033			24,591.75	24,591.75	
09/30/2033					265,226.25
01/01/2034	215,000	1.030%	24,591.75	239,591.75	
07/01/2034			23,484.50	23,484.50	
09/30/2034					263,076.25
01/01/2035	220,000	1.080%	23,484.50	243,484.50	
07/01/2035			22,296.50	22,296.50	
09/30/2035					265,781.00
01/01/2036	220,000	1.130%	22,296.50	242,296.50	
07/01/2036			21,053.50	21,053.50	
09/30/2036					263,350.00
01/01/2037	220,000	1.180%	21,053.50	241,053.50	

BOND DEBT SERVICE

City of San Juan, Texas
Waterworks and Sewer System Revenue Bonds, Series 2019
Clean Water State Revolving Fund
Callable @ Par on July 1, 2029
Loan Commitment Interest Rates

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/01/2037			19,755.50	19,755.50	
09/30/2037					260,809.00
01/01/2038	225,000	1.220%	19,755.50	244,755.50	
07/01/2038			18,383.00	18,383.00	
09/30/2038					263,138.50
01/01/2039	230,000	1.260%	18,383.00	248,383.00	
07/01/2039			16,934.00	16,934.00	
09/30/2039					265,317.00
01/01/2040	230,000	1.300%	16,934.00	246,934.00	
07/01/2040			15,439.00	15,439.00	
09/30/2040					262,373.00
01/01/2041	235,000	1.330%	15,439.00	250,439.00	
07/01/2041			13,876.25	13,876.25	
09/30/2041					264,315.25
01/01/2042	235,000	1.350%	13,876.25	248,876.25	
07/01/2042			12,290.00	12,290.00	
09/30/2042					261,166.25
01/01/2043	240,000	1.370%	12,290.00	252,290.00	
07/01/2043			10,646.00	10,646.00	
09/30/2043					262,936.00
01/01/2044	245,000	1.380%	10,646.00	255,646.00	
07/01/2044			8,955.50	8,955.50	
09/30/2044					264,601.50
01/01/2045	245,000	1.390%	8,955.50	253,955.50	
07/01/2045			7,252.75	7,252.75	
09/30/2045					261,208.25
01/01/2046	250,000	1.400%	7,252.75	257,252.75	
07/01/2046			5,502.75	5,502.75	
09/30/2046					262,755.50
01/01/2047	255,000	1.410%	5,502.75	260,502.75	
07/01/2047			3,705.00	3,705.00	
09/30/2047					264,207.75
01/01/2048	260,000	1.420%	3,705.00	263,705.00	
07/01/2048			1,859.00	1,859.00	
09/30/2048					265,564.00
01/01/2049	260,000	1.430%	1,859.00	261,859.00	
09/30/2049					261,859.00
	6,645,000		1,253,482.08	7,898,482.08	7,898,482.08

BOND SUMMARY STATISTICS

City of San Juan, Texas
Waterworks and Sewer System Revenue Bonds, Series 2019A
Clean Water State Revolving Fund
Callable @ Par on July 1, 2029
Loan Commitment Interest Rates

Dated Date	05/09/2019
Delivery Date	05/09/2019
First Coupon	01/01/2020
Last Maturity	01/01/2049
Arbitrage Yield	1.174891%
True Interest Cost (TIC)	1.296886%
Net Interest Cost (NIC)	1.294835%
All-In TIC	1.548151%
Average Coupon	1.186811%
Average Life (years)	15.921
Weighted Average Maturity (years)	15.921
Duration of Issue (years)	14.252
Par Amount	1,715,000.00
Bond Proceeds	1,715,000.00
Total Interest	324,061.27
Net Interest	353,557.58
Bond Years from Dated Date	27,305,222.22
Bond Years from Delivery Date	27,305,222.22
Total Debt Service	2,039,061.27
Maximum Annual Debt Service	70,518.00
Average Annual Debt Service	68,783.93
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	17.199015
Total TWDB Loan Origination Fee	17.199015
Bid Price	98.280099

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	1,715,000.00	100.000	1.187%	15.921
	1,715,000.00			15.921

BOND SUMMARY STATISTICS

City of San Juan, Texas
Waterworks and Sewer System Revenue Bonds, Series 2019A
Clean Water State Revolving Fund
Callable @ Par on July 1, 2029
Loan Commitment Interest Rates

	TIC	All-In TIC	Arbitrage Yield
Par Value	1,715,000.00	1,715,000.00	1,715,000.00
+ Accrued Interest			
+ Premium (Discount)			
- TWDB Loan Origination Fee	-29,496.31	-29,496.31	
- Cost of Issuance Expense		-58,503.69	
- Other Amounts			
Target Value	1,685,503.69	1,627,000.00	1,715,000.00
Target Date	05/09/2019	05/09/2019	05/09/2019
Yield	1.296886%	1.548151%	1.174891%

BOND PRICING

City of San Juan, Texas
Waterworks and Sewer System Revenue Bonds, Series 2019A
Clean Water State Revolving Fund
Callable @ Par on July 1, 2029
Loan Commitment Interest Rates

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	01/01/2020	50,000	0.010%	0.010%	100.000
	01/01/2021	50,000	0.070%	0.070%	100.000
	01/01/2022	50,000	0.120%	0.120%	100.000
	01/01/2023	50,000	0.210%	0.210%	100.000
	01/01/2024	50,000	0.280%	0.280%	100.000
	01/01/2025	50,000	0.340%	0.340%	100.000
	01/01/2026	55,000	0.400%	0.400%	100.000
	01/01/2027	55,000	0.460%	0.460%	100.000
	01/01/2028	55,000	0.530%	0.530%	100.000
	01/01/2029	55,000	0.610%	0.610%	100.000
	01/01/2030	55,000	0.700%	0.700%	100.000
	01/01/2031	55,000	0.800%	0.800%	100.000
	01/01/2032	55,000	0.890%	0.890%	100.000
	01/01/2033	55,000	0.970%	0.970%	100.000
	01/01/2034	55,000	1.030%	1.030%	100.000
	01/01/2035	55,000	1.080%	1.080%	100.000
	01/01/2036	55,000	1.130%	1.130%	100.000
	01/01/2037	55,000	1.180%	1.180%	100.000
	01/01/2038	60,000	1.220%	1.220%	100.000
	01/01/2039	60,000	1.260%	1.260%	100.000
	01/01/2040	60,000	1.300%	1.300%	100.000
	01/01/2041	60,000	1.330%	1.330%	100.000
	01/01/2042	60,000	1.350%	1.350%	100.000
	01/01/2043	60,000	1.370%	1.370%	100.000
	01/01/2044	65,000	1.380%	1.380%	100.000
	01/01/2045	65,000	1.390%	1.390%	100.000
	01/01/2046	65,000	1.400%	1.400%	100.000
	01/01/2047	65,000	1.410%	1.410%	100.000
	01/01/2048	65,000	1.420%	1.420%	100.000
	01/01/2049	70,000	1.430%	1.430%	100.000
		1,715,000			

Dated Date	05/09/2019	
Delivery Date	05/09/2019	
First Coupon	01/01/2020	
Par Amount	1,715,000.00	
Original Issue Discount		
Production	1,715,000.00	100.000000%
TWDB Loan Origination Fee	-29,496.31	-1.719901%
Purchase Price	1,685,503.69	98.280099%
Accrued Interest		
Net Proceeds	1,685,503.69	

BOND DEBT SERVICE

City of San Juan, Texas
Waterworks and Sewer System Revenue Bonds, Series 2019A
Clean Water State Revolving Fund
Callable @ Par on July 1, 2029
Loan Commitment Interest Rates

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2020	50,000	0.010%	18,472.27	68,472.27
09/30/2021	50,000	0.070%	16,120.50	66,120.50
09/30/2022	50,000	0.120%	16,073.00	66,073.00
09/30/2023	50,000	0.210%	15,990.50	65,990.50
09/30/2024	50,000	0.280%	15,868.00	65,868.00
09/30/2025	50,000	0.340%	15,713.00	65,713.00
09/30/2026	55,000	0.400%	15,518.00	70,518.00
09/30/2027	55,000	0.460%	15,281.50	70,281.50
09/30/2028	55,000	0.530%	15,009.25	70,009.25
09/30/2029	55,000	0.610%	14,695.75	69,695.75
09/30/2030	55,000	0.700%	14,335.50	69,335.50
09/30/2031	55,000	0.800%	13,923.00	68,923.00
09/30/2032	55,000	0.890%	13,458.25	68,458.25
09/30/2033	55,000	0.970%	12,946.75	67,946.75
09/30/2034	55,000	1.030%	12,396.75	67,396.75
09/30/2035	55,000	1.080%	11,816.50	66,816.50
09/30/2036	55,000	1.130%	11,208.75	66,208.75
09/30/2037	55,000	1.180%	10,573.50	65,573.50
09/30/2038	60,000	1.220%	9,883.00	69,883.00
09/30/2039	60,000	1.260%	9,139.00	69,139.00
09/30/2040	60,000	1.300%	8,371.00	68,371.00
09/30/2041	60,000	1.330%	7,582.00	67,582.00
09/30/2042	60,000	1.350%	6,778.00	66,778.00
09/30/2043	60,000	1.370%	5,962.00	65,962.00
09/30/2044	65,000	1.380%	5,102.50	70,102.50
09/30/2045	65,000	1.390%	4,202.25	69,202.25
09/30/2046	65,000	1.400%	3,295.50	68,295.50
09/30/2047	65,000	1.410%	2,382.25	67,382.25
09/30/2048	65,000	1.420%	1,462.50	66,462.50
09/30/2049	70,000	1.430%	500.50	70,500.50
	1,715,000		324,061.27	2,039,061.27

BOND DEBT SERVICE

City of San Juan, Texas
Waterworks and Sewer System Revenue Bonds, Series 2019A
Clean Water State Revolving Fund
Callable @ Par on July 1, 2029
Loan Commitment Interest Rates

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2020	50,000	0.010%	10,403.27	60,403.27	
07/01/2020			8,069.00	8,069.00	
09/30/2020					68,472.27
01/01/2021	50,000	0.070%	8,069.00	58,069.00	
07/01/2021			8,051.50	8,051.50	
09/30/2021					66,120.50
01/01/2022	50,000	0.120%	8,051.50	58,051.50	
07/01/2022			8,021.50	8,021.50	
09/30/2022					66,073.00
01/01/2023	50,000	0.210%	8,021.50	58,021.50	
07/01/2023			7,969.00	7,969.00	
09/30/2023					65,990.50
01/01/2024	50,000	0.280%	7,969.00	57,969.00	
07/01/2024			7,899.00	7,899.00	
09/30/2024					65,868.00
01/01/2025	50,000	0.340%	7,899.00	57,899.00	
07/01/2025			7,814.00	7,814.00	
09/30/2025					65,713.00
01/01/2026	55,000	0.400%	7,814.00	62,814.00	
07/01/2026			7,704.00	7,704.00	
09/30/2026					70,518.00
01/01/2027	55,000	0.460%	7,704.00	62,704.00	
07/01/2027			7,577.50	7,577.50	
09/30/2027					70,281.50
01/01/2028	55,000	0.530%	7,577.50	62,577.50	
07/01/2028			7,431.75	7,431.75	
09/30/2028					70,009.25
01/01/2029	55,000	0.610%	7,431.75	62,431.75	
07/01/2029			7,264.00	7,264.00	
09/30/2029					69,695.75
01/01/2030	55,000	0.700%	7,264.00	62,264.00	
07/01/2030			7,071.50	7,071.50	
09/30/2030					69,335.50
01/01/2031	55,000	0.800%	7,071.50	62,071.50	
07/01/2031			6,851.50	6,851.50	
09/30/2031					68,923.00
01/01/2032	55,000	0.890%	6,851.50	61,851.50	
07/01/2032			6,606.75	6,606.75	
09/30/2032					68,458.25
01/01/2033	55,000	0.970%	6,606.75	61,606.75	
07/01/2033			6,340.00	6,340.00	
09/30/2033					67,946.75
01/01/2034	55,000	1.030%	6,340.00	61,340.00	
07/01/2034			6,056.75	6,056.75	
09/30/2034					67,396.75
01/01/2035	55,000	1.080%	6,056.75	61,056.75	
07/01/2035			5,759.75	5,759.75	
09/30/2035					66,816.50
01/01/2036	55,000	1.130%	5,759.75	60,759.75	
07/01/2036			5,449.00	5,449.00	
09/30/2036					66,208.75
01/01/2037	55,000	1.180%	5,449.00	60,449.00	

BOND DEBT SERVICE

City of San Juan, Texas
Waterworks and Sewer System Revenue Bonds, Series 2019A
Clean Water State Revolving Fund
Callable @ Par on July 1, 2029
Loan Commitment Interest Rates

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/01/2037			5,124.50	5,124.50	
09/30/2037					65,573.50
01/01/2038	60,000	1.220%	5,124.50	65,124.50	
07/01/2038			4,758.50	4,758.50	
09/30/2038					69,883.00
01/01/2039	60,000	1.260%	4,758.50	64,758.50	
07/01/2039			4,380.50	4,380.50	
09/30/2039					69,139.00
01/01/2040	60,000	1.300%	4,380.50	64,380.50	
07/01/2040			3,990.50	3,990.50	
09/30/2040					68,371.00
01/01/2041	60,000	1.330%	3,990.50	63,990.50	
07/01/2041			3,591.50	3,591.50	
09/30/2041					67,582.00
01/01/2042	60,000	1.350%	3,591.50	63,591.50	
07/01/2042			3,186.50	3,186.50	
09/30/2042					66,778.00
01/01/2043	60,000	1.370%	3,186.50	63,186.50	
07/01/2043			2,775.50	2,775.50	
09/30/2043					65,962.00
01/01/2044	65,000	1.380%	2,775.50	67,775.50	
07/01/2044			2,327.00	2,327.00	
09/30/2044					70,102.50
01/01/2045	65,000	1.390%	2,327.00	67,327.00	
07/01/2045			1,875.25	1,875.25	
09/30/2045					69,202.25
01/01/2046	65,000	1.400%	1,875.25	66,875.25	
07/01/2046			1,420.25	1,420.25	
09/30/2046					68,295.50
01/01/2047	65,000	1.410%	1,420.25	66,420.25	
07/01/2047			962.00	962.00	
09/30/2047					67,382.25
01/01/2048	65,000	1.420%	962.00	65,962.00	
07/01/2048			500.50	500.50	
09/30/2048					66,462.50
01/01/2049	70,000	1.430%	500.50	70,500.50	
09/30/2049					70,500.50
	1,715,000		324,061.27	2,039,061.27	2,039,061.27

<u>AGENDA ITEM AND RECOMMENDATION SUMMARY</u>
CITY COMMISSION REGULAR MEETING
APRIL 9, 2019

Consideration and Approval of an Ordinance Authorizing the Issuance, Sale and Delivery of City of San Juan, Texas Waterworks and Sewer System Revenue Bonds Series 2019A; Providing for the Payment of the Bonds, Together with Certain Currently Outstanding Previously Issued Bonds, from a First Lien on and Pledge of the Net Revenues of the City's Waterworks and Sewer System; Resolving Other Matters Incident and Relating to the Issuance, Payment, Security Sale and Delivery of the Bonds Including the Approval of an Application to the Texas Water Development Board; Authorizing the Execution of a Paying Agent/Registrar Agreement and an Escrow Agreement; Complying with the Requirements of the Depository Trust Company's Letter of Representations; Complying with the Regulations Promulgated by the Texas Water Development Board; and Providing for an Effective Date.

STAFF COMMENTS AND RECOMMENDATIONS:

The City of San Juan, Applied to the Texas Water Development Board for Financial Assistance and Received Approval on February 4, 2019. The City will Fund the Following Projects:

1. Rehabilitation of the Wastewater Treatment Plant. Applied for a total funding in the amount of $9,207,00 under the Clean Water State Revolving Fund. out of the total funding requested, Texas Water Development Board awarded $2,562,000 in Principal Forgiveness.

2. Rehabilitation of Lift Station and Force Mains. Applied for a total Funding in the amount of $2,213,000 under the Clean Water State Revolving Fund. Out of the total funding requested, Texas Water Development Board awarded $498,000 in Principal Forgiveness.

The Total Principal Forgiveness Granted by the Texas Water Development Board is $3,060,000 out of the Total of $11,420,000.

RECOMMENDATION:

Approve Ordinance as presented.

PREPARED BY:	**APPROVED BY:**
Diana Cavazos, City Secretary	Benjamin Arjona, City Manager

CRUZ-HOGAN Consultants, Inc.
ENGINEERS I PLANNERS I CONSULTANTS
McAllen I Harlingen I Weslaco
TBPE Firm Reg No. F-4860

April 1, 2019

Benjamin Arjona
City Manager
City of San Juan
709 South Nebraska St.
San Juan, Texas 78589

Re: Lift Station Improvements Project
TWDB - CWSRF Project No. 73637
City of San Juan

Dear Mr. Arjona:

The proposed Lift Station Improvements Project currently being funded through funds provided from the Texas Water Development Board for CWSRF Project No. 73637, mainly consists of making lift station improvements and rehabilitations to the City's existing wastewater collection system.

The project includes the construction of a new lift station located at the City's current recycling center, installation of a new force main line and other associated improvements.

As such, the life expectancy and useful life of the proposed improvements, with proper, necessary and needed ongoing maintenance, should be a minimum of 30 years.

Sincerely,

Orlando S. Cruz, P.E.
President

605 E. Violet, Suite 1 • McAllen, Texas 78504
(956) 682-5022 • Fax (956) 682-5089
www.cruzhogan.net

DRAFT 3/20/19

ORDINANCE NO. __________

AN ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF CITY OF SAN JUAN, TEXAS WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2019A; PROVIDING FOR THE PAYMENT OF THE BONDS, TOGETHER WITH CERTAIN CURRENTLY OUTSTANDING PREVIOUSLY ISSUED BONDS, FROM A FIRST LIEN ON AND PLEDGE OF THE NET REVENUES OF THE CITY'S WATERWORKS AND SEWER SYSTEM; RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF THE BONDS, INCLUDING THE APPROVAL OF AN APPLICATION TO THE TEXAS WATER DEVELOPMENT BOARD; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT; COMPLYING WITH THE REQUIREMENTS OF THE DEPOSITORY TRUST COMPANY'S LETTER OF REPRESENTATIONS; COMPLYING WITH THE REGULATIONS PROMULGATED BY THE TEXAS WATER DEVELOPMENT BOARD; AND PROVIDING FOR AN EFFECTIVE DATE

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THE STATE OF TEXAS §
COUNTY OF HIDALGO §
CITY OF SAN JUAN §

WHEREAS, the City of San Juan, Texas (the "***City***") currently has the following outstanding obligations which are secured by a parity first lien on and pledge of the "Net Revenues" (as such term is defined herein) of the City's Waterworks and Sewer System (the "***System***"):

(1) The City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2012, currently outstanding in the aggregate principal amount of $225,000 (the "***Series 2012 Bonds***"); and

(2) The City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2013-A, currently outstanding in the aggregate principal amount of $5,675,000 (the "***Series 2013-A Bonds***"); and

(3) The City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2013-B, currently outstanding in the aggregate principal amount of $1,205,000 (the "***Series 2013-B Bonds***");

(4) The City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2014, currently outstanding in the aggregate principal amount of $105,000 (the "***Series 2014 Bonds***");

(5) The City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2017 currently outstanding in the aggregate principal amount of $2,285,000 (the ***"Series 2017 Bonds***");

(6) The City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2018 currently outstanding in the aggregate principal amount of $1,270,000 (the ***"Series 2018 Bonds***"); and

(7) Upon issuance concurrently with the issuance of the Bonds, the City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2019 (the ***"Series 2019 Bonds***").

WHEREAS, the City may, subject to complying with certain conditions, issue Additional Bonds (hereinafter defined), payable from a first lien on and pledge of the Net Revenues on parity with the outstanding Parity Bonds (hereinafter defined);

WHEREAS, the City Commission of the City deems it in the best interests of the City to issue revenue bonds as authorized under Chapter 1502, Texas Government Code, and to use the proceeds thereof to finance utility system improvements and to pay the costs of issuance related to the issuance of these bonds;

WHEREAS, the City Commission hereby finds and determines that all of the bonds herein authorized to be issued and the deposits to certain accounts can and should be payable from and secured by a first lien on and pledge of the Net Revenues of the System on a parity with the City's currently outstanding Previously Issued Bonds;

WHEREAS, the Bonds herein authorized for issuance are to be delivered to the Texas Water Development Board (the *TWDB, Board,* or *Purchaser*) in evidence of a loan commitment received in the aggregate amount of the Bonds; and

WHEREAS, the City Commission hereby finds and determines that this action and the adoption of this Ordinance is in the best interest of the residents of the City; now, therefore,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN:

SECTION 1. DEFINITIONS.

Throughout this Ordinance the following terms and expressions as used herein shall have the meanings set forth below:

"***Additional Bonds***" shall mean the additional first lien revenue bonds which the City reserves the right to issue in the future on a parity and equal dignity with the Bonds and the Parity Bonds.

"***Attorney General***" shall mean the Attorney General of Texas.

"Authorized Official" shall mean the Mayor, Mayor Pro Tem, City Manager, Finance Director, or the City Secretary.

"***Average Annual Debt Service Requirements***" means the average requirements of annual debt service (taking into account all mandatory principal redemption requirements) scheduled to occur in any future Fiscal Year or in the then current Fiscal Year for the particular obligations for which such calculation is made. Capitalized interest payments provided from Bond proceeds, accrued interest on any Bonds, and interest earnings thereon shall be excluded in making such computation; provided, however, when the Previously Issued Bonds issued on or before May 27, 2014 are no longer outstanding, the bond documents are properly amended, or the purchaser of those obligations consents, the term "*Average Annual 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 calculated by assuming (i) that the interest rate for every 12-month period on such bonds is equal to the rate of interest reported in the most recently published edition of *The Bond Buyer* (or its successor) at the time of calculation as the "Revenue Bond Index" or, if such Revenue Bond Index is no longer being maintained by *The Bond Buyer* (or its successor) at the time of calculation, such interest rate shall be assumed to be 80% of the rate of interest then being paid on United States Treasury obligations of like maturity and (ii) that, in the case of bonds not subject to fixed scheduled mandatory sinking fund redemptions, that the principal of such bonds is amortized such that annual debt service is substantially level over the remaining stated life of such bonds or in the manner permitted under Section 1371.057(c), as amended, Texas Government Code as the same relates to interim or non–permanent indebtedness, and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to stated maturity according to a fixed schedule, the principal amounts thereof will be redeemed prior to stated maturity in accordance with the mandatory redemption provisions applicable thereto (in each case notwithstanding any contingent obligation to redeem bonds more rapidly). For the term of any credit agreement in the form of an interest rate hedge agreement entered into in connection with any such obligations, Average Annual Debt Service Requirements shall be computed by netting the amounts payable to the City under such hedge agreement from the amounts payable by the City under such hedge agreement and such obligations.

"***Board***" shall mean the Board of Directors of the TWDB.

"***Bonds***" and "***Series 2019A Bonds***" shall mean "City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2019A" (and includes all other substitute bonds and replacement bonds issued pursuant hereto), and the term "Bond" shall mean any of the Bonds.

"***Business Day***" shall mean any day which is not a Saturday, Sunday, or a day on which the Paying Agent/Registrar is authorized by law or executive order to remain closed or a legal holiday.

"***City***" and "***Issuer***" shall mean the City of San Juan, Texas, and any successor to its duties and functions.

"***City Commission***" shall mean the City Commission of the City.

"***Code***" shall mean the Internal Revenue Code of 1986, as amended.

"***Comptroller***" shall mean the Comptroller of Public Accounts of the State of Texas.

"***DTC***" shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

"***Fiscal Year***" shall mean the City's designated Fiscal Year which is the twelve month accounting period used in the operation of the System, currently ending on September 30 of each year, which may be any twelve consecutive month period established by the City.

"***Government Obligations***" as used herein, shall mean direct obligations of, including obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, which are non-callable prior to the respective stated maturities of the Bonds and may be United States Treasury Obligations such as the State and Local Government Series and may be in book-entry form; provided, however, when the Previously Issued Bonds issued on or before May 27, 2014 are no longer outstanding, the bond documents are properly amended, or the purchaser of those obligations consents, the term "*Government Obligations*" 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.

"***Gross Proceeds***" shall mean any proceeds and replacement proceeds of the issue of obligations authorized under the Ordinance.

"***Gross Revenues***" shall mean all of the revenues, income and receipts of every nature derived or received by the City from the operation and ownership of the System.

"***Issue Date***" shall mean the date on which the Bonds are initially delivered to and paid for by the Texas Water Development Board.

"***Junior Lien Bonds***" means (i) any bonds, notes, warrants, certificates of obligation or other debt 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, such pledge being junior and inferior to the lien on and pledge of the Net Revenues that are or will be pledged to the payment of any Parity Bonds and (ii) obligations hereafter issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured, in whole or in part, by a junior and inferior lien on and pledge of the Net Revenues on a parity with the Junior Lien Bonds.

"***MSRB***" shall mean the Municipal Securities Rulemaking Board.

"***Net Revenues***" and "***Net Earnings***" shall mean all Gross Revenues of the System after deducting therefrom Operation and Maintenance Expenses as hereinafter defined.

"***Operation and Maintenance Expense***" shall mean the reasonable and necessary expenses of operation and maintenance of the System as required by Section 1502.056, Texas Government Code, as amended, including all salaries, labor, materials, repairs and extensions necessary to render efficient service (but only such repairs and extensions as, in the judgment of the governing body of the City, are necessary to keep the System in operation and render adequate service) to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or conditions which would otherwise impair the Parity Bonds and any subordinate lien obligations and all payments under contracts now or hereafter defined as operating expenses by the Texas Legislature. Depreciation, amortization, or other expenditures which, under standard accounting practice, should be charged to capital expenditures shall not constitute or be regarded as an Operation and Maintenance Expense. Payments into and out of the Parity Bonds Interest and Sinking Fund and the Parity Bonds Debt Service Reserve Fund for the Previously Issued Bonds, the Bonds and any Additional Bonds shall never be considered as an Operation and Maintenance Expense.

"***Ordinance***" as used herein and in the Bonds shall mean this Ordinance authorizing the Bonds.

"***Owner***" shall mean any person who shall be the registered owner of any outstanding Bond as shown on the registration books maintained by the Paying/Agent Registrar, initially the Texas Water Development Board.

"***Paying Agent/Registrar***" shall mean BOKF, NA, Austin, Texas, and its successors in the capacities of Paying Agent/Registrar for the Bonds.

"***Parity Bonds***" shall mean the Bonds, the Previously Issued Bonds, and any Additional Bonds hereafter issued by the City or obligations issued to refund any of the foregoing (as determined within the sole discretion of the City Commission in accordance with applicable law), if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured by a first lien on and pledge of the Pledged Revenues.

"***Parity Bonds Debt Service Reserve Fund***" shall mean a reserve fund to pay principal of and interest on the Parity Bonds in the occasion that funds in the Parity Bonds Interest and Sinking Funding are insufficient for the purpose.

"***Parity Bonds Interest and Sinking Fund***" shall mean the fund described in Section 21 of this Ordinance.

"***Pledged Revenues***" shall mean the Net Revenues.

"***Previously Issued Bonds***" shall mean the Series 2012 Bonds, the Series 2013-A Bonds, the Series 2013-B Bonds, the Series 2014 Bonds, the Series 2017 Bonds, and the Series 2018 Bonds.

"***Project***" shall mean the design and construction costs for the construction improvements to the utility system as approved by the Texas Water Development Board in Resolution No. 19-016 identified as Project No. 73637.

"***Purchaser***" shall mean the initial purchaser of the Bonds.

"***Record Date***" for the interest payable on any interest payment date as used in connection with any Bond, shall mean the fifteenth day of the month preceding each interest payment date.

"***Register***" shall mean the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of, and the principal amounts of the Bonds registered to, each Owner.

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

"***SEC***" shall mean the United States Securities and Exchange Commission.

"***System***" shall mean and include the City's entire waterworks and sewer system, together with all future extensions, improvements, enlargements, and additions thereto, and all replacements thereof; provided, however, when the Previously Issued Bonds issued on or before May 27, 2014 are no longer outstanding, the bond documents are properly amended, or the purchaser of those obligations consents, 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 Parity Bonds including, but not limited to, special contract revenues or payments received from any other legal entity in connection with such facilities.

"***TWDB***" shall mean the Texas Water Development Board.

SECTION 2. FINDINGS. The City hereby finds and determines that the recitations contained in the preamble hereto are true and correct and incorporates the said recitals in the preamble as if set forth in full at this place.

SECTION 3. AUTHORIZATION: DESIGNATION: PURPOSES. The Bonds shall be designated as the "***City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2019A***" and shall be issued in fully registered form in the total authorized aggregate principal amount of $1,715,000 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) to finance the costs of improvements and extensions to the City's waterworks and sewer system, (2) the purchase of materials, supplies, equipment, land, and rights-of-way for authorized needs and purposes relating to the waterworks and sewer system improvements, and (3) the payment of professional services related to the construction and financing of the aforementioned projects (collectively, the "***Project***"). The Bonds are authorized to be issued pursuant to the authority conferred by and in conformity with the laws of the State of Texas, particularly Chapter 1502, as amended, Texas Government Code and the Ordinance.

SECTION 4. DATE: INTEREST AND INTEREST PAYMENT DATES. The Bonds shall be dated May 1, 2019. Interest on the Bonds at the rate set out in Section 5 hereof, will accrue from the Closing Date and will be payable on January 1 and July 1 each year commencing January 1, 2020; and will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

SECTION 5. INITIAL AND DEFINITIVE BONDS: NUMBERS AND DENOMINATIONS.

(a) The Initial Bonds herein authorized shall be issued either (i) as a single fully registered Bond in the total principal amount of $1,715,000 with principal and interest payments to become due and payable as provided in this Section 5 and numbered T-l, or (ii) as separate, fully registered Bonds for each year of stated maturity in the applicable principal amounts and denominations and to be numbered consecutively from T-l and upward (the ***"Initial Bond"***), and, in either case, the Initial Bond shall be registered in the name of the Purchaser, to-wit: TEXAS WATER DEVELOPMENT BOARD or the designee(s) thereof. The Initial Bond shall be 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 and delivered to the initial purchaser. Any time after the delivery of the Initial Bond, the Paying Agent/Registrar, pursuant to written instructions from the Purchaser, or the designee(s) thereof, shall cancel the Initial Bond delivered hereunder and exchange therefore Definitive Bonds (as hereinafter defined) of authorized denominations, stated maturities, principal amounts and bearing applicable interest rates, 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 Purchaser, or the designee(s) thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require. The Initial Bond submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced.

(b) The Definitive Bonds (the ***"Definitive Bonds"***) shall be numbered consecutively from R- 1, upward and shall mature and bear interest at the rates set forth in the following schedules, and may be transferred and exchanged as set out in this Ordinance. The Bonds shall mature on January 1 in each of the years and in the principal amounts set out in such schedules:

Year of Stated Maturity	Principal Amounts ($)	Interest Rates (%)
2020		
2021		
2022		
2023		

Year of Stated Maturity	Principal Amounts ($)	Interest Rates (%)
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		
2047		
2048		
2049		

SECTION 6. REDEMPTION.

(a) Optional Redemption. The Bonds having stated maturities on and after January 1, 2030 shall be subject to redemption prior to stated maturity, at the option of the City, in inverse order of stated maturity, on July 1, 2029, 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) Special Mandatory Redemption. In the event that the Purchaser at such time remains the sole holder of the Bonds and the final accounting delivered by the City to the Purchaser in the form and manner specified in, and in compliance with the provisions of, Section 30(d) of this Ordinance evidences that the total cost of the project to be financed with Bond proceeds is less than the amount of Bond proceeds available for paying such costs, then the City shall, as soon as practicable (but in no event later than six months after the Purchaser's acceptance of the aforementioned accounting) redeem Bonds in the amount of such excess to the nearest multiple of the authorized denomination for the Bonds. Bonds redeemed pursuant to this provision shall be redeemable on any date, in inverse order of stated maturity, 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.

(c) Exercise of Redemption Option. At least forty-five (45) days prior to a date set for the redemption of Bonds (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 Bonds, 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 Bonds shall be entered in the minutes of the governing body of the City.

(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, a notice of redemption shall 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 Owner of a Bond to be redeemed, in whole or in part, at the address of the Owner 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 Owner. 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 Owner. 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 said 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. Neither the City nor the Paying Agent/Registrar shall be required 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 to transfer or exchange any Bond selected for redemption, provided; however, such limitation of transfer shall not be applicable to an exchange by the Owner of the unredeemed balance of a Bond which is subject to redemption in part.

SECTION 7. EXECUTION OF BONDS; SEAL. The Bonds shall be signed by the Mayor of the City and countersigned by the City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of such officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds. If any officer of the City whose signature shall be on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

SECTION 8. APPROVAL BY ATTORNEY GENERAL: REGISTRATION BY COMPTROLLER. The Initial Bond shall be delivered to the Attorney General for approval and shall be registered by the Comptroller. The Mayor and the City Secretary are authorized hereby to have control and custody of the Bonds and all necessary records and proceedings pertaining thereto pending their delivery, and the Mayor and the City Secretary and other officers and employees of the City are hereby authorized and directed to make such certifications and to execute such instruments as may be necessary to accomplish the delivery of the Bonds and to assure the investigation, examination and approval thereof by the Attorney General and the registration of the Initial Bond by the Comptroller. Upon registration of the Bonds, the Comptroller (or the Comptroller's bond clerk, or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually execute the registration certificate of the Comptroller substantially in the form provided in Section 17 of this Ordinance, and such certificate shall be affixed or attached to the Bonds to be initially issued, and the seal of the Comptroller shall be impressed, or placed in facsimile, thereon.

SECTION 9. AUTHENTICATION. Except for the Initial Bond which need not be authenticated by the Paying Agent/Registrar, only such Bonds as shall bear thereon a certificate of authentication, substantially in the form provided in Section 17 of this Ordinance, manually executed by an authorized representative of the Paying Agent/Registrar shall be entitled to the benefits of this Ordinance or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Bond so authenticated was delivered by the Paying Agent/Registrar hereunder.

SECTION 10. PAYMENT OF PRINCIPAL AND INTEREST: PAYING AGENT/REGISTRAR. BOKF, NA, Austin, Texas, Paying Agent/Registrar, is hereby appointed as the registrar and paying agent for the Bonds pursuant to the terms and provisions of the Paying Agent/Registrar Agreement, a substantial copy of which is attached hereto as Exhibit A, which is hereby authorized, approved and incorporated hereto by reference by the City and are each hereby authorized to execute, attest and affix the City's seal to the Paying Agent/Registrar Agreement, the terms and provisions of which are hereby approved. Such initial Paying Agent/Registrar and any successor, by undertaking the performance of the duties of the registrar and paying agent hereunder, and in consideration of the payment of any fees pursuant to the terms of the agreement between the Paying Agent/Registrar and the City and/or the deposits of money pursuant to this Ordinance, shall be deemed to accept and agree to abide by the terms of this Ordinance. All money transferred to the Paying Agent/Registrar in its capacity as registrar or paying agent for the Bonds under this Ordinance (except any sums representing registrar or paying agent fees) shall be held in trust for the benefit of the City, shall be the property of the City and shall be disbursed in accordance with this Ordinance. Subject to the provisions of Section 13, all matured Bonds presented to the Paying Agent/Registrar for payment shall be paid without the necessity of further instructions from the City. Such Bonds shall be canceled as provided herein.

SECTION 11. <u>SUCCESSOR PAYING AGENTS/REGISTRARS</u>. The City covenants that at all times while any Bonds are outstanding it will provide a legally qualified bank, trust company, financial institution or other agency to act as Paying Agent/Registrar for the Bonds. The City reserves the right to change the Paying Agent/Registrar for the Bonds on not less than sixty (60) days written notice to the Paying Agent/Registrar, as long as any such notice is effective not less than 60 days prior to the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or a copy thereof to the new Paying Agent/Registrar, and the new Paying Agent/Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Paying Agent/Registrar. Each Paying Agent/Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Ordinance.

SECTION 12. <u>SPECIAL RECORD DATE</u>. In the event of a nonpayment of interest on any interest payment date which continues for thirty (30) days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest (the "***Special Record Date***") upon receipt of funds from or on behalf of the City to make such interest payment. The Special Record Date shall be fifteen days prior to the scheduled payment date (the "***Scheduled Payment Date***") of past due interest. Notice of the Scheduled Payment Date of past due interest and the Special Record Date shall be given by U.S. mail, Paying Agent/Registrar class postage prepaid, not later than five (5) days prior to the Special Record Date, to each Owner of an affected Bond as of the close of business on the Business Day prior to the mailing of such notice.

SECTION 13. <u>OWNERSHIP; UNCLAIMED PRINCIPAL AND INTEREST</u>. The City, the registered as the absolute Owner of such Bond for the purpose of making and receiving payment of the principal of or interest on such Bond and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Paying Agent/Registrar which represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three (3) years from the date such amounts have become due and payable shall be reported and disposed of by the Paying Agent/Registrar in accordance with the applicable provisions of Texas law, including, to the extent applicable, Title 6 of the Texas Property Code, as amended. To the extent such provisions of the Property Code do not apply to the funds, such funds shall be paid by the Paying Agent/Registrar to the City upon receipt by the Paying Agent/Registrar of a written request therefor from the City. The Paying Agent/Registrar shall have no liability to the Owners of the Bonds by virtue of actions taken in compliance with this Section.

SECTION 14. REGISTRATION, TRANSFER AND EXCHANGE. As long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the Register at its trust office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Ordinance. The Paying Agent/Registrar has also agreed to keep a copy of the Register at its offices, or its agent's offices, located in Austin, Texas.

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

All Bonds shall be exchangeable upon presentation and surrender thereof at the principal trust office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section. Each Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered, sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the City.

SECTION 15. MUTILATED, LOST OR STOLEN BONDS. Upon the presentation and surrender to the Paying Agent/Registrar of a damaged or mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The City or the Registrar may require the Owner of a damaged or mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith, including the fees and expenses of the Registrar.

If any Bond is lost, apparently destroyed or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The City or the Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

(a) furnish to the City and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;

(b) furnish such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;

(c) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and

(d) meet any other reasonable requirements of the City and the Paying Agent/Registrar.

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

If any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Bond, authorize the Registrar to pay such Bond. Each replacement Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered. This section further constitutes authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the City or any other body or person, and the duty of replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar.

SECTION 16. CANCELLATION OF BONDS. All Bonds paid in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment. The Paying Agent/Registrar shall furnish the City with appropriate certificates of destruction of such Bonds.

SECTION 17. FORM OF BONDS. The form of the Bonds, including the form of the Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, which shall be attached or affixed to the Bonds initially issued shall be, respectively, substantially as follows, with such additions, deletions and variations, including any guarantee legend or statement, as may be necessary or desirable and not prohibited by this Ordinance.

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

Form of Initial Bond to be submitted to the Texas Attorney General in substantially the form attached hereto as Exhibit B.

Form of Definitive Bond.

REGISTERED NO.	PRINCIPAL AMOUNT $______________

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF SAN JUAN, TEXAS
WATERWORKS AND SEWER SYSTEM REVENUE BONDS,
SERIES 2019A

Bond Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
May 1, 2019			

REGISTERED OWNER: ____

PRINCIPAL AMOUNT: ____________________________________ DOLLARS

THE CITY OF SAN JUAN, TEXAS (the "City"), for value received, promises to pay to the Registered Owner set forth above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Bond at the principal trust office of BOKF, NA, Austin, Texas, or its successor (the "Paying Agent/Registrar"), the principal amount identified above payable in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year composed of twelve 30-day months, from the delivery date or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable semi-annually on January 1 and July 1 each year, beginning January 1, 2020 until maturity of this Bond, by check mailed by the Paying Agent/Registrar to the Registered Owner of record as of the fifteenth day of the month immediately preceding the applicable interest payment date, as shown on the registration books kept by the Paying Agent/Registrar. Interest shall be paid by the Paying Agent/Registrar by check sent on the appropriate date of payment by United States Mail, first-class postage prepaid, to the Owner hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Owner hereof at the Owner's risk and expense. While the Bonds are held by the Purchaser payment of principal of, premium, if any, and interest on the Bonds shall be made by federal funds wire transfer, at no cost to the Purchaser, to an account at a financial institution located in the United States designated by the Purchaser.

IN THE EVENT of a non-payment of interest on a scheduled payment date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the 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 15 days after the Special Record Date shall be sent at least five business days prior to the Special Record Date by United States mail, Paying Agent/Registrar class, postage prepaid, to the address of each Registered Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the Business Day prior to the mailing of such notice.

IF THE DATE for any payment due on the Bonds shall be a Saturday, Sunday, or legal holiday, or a day on which banking institutions in the City where the principal trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date of such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND, dated May 1, 2019, has been authorized in accordance with the Constitution and laws of the State of Texas, in the principal amount of $1,715,000 for paying all or a portion of the City's contractual obligations for the purpose paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) to finance the costs of improvements and extensions to the City's waterworks and sewer system, (2) the purchase of materials, supplies, equipment, land, and rights-of-way for authorized needs and purposes relating to the waterworks and sewer system improvements, and (3) the payment of professional services related to the construction and financing of the aforementioned projects. The Bonds are authorized to be issued pursuant to the authority conferred by and in conformity with the laws of the State of Texas, particularly Chapter 1502, as amended, Texas Government Code, and the Ordinance.

The Bonds stated to mature on and after January 1, 2030 may be redeemed prior to their Stated Maturities, at the option of the City, in inverse order of stated maturity, on July 1, 2029, 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, together with 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 Owners 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 Owner 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.

In addition to the foregoing right to optional redemption, in the event that the Purchaser at such time remains the sole holder of the Bonds and the final accounting delivered by the City to the Purchaser in the form and manner specified in the Ordinance (and in compliance with the provisions of Section 30(d) of the Ordinance) evidences that the total cost of the project to be financed with Bond proceeds is less than the amount of Bond proceeds available for paying such costs, then the City shall, as soon as practicable (but in no event later than six months after the Purchaser's acceptance of the aforementioned accounting) redeem Bonds in the amount of such excess to the nearest multiple of the authorized denomination for the Bonds. Bonds redeemed pursuant to this provision shall be redeemable on any date, in inverse order of stated maturity, 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.

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption 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 City 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 Owner of the unredeemed balance hereof in the event of its redemption in part.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the trust office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Ordinance.

THE CITY has reserved the right, subject to the restrictions stated, and adopted by reference in the Ordinance, to issue Additional Bonds which may be made payable from, and secured by, a first lien on and pledge of the "Net Revenues" equally and ratably on a parity with the Parity Bonds, as well as any Junior Lien Bonds, which may be made payable from, and secured by a junior and inferior lien on and pledge of the Net Revenues.

THE BONDS are issuable in the form of fully registered Bonds without coupons in the denominations of $5,000 or any integral multiple of $5,000 for any one maturity. The Registered Owner of any Bond may surrender the same in exchange for any equal aggregate principal amount of Bonds of the same maturity and for any other authorized denominations. Such exchanges shall be without expense to the Registered Owner hereof, but any taxes, fees or other governmental charges required to be paid with respect to the same shall be paid by the Registered Owner requesting such exchange as a condition precedent to the exercise of such privilege.

THIS BOND, and the other Parity Bonds of the series of which it is a part and the interest thereon, are secured by and payable from a first lien on and pledge of the Net Revenues of the City's Waterworks and Sewer System as described in the Ordinance. The Bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the City or System, except with respect to the Net Revenues.

THE REGISTERED OWNER HEREOF SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THIS OBLIGATION OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION, OR FROM ANY SOURCE WHATSOEVER OTHER THAN THE AFORESAID REVENUES.

THE CITY HAS RESERVED the right to amend the Ordinance with the approval of the holders of 51% of all outstanding Bonds subject to the restrictions stated in the Ordinance.

Reference is hereby made to the Ordinance, copies of which are on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Owner by his acceptance hereof hereby assents, for definitions of terms; the description and nature of the Net Revenues of the System pledged for the payment of the Bonds; the terms and conditions under which the City may issue Additional Bonds or Junior Lien Bonds; the terms and conditions relating to the transfer or exchange of the Bonds; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Owners; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond 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 have the same meanings assigned in the Ordinance.

This Bond, 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 Owner 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.

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 Bond in order to render the same a legal, valid, and binding special obligation of the City have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that 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 and interest on the Bonds by a pledge of and lien on the Net Revenues of the System. 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.

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IN WITNESS WHEREOF, this Bond has been signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary, and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

CITY OF SAN JUAN, TEXAS

____
Mayor

ATTEST:

____
City Secretary

(CITY SEAL)

Form of Registration Certificate
of Comptroller of Public Accounts

COMPTROLLER'S REGISTRATION CERTIFICATE

REGISTER NO._____

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

WITNESS MY SIGNATURE AND SEAL this _____________________.

____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

Form of Paying Agent/Registrar Authentication Certificate

AUTHENTICATION CERTIFICATE

It is hereby certified that this bond has been delivered pursuant to the Ordinance described in the text of this bond, in exchange for or in replacement of a bond, bonds or a portion of a bond or bonds of an issue of bonds which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Date of Authentication

BOKF, NA, Austin, Texas
as Paying Agent/Registrar

By: __________________________________
Authorized Signature

Form of Assignment

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto ______________________ (Please print or type name, address, and zip code of Transferee) ________________________ (Please insert Social Security or Taxpayer Identification Number of Transferee) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints___________________ attorney to transfer such bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _______________________

Signature
Guaranteed:_______________________________ _______________________

Registered Owner

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

Notice: The Signature above must correspond to same name of the registered owner as show on the face of this bond in every particular, without alteration, enlargement, or change whatsoever.

SECTION 18. OPINION OF BOND COUNSEL: CUSIP. Norton Rose Fulbright US LLP, San Antonio, Texas, is engaged as bond counsel. The approving opinion of bond counsel, a City Secretary's certificate certifying that the opinion of bond counsel is on file with the City, and CUSIP numbers, may be printed on the Bonds, but errors or omissions in the printing of such opinion or such numbers shall have no effect on the validity of the Bonds.

SECTION 19. PLEDGE. (a) While any of the Parity Bonds are outstanding, an Authorized Official shall cause to be transferred to the Paying Agent/Registrar therefor, from funds on deposit in the Parity Bonds Interest and Sinking Fund, and, if necessary, in the Parity Bonds Debt Service Reserve Fund, amounts sufficient to fully pay and discharge promptly each installment of interest on and principal of the Parity Bonds as such installment accrues or matures; such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar for the Parity Bonds at the close of the business day next preceding the date a debt service payment is due on the Parity Bonds. The City covenants that the Net Revenues of the System, with the exception of those in the amounts required to establish and maintain the funds as hereinafter provided, are hereby irrevocably pledged for the payment and security of the Parity Bonds.

(b) Chapter 1208, as amended, Texas Government Code, applies to the issuance of the Bonds and the pledge of Net Revenues granted by the City under subsection (a) of this Section, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the Net Revenues granted by the City is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in this pledge, the City Commission agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, as amended, Texas Business & Commerce Code and enable a filing to perfect the security interest in this pledge to occur.

SECTION 20. DEPOSITS TO SYSTEM FUND: USE OF SURPLUS. There has been created and established on the books of the City, and accounted for separately and apart from all other funds of the City, a special fund entitled the "City of San Juan, Texas, Waterworks and Sewer System Fund" (the "***System Fund***"). All Gross Revenues of the System shall be credited to the System Fund immediately upon receipt and all Operation and Maintenance Expenses of the System shall be paid from such Gross Revenues as a first charge against same.

Gross Revenues of the System not actually required to pay the Operation and Maintenance Expenses are hereby pledged and shall be appropriated and deposited to the following Funds in the order of precedence shown:

First, to the Parity Bonds Interest and Sinking Fund in equal monthly installments made on or before the 1st day of each month hereafter, as will be sufficient to pay the interest scheduled to come due on the Parity Bonds on the next interest payment date; and such amounts, in equal monthly installments, as will be sufficient to pay the next maturing principal of the Parity Bonds;

Second, to the Parity Bonds Debt Service Reserve Fund, as necessary, on or before the 1st day of each month hereafter, commencing on the 1st day of each month after the delivery of the Bonds, an amount sufficient to provide a reserve equal to the Average Annual Debt Service Requirements on all of the outstanding Parity Bonds; and

Third, to the Junior Lien Bonds Interest and Sinking Fund (and reserve fund, if any), when and in the amounts required by the ordinances authorizing their issuance.

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

SECTION 21. PARITY BONDS INTEREST AND SINKING FUND; REQUIREMENTS. (a) For the sole purpose of paying the principal of and interest on the Previously Issued Bonds, the Bonds, and any Additional Bonds, as the same come due, there shall be created and established on the books of the City a separate fund entitled the "City of San Juan, Texas, Waterworks and Sewer System Parity Bonds Interest and Sinking Fund" (hereinafter called the "***Parity Bonds Interest and Sinking Fund***") pledged to the payment of principal and interest on the Parity Bonds. While any Parity Bonds are outstanding, funds will be deposited to the Parity Bonds Interest and Sinking Fund as required under Section 20.

(b) The required monthly deposits and credits to the Parity Bonds Interest and Sinking Fund shall continue to be made as hereinabove provided until such time as (i) the total amount on deposit in and credited to the Parity Bonds Interest and Sinking Fund is equal to the amount required to fully pay and discharge all outstanding Parity Bonds (principal, premium, if any, and interest) or (ii) the Parity Bonds are no longer outstanding. All amounts on deposit in and credited to the Parity Bonds Debt Service Reserve Fund, for purposes of determining whether sufficient funds are on deposit in the Parity Bonds Interest and Sinking Fund to fully pay and discharge all outstanding Parity Bonds, shall be deemed to be on deposit in and credited to the Parity Bonds Interest and Sinking Fund for the sole benefit of the Parity Bonds.

(c) Accrued interest and capitalized interest, if any, received at Closing from the purchaser of any Parity Bonds shall be taken into consideration and reduce the amount of the deposits and credits hereinabove required in the Interest and Sinking Fund.

(d) While any of the Parity Bonds are outstanding, the City shall transfer to the respective paying agent/registrar therefor, from funds on deposit in and credited to the Parity Bonds Interest and Sinking Fund, and, if necessary, funds on deposit in the Parity Bonds Debt Service Reserve Fund, amounts sufficient to fully pay and discharge promptly the interest on and principal of the Parity Bonds as shall become due on each interest or principal payment date of the Parity Bonds. Such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with each respective paying agent/registrar for the Parity Bonds not later than the business day next preceding the date such payment is due and shall only be used to pay the principal of and interest on such Parity Bonds. The Paying Agent/Registrar shall destroy all paid Parity Bonds and furnish the City with an appropriate certificate of cancellation or destruction.

SECTION 22. PARITY BONDS DEBT SERVICE RESERVE FUND. (a) The Parity Bonds Debt Service Reserve Fund has been established by the City in order to accumulate and maintain an aggregate debt service reserve for the payment of the Parity Bonds equal to an amount which shall never exceed the limits provided under subsection (b) hereof. The City may fund any increase in the Required Reserve Amount resulting from the issuance of Additional Bonds on the date of issuance of the Additional Bonds by the deposit of available funds to the Parity Bonds Debt Service Reserve Fund, or may accumulate the increase in the Required Reserve Amount in equal monthly installments over the initial sixty (60) months following the date of issuance of the Bonds. The City certifies that the Parity Bonds Debt Service Reserve Fund contains an amount equal to $__________ and the City covenants to yield restrict any excess amounts and may withdraw such amounts to be used for qualified purposes. The City covenants to maintain the amount of $__________ (the ***"Required Reserve Amount"***).

(b) The balance in the Parity Bonds Debt Service Reserve Fund shall be calculated by the City annually not later than the date of adoption of its annual budget. The aggregate balance in the Parity Bonds Debt Service Reserve Fund shall never exceed the lower of (1) ten percent (10%) of the outstanding aggregate principal amount of the Parity Bonds; (2) the average annual debt service of the Parity Bonds, or (3) the maximum annual debt service payment. Earnings and income derived from the investment of amounts held for the credit of the Parity Bonds Debt Service Reserve Fund shall be retained in the Parity Bonds Debt Service Reserve Fund until it contains the Required Reserve Amount. Thereafter, such earnings and income shall be deposited to the credit of the System Fund to be used by the City for any lawful purpose.

(c) The City further covenants and agrees that, subject only to the prior deposits and credits to be made to the Parity Bonds Interest and Sinking Fund, the Net Revenues shall be applied and appropriated and used to establish and maintain, on a pro rata basis, (i) the Required Reserve Amount in the Parity Bonds Debt Service Reserve Fund, and (ii) any reserve established for the benefit of any issue or series of Additional Bonds and to cure any deficiency in such amounts as required by the terms of this Ordinance, and any other ordinance pertaining to the issuance of Additional Bonds.

SECTION 23. DEFICIENCIES IN FUNDS. If on any occasion there shall not be sufficient Net Revenues to make the required deposits into the Parity Bonds Interest and Sinking Fund and the Parity Bonds Debt Service Reserve Fund, as required herein, or as required by ordinance authorizing issuance of Additional Bonds, then such deficiency shall be made up as soon as possible from the next available Net Revenues.

SECTION 24. REMEDIES IN EVENT OF DEFAULT. In addition to all the rights and remedies provided by the laws of the State of Texas, the City also covenants and agrees particularly that in the event the City (a) defaults in the payments to be made to the Parity Bonds Interest and Sinking Fund or Parity Bonds Debt Service Reserve 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 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 remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedy shall not be deemed to be exclusive.

For the avoidance of doubt, for so long as the Purchaser is a holder of Bonds, the Purchaser may exercise all rights and remedies available to it in law or equity, and any provision of the Bonds that restricts or limits the Purchaser's full exercise of these remedies shall be of no force and effect.

SECTION 25. ADDITIONAL BONDS ON A PARITY WITH THE BONDS. (a) Issuance of Additional Parity Bonds. The City shall have the right and power, upon obtaining written consent from the TWDB (for as long as the TWDB is the registered owner of the Series 2012 Bonds, the Series 2013-A Bonds, the Series 2013-B Bonds, the Series 2014 Bonds, and the Series 2017 Bonds), at any time and from time to time and in one or more series or issues, to authorize, issue, and deliver Additional Parity Bonds, in accordance with law, in any amounts, for the purpose of completing the Project and refunding of Bonds, or other obligations. For the avoidance of doubt, when the Previously Issued Bonds issued on or before August 22, 2017 are no longer outstanding, the bond documents are properly amended, or the purchaser of those obligations consents, the City reserves the right to issue Additional Bonds at any time, upon satisfying the requirements of Section 26 hereof.

Such Additional Parity Bonds, if and when authorized, issued and delivered in accordance with this Ordinance, shall be secured by and made payable from a lien on and pledge of the Net Revenues, equally and ratably on a parity in all respects with the Parity Bonds. If and when authorized, issued and delivered in accordance with this Ordinance, Additional Parity Bonds shall be payable from and secured by the Parity Bonds Interest and Sinking Fund and Parity Bonds Debt Service Reserve Fund.

The principal and interest of all Additional Parity Bonds must be scheduled to be paid or mature on January 1 and/or July 1, of the years in which such principal and interest is scheduled to be paid or mature.

(b) Issuance of Junior Lien Bonds. For as long as the TWDB is the registered owner of the Series 2012 Bonds, the Series 2013-A Bonds, the Series 2013-B Bonds, the Series 2014 Bonds, and the Series 2017 Bonds, any obligations payable from a junior and inferior lien pledge of the Net Revenues may only be issued with the consent of TWDB; provided, however, when the Previously Issued Bonds issued on or before August 22, 2017 are no longer outstanding, the bond documents are properly amended, or the purchaser of those obligations consents, the City reserves the right to issue, at any time, obligations including, but not limited to, Junior Lien Bonds payable from and equally and ratably secured, in whole or in part, by a lien on and pledge of the Net Revenues of the System, subordinate and inferior in rank and dignity to the lien on and pledge of such Pledged Revenues securing the payment of the Parity Bonds, as may be authorized by the laws of the State of Texas upon satisfying any conditions precedent contained in the ordinances authorizing the issuance of any then outstanding bonds payable from and equally and ratably secured by a first lien on and pledge of the Pledged Revenues.

SECTION 26. REQUIREMENTS FOR ISSUANCE OF ADDITIONAL BONDS. Additional Bonds shall be issued only in accordance with this Ordinance, and no installment, series, or issue of Additional Bonds shall be issued or delivered unless the following requirements are satisfied:

(a) The Mayor and the City Secretary of the City sign a written certificate to the effect that the City is not in default (except for a refunding to cure a default) as to any covenant, condition, or obligation in connection with all outstanding Previously Issued Bonds and the ordinances authorizing same, and that the Parity Bonds Interest and Sinking Fund and the Parity Bonds Debt Service Reserve Fund each contains the amount then required to be therein.

(b) An independent certified public accountant, or independent firm of certified public accountants, acting by and through a certified public accountant, signs a written certificate to the effect that, in his or its opinion, during either the next preceding fiscal year, or any 12 consecutive calendar month period ending not more than ninety (90) days preceding adoption of the ordinance authorizing the issuance of the then proposed Additional Bonds is passed, the Net Revenues were at least equal to 1.25 times an amount equal to the average annual principal and interest requirements of all Parity Bonds and Additional Bonds which are scheduled to be outstanding after the issuance of the then proposed Additional Bonds, or the City certifies that the City is expected to continue to meet or exceed the net revenue test with a minimum coverage of 1.25 times the Average Annual Debt Service Requirements. It is specifically provided, however, that in calculating the amount of Net Revenues for the purposes of this subsection (b), if there has been any increase in the rates or charges for services of the System which is then in effect, but which was not in effect during all or any part of the entire period for which the Net Revenues are being calculated (hereinafter referred to as the "entire period") then the certified public accountant, or in lieu of the certified public accountant, a firm of consulting engineers, shall determine and certify the amount of Net Revenues as being the total of (i) the actual Net Revenues for the entire period, plus (ii) a sum equal to the aggregate amount by which the actual billings to customers of the System during the entire period would have been increased if such increased rates or charges had been in effect during the entire period.

(c) Provision shall be made in the ordinance authorizing their issuance for immediately increasing the Parity Bonds Debt Service Reserve Fund as of the date of issue, to the Required Reserve Amount as required by Section 22 hereof with the proceeds of the Additional Bonds, or other available source, or as otherwise required under Section 22 hereof.

(d) All calculations of average annual principal and interest requirements of any bonds made in connection with the issuance of any then proposed Additional Bonds shall be made as of the date of such Additional Bonds; and also in making calculations for such purpose, and for any other purpose under this Ordinance, principal amounts of any Bonds which must be redeemed prior to maturity pursuant to any applicable mandatory redemption requirements shall be deemed to be maturing amounts of principal of such bonds.

SECTION 27. INVESTMENTS; FUNDS SECURED. Money in all funds created, or continued, by this Ordinance shall be invested in investments authorized by the Public Funds Investment Act (V.T.C.A., Government Code, Chapter 2256) and, to the extent not invested, shall be held at a state designated state depository institution and secured in the manner prescribed by the Public Funds Collateral Act (V.T.C.A., Government Code, Chapter 2257).

SECTION 28. RATES AND CHARGES. The City covenants and agrees with the Owners of the Bonds as follows:

The City shall prepare, prior to the beginning of each Fiscal Year, an annual budget, in accordance with law, reflecting an estimate of cash receipts and disbursements for the ensuing Fiscal Year in sufficient detail to indicate the provable Gross Revenues and Net Revenues of such Fiscal Year. The City shall fix, establish, maintain, and collect such rates, charges and fees for the use and availability of the System at all times as are necessary (1) to produce Gross Revenues sufficient, to pay all current Operation and Maintenance Expenses of the System, and (2) to produce an amount of Net Revenues during each fiscal year sufficient to meet and pay annual principal and interest requirements of all outstanding obligations secured by Net Revenues of the System, including maintenance of Funds created under Section 20, 21 and 22 of the Ordinance. If the System should become legally liable for any other obligations or indebtedness, the City shall fix, maintain, charge, and collect additional rates and charges for services rendered by the System sufficient to establish and maintain funds for the payment thereof.

SECTION 29. <u>GENERAL COVENANTS</u>. The City further covenants and agrees as follows in accordance with and to the extent required or permitted by law:

(a) PERFORMANCE. The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the Ordinance, and in the Bonds; that it will promptly pay or cause to be paid the principal of and interest on the Bonds, on the dates and in the places and manner prescribed in the Ordinance; and that it will, at the times and in the manner prescribed, deposit or cause to be deposited the amounts required to be deposited into the Parity Bonds Interest and Sinking Fund and the Parity Bonds Debt Service Reserve Fund; and any owner of the Bonds may require the City, its officials and employees to carry out, respect or enforce the covenants and obligations of the Ordinance, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the City, its officials and employees.

(b) CITY'S LEGAL AUTHORITY. The City is a duly created and existing home-rule municipality of the State of Texas, and is duly authorized under the laws of the State of Texas to issue the Bonds; that all action on its part for the issuance of said Bonds has been duly and effectively taken, and that said Bonds in the hands of the holders and owners thereof are and will be valid and enforceable special obligations of the City in accordance with their terms.

(c) TITLE. The City has or will obtain lawful title to the lands, buildings, structures, and facilities constituting the System. It warrants that it will defend the title to all the aforesaid lands, buildings, structures, and facilities, and every part thereof, for the benefit of the holders and owners of the Bonds, against the claims and demands of all persons whomsoever. It is lawfully qualified to pledge the Net Revenues to the payment of the Bonds in the manner prescribed herein, and has lawfully exercised such rights.

(d) LIENS. The City will from time to time and before the same become delinquent pay and discharge all taxes, assessments and governmental charges, if any, which shall be lawfully imposed upon it, or the System; it will timely pay all lawful claims for rents, royalties, labor, materials, and supplies and satisfy, if applicable, the requirements of Sections 53.231 - 53.238 of the Texas Property Code, as amended, as applicable so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and it will not create or suffer to be created any mechanic's, laborer's, material man's or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided, however, that no such tax, assessment or charge, and that no such claims which might be used as the basis of a mechanic's, laborer's, material man's or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the City.

(e) OPERATION OF SYSTEM; NO FREE SERVICE.

(i) While the Bonds are outstanding and unpaid the City shall continuously and efficiently operate the System, and shall maintain the System in good condition, repair and working order, all at reasonable cost. No free service of the System shall be allowed, and should the City or any of its agencies or instrumentalities, lessees, or concessionaires make use of the services and facilities of the System, payment monthly of the standard retail price of the services provided shall be made by the City or any of its agencies or instrumentalities, lessees, or concessionaires out of funds from sources other than the revenues of the System, unless made from surplus Net Revenues.

(ii) The City shall adequately enforce the authority granted to the City by Texas Water Code § 17.934(a)(2) to require and ensure that all property owners capable of receiving service from the System constructed with Bond proceeds shall connect to said service within a reasonable period of time not to exceed 90 days from the date the City notifies the property owner that service is available.

(f) FURTHER ENCUMBRANCE. While the Bonds are outstanding and unpaid, the City shall not additionally encumber the Net Revenues in any manner, except as permitted in this Ordinance, unless said encumbrance is made junior and inferior in all respects to the liens, pledges, covenants, and agreements of the Parity Bonds. The right of the City to issue obligations payable from a pledge of and lien on surplus Net Revenues is specifically recognized and retained.

(g) SALE OR DISPOSAL OF PROPERTY. While the Bonds are outstanding and unpaid, the City shall not sell, convey, mortgage, encumber, lease or in any manner transfer title to, or dedicate to other use, or otherwise dispose of the System, or any significant or substantial part thereof, provided further that whenever the City deems it necessary to dispose of any other property, machinery, fixtures or equipment, or dedicate such property to other use, it may do so either when it has made arrangements to replace the same or provide substitutes therefor, or it is determined by Ordinance of the City Commission that no such replacement or substitute is necessary.

(h) INSURANCE.

(1) The City shall insure all work during construction and upon completion which is being financed with proceeds of the Bonds and proceeds from the TWDB grant program in any amount sufficient to protect the TWDB's interest in the Project as required by 31 TAC Section 375.91(b)(2)(k). The City shall cause to be insured such parts of the System as would usually be insured by municipal corporations operating like properties, against risks, accidents or casualties against which and to the extent insurance is usually carried by corporations operating like properties, including, to the extent reasonably obtainable, fire and extended coverage insurance, insurance against damage by floods, and use and occupancy insurance. Public liability and property damage insurance shall also be carried unless the City Attorney of the City gives a written opinion to the effect that the City is not liable for claims which would be protected by such insurance. All insurance premiums shall be paid as an expense of operation of the System. At any time while any contractor engaged in construction work shall be fully responsible therefor, the City shall not be required to carry insurance on the work being constructed if the contractor is required to carry appropriate insurance. All such policies shall be open to the inspection of the Bondholders and their representatives at all reasonable times. Upon the happening of any loss or damage covered by insurance from one or more of said causes, the City shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the City. The proceeds of insurance covering such properly, together with any other funds necessary and available for such purpose, shall

be used forthwith by the City for repairing the property damaged or replacing the property destroyed; provided, however, that if said insurance proceeds and other funds are insufficient for such purpose, then said insurance proceeds pertaining to the System shall be deposited in a special and separate trust fund, at an official depository of the City, to be designated the Insurance Account. The Insurance Account shall be held until such time as other funds become available which, together with the Insurance Account, will be sufficient to make the repairs or replacements originally required.

(2) The annual audit hereinafter required shall contain a section commenting on whether or not the City has complied with the requirements of this Section with respect to the maintenance of insurance as required hereunder, and shall state whether or not all insurance premiums upon the insurance policies to which reference is made have been paid.

(i) RECORDS. The City will keep proper books of record and account in which full, true and correct entries will be made of all dealings, activities, and transactions relating to the System, the Net Revenues, and the Funds created pursuant to this Ordinance, and all books, documents and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any Bondholder or citizen of the City. To the extent consistent with the provisions of this Ordinance, the City shall keep its books and records in a manner conforming to standard accounting practices as usually would be followed by private corporations owning and operating a similar System, with appropriate recognition being given to essential differences between municipal and corporate accounting practices.

(j) AUDITS. After the close of each Fiscal Year while any of the Bonds are outstanding, an audit will be made of the books and accounts relating to the System and the Net Revenues by an independent CPA or an independent firm of CPAs. No later than 180 days after the close of each Fiscal year, a copy of such audit shall be furnished, without charge, to the (i) Texas Water Development Board, Attention: Executive Administrator, and upon written request, to and at the expense of such holder, to (ii) any subsequent holder thereof. The annual audit reports shall be open to the inspection of the Bondholders and their agents and representatives at all reasonable times.

(k) GOVERNMENTAL AGENCIES. The City will comply with all of the terms and conditions of any and all franchises, permits and authorizations applicable to or necessary with respect to the System, and which have been obtained from any governmental agency; and the City has or will obtain and keep in full force and effect all franchises, permits, authorization, and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation, and maintenance of the System.

(l) NO COMPETITION. It will not operate, or grant any franchise or, to the extent it legally may, permit the acquisition, construction, or operation of, any facilities which would be in competition with the System, and to the extent that it legally may, the City will prohibit any such competing facilities.

SECTION 30. COMPLIANCE WITH THE TEXAS WATER DEVELOPMENT BOARD'S RULES AND REGULATIONS. The City will comply with all of the requirements contained in the resolution or resolutions adopted by the Purchaser with respect to the issuance of the Bonds. In addition, in compliance with the Purchaser's Clean Water State Revolving Fund Program Rules, the City agrees and covenants:

(a) to keep and maintain full and complete records and accounts pertaining to the construction of the project financed with the proceeds of sale of the Bonds, including the Construction Fund, in accordance with the standards set forth by the Government Accounting Standard Board;

(b) to create and establish at the Depository a "City of San Juan, Texas Clean Water State Revolving Fund Program Loan Construction Fund" (the "***Construction Fund***") for the receipt and disbursement of all proceeds from the sale of the Bonds and all other funds acquired by the City in connection with the planning and construction of the projects financed, in whole or in part, by the Purchaser pursuant to the loan evidenced by the Bonds and all funds deposited to the credit of the Construction Fund shall be disbursed only for the payment of costs and expenses incurred in connection with the planning and building of such projects as approved by the Purchaser and as otherwise allowed by the rules and in accordance with the provisions of Chapter 15 or 17 of the Texas Water Code, as amended;

(c) to provide the Purchaser with copies of "as built plans" pertaining to the projects financed, in whole or in part, with any funds of the Purchaser;

(d) upon completion of the construction of the projects financed, in whole or in part, by the loan evidenced by the Bonds, to provide a final accounting to the Purchaser of the total costs of the projects. Thereafter, the City shall submit a final accounting and a final funds registration form to the Executive Administrator, or his designee. Upon receipt of this information, the Purchaser shall within 60 days of receipt of this information provide written direction to the City of the course of action to be taken with respect to such surplus funds. If the projects as finally completed are built at a total cost less than the amount of available funds for building the projects, or if the Executive Administrator of the Purchaser disapproves construction of any portion of such projects as not being in accordance with the plans and specifications, the City agrees to immediately, with filing of the final accounting, return to the Purchaser the amount of any such excess and/or the cost determined by the Executive Administrator of the Purchaser relating to the parts of such projects not built in accordance with the plans and specifications, to the nearest multiple of the authorized denominations for the Bonds, by (i) the effectuation of a redemption of such amount of Bonds pursuant to Section 6(b) hereof, (ii) the deposit into the Parity Bonds Interest and Sinking Fund for the next scheduled payment of interest or principal on the Bonds, or (iii) spending such amount on other eligible project costs as authorized by the Executive Administrator. In determining the amount of available funds for building the project, the City agrees to account for all amounts deposited to the credit of the Construction Fund, including all loan funds extended by the Purchaser, all other funds available from the projects as described in the project engineer's or fiscal representative's sufficiency of funds statement and all interest earned by the City on money in the Construction Fund;

(e) in addition to the requirements contained in Section 29(h) hereof, to maintain adequate insurance coverage on the projects financed with the proceeds of the Bonds in amounts adequate to protect the Purchaser's interest;

(f) in addition to the requirements contained in Section 29(i) hereof, to maintain current, accurate, and complete records and accounts necessary to demonstrate compliance with financial assistance related legal and contractual provisions;

(g) notwithstanding any other term, condition, requirement, or provision contained in this Ordinance, the TWDB rules and loan document provisions shall control to the extent of any conflict between the Ordinance and such TWDB agency rules or such loan document provisions.

(h) to implement any water conservation program required by the Purchaser until all financial obligations to the Purchaser has been discharged;

(i) to comply with any special conditions, if any, specified by the City's water conservation plan maintained in accordance with 31 TAC 363.15, as well as any environmental determination until all financial obligations to the Purchaser has been discharged;

(j) to abide by the Purchaser's rules and relevant state statutes, including, but not limited to, the Purchaser's pre-design funding procedures and pursuant to the requirements of the Purchaser's Resolution No. 19-016 adopted on February 4, 2019; and

(k) all laborers and mechanics employed by contractors and subcontractors for projects shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality in accordance with the Davis-Bacon Act, and the U.S. Department of Labor's implementing regulations. The City, all contractors, and all subcontractors shall ensure that all project contracts mandate compliance with Davis-Bacon. All contracts and subcontracts for the construction of the project carried out in whole or in part with financial assistance made available as provided herein shall insert in full in any contract in excess of $2,000 the contract clauses as provided by the TWDB;

(l) the City shall abide by all applicable construction requirements related to the use of iron and steel products produced in the United States, as required by 31 TAC §375.3 and 33 U.S.C. §1388, as well as related State Revolving Fund Policy Guidelines;

(m) the City agrees to notify the TWDB of the conveyance of Bonds or any conversion of the City. Prior to any action by the City to convey its Bonds held by the TWDB to another entity, the conveyance and the assumption of the Bonds must be approved by the TWDB. The City will notify the Executive Administrator prior to taking any actions to alter its legal status in any manner, such as by conversion to a conservation and reclamation City or a sale-transfer-merger with another retail public utility;

(n) the City shall provide the TWDB with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282, as amended by Pub. L. 110-252. The City shall obtain a Data Universal Numbering System ("***DUNS***") Number and shall register with the System for Award Management ("***SAM***"), and maintain current registration at all times during which the Bonds are outstanding;

(o) the City covenants that all loan proceeds will be timely and expeditiously used as required by federal statutes and EPA regulations. The City will adhere to an Executive

Administrator-approved project schedule, which shall not be altered except for good cause shown and only with the written approval of the Executive Administrator;

(p) the City shall not use loan proceeds from the Bonds that are determined to be surplus proceeds remaining after completion of the project except for the following purposes as approved by the Executive Administrator: (1) to redeem, in inverse annual order, the Bonds owned by the TWDB; (2) deposit into the Parity Bonds Interest and Sinking Fund or other debt service account for the payment of interest or principal on the Bonds owned by the TWDB; or (3) to pay eligible project costs as authorized by the Executive Administrator;

(q) to not use Bond proceeds to pay for the cost of sampling, testing, removing or disposing of injection well fluids, brine concentration, municipal solid wastes, soils and/or media contaminated by hazardous substances, and for managing and disposing of any other hazardous substances, including (but not limited to) radioactive substances and low-level radioactive wastes, that may be generated at the project site during planning, design, and construction activities;

(r) loan proceeds shall not be used by the City when sampling, testing, removing or disposing of contaminated soils and/or media at the project site and the City also agrees, to the extent permitted by law, to indemnify, hold harmless and protect the Purchaser from any and all claims, causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment, and disposition of any hazardous substance, radioactive substance, and/or solid waste, as those terms are defined in the Texas Solid Waste Disposal Act (codified at Chapter 361, as amended, Texas Health and Safety Code) and the Radiation Control Act (codified at Chapter 401, as amended, Texas Health and Safety Code, and/or removal and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the City, its contractors, consultants, agents, officials, and employees during the course of the project;

(s) to apply for and obtain all permits, licenses, letter authorizations, notifications of solid waste registration, notices of intent and other regulatory approvals that may be required by those federal, state, regional, and local governmental entities responsible for regulating environmental, health and safety, and transportation-related matters arising from or pertaining to the generation, management, and disposal of all municipal solid wastes, radioactive substances, and low-level radioactive-wastes that may be generated as the result of the planning, design, and construction of the project financed with Bond proceeds, including (but not necessarily limited to) surface water discharge permit(s), stormwater permits, underground injection control permits, solid waste facility registrations, notifications, and/or permits, hazardous waste permits, radioactive materials management licenses, and low-level radioactive waste permits, registrations, and exemptions;

(t) to comply, and take steps to assure that its contractors shall comply, with subchapter IV of chapter 31 of Title 40 of the United States Code (the "***Davis-Bacon Act***"), with respect to projects financed with the proceeds of the Bonds, if applicable;

(u) to not use any portion of the Bond proceeds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire Nonpurpose Investments (as defined in Section 33 hereof) which produce a yield materially higher than the yield on the

Purchaser's bonds that are used to provide the Purchaser with proceeds that it will use to purchase the Bonds (the "***Source Series Bonds***"), other than Nonpurpose Investments acquired with:

(i) Proceeds of the Source Series Bonds invested for a reasonable temporary period of up to three (3) years (reduced by the period of investment by the Purchaser) until such proceeds are needed for the facilities to be financed;

(ii) Amounts invested in a bona fide debt service fund, within the meaning of §1.148-1(b) of the Regulations (as defined in Section 33 hereof); and

(iii) Amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed the least of maximum annual debt service on the Bonds, 125% of average annual debt service on the Bonds, or 10% of the stated principal amount (or, in the case of a discount, the issue price) of the Bonds.

(v) neither the City nor a related party thereto will acquire any of the Source Series Bonds in an amount related to the amount of the Bonds to be acquired from the City by the Purchaser.

(w) the City shall be required to submit outlay reports with sufficient supporting documentation (e.g., invoices, receipts) on a quarterly basis, and the Purchaser shall retain the right to request project progress reports and outlay reports monthly as the project proceeds through each project phase and the City covenants to ensure that all Bond proceeds are timely and expeditiously utilized on the Project;

(x) all loan proceeds will be timely and expeditiously used, as required by 40 CFR §35.3135(d), and also shall provide that the City will adhere to the approved project schedule;

(y) the City will comply with the requirements set forth in 33 U.S.C. §1382 *et seq*. related to maintaining project accounts containing financial assistance for planning, design, acquisition, or construction, as applicable, in accordance with generally accepted accounting principles (*GAAP*). These standards and principles also apply to the reporting of underlying infrastructure assets;

(z) the City will provide the Purchaser documentation that it met all applicable state and federal procurement requirements under the Disadvantaged Business Enterprises program.

(aa) the City will provide documentation that it has met all applicable federal procurement requirements as specifically set forth in 40 U.S.C. §1101 *et seq*. and 33 U.S.C. §1382(b)(14) prior to the release of funds for professional services related to architecture or engineering, including but not limited to, contracts for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or other architectural and engineering services as defined in 40 U.S.C. §1102(2)(A)(C);

(bb) the City will comply with all conditions as specified in the final environmental finding of the Executive Administrator, including the standard emergency discovery conditions for threatened and endangered species and cultural resources, including that the City will ensure compliance with the Migratory Bird Treaty Act and Texas Parks and Wildlife Code regarding clearing vegetation in rights-of-way or easement outside the migratory bird nesting season, and relocation of the state-threatened Texas Tortoise if found in the project site;

(cc) the Bonds shall provide that all loan proceeds will be timely and expeditiously used, as required by federal statute and Environmental Protection Agency's regulations, and also shall provide that the City will adhere to an Executive Administrator-approved project schedule, which shall not be altered except for good cause shown and only with the written approval of the Executive Administrator; and

(dd) Since the Bonds are issued for new money purposes only and because current federal law prohibits "advance refunding" of existing tax-exempt debt, the City certifies to the Purchaser that it will refrain from using any proceeds of the Bonds to pay any debt service on another issue of the City's tax-exempt obligations in contravention of section 149(d) of the Code.

SECTION 31. AMENDMENT OF ORDINANCE.

(a) The owners of Bonds aggregating in principal amount 51% of the aggregate principal amount of then outstanding Bonds shall have the right to approve any amendment to this Ordinance in any manner not detrimental to the interests of the Owners which may be deemed necessary or desirable by the City; provided, however, that without the prior written consent of the owners of all of the Bonds at the time outstanding, nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Ordinance or in the Bonds with respect to the following matters:

(1) Make any change in the maturity of the outstanding Bonds;

(2) Reduce the rate of interest borne by any of the outstanding Bonds;

(3) Reduce the amount of the principal payable on the outstanding Bonds;

(4) Modify the terms of payment of principal of or interest on the outstanding Bonds or impose any conditions with respect to such payment;

(5) Affect the rights of the holders of less than all of the Bonds then outstanding;

(6) Change the minimum percentage of the principal amount of Bonds necessary for consent to such amendment.

(b) If at any time the City shall desire to amend the Ordinance under this Section, the City shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in The City of New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all holders of Bonds. Written notice shall be given to each Owner of the Bonds at the same time it is published in the New York paper.

(c) Whenever at any time not less than 30 days, and within one year from the date of the Paying Agent/Registrar publication of said notice or other service of written notice, the City shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all Bonds then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically give consent to and approval of such amendment in substantially the form of the copy thereof on file with the Paying Agent/Registrar, the City Commission may pass the amendatory ordinance in substantially the same form.

(d) Upon the passage of any amendatory ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be amended in accordance with such amendatory ordinance, and the respective rights, duties and obligations under this Ordinance of the City and all the holders of then outstanding Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendments.

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

(f) For the purpose of this Section the identity of the holders of Bonds, the amounts and numbers of such Bonds and the date of their holding same shall be proved by the registration books of the appropriate Paying Agent/Registrar. For purposes of this Section, the holder of a Bond shall be the owner thereof as shown on such registration books. The City may conclusively assume that such ownership continues until written notice to the contrary is served upon the City.

(g) The foregoing provisions of this Section notwithstanding, the City, by action of the City Commission, may amend this Ordinance for any one or more of the following purposes:

(1) To add other covenants and agreements of the City in this Ordinance contained, other covenants and agreements thereafter to be observed, grant additional rights or remedies to Bondholders, or to surrender, restrict, or limit any right or power herein reserved to or conferred upon the City;

(2) To make such provisions for the purpose of curing any ambiguity, or curing, correcting, or supplementing any defective provision contained in this Ordinance, or to clarify matters or questions arising under this Ordinance, as are necessary or desirable and not contrary to or inconsistent with this Ordinance and which shall not adversely affect the interests of the holders of the Bonds;

(3) To modify any of the provisions of this Ordinance; provided that (i) any modification is expressly effective only after all Bonds outstanding at the date of the

adoption of such modification shall cease to be outstanding, and (ii) such modification shall be specifically referred to in the text of all Additional Subordinate Lien Obligations issued after the date of the adoption of such modification.

SECTION 32. DEFEASANCE OF THE BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be set by reason of maturity or otherwise) either (i) shall have been made or made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such payment (1) lawful money of the United States of America sufficient to provide for such payments, or (2) "Government Obligations" which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its paying agency services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the revenue herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable from such money or Government Obligations.

(b) Any money so deposited with the Paying Agent/Registrar may at the written direction of the City also be invested as hereinbefore set forth, and all income from such Government Obligations received by the Paying Agent/Registrar which is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City.

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

SECTION 33. COVENANTS REGARDING TAX EXEMPTION.

(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 purchaser 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.

Series 2019 Bonds means the "City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2019" in the original principal amount of $6,645,000, issued concurrently with the Bonds.

Yield of

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

(ii) the Bonds means the combined yield on the Bonds and the Series 2019 Bonds, 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 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 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 Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as would 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 City shall at all times prior to the last stated maturity of Bonds:

(i) 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

(ii) 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 City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except as would 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 City 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 as would not cause the Bonds 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 Bonds 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 Bonds.

(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 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 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:

(i) 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 Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds 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.

(ii) 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 Bonds until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchaser 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 Parity Bonds Interest and Sinking 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.

(iv) 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 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.

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

(ii) 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 4 years or more.

(k) Elections. The City hereby directs and authorizes any Authorized Official 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 Bonds, 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 34. CONTROL AND CUSTODY OF BONDS. The Mayor 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 Bonds pending their approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery of the Bonds to the Purchaser.

Furthermore, any Authorized Official 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 Bonds, the approval of the Attorney General and their registration by the Comptroller of Public Accounts and, together with the City's financial advisor, bond counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the Purchaser.

SECTION 35. AUTHORIZATION OF ESCROW AGREEMENT. The City Commission hereby finds and determines that it is in the best interest of the City to authorize the execution of an Escrow Agreement, to comply with the Purchaser's rules and regulations and provide for the installment deliveries of the proceeds of the Bonds to the Purchaser, if any. A copy of the Escrow Agreement is attached hereto, in substantially final form, as Exhibit C, and is incorporated by reference to the provisions of this Ordinance for all purposes. The Mayor and/or the City Manager, or the respective designee of either of such parties, are authorized to execute the Escrow Agreement as the act and deed of the City Commission.

SECTION 36. APPLICATION OF TEXAS WATER DEVELOPMENT BOARD. The City Commission ratifies and confirms its prior approval of the form and content of the Application to the Texas Water Development Board prepared in the sale of the Bonds and hereby approves the form and content of any addenda, supplement, or amendment thereto.

SECTION 37. PRINTED OPINION. The Purchaser's obligation to accept delivery of the Bonds is subject to its being furnished a final opinion of Norton Rose Fulbright US LLP, as Bond Counsel, approving certain legal matters as to the Bonds, said opinion to be dated and delivered as of the date of initial delivery and payment for such Bonds. Printing of a true and correct copy of said opinion on the reverse side of each of said Bonds, with appropriate certificate pertaining thereto executed by facsimile signature of the City Secretary of the City is hereby approved and authorized.

SECTION 38. CUSIP NUMBERS. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof, and neither the City nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 39. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 40. 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 Owners, 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, the Paying Agent/Registrar, and the Bondholders.

SECTION 41. BOOK-ENTRY ONLY SYSTEM.

(a) It is intended that the Bonds initially shall 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 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 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*).

(b) With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any 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 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 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 an Owner 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 City to make payments of principal, premium, if any, and interest on the Bonds 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 Owner, the word “Cede & Co.” in this Ordinance shall refer to such new nominee of DTC.

(c) 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 Bonds that they be able to obtain certificated Bonds, the City shall notify the Paying Agent/Registrar, DTC, and the 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. However, the City will not discontinue the use of DTC without the prior notice and consent of the Purchaser for so long as the Purchaser is the holder of any of the Bonds. At that time, the City 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 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 Bonds may be registered in whatever name or names the Owners of Bonds transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

(d) 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 42. SALE OF INITIAL BOND.

The Bonds are hereby sold and shall be delivered to the TEXAS WATER DEVELOPMENT BOARD at a price equal to the par amount thereof, less an origination fee payable to the Texas Water Development Board of $__________ calculated pursuant to the Texas Water Development Board rules. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable. The Bonds shall initially be registered in the name of the Texas Water Development Board.

In order that the City shall satisfy in a timely manner all of its obligations under this Ordinance, and the agreement executed in connection with the sale of the Bonds the Mayor, the City Secretary and all other appropriate officers and agents of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance and delivery of the Bonds, including, without limitation, executing and delivering on behalf of the City all certificates, consents, receipts, requests, notices and other documents as may be reasonably necessary to satisfy the City's obligations under this Ordinance, and the agreement executed in connection with the sale of the Bonds and to direct the transfer and application of funds of the City consistent with the provisions of this Ordinance. The Mayor is authorized to execute any agreement with the TWDB, including an agreement setting forth the terms and uses of all grant funds to be made available by TWDB, and an agreement executing a separate financing in form and substance acceptable to the Executive Director.

While Texas Water Development is the owner of the Bonds, the principal of the Bonds shall be payable, at no charge to the Texas Water Development Board, by wire transfer without exchange or collection charges. Otherwise, principal of the Bonds shall be payable in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender, as they respectively become due and payable, at the principal trust office of the Paying Agent/Registrar. As long as TWDB is the owner of the Bonds, the interest on each Bond shall be payable, at no charge to the Texas Water Development Board, by wire transfer dated as of the interest payment date. Otherwise, interest on each Bond shall be payable in any coin or currency of the United States of America mailed by the Paying Agent/Registrar on or before each interest payment date to the owner of record as of the Record Date, to the address of such Owner as shown on the Bond Register.

If the date for payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date payment was originally due.

SECTION 43. CONSTRUCTION FUND.

There shall be established a Construction Fund with the City's depository bank and upon release of funds from the Escrow Fund such funds shall be deposited into this Construction Fund. The cost of issuance of the Bonds, being legal, fiscal and engineering fees, may be paid from this Fund. The cost of the construction of the sewer system improvements will be paid from this Construction Fund upon direction of the City. All interest and profits from investments made with moneys in the Construction Fund shall remain on deposit in the Construction Fund as a part thereof. All funds in the Construction Account shall be kept apart and separate from any other accounts and funds as required by 31 TAC 371.70. After completion of the payment of all costs of the System improvements, any residue remaining in the Construction Fund shall be applied in accordance with Section 30(d) hereof.

SECTION 44. 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 45. NO RECOURSE AGAINST CITY 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 City or any person executing any Bond.

SECTION 46. COVENANTS TO UNDERTAKE CONTINUING DISCLOSURE.

(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.

(b) Annual Reports.

The City shall file annually with the MSRB, within six months after the end of each fiscal year ending in or after 2019, financial information and operating data with respect to the City of the general type included in the final Application authorized by Section 36 of this Ordinance being the information described in Exhibit E hereto. All such information must be filed with MSRB pursuant to its Electronic Municipal Access (EMMA) System. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit E 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 Year with the MSRB, when and if the audit report on such statements becomes available.

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

(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:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) 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;

(vii) modifications to rights of holders of the Bonds, if material;

(viii) Bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;

(xiii) 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;

(xiv) appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;

(xv) 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

(xvi) 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, any event described in the immediately preceding paragraph (xii) 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.

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) <u>Limitations, Disclaimers, and Amendments.</u> 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 Board 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 Owners 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 OWNER 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 the Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the 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 Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding 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, it shall include with any amended financial information or operating data next provided in accordance with subsection B of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. 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.

SECTION 47. 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 48. 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 Bonds, the Paying Agent/Registrar Agreement, the Purchase Contract, and the Application. In addition, prior to the initial delivery of the Bonds, the Mayor, the City Manager, the City Attorney 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 necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Application, (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 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 49. SEVERABILITY. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 50. REPEALED, VOID, AND VOIDABLE PROVISIONS. All Ordinances or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency. Should one or more provisions in this Ordinance be held to be null, void, voidable or, for any reason whatsoever of no force or effect, such provision(s) shall be construed as severable from the remainder of this Ordinance and shall not affect the validity of all other provisions of this Ordinance which shall remain in full force and effect.

SECTION 51. 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 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 52. 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.

[The remainder of this page intentionally left blank.]

PASSED AND APPROVED ON APRIL 9, 2019.

____
Mayor

ATTEST:

____
City Secretary

(CITY SEAL)

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

See Tab No. ___

EXHIBIT B
THE FORM OF THE INITIAL BOND

UNITED STATES OF AMERICA
STATE OF TEXAS

REGISTERED	**REGISTERED**
T-l	**PRINCIPAL**
	AMOUNT
	$__________

CITY OF SAN JUAN, TEXAS
WATERWORKS AND SEWER SYSTEM REVENUE BOND,
SERIES 2019A

THE CITY OF SAN JUAN, TEXAS, HIDALGO COUNTY, TEXAS (the "City"), being a political subdivision of the State of Texas, hereby promises to pay to

TEXAS WATER DEVELOPMENT BOARD

or to the registered assignee or assignees of this Bond or any portion or portions hereof (in each case, the "registered owner") the aggregate principal amount of

____

in annual installments of principal due and payable on January 1 in each of the years, and in the respective principal amounts and rates per annum, as set forth in the following schedule:

Year of Stated Maturity (January 1)	Principal Amounts ($)	Interest Rates (%)
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		

Year of Stated Maturity (January 1)	Principal Amounts ($)	Interest Rates (%)
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		
2047		
2048		
2049		

The City, for value received, promises to pay to the Registered Owner set forth above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Bond at the principal trust office of BOKF, NA, Austin, Texas, or its successor (the "Paying Agent/Registrar "), the principal amount identified above payable in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year composed of twelve 30-day months, from the delivery date or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable semi-annually on January 1 and July 1 each year, beginning January 1, 2020 until maturity of this Bond, by check mailed by the Paying Agent/Registrar to the Registered Owner of record as of the fifteenth day of the month immediately preceding the applicable interest payment date, as shown on the registration books kept by the Paying Agent/Registrar. As long as Texas Water Development Board is the owner of the Bonds, principal of and the interest on each Bond shall be payable, at no charge to the Texas Water Development Board, by wire transfer dated as of each Interest Payment Date.

IN THE EVENT of a non-payment of interest on a scheduled payment date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the 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 15 days after the Special Record Date shall be sent at least five business days prior to the Special Record Date by United States mail, Paying Agent/Registrar class, postage prepaid, to the address of each Registered Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the Business Day prior to the mailing of such notice.

IF THE DATE for any payment due on the Bonds shall be a Saturday, Sunday, or legal holiday, or a day on which banking institutions in the City where the principal trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date of such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND, dated May 1, 2019, has been authorized in accordance with the Constitution and laws of the State of Texas, in the principal amount of $1,715,000 for paying all or a portion of the City's contractual obligations 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) to finance the costs of improvements and extensions to the City's waterworks and sewer system, (2) the purchase of materials, supplies, equipment, land, and rights-of-way for authorized needs and purposes relating to the waterworks and sewer system improvements, and (3) the payment of professional services related to the construction and financing of the aforementioned projects. The Bonds are authorized to be issued pursuant to the authority conferred by and in conformity with the laws of the State of Texas, particularly Chapter 1502, as amended, Texas Government Code, and the Ordinance.

The Bonds stated to mature on and after January 1, 2030 may be redeemed prior to their Stated Maturities, at the option of the City, in inverse order of stated maturity, on July 1, 2029, 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, together with 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 Owners 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 Owner 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.

In addition to the foregoing right to optional redemption, in the event that the Purchaser at such time remains the sole holder of the Bonds and the final accounting delivered by the City to the Purchaser in the form and manner specified in the Ordinance (and in compliance with the provisions of Section 30(d) of the Ordinance) evidences that the total cost of the project to be financed with Bond proceeds is less than the amount of Bond proceeds available for paying such costs, then the City shall, as soon as practicable (but in no event later than six months after the Purchaser's acceptance of the aforementioned accounting) redeem Bonds in the amount of such excess to the nearest multiple of the authorized denomination for the Bonds. Bonds redeemed pursuant to this provision shall be redeemable on any date, in inverse order of stated maturity, 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.

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption 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 City 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 Owner of the unredeemed balance hereof in the event of its redemption in part.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the trust office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Ordinance.

THE CITY has reserved the right, subject to the restrictions stated, and adopted by reference in the Ordinance, to issue Additional Bonds which may be made payable from, and secured by, a first lien on and pledge of the "Net Revenues" equally and ratably on a parity with the Parity Bonds, as well as any Junior Lien Bonds, which may be made payable from, and secured by a junior and inferior lien on and pledge of the Net Revenues.

THE BONDS are issuable in the form of fully registered Bonds without coupons in the denominations of $5,000 or any integral multiple of $5,000 for any one maturity. The Registered Owner of any Bond may surrender the same in exchange for any equal aggregate principal amount of Bonds of the same maturity and for any other authorized denominations. Such exchanges shall be without expense to the Registered Owner hereof, but any taxes, fees or other governmental charges required to be paid with respect to the same shall be paid by the Registered Owner requesting such exchange as a condition precedent to the exercise of such privilege.

THIS BOND, and the other Parity Bonds of the series of which it is a part and the interest thereon, are secured by and payable from a first lien on and pledge of the Net Revenues of the City's Waterworks and Sewer System as described in the Ordinance. The Bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the City or System, except with respect to the Net Revenues.

THE REGISTERED OWNER HEREOF SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THIS OBLIGATION OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION, OR FROM ANY SOURCE WHATSOEVER OTHER THAN THE AFORESAID REVENUES.

THE CITY HAS RESERVED the right to amend the Ordinance with the approval of the holders of 51% of all outstanding Bonds subject to the restrictions stated in the Ordinance.

Reference is hereby made to the Ordinance, copies of which are on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Owner by his acceptance hereof hereby assents, for definitions of terms; the description and nature of the Net Revenues of the System pledged for the payment of the Bonds; the terms and conditions under which the City may issue Additional Bonds or Junior Lien Bonds; the terms and conditions relating to the transfer or exchange of the Bonds; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Owners; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond 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 have the same meanings assigned in the Ordinance.

This Bond, 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 Owner 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.

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 Bond in order to render the same a legal, valid, and binding special obligation of the City have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that 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 and interest on the Bonds by a pledge of and lien on the Net Revenues of the System. 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, this Bond has been signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary, and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

CITY OF SAN JUAN, TEXAS

____
Mayor

ATTEST:

____
City Secretary

(CITY SEAL)

COMPTROLLER'S REGISTRATION CERTIFICATE

REGISTER NO. _________________

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

WITNESS MY SIGNATURE AND SEAL this _____________________.

____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____________________ (Please print or type name, address, and zip code of Transferee) _______________________ (Please insert Social Security or Taxpayer Identification Number of Transferee) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoint s__________________ attorney to transfer such bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: ______________________

Signature
Guaranteed:_____________________________

____
Registered Owner

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

Notice: The Signature above must correspond to same name of the registered owner as show on the face of this bond in every particular, without alteration, enlargement, or change whatsoever.

EXHIBIT C

ESCROW AGREEMENT

See Tab No. ___

EXHIBIT D

DTC LETTER OF REPRESENTATION

See Tab No. ___

EXHIBIT E

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 46 of this Ordinance.

I. 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 below:

The City's annual audit for the current fiscal year

II. Accounting Principles

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

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
APRIL 9, 2019

Discussion and Possible Action to Accept the City of San Juan Sanitary Sewer Collection System Extension Project, Texas Water Development Board (TWDB) Clean Water State Revolving Fund (CWSRF) Project No. 10441 as Completed as per Plans and Specifications and Authorize the City Manager to Execute all Project Close-out Documents, Final Pay Application No.10 and all Related Documents.

STAFF COMMENTS AND RECOMMENDATIONS:

A final Inspection was Conducted for the City of San Juan's Sanitary Sewer Collection System Extension Project, TWDB CWSRF 10441 and it has been Determined to that the Project has been Successfully Completed as Per Plans and Specifications. The One Year Warranty Period Began Friday, January 25, 2019 as Noted in the Enclosed Certificate of Substantial Completion.

Final Pay Application No. 10 from RDH Site & Concrete, LLC.
Final Bills Paid Affidavit by the Contractor, the Pay application is for the 5% Retainage from the Contractor.

RECOMMENDATION:

Staff Recommends Approval as Presented.

PREPARED BY:	**APPROVED BY:**
David Salinas, Director of Utilities	Benjamin Arjona, City Manager

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MEMORANDUM

TO: Benjamin Arjona, City Manager
FROM: David Salinas, Utility Director
DATE: March 25, 2019
SUBJECT: **Contractor Close-out & Final Pay Requests No. 10**
Sanitary Sewer Collection System Extension
TWDB CWSRF Project No. 10441

I have reviewed the Contractor's Close-out and Final Pay Requests No.10 submitted by RDH Site and Concrete, LLC for the City of San Juan's Sanitary Sewer System Extension Project, TWDB DWSRF Project No. 10441.

I concur with the Engineer's Approval for Final Payment of $67,533.15.

709 S. Nebraska Ave. • San Juan, Texas 78589-2649
Phone: (956)223-2200 • Fax: (956) 787-5978

March 20, 2019

Benjamin Arjona
City Manager
City of San Juan
709 S. Nebraska Avenue
San Juan, Texas 78589

Re: Project Close-Out & Contractor Final Pay Application No. 10
Sanitary Sewer Collection System Extension Project
TWDB CWSRF Project No. 10441
City of San Juan, Texas

Dear Mr. Arjona:

A Final inspection was conducted for The City of San Juan's Sanitary Sewer Collection System Extension Project, TWDB CWSRF No. 10441 and it has been determined that the project has been successfully completed as per Plans & Specifications. The one-year warranty period began on Friday, January 25, 2019 as noted in the enclosed Certificate of Substantial Completion.

Enclosed you will also find the final pay application from RDH Site & Concrete, LLC, a Final Bills Paid Affidavit by the Contractor, and our final Invoice for this Project. The pay application is for the 5% Retainage from the Contractor. We have reviewed this application and recommend approval for payment.

Two printed sets of As-Built construction drawings and a CD (Electronic PDF File) are also enclosed for your records. Please forward this pay request, in the amount of $67,533.15 for Final Pay Application No. 10 to the Texas Water Development Board for processing at your earliest convenience. Feel free to contact me should you have any questions.

Sincerely,

Ronnie Cruz, P.E., CFM
Vice President

RC/cr
Enclosure

cc: David Salinas, Utilities Director — via e-mail: dsalinas@cityofsanjuantexas.com
Juan Santana, TWDB Field Office — via e-mail: juan.santana@twdb.texas.gov
Dianaly De Hoyos, RDH Site & Concrete, LLC — via e-mail: dianaly@rdhcompany.com
Ronnie Cruz, P.E., CFM — via e-mail: ronnie@cruzhogan.net

PAY APPLICATION NO. (RETAINER)

To: The City of San Juan (OWNER)
From: RDH Site and Concrete,LLC (CONTRACTOR)
Project No. 10441
Project: City of San Juan First Time Sewer Connections Project
Owner's Contract No. 10441 Engineer's Project No 10441
For Work accomplished through the date of: 3/13/2019

1. Original Contract Price:		$ 1,433,301.00
2. Net change by Change Order and Written Agreements(+or-):		$ -
3. Current Contract Price (1 plus 2):		$ 1,433,301.00
4. Total completed and stored to date:		$ 1,350,663.00
5. Retainage (per Agreement):		
05% of completed Work	$ -	
05% of stored material	$ -	
Total Retainage		
6. Material On Hand		$ -
7. Total completed and stored to date less retainage (4 minus 5)		$ -
8. Less previous Application for Payments:		$ 1,350,663.00
9. AMOUNT DUE THIS APPLICATION (6 MINUS 7)		$ 1,283,129.85
10. BALANCE TO FINISH INCLUDING RETAINAGE		**$ 67,533.15**
		$ -

Accompanying Documentation:
Quantity Work Sheet

CONTRACTOR'S Certification:
The undersigned CONTRACTOR certifies that (1) all previous progress payments received from OWNER on account of Work done under the Contract referred to above have been applied on account to discharge CONTRACTOR'S legitimate obligations incurred in connection with Work covered by prior Applications for Payment numbered 1 through **RETAINER** inclusive: (2) title of all Work, materials and equipment incorporated in said Work or otherwise listed in or covered by this Application for Payment will pass to OWNER at time of payment free and clear of all Liens, security interests and encumbrances (except such as are covered by a Bond acceptable to OWNER indemnifying OWNER against any such Lien, security interest or encumbrance); and (3) all Work covered by this Application for Payments is in accordance with the Contract Documents and not defective.

Date 03/13/19

RDH SITE AND CONCRETE,LLC
CONTRACTOR
By

State of **TEXAS**
County of **HIDALGO**
Subscribed and sworn to before me this 13
day of March, 2019
San Juanita Garcia
Notary Public
My Commission expires May 02, 2021

SAN JUANITA GARCIA
Notary ID # 129300077
My Commission Expires
May 2, 2021

Payment of the above AMOUNT DUE THIS APPLICATION is recommended
Date 03/13/19

CRUZ-HOGAN CONSULTANTS INC.
ENGINEER
By

CHANGE ORDER

No. ONE

PROJECT: First Time Sewer Connections Project
TWDB CWSRF Project No. 10441

DATE OF ISSUANCE: 3/18/2019

OWNER: (Name, Address) City of San Juan
709 S. Nebraska
San Juan, Texas 78589

CONTRACTOR: RDH Site and Concrete, LLC
3809 Clavel Street, Suite D
Palmview, TX 78572

OWNER's Project No. 10441

ENGINEER: CRUZ-HOGAN Consultants, Inc.
605 E. Violet Avenue, Suite 1
McAllen, Texas 78504

Contract for: First Time Sewer Connections Project

ENGINEER's Project No. 071-06-17

You are directed to make the following changes in the Contract Documents.

Description: Change for Additional Time and Final Quantity Adjustments.

Purpose of Change Order: Add Time Delays and Bad Weather Delays to Contract Time

Attachments: (List documents supporting change). List of Rain and Time Delays

CHANGE IN CONTRACT PRICE:		CHANGE IN CONTRACT TIME:	
Original Contract Price	$1,433,301.00	Original Contract Time	180 days (days or date)
Previous Change Orders No.	0	Net change from previous Change Orders	0 (days or date)
Contract Price prior to this Change Order	$1,433,301.00	Contract Time Prior to this Change Order	180 days (days or date)
Net Decrease	($82,638.00)	Net Increase (decrease) of this Change Order	150 (days)
Contract Price with all approved Change Orders	$1,350,663.00	Contract Time with all approved Change Orders	330 days (days or date)

RECOMMENDED:
CRUZ-HOGAN Consultants, Inc.
by ________ Engineer
Ronnie Cruz, P.E., CFM
Project Manager

APPROVED:
City of San Juan
by ________ Owner
Benjamin Arjona
City Manager

APPROVED:
RDH Site and Concrete, LLC
by ________ Contractor
Dianaly De Hoyos
General Manager

EJCDC No. 1910-8 B (1983 Edition)
Prepared by the Engineer's Joint Contract Documents Committee and endorsed by the Associated General Contractors of America.

Monthly Davis-Bacon Wage Rate Certificate of Compliance Submittal by Owner (Subrecipient)

TWDB Project No. 10441

Loan No. L-1000620

This executed certificate must be submitted with each Outlay report for labor included within construction contracts. This Certificate applies only for Financial Assistance CLOSED AFTER 10/30/2009.

I , David Salinas **(Name)** , Director of Utilities **(Title)** **of** City of San Juan **(Name of entity)** **hereby certify that periodic reviews of a representative sample of the weekly payroll data, and contractor weekly payroll certifications, such as OMB No. 1235-0008, have been performed to verify that contractors and subcontractors are paying the appropriate wage rate for compliance with section 513 of the Federal Water Pollution Control Act (33 U.S.C. 1372) for the Clean Water State Revolving Fund or with section 1450(e) of the Safe Drinking Water Act (42 U.S.C.300j-9(e)) for the Drinking Water State Revolving Fund. These laws require payment of prevailing wages in accordance with 40 U.S.C. §§ 3141–3144, 3146, and 3147 (contained within the Davis-Bacon Act, as amended).**

I understand that a false statement herein may subject me to penalties under federal and state laws relating to filing false statements and other relevant statutes.

David Salinas

Signature

March 25, 2019

Date

Contractor Name	RDH Site & Concrete LLC
Starting Date	December 29, 2017
Project Ending Date	TIME EXTENDED
Job	City of San Juan First Time Sewer Connections Project

Application	RETAINER
Application Date	March 13, 2019
Period To	March 13, 2019
Engineers / County Project No	10441

Item No	Bid Item	Description	Unit	RDH SITE & CONCRETE LLC Est. Qty	Unit Price	Total	PREVIOUS APPLICATIONS 1-8 Monthly Quan	QTY to Date	Item Cost (Monthly)	Application #9 Monthly Quan	QTY to Date	Item Cost (Monthly)	Total To Date Quan	Dollars	Balance To Finish Quan	Dollars
		BASE BID														
		Area 1: Minesota Road														
1		8" SDR- 26 Sanitary Sewer Line (4'-8' Depth) To include excavation, dewatering, sand/gravel bedding, backfill and etc. All complete, in place	LF	2150.00	$ 45.00	$ 96,750.00	2,150.00	2,150.00	$ 96,750.00	-33.00	2,117.00	$ (1,485.00)	2,117.00	$ 95,265.00	33.00	$ 1,485.00
2		8" SDR - 26 Sanitary Sewer Line (8' - 12' Depth) To include excavation, dewatering, sand/gravel bedding, backfill and etc. All complete, in place	LF	460	$ 45.00	$ 20,700.00	460.00	460.00	$ 20,700.00	-12.00	448.00	$ (540.00)	448.00	$ 20,160.00	12.00	$ 540.00
3		4-Foot Diameter Fiberglass Sanitary Sewer Manhole (4' - 8' Depth) To include concrete base, ring and cover, dewatering, etc. All complete, in place	EA	6	$ 5,200.00	$ 31,200.00	6.00	6.00	$ 31,200.00	0.00	6.00	$ -	6.00	$ 31,200.00	0.00	$ -
4		4-Foot Diameter Fiberglass Sanitary Sewer Manhole (8' - 12' Depth) To include concrete base, ring and cover, dewatering, etc. All complete, in place	EA	1	$ 5,300.00	$ 5,300.00	1.00	1.00	$ 5,300.00	0.00	1.00	$ -	1.00	$ 5,300.00	0.00	$ -
5		4-Foot Diameter Fiberglass Sanitary Sewer Manhole (8' - 12' Depth) To include concrete base, ring and cover, 5' x 5' x 8' concrete collar, dewatering, etc. All complete, in place	EA	1	$ 5,500.00	$ 5,500.00	1.00	1.00	$ 5,500.00	0.00	1.00	$ -	1.00	$ 5,500.00	0.00	$ -
6		4" Single Service Line (Street Side) To include 8" x 4" Wye, DR-26 160 psi PVC pipe, Bends, Clean-Out, Plug and Riser. All complete, in place	EA	7	$ 800.00	$ 5,600.00	7.00	7.00	$ 5,600.00	3.00	10.00	$ 2,400.00	10.00	$ 8,000.00	-3.00	$ (2,400.00)
7		4" Single Service Line (Across Street) To include 8" x 4" Wye, DR-26 160 psi PVC pipe, Bends, Clean-Out, Plug, and Riser. Boring of Service Line under existing Street, Boring Pits, Excavation and etc. All complete, in place	EA	9	$ 1,000.00	$ 9,000.00	9.00	9.00	$ 9,000.00	0.00	9.00	$	9.00	$ 9,000.00	0.00	$ -
8		4" PVC Sewer Residential Yard Line and Home Connection. To include excavation, installation of 4" PVC Schedule 40 Sewer Yard Line with ALL associated Schedule 40 PVC cleanouts and fittings inside the property lot including connection of ALL Sewer discharge lines and gray water lines in accordance with the latest edition of the International Plumbing Code (IPC), backfill, clean-up, grading, seeding (hydromulch) of all disturbed areas returning property to original condition and etc. All complete, in place	HOMES	14	$ 1,100.00	$ 15,400.00	14.00	14.00	$ 15,400.00	4.00	18.00	$ 4,400.00	18.00	$ 19,800.00	-4.00	$ (4,400.00)
9		6" PVC Sewer Residential Yard Line and Home Connection. To include excavation, installation of 6" PVC Schedule 40 Sewer Yard Line with ALL associated Schedule 40 PVC cleanouts and fittings inside the property lot including connection of ALL Sewer discharge lines and gray water lines in accordance with the latest edition of the International Plumbing Code (IPC), backfill, clean-up, grading, seeding (hydromulch) of all disturbed areas returning property to original condition and etc. All complete, in placeq	HOMES	2	$ 4,100.00	$ 8,200.00	2.00	2.00	$ 8,200.00	-1.00	1.00	$ (4,100.00)	1.00	$ 4,100.00	1.00	$ 4,100.00
10		Decommissioning of ALL septic tanks in the residential property lot. To include excavation, sewer waste extraction pumping and haul off to an approved disposal facility, backfill, grading, and returning property to final site conditions, seeding (hydromulch) of all disturbed areas and etc. All complite, in place	LOTS	16	$ 1,200.00	$ 19,200.00	16.00	16.00	$ 19,200.00	3.00	19.00	$ 3,600.00	19.00	$ 22,800.00	-3.00	$ (3,600.00)
11		Tie proposed 8" SDR-26 Sanitary Sewer Line into Existing Manhole, STA 12 + 50. All complete, in place	EA	1	$ 800.00	$ 800.00	1.00	1.00	$ 800.00	0.00	1.00	$ -	1.00	$ 800.00	0.00	$ -
12		Tie into Existing Manhole with 8" Diameter Sewer Drop Connection. To include pipe, fitting, 5' x 5' x 3' concrete collar, and etc. STA 15 +81. All complete, in place	EA	1	$ 1,100.00	$ 1,100.00	1.00	1.00	$ 1,100.00	0.00	1.00	$ -	1.00	$ 1,100.00	0.00	$ -
13		Deep Service Connection. All complete, in place	EA	3	$ 900.00	$ 2,700.00	3.00	3.00	$ 2,700.00	0.00	3.00	$ -	3.00	$ 2,700.00	0.00	$ -
14		Repair of Existing Asphalt Pavement. To include 8" caliche base, 2" asphalt paving, etc. All complete, in place	SY	200	$ 20.00	$ 4,000.00	200.00	200.00	$ 4,000.00	-20.00	180.00	$ (400.00)	180.00	$ 3,600.00	20.00	$ 400.00
15		Remove & Replace Existing Asphalt Driveway. To include 6" caliche base, 1-1/2" asphalt paving, etc. All complete, in place	SY	40	$ 20.00	$ 800.00	40.00	40.00	$ 800.00	0.00	40.00	$ -	40.00	$ 800.00	0.00	$ -
16		6" Clean-Out assembly. To include 2' x 2' x 6" concrete ring. All complete, in place	EA	1	$ 700.00	$ 700.00	1.00	1.00	$ 700.00	0.00	1.00	$ -	1.00	$ 700.00	0.00	$ -
17		Boring for Sanitary Sewer Line installation under Asphalt or Concrete Driveways. All complete, in place	LF	20	$ 90.00	$ 1,800.00	20.00	20.00	$ 1,800.00	0.00	20.00	$ -	20.00	$ 1,800.00	0.00	$ -
18		4" x 4" Wooden Manhole Marker Posts. To be pressure treated and to include installation, paintig, and lettering. All complete, in place	EA	3	$ 350.00	$ 1,050.00	3.00	3.00	$ 1,050.00	0.00	3.00	$ -	3.00	$ 1,050.00	0.00	$ -
19		**Trench Safety for Sewer Line Construction.** To include preparation of Trench Safety Plan. All complete, in place	LF	2610	$ 1.00	$ 2,610.00	2,610.00	2,610.00	$ 2,610.00	-45.00	2,565.00	$ (45.00)	2,565.00	$ 2,565.00	45.00	$ 45.00
20		**Grass Seeding of All Disturbed Areas within Right-Of-Ways and Easements.** Grass seeding to be done by hydromulching. Hydro mulch area to include 2" of new topsoil material. All complete, in place	LS	1	$ 1,000.00	$ 1,000.00	0.00	0.00	$ -	1.00	1.00	$ 1,000.00	1.00	$ 1,000.00	0.00	$ -
21		Construction Surveying for Sewer Line Installation. All complete, in place	LS	1	$ 800.00	$ 800.00	1.00	1.00	$ 800.00	0.00	1.00	$ -	1.00	$ 800.00	0.00	$ -
22		Traffic Control to include Barricades, Signs, Detours & Traffic Handling as per TXDot Manual of Uniform Traffic Control Devices, Lates Edition	LS	1	$ 1,000.00	$ 1,000.00	1.00	1.00	$ 1,000.00	0.00	1.00	$ -	1.00	$ 1,000.00	0.00	$ -
23		**Soil Erosion and Sediment Control.** To include the development, implementation and maintenance of a storm water pallution plan (SWP3) all in accordance with State and Federal Regulations, submission of Notice of Intent (NOI) and Submission of Notice of Termination (NOT). All complete, in place	LS	1	$ 900.00	$ 900.00	1.00	1.00	$ 900.00	0.00	1.00	$ -	1.00	$ 900.00	0.00	$ -
						$ 236,110.00			$ 235,110.00			$ 4,830.00		$ 238,940.00		$ (3,830.00)

Item No.	Bid Item	Description	Unit	RDH SITE & CONCRETE, LLC Est. Qty	Unit Price	Total	PREVIOUS APPLICATIONS 1-8 Monthly Quan	QTY to Date	Item Cost (Monthly)	Application #9 Monthly Quan	QTY to Date	Item Cost (Monthly)	Total To Date Quan	Dollars	Balance To Finish Quan	Dollars
		Area 2: Raul Longoria Road														
24		8" SDR - 26 Sanitary Sewer Line (4' - 8' Depth). To include excavation, dewatering, sand/gravel bedding, backfill and etc. All complete, in place.	LF	1100	$ 45.00	$ 49,500.00	1,100.00	1,100.00	$ 49,500.00	-256.00	844.00	$ (11,520.00)	844.00	$ 37,980.00	256.00	$ 11,520.00
25		10" SDR - 26 Sanitary Sewer Line (4' - 8' Depth). To include excavation, dewatering, sand/gravel bedding, backfill and etc. All complete, in place. (Raul Longoria Road Crossing)	LF	105	$ 50.00	$ 5,250.00	105.00	105.00	$ 5,250.00	0.00	105.00	$ -	105.00	$ 5,250.00	0.00	$ -
26		4-Foot Diameter Fiberglass Sanitary Sanitary Manhole (4' - 8' Depth). To include concrete base, ring and cover, dewatering, etc. All complete, in place	EA	3	$ 5,200.00	$ 15,600.00	3.00	3.00	$ 15,600.00	0.00	3.00	$ -	3.00	$ 15,600.00	0.00	$ -
27		16" Diameter Sewer Drop Structure Connection at Existing Manhole. To include pipe, fittings, And etc. All complete in place	EA	1	$ 2,200.00	$ 2,200.00	1.00	1.00	$ 2,200.00	0.00	1.00	$ -	1.00	$ 2,200.00	0.00	$ -
28		4" Single Service Line. To include 8" x 4" Wye, DR-26 160 PVC pipe, Bends, Clean-Out, Plug, and Riser. All complete, in place	EA	7	$ 800.00	$ 5,600.00	7.00	7.00	$ 5,600.00	0.00	7.00	$ -	7.00	$ 5,600.00	0.00	$ -
29		4" Single Service Line. To include 28 Saddle Wye Double Stainless Clamps, DR-26 160 psi PVC pipe, Bends, Clean-Out, Plug, and Riser. All complete, in place	EA	8	$ 800.00	$ 6,400.00	5.00	5.00	$ 4,000.00	0.00	5.00	$ -	5.00	$ 4,000.00	3.00	$ 2,400.00
30		4" PVC Sewer Residential Yard Line and Home Connection. To include excavation, installation of 4" PVC Schedule 40 Sewer Yard Line with ALL associated Schedule 40 PVC cleanouts and fittings inside the property lot including connection of ALL Sewer discharge lines and grey water lines in accordance with the latest edition of the International Plumbing Code (IPC), backfill, clean-up, grading, seeding, (hydromulch) of all disturbed areas returning property to original condition and etc. All complete, in place	HOMES	9	$ 1,100.00	$ 9,900.00	9.00	8.00	$ 8,800.00	-1.00	7.00	$ (1,100.00)	7.00	$ 7,700.00	2.00	$ 2,200.00
31		6" PVC Sewer Residential Yard Line and Home Connection. To include excavation, installation of 6" PVC Schedule 40 Sewer Yard Line with ALL associated Schedule 40 PVC cleanouts and fittings inside the property lot including connection of ALL Sewer discharge lines and grey water lines in accordance with the latest edition of the International Plumbing Code (IPC), backfill, clean-up, grading, seeding, (hydromulch) of all disturbed areas returning property to original condition and etc. All complete, in place	HOMES	6	$ 4,100.00	$ 24,600.00	3.00	3.00	$ 12,300.00	2.00	5.00	$ 8,200.00	5.00	$ 20,500.00	1.00	$ 4,100.00
32		Decommissioning of ALL septic tanks in the residential property lot. To include excavation, sewer waste extraction/pumping and haul off to an approved disposal facility, backfill, grading, and returning property to final site conditions, seeding (hydromulch) of all disturbed areas and etc. All complete, in place	LOTS	15	$ 1,200.00	$ 18,000.00	7.00	7.00	$ 8,400.00	5.00	12.00	$ 6,000.00	12.00	$ 14,400.00	3.00	$ 3,600.00
33		Remove & Replace Existing Asphalt Driveway. To include 6" caliche base, 1 1/2" asphalt paving, etc. All complete, in place	SY	276	$ 20.00	$ 5,520.00	276.00	276.00	$ 5,520.00	-86.00	190.00	$ (1,720.00)	190.00	$ 3,800.00	86.00	$ 1,720.00
34		Boring for Sanitary Sewer Line installation under Asphalt or Concrete Driveways. All complete, in place	LF	142	$ 90.00	$ 12,780.00	142.00	142.00	$ 12,780.00	0.00	142.00	$ -	142.00	$ 12,780.00	0.00	$ -
35		**Bore and Jack 18" Diameter Steel Casing Under Texas Deparment of Transportation Road-Raul Longoria Road (Tie-In at STA 5+47)** To include all excavation, dewatering, boring, boring pits, casing spacers and end seals, welding, backfill, compaction, coordination, with TxDot staff, and ect. All complete, in place	LF	80	$ 125.00	$ 10,000.00	80.00	80.00	$ 10,000.00	0.00	80.00	$ -	80.00	$ 10,000.00	0.00	$ -
36		Remove & Replace Caliche. To include 6" caliche base, etc. All complete in place.	SY	16	$ 20.00	$ 320.00	16.00	16.00	$ 320.00	0.00	16.00	$ -	16.00	$ 320.00	0.00	$ -
37		**Trench Safety for Sewer Line Construction.** To include preparation of Trench Safety Plan. All complete, in place	LF	1205	$ 1.00	$ 1,205.00	1,205.00	1,205.00	$ 1,205.00	-256.00	949.00	$ (256.00)	949.00	$ 949.00	256.00	$ 256.00
38		**Grass Seeding of All Disturbed Areas within Right-Of-Ways and Easements.** Grass seeding to be done by hydromulching. Hydro mulch area to include 2" of new topsoil material. All complete, in place	LS	1	$ 1,000.00	$ 1,000.00	0.00	0.00	$ -	1.00	1.00	$ 1,000.00	1.00	$ 1,000.00	0.00	$ -
39		Construction Surveying for Sewer Line installation. All complete, in place	LS	1	$ 800.00	$ 800.00	1.00	1.00	$ 800.00	0.00	1.00	$ -	1.00	$ 800.00	0.00	$ -
40		Traffic Control to include Barricades, Signs, Detours, & Traffic Handling as per TxDot Manual of Uniform Traffic Control Devices, Lanes Ext bon	LS	1	$ 1,000.00	$ 1,000.00	1.00	1.00	$ 1,000.00	0.00	1.00	$ -	1.00	$ 1,000.00	0.00	$ -
41		Soil Erosion and Sediment Control. To include the development, implementation and maintenance of a storm water pollution plan (SWP3) all in accordance with State and Federal Regulations, submission of Notice of Intent (NOI) and Submission of Notice of Termination (NOT). All complete, in place	LS	1	$ 900.00	$ 900.00	1.00	1.00	$ 900.00	0.00	1.00	$ -	1.00	$ 900.00	0.00	$ -
						$ 170,575.00			$ 144,175.00			$ 804.00		$ 144,779.00		$ 25,796.00

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		Area 3: Elborn Road (Vaughan Road to Drain Ditch)														
42		8" SDR - 26 Sanitary Sewer Line (4' - 8' Depth). To include excavation, dewatering, sand/gravel bedding, backfill and etc. All complete, in place	LF	1130	$ 45.00	$ 50,850.00	804.00	804.00	$ 38,180.00	14.00	818.00	$ 630.00	818.00	$ 36,810.00	312.00	$ 14,040.00
43		8" SDR - 26 Sanitary Sewer Line (4' - 12' Depth). To include excavation, dewatering, sand/gravel bedding, backfill and etc. All complete, in place	LF	2090	$ 45.00	$ 94,050.00	2,090.00	2,090.00	$ 94,050.00	-27.00	2,063.00	$ (1,215.00)	2,063.00	$ 92,835.00	27.00	$ 1,215.00
44		4-Foot Diameter Fiberglass Sanitary Sewer Manhole (4' - 8' Depth). To include concrete base, ring and cover, dewatering, etc. All complete, in place	EA	4	$ 5,200.00	$ 20,800.00	3.00	3.00	$ 15,600.00	0.00	3.00	$ -	3.00	$ 15,600.00	1.00	$ 5,200.00
45		4-Foot Diameter Fiberglass Sanitary Sewer Manhole (8' - 12' Depth). To include concrete base, ring and cover dewatering, etc. All complete, in place	EA	4	$ 5,300.00	$ 21,200.00	4.00	4.00	$ 21,200.00	-1.00	3.00	$ (5,300.00)	3.00	$ 15,900.00	1.00	$ 5,300.00
46		4-Foot Diameter Fiberglass Sanitary Sewer Manhole (8' - 12' Depth). To include concrete base, ring and cover, 5' x 5' x 8 concrete collar, dewatering, etc. All complete, in place	EA	1	$ 5,500.00	$ 5,500.00	1.00	1.00	$ 5,500.00	0.00	1.00	$ -	1.00	$ 5,500.00	0.00	$ -
47		4" Single Service Line (Street Side). To include 8" x 4" Wye, DR-26 160 psi PVC pipe, Bends Clean-Out, Plug and Riser. All complete, in place	EA	21	$ 800.00	$ 16,800.00	21.00	21.00	$ 16,800.00	1.00	22.00	$ 800.00	22.00	$ 17,600.00	-1.00	$ (800.00)
48		4" Single Service Line (Across Street). To include 8" x 4" Wye, DR-26 160 psi PVC pipe, Bends, Clean-Out, Plug, and Riser. Boring of Service Line under existing Street, Boring Pits, Excavation and etc. All complete, in place	EA	9	$ 1,000.00	$ 9,000.00	9.00	9.00	$ 9,000.00	4.00	13.00	$ 4,000.00	13.00	$ 13,000.00	-4.00	$ (4,000.00)
49		4" PVC Sewer Residential Yard Line and Home Connection. To include excavation, installation of 4" PVC Schedule 40 Sewer Yard Line with ALL associated Schedule 40 PVC cleanouts and fittings inside the property lot including connection of ALL Sewer discharge lines and/e grey water lines in accordace with the latest edition of the International Plumbing Code (IPC), backfill, clean-up, grading, seeding (hydromulch) of all disturbed areas returning property to original condition and etc. All complete, in place.	HOMES	30	$ 1,100.00	$ 33,000.00	28.00	28.00	$ 30,800.00	4.00	32.00	$ 4,400.00	32.00	$ 35,200.00	-2.00	$ (2,200.00)
50		Decommissioning of ALL septic tanks in the residensal property lot. To include excavation, sewer waste extraction/pumping and haul off to an approved disposal facility, backfill, grading, and returning property to final site conditions seeding (hydromulch) of all disturbed areas and etc. All complete, in place	LOTS	30	$ 1,200.00	$ 36,000.00	28.00	28.00	$ 33,600.00	4.00	32.00	$ 4,800.00	32.00	$ 38,400.00	-2.00	$ (2,400.00)
51		4-Foot Diameter Drop Manhole. To include pipe, fittings, and etc. All complete, in place	EA	1	$ 8,000.00	$ 8,000.00	1.00	1.00	$ 8,000.00	0.00	1.00	$ -	1.00	$ 8,000.00	0.00	$ -
52		Deep Service Connection. All complete, in place	EA	5	$ 1,000.00	$ 5,000.00	5.00	5.00	$ 5,000.00	0.00	5.00	$ -	5.00	$ 5,000.00	0.00	$ -
53		4" x 4" Wooden Manhole Marker Posts. To be pressure treated and to include installation, paintig, and lettering. All complete, in place	EA	3	$ 350.00	$ 1,050.00	3.00	3.00	$ 1,050.00	0.00	3.00	$ -	3.00	$ 1,050.00	0.00	$ -
54		Repair of Existing Asphalt Pavement. To include 8" caliche base, 2" asphalt paving, etc. All complete, in place	SY	300	$ 20.00	$ 6,000.00	300.00	300.00	$ 6,000.00	-24.00	276.00	$ (480.00)	276.00	$ 5,520.00	24.00	$ 480.00
55		Boring for Sanitary Sewer Line Asphalt Driveways, Fortune Street, and Concrete Driveways. All complete in place	LF	156	$ 90.00	$ 14,040.00	156.00	156.00	$ 14,040.00	0.00	156.00	$ -	156.00	$ 14,040.00	0.00	$ -
56		Caliche Pavement Repairs at Lucky Drive. To include 4" caliche, sand backfill, and compaction. All complete, in place	SY	2130	$ 20.00	$ 42,600.00	2,130.00	2,130.00	$ 42,600.00	-98.00	2,032.00	$ (1,960.00)	2,032.00	$ 40,640.00	98.00	$ 1,960.00
57		Repair existing caliche driveways. To include 6" caliche, sand back fill, and compaction. All complete, in place	SY	138	$ 20.00	$ 2,760.00	138.00	138.00	$ 2,760.00	-20.00	118.00	$ (400.00)	118.00	$ 2,360.00	20.00	$ 400.00
58		Remove and Replace Existing 18" Curb & Gutter. To include joints, saw cutting and reinforcing. All complete, in place	LF	28	$ 25.00	$ 700.00	28.00	28.00	$ 700.00	0.00	28.00	$ -	28.00	$ 700.00	0.00	$ -
59		**Trench Safety for Sewer Line Construction**. To include preparation of Trench Safety Plan. All complete, in place	LF	3220	$ 1.00	$ 3,220.00	3,220.00	3,220.00	$ 3,220.00	-339.00	2,881.00	$ (339.00)	2,881.00	$ 2,881.00	339.00	$ 339.00
60		**Grass Seeding of All Disturbed Areas within Right-Of-Ways and Easements**. Grass seeding to be done by hydromulching. Hydro mulch area to include 2" of new topsoil material. All complete, in place	LS	1	$ 1,000.00	$ 1,000.00	0.00	0.00	$ -	1.00	1.00	$ 1,000.00	1.00	$ 1,000.00	0.00	$ -
61		Construction Surveying for Sewer Line Installation. All complete, in place	LS	1	$ 900.00	$ 900.00	1.00	1.00	$ 900.00	0.00	1.00	$ -	1.00	$ 900.00	0.00	$ -
62		Traffic Control to include Barricades, Signs, Detours, & Traffic Handling as per TXDot Manual of Uniform Traffic Control Devices, Lates Edition	LS	1	$ 900.00	$ 900.00	1.00	1.00	$ 900.00	0.00	1.00	$ -	1.00	$ 900.00	0.00	$ -
63		Soil Erosion and Sediment Control. To include the development, implementation and maintenance of a storm water pollution plan (SWP3) all in accordance with State and Federal Regulations, submission of Notice of Intent (NOI) and Submission of Notice of Termination (NOT). All complete, in place	LS	1	900.00	$ 900.00	1.00	1.00	$ 900.00	0.00	1.00	$ -	1.00	$ 900.00	0.00	$ -
						$ 374,270.00			$ 348,800.00			$ 5,936.00		$ 354,736.00		$ 19,534.00

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		Area 4 Eldora Road (Drain Dith to Reul Lenjeria Road)														
64		8" SDR -26 Sanitary Sewer Line (4' - 8' Depth). To include excavation, dewatering, sand/gravel bedding, backfill and etc. All complete, in place.	LF	1120	$ 45.00	$ 50,400.00	1,120.00	1,120.00	$ 50,400.00	-50.00	1,070.00	$ (2,250.00)	1,070.00	$ 48,150.00	50.00	$ 2,250.00
65		8" SDR -26 Sanitary Sewer Line (4' - 12' Depth). To include excavation, dewatering, sand/gravel bedding, backfill and etc. All complete, in place.	LF	260	$ 45.00	$ 11,700.00	260.00	260.00	$ 11,700.00	-13.00	247.00	$ (585.00)	247.00	$ 11,115.00	13.00	$ 585.00
66		4-Foot Diameter Fiberglass Sanitary Sewer Manhole (4' - 8' Depth). To include concrete base, ring and cover, dewatering etc. All complete, in place.	EA	4	$ 5,200.00	$ 20,800.00	4.00	4.00	$ 20,800.00	0.00	4.00	$ -	4.00	$ 20,800.00	0.00	$ -
67		4-Foot Diameter Fiberglass Sanitary Sewer Manhole (6' - 12' Depth). To include concrete base, ring and cover, dewatering, etc. All complete, in place.	EA	2	$ 5,300.00	$ 10,600.00	2.00	2.00	$ 10,600.00	0.00	2.00	$ -	2.00	$ 10,600.00	0.00	$ -
68		4" Single Service Line (Street Side). To include 8" x 4" Wye, DR-26 160 psi PVC pipe, Bends Clean-Out, Plug and Riser. All complete, in place.	EA	10	$ 800.00	$ 8,000.00	10.00	10.00	$ 8,000.00	-1.00	9.00	$ (800.00)	9.00	$ 7,200.00	1.00	$ 800.00
69		4" Single Service Line (Across Street). To include 8" x 4" Wye, DR-26 160 psi PVC pipe, Bends, Clean-Out, Plug and Riser. Boring of Service Line under existing Street, Boring Pits, Excavation and etc. All complete, in place.	EA	16	$ 1,000.00	$ 16,000.00	16.00	16.00	$ 16,000.00	0.00	16.00	$ -	16.00	$ 16,000.00	0.00	$ -
70		4" Sewer Residential Yard Line and Home Connection. To include excavation, installation of 4" PVC Schedule 40 Sewer Yard Line with ALL associated Schedule 40 PVC cleanouts and fittings inside the property lot including connection of ALL Sewer discharge lines and grey water lines in accordance with the lates edition of the International Plubing Code (IPC), backfill, clean-up, grading, seeding (hydromulch) of all disturbed areas returning property to original condition and etc. All complete, in place.	HOMES	24	$ 1,100.00	$ 26,400.00	24.00	24.00	$ 26,400.00	-2.00	22.00	$ (2,200.00)	22.00	$ 24,200.00	2.00	$ 2,200.00
71		6" PVC Sewer Residential Yard Line and Home Connection. To include excavation, installation of 6" PVC Schedule 40 Sewer Yard Line with ALL associated Schedule 40 PVC cleanouts and fittings inside the property lot including connection of ALL Sewer discharge lines and grey water lines in accordance with the latest edition of the International Plumbing Code (IPC), backfill, clean-up, grading, seeding (hydromulch) of all disturbed areas returning property to original condition and etc. All complete, in place.	HOMES	2	$ 4,100.00	$ 8,200.00	2.00	2.00	$ 8,200.00	1.00	3.00	$ -	3.00	$ 8,200.00	-1.00	$ (4,100.00)
72		Decommissioning of ALL septic tanks in the residential property lot. To include excavation, sewer waste extraction/pumping and haul off to an approved disposal facility, backfill, grading, and returning property to final site conditions seeding (hydromulch) of all disturbed areas and etc. All complete, in place.	LOTS	26	$ 1,200.00	$ 31,200.00	26.00	26.00	$ 31,200.00	-1.00	25.00	$ (1,200.00)	25.00	$ 30,000.00	1.00	$ 1,200.00
73		Deep Service Connection. All complete, in place.	EA	2	$ 900.00	$ 1,800.00	2.00	2.00	$ 1,800.00	0.00	2.00	$ -	2.00	$ 1,800.00	0.00	$ -
74		Remove & Replace Existing Asphalt Driveway. To include 6" caliche, 1 1/2" asphalt paving, etc. All complete, in place.	SY	90	$ 20.00	$ 1,800.00	90.00	90.00	$ 1,800.00	-10.00	80.00	$ (200.00)	80.00	$ 1,600.00	10.00	$ 200.00
75		Boring for Sanitary Sewer Line. Installation under Concrete Driveways, Brick and Block Walls. All complete, in place.	LF	180	$ 90.00	$ 16,200.00	180.00	180.00	$ 16,200.00	-20.00	160.00	$ (1,800.00)	160.00	$ 14,400.00	20.00	$ 1,800.00
76		Repair existing caliche driveways. To include 6" caliche, sand back fill, and compaction. All complete, in place.	SY	61	$ 20.00	$ 1,220.00	61.00	61.00	$ 1,220.00	-10.00	51.00	$ (200.00)	51.00	$ 1,020.00	10.00	$ 200.00
77		**Trench Safety for Sewer Line Construction.** To include preparation of Trench Safety Plan. All complete, in place.	LF	1380	$ 1.00	$ 1,380.00	1,380.00	1,380.00	$ 1,380.00	-63.00	1,317.00	$ (63.00)	1,317.00	$ 1,317.00	63.00	$ 63.00
78		**Grass Seeding of All Disturbed Areas within Right Of-Ways and Easements.** Grass seeding to be done by hydromulching. Hydro mulch area to include 2" of new topsoil material. All complete, in place.	LS	1	$ 1,000	$ 1,000.00	0.00	0.00	$ -	1.00	1.00	$ 1,000.00	1.00	$ 1,000.00	0.00	$ -
79		Construction Surveying for Sewer Line Installation. All complete, in place.	LS	1	$ 1,000	$ 1,000.00	1.00	1.00	$ 1,000.00	0.00	1.00	$ -	1.00	$ 1,000.00	0.00	$ -
80		Traffic Control to include Barricades, Signs, Detours, & Traffic Handling as per TxDot Manual of Uniform Traffic Control Devices, Latest Edition.	LS	1	$ 900	$ 900.00	1.00	1.00	$ 900.00	0.00	1.00	$ -	1.00	$ 900.00	0.00	$ -
81		**Soil Erosion and Sediment Control.** To include the development, implementation and maintenance of a storm water pollution plan (SWP3) all in accordance with State and Federal Regulations, submission of Notice of Intent (NOI) and Submission of Notice of Termination (NOT). All complete, in place.	LS	1	$ 1,000	$ 1,000.00	1.00	1.00	$ 1,000.00	0.00	1.00	$ -	1.00	$ 1,000.00	0.00	$ -
						$ 209,600.00			$ 208,600.00			$ (8,298.00)		$ 200,302.00		$ 5,198.00

Item No.	Bid Item	Description	Unit	RCH SITE & CONCRETE, LLC Est. Qty	Unit Price	Total	PREVIOUS APPLICATIONS 1-8 Monthly Quan	QTY to Date	Item Cost (Monthly)	Application #9 Monthly Quan	QTY to Date	Item Cost (Monthly)	Total To Date Quan	Dollars	Balance To Finish Quan	Dollars
		Area & Stout Road														
82		4" Single Service Line (Street Side). To include SDR 26 Saddle Wye, Double Stainless Steel Clamps, Extension Clamps for 18" Sewer line, DR-26 160 PVC pipe, Bends, Clean-Out, Plug, and Riser. Excavation and etc. All complete, in place.	EA	10	$ 800.00	$ 8,000.00	6.00	6.00	$ 4,800.00	0.00	6.00	$ -	6.00	$ 4,800.00	4.00	$ 3,200.00
83		4" Single Service Line (Across Street). To include SDR 26 Saddle Wye, Double Stainless Steel Clamps, Extension Clamps for 18" Sewer line, DR-26 160 psi PVC pipe, Bends, Clean-Out, Plug, and Riser. Excavation and etc. All complete, in place.	EA	1	$ 1,000.00	$ 1,000.00	0.00	0.00	$ -	0.00	0.00	$ -	-	$ -	1.00	$ 1,000.00
84		4" PVC Sewer Residential Yard Line and Home Connection. To include excavation, installation of 4" PVC Schedule 40 PVC cleanouts and fittings inside the property lot including connection of ALL Sewer discharge lines and grey water lines in accordance with the latest edition of the International Plumbing Code (IPC), backfill, clean-up, grading, seeding (hydromulch) of all disturbed areas returning property to original condition and etc. All complete, in place.	HOMES	11	$ 1,100.00	$ 12,100.00	3.00	3.00	$ 3,300.00	3.00	6.00	$ 3,300.00	6.00	$ 6,600.00	5.00	$ 5,500.00
85		Decommissioning of ALL septic tanks in the residential property lot. To include excavation, sewer waste extraction/pumping and haul off to an approved disposal facility, backfill, grading, and returning property to final site conditions seeding (hydromulch) of all disturbed areas and etc. All complete, in place.	LOTS	11	$ 800.00	$ 8,800.00	3.00	3.00	$ 2,400.00	3.00	6.00	$ 2,400.00	6.00	$ 4,800.00	5.00	$ 4,000.00
86		Repair of Existing Asphalt Pavement. To include 8" caliche base, 2" asphalt paving, etc. All complete, in place.	SY	400	$ 20.00	$ 8,000.00	0.00	0.00	$ -	400.00	400.00	$ 8,000.00	400.00	$ 8,000.00	0.00	$ -
87		**Trench Safety for Sewer Line Construction**. To include: preparation of Trench Safety Plan. All complete, in place.	LS	1	$ 1,000.00	$ 1,000.00	1.00	1.00	$ 1,000.00	0.00	1.00	$ -	1.00	$ 1,000.00	0.00	$ -
88		**Grass Seeding of All Disturbed Areas within Right-Of-Ways and Easements.** Grass seeding to be done by hydromulching. Hydro mulch area to include 2" of new top soil material. All complete, in place.	LS	1	$ 1,000.00	$ 1,000.00	0.00	0.00	$ -	1.00	1.00	$ 1,000.00	1.00	$ 1,000.00	0.00	$ -
89		Construction Surveying for Sewer Line Installation. All complete, in place.	LS	1	$ 1,000.00	$ 1,000.00	1.00	1.00	$ 1,000.00	0.00	1.00	$ -	1.00	$ 1,000.00	0.00	$ -
90		Traffic Control to include Barricades, Signs, Detours, & Traffic Handling as per TXDot Manual of Uniform Traffic Control Devices, Latest Edition.	LS	1	$ 900.00	$ 900.00	1.00	1.00	$ 900.00	0.00	1.00	$ -	1.00	$ 900.00	0.00	$ -
91		Soil Erosion and Sediment Control. To include the development, implementation and maintenance of a storm water pollution plan (SWP3) all in accordance with State and Federal Regulations, submission of Notice of Intent (NOI) and Submission of Notice of Termination (NOT). All complete, in place.	LS	1	$ 900.00	$ 900.00	1.00	1.00	$ 900.00	0.00	1.00	$ -	1.00	$ 900.00	0.00	$ -
						$ 42,700.00			$ 14,300.00			$ 14,700.00		$ 29,000.00		$ 13,700.00

				RDH SITE & CONCRETE, LLC			PREVIOUS APPLICATIONS 1-8			Application #9			Total To Date		Balance To Finish	
Item No.	Bid Item	Description	Unit	Est. Qty	Unit Price	Total	Monthly Quan	QTY to Date	Item Cost (Monthly)	Monthly Quan	QTY to Date	Item Cost (Monthly)	Quan	Dollars	Quan	Dollars
		Area B: SDT, Leonel Treviño														
92		8" SOR - 26 Sanitary Sewer Line (4' - 8' Depth). To inclue excavation, dewatering, sand/gravel bedding, backfill and etc. All complete, in place	LF	1,700	$ 45.00	$ 76,500.00	1,700.00	1,700.00	$ 76,500.00	-28.00	1,872.00	$ (1,260.00)	1,672.00	$ 75,240.00	28.00	$ 1,260.00
93		8" SOR - 26 Sanitary Sewer Line (4" - 8" Depth) (PVC, Green, 165 PSI Pressure Rating). To include excavation, dewatering sand/gravel bedding, backfill and etc. All complete, in place	LF	100	$ 45.00	$ 4,500.00	100.00	100.00	$ 4,500.00	0.00	100.00	$ -	100.00	$ 4,500.00	0.00	$ -
94		8" SOR - 26 Sanitary Sewer Line (8' - 12' Depth). To include excavation, dewatering, sand/gravel bedding, backfill and etc. All complete, in place	LF	650	$ 45.00	$ 29,250.00	650.00	650.00	$ 29,250.00	14.00	664.00	$ 630.00	664.00	$ 29,880.00	-14.00	$ (630.00)
95		4-Foot Diameter Fiberglass Sanitary Sewer Manhole (4' - 8' Depth) To include concrete base, ring and cover, dewatering, etc. All complete, in place	EA	6	$ 5,200.00	$ 31,200.00	6.00	6.00	$ 31,200.00	0.00	6.00	$ -	6.00	$ 31,200.00	0.00	$ -
96		4-Foot Diameter Fiberglass Sanitary Sewer Manhole (4' - 12' Depth). To include concrete base, ring and cover dewatering, etc. All complete, in place	EA	4	$ 5,300.00	$ 21,200.00	4.00	4.00	$ 21,200.00	0.00	4.00	$ -	4.00	$ 21,200.00	0.00	$ -
97		4" Single Service Line (Street Side). To include 8" x 4" wye, DR-26 160 psi PVC pipe, Bends Clean-Out, Plug and Riser All complete, in place	EA	12	$ 800.00	$ 9,600.00	12.00	12.00	$ 9,600.00	0.00	12.00	$ -	12.00	$ 9,600.00	0.00	$ -
98		4" PVC Sewer Residential Yard Line and Home Connection. To include excavation, installation of 4" PVC Schedule Sewer Line with ALL associated Schedule 40 PVC cleanouts and fittings inside the property lot including connection of ALL Sewer Discharge lines and grey water lines in accordance with the latest edition of the International Plumbing Code (IPC), backfill, clean-up, grading, seeding (hydromulch) of all disturbed areas returning property to original condition and etc. All complete, in place	HOMES	10	$ 1,100.00	$ 11,000.00	10.00	10.00	$ 11,000.00	0.00	10.00	$ -	10.00	$ 11,000.00	0.00	$ -
99		6" PVC Sewer Residential Yard Line and Home Connection. To include excavation, installation of 6" PVC Schedule 40 Sewer Yard Line with ALL associated Schedule 40 PVC cleanouts and fitting inside the property lot including connection of ALL Sewer discharge lines and grey water lines in accordance, with the latest edition of the International Plumbing Code (IPC), backfill, clean-up, grading, seeding (hydromulch) of all disturbed areas returning property to original condition and etc. All complete, in place	HOMES	2	$ 7,000.00	$ 14,000.00	1.00	1.00	$ 7,000.00	1.00	2.00	$ 7,000.00	2.00	$ 14,000.00	0.00	$ -
100		Decommissioning of ALL septic tanks in the residential property lot. To include excavation, sewer waste extraction/pumping and haul off to an approved disposal facility, backfill, grading, and returning property to final site conditions seeding (hydromulch) of all disturbed areas and etc. All complete, in place	LOTS	12	$ 800.00	$ 9,600.00	11.00	11.00	$ 8,800.00	1.00	12.00	$ 800.00	12.00	$ 9,600.00	0.00	$ -
101		Tie proposed 8" SOR-26 Sanitary Sewer Line into Existing Manhole. All complete, in place	EA	1	$ 800.00	$ 800.00	1.00	1.00	$ 800.00	0.00	1.00	$ -	1.00	$ 800.00	0.00	$ -
102		Remove & Replace Existing Asphalt Driveway. To include 6" caliche base, 1 1/2" asphalt paving, etc. All complete, in place>	SY	380	$ 40.00	$ 15,200.00	380.00	380.00	$ 15,200.00	0.00	380.00	$ -	380.00	$ 15,200.00	0.00	$ -
103		Repair of Existing Asphalt Pavement. To include 8" caliche base, 2" asphalt paving, etc. All complete, in place.	SY	110	$ 20.00	$ 2,200.00	110.00	110.00	$ 2,200.00	0.00	110.00	$ -	110.00	$ 2,200.00	0.00	$ -
104		Boring for Sanitary Sewer Line installation under Asphalt or Concrete Driveway. All complete, in place	LF	150	$ 90.00	$ 13,500.00	150.00	150.00	$ 13,500.00	-10.00	140.00	$ (900.00)	140.00	$ 12,600.00	10.00	$ 900.00
105		Remove & Replace 4' Sidewalk. To include steel, etc. All complete, in place	LF	6	$ 50.00	$ 300.00	6.00	6.00	$ 300.00	0.00	6.00	$ -	6.00	$ 300.00	0.00	$ -
106		18" - Raw Water Line Relocation. To include 18" PVC C-900, CR-18, Transition Fittings, etc. All complete, in place	LF	170	$ 60.00	$ 10,200.00	0.00	0.00	$ -	0.00	0.00	$ -	-	$ -	170.00	$ 10,200.00
107		18" - 45° Bend Fittings, C153, Class 350. To include bolts, joint restraint device, and etc. All complete, in place	EA	4	$ 2,400.00	$ 9,600.00	0.00	0.00	$ -	0.00	0.00	$ -	-	$ -	4.00	$ 9,600.00
108		12" Alfalfa Irrigation Valve over existing 12" PVC Irrigation Line. To include catch basin, fresno valves, series 2800 model 28C or aproved equal. All complete, in place	EA	1	$ 2,500.00	$ 2,500.00	1.00	1.00	$ 2,500.00	0.00	1.00	$ -	1.00	$ 2,500.00	0.00	$ -
109		12" 3125 Steel Casing. All complete, in place	LF	40	$ 100.00	$ 4,000.00	40.00	40.00	$ 4,000.00	0.00	40.00	$ -	40.00	$ 4,000.00	0.00	$ -
110		Remove and Replace Horse Fence. To include 4' galvanized steel wire, 8' wooden posts, 2 strands of barb wire, excavation, concrete, installation, and etc. All complete, in place	LF	510	$ 30.00	$ 15,300.00	510.00	510.00	$ 15,300.00	0.00	510.00	$ -	510.00	$ 15,300.00	0.00	$ -
111		**Trench Safety for Sewer Line Construction.** To include preparation of Trench Safety Plan. All complete, in place	LF	2,450	$ 1.00	$ 2,450.00	2,450.00	2,450.00	$ 2,450.00	-14.00	2,436.00	$ (14.00)	2,436.00	$ 2,436.00	14.00	$ 14.00
112		**Grass Seeding of All Disturbed Areas within Right-Of-Ways and Easements.** Grass seeding to be done by hydromulching. Hydro mulch area to include 2" of new topsoil material. All complete, in place	LS	1	$ 1,000.00	$ 1,000.00	0.00	0.00	$ -	1.00	1.00	$ 1,000.00	1.00	$ 1,000.00	0.00	$ -
113		Construction Surveying for Sewer Line installation. All complete, in place	LS	1	$ 1,000.00	$ 1,000.00	1.00	1.00	$ 1,000.00	0.00	1.00	$ -	1.00	$ 1,000.00	0.00	$ -
114		Traffic Control to include Barricades, Signs, Detours, & Traffic Handling as per TXDot Manual of Uniform Traffic Control Devices, Latest Edition	LS	1	$ 900.00	$ 900.00	1.00	1.00	$ 900.00	0.00	1.00	$ -	1.00	$ 900.00	0.00	$ -
115		**Soil Erosion and Sediment Control.** To include the development, implementation and maintenance of a storm water pollution plan (SWP3) all in accordance with State and Federal Regulations, submission of Notice of Intent (NOI) and Submission of Notice of Termination (NOT). All complete, in place	LS	1	$ 900.00	$ 900.00	1.00	1.00	$ 900.00	0.00	1.00	$ -	1.00	$ 900.00	0.00	$ -
						$ 286,700.00			$ 258,100.00			$ 7,256.00		$ 265,356.00		$ 21,344.00

Item No	Bid Item	Description	Unit	RDH SITE & CONCRETE LLC Est. Qty	Unit Price	Total	PREVIOUS APPLICATIONS 1-8 Monthly Quan	QTY to Date	Item Cost (Monthly)	Application #9 Monthly Quan	QTY to Date	Item Cost (Monthly)	Total To Date Quan	Dollars	Balance To Finish Quan	Dollars
		ADDITIVE ALTERNATE Area 7: Morelos Street														
116		8" SDR - 26 Sanitary Sewer Line (4' - 8' Depth) To include excavation, dewatering, sand/gravel bedding, backfill and etc. All complete, in place	LF	1,100	$ 45.00	$ 49,500.00	1,100.00	1,100.00	$ 49,500.00	-26.00	1,074.00	$ (1,170.00)	1,074.00	$ 48,330.00	26.00	$ 1,170.00
117		4-Foot Diameter Fiberglass Sanitary Sewer Manhole (4' - 8' Depth) To include concrete base, ring and cover, dewatering, etc. All complete, in place	EA	4	$ 3,500.00	$ 14,000.00	4.00	4.00	$ 14,000.00	0.00	4.00	$ -	4.00	$ 14,000.00	0.00	$ -
118		4-Foot Diameter Fiberglass Sanitary Sewer Manhole (4' - 8' Depth) To include concrete base, ring and cover, 5' x 5' x 8" concrete collar, dewatering, etc. All complete, in place	EA	2	$ 5,200.00	$ 10,400.00	2.00	2.00	$ 10,400.00	1.00	3.00	$ 5,200.00	3.00	$ 15,600.00	-1.00	$ (5,200.00)
119		4" Single Service Line. To include 8" x 4" Wye, DR-26 160psi PVC pipe, Bends, Clean-Out, Plug, and Riser. All complete, in place	EA	6	$ 416.00	$ 2,496.00	6.00	6.00	$ 2,496.00	0.00	6.00	$ -	6.00	$ 2,496.00	0.00	$ -
120		4" PVC Sewer Residential Yard Line and Home Connection. To include excavation, installation of 4" PVC Schedule 40 Sewer Yard Line with ALL associated Schedule 40 PVC cleanouts and fittings inside the property lot including connection of ALL Sewer discharge lines and grey water lines in accordance with the latest edition of the International Plumbing Code (IPC), backfill, clean-up, grading, seeding (hydromulch) of all disturbed areas returning property to original condition and etc. All complete, in place	HOMES	6	$ 1,100.00	$ 6,600.00	6.00	6.00	$ 6,600.00	0.00	6.00	$ -	6.00	$ 6,600.00	0.00	$ -
121		Decommissioning of ALL septic tanks in the residential property lot. To include excavation, sewer waste extraction/pumping and haul off to an approved disposal facility, backfill, grading, and returning property to final site conditions seeding (hydromulch) of all disturbed areas and etc. All complete, in place	LOTS	6	$ 800.00	$ 4,800.00	6.00	6.00	$ 4,800.00	0.00	6.00	$ -	6.00	$ 4,800.00	0.00	$ -
122		Tie into Existing Manhole with 8" Diameter Sewer Line. To include pipe, fittings, 5' x 5' x 8" concrete collar, and etc. All complete, in place	EA	1	$ 600.00	$ 600.00	1.00	1.00	$ 600.00	0.00	1.00	$ -	1.00	$ 600.00	0.00	$ -
123		Repair of Existing Asphalt Pavement at Morelos Street. To include 8" caliche base, 2" asphalt paving, etc. All complete, in place	SY	1,000	$ 20.00	$ 20,000.00	1,000.00	1,000.00	$ 20,000.00	-40.00	960.00	$ (800.00)	960.00	$ 19,200.00	40.00	$ 800.00
124		Remove and Replace Existing 18" Curb & Gutter. To include joints, saw cutting and reinforcing. All complete, in place	LF	15	$ 25.00	$ 375.00	15.00	15.00	$ 375.00	0.00	15.00	$ -	15.00	$ 375.00	0.00	$ -
125		6" Clean-Out assembly. To include 2' x 2' x 6" concrete ring. All complete, in place	EA	1	$ 675.00	$ 675.00	1.00	1.00	$ 675.00	0.00	1.00	$ -	1.00	$ 675.00	0.00	$ -
126		**Trench Safety for Sewer Line Construction.** To include preparation of Trench Safety Plan. All complete, in place	LF	1,100	$ 1.00	$ 1,100.00	1,100.00	1,100.00	$ 1,100.00	-26.00	1,074.00	$ (26.00)	1,074.00	$ 1,074.00	26.00	$ 26.00
127		Construction Surveying for Sewer Line installation. All complete	LS	1	$ 1,000.00	$ 1,000.00	1.00	1.00	$ 1,000.00	0.00	1.00	$ -	1.00	$ 1,000.00	0.00	$ -
128		Trafic Control to include Barricades, Signs, Detours, & Traffic Handling as per TXDot Manual of Uniform Traffic Control Devices, Latest Edition	LS	1	$ 900.00	$ 900.00	1.00	1.00	$ 900.00	0.00	1.00	$ -	1.00	$ 900.00	0.00	$ -
129		Soil Erosion and Sediment Control. To include the development, implementation and maintenance of a storm water pollution plan (SWP3) all in accordance with State and Federal Regulations, submission of Notice of Intent (NOI) and Submission of Notice of Termination (NOT). All complete, in place	LS	1	$ 900.00	$ 900.00	1.00	1.00	$ 900.00	0.00	1.00	$ -	1.00	$ 900.00	0.00	$ -
		FIELD CHANGES				$ 113,346.00			$ 113,346.00			$ 3,204.00		$ 116,550.00		$ (3,204.00)
		BID SUMMARY														
		Base Bid				$ 1,319,955.00										
		Additive Alternate				$ 113,346.00										
		TOTAL BASE AMOUNTS				$ 1,433,301.00			$ 1,322,431.00			$ 28,232.00		$ 1,350,663.00		$ 78,538.00

Printed Name: Cruz - Hogan Consultants, Inc

Signature:

Date: 3/18/19

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
APRIL 9, 2019

Discussion and Possible Action of Ordinance No. 2019-XX Authorizing Erection of Stop Signs at the Intersection of Cesar Chavez and Ridge Road.

STAFF COMMENTS AND RECOMMENDATIONS:

The Public Works Department is proposing the erection of stop signs at the corner of Cesar Chavez and Ridge Road due to the numerous car accidents and complaints at this intersection.

RECOMMENDATION:

Adopt the Ordinance in First Reading for the Erection of Stop Signs at the Intersection of Cesar Chavez and Ridge Road.

PREPARED BY:	**APPROVED BY:**
Roberto Escobar, Planning Director	Benjamin Arjona, City Manager

ORDINANCE NO. 2019-XX

AN ORDINANCE AUTHORIZING ERECTION OF STOP SIGNS AT THE INTERSECTIONS OF CESAR CHAVEZ ROAD AND RIDGE ROAD, REQUIRING THAT VEHICLES ENTERING SAID INTERSECTIONS FROM A DIRECTION FACING SAID STOP SIGNS COME TO A COMPLETE STOP BEFORE ENTERING SAID INTERSECTIONS.

BE IT ORDAINED BY THE CITY COMMISSION OF SAN JUAN, TEXAS:

1. That the City of San Juan is hereby authorized to erect Stop Signs at the intersections of Cesar Chavez Road and Ridge Road by placing Stop Signs on the northwest and southeast corners of the Intersections so that vehicles approaching the intersection from the north or south shall come to a complete stop.

2. That all vehicles entering said intersections from a point whereby it shall face said Stop Signs shall be required to come to a complete stop before entering said intersections.

PASSED and APPROVED on First Reading on this the 9th day of April, 2019.

PASSED and APPROVED on the Second and Final Reading on this the 23rd day of April, 2019.

CITY OF SAN JUAN

____
Mario Garza, Mayor

ATTEST:

____
Diana Cavazos, City Secretary

C.R.I.S. QUERY
Crash Records Information System

HELP

Home / Query Builder / Query Results

Results Summary | Charts and Graphs | Map View | Table View | List View

Results Summary

Your results have been retrieved successfully. The tabs above can be used to see different views of the returned results

All crash data available using this tool represents reportable data collected from Texas Peace Officer's Crash Reports (CR-3) received and processed by the Texas Department of Transportation (Department) as of 04/03/2019. The Department makes no warranty, representation or guaranty as to the content, accuracy, timeliness or completeness of any of the information provided as a result of your query. Any opinions and conclusions resulting from analysis performed on the crash data must be represented as your own and not those of the State of Texas or the Department.

Query Result Counts

Your query returned a total of **7 Crashes** containing **15 Units** and **27 Persons**.

Query Search Area

Defined Search Coordinates

Latitude: 26.174, Longitude: -98.137

Buffer: 500 ft

Query Filters

SAN JUAN POLICE

POLICE CHIEF JUAN GONZALEZ

Date: 4/03/2019

A review of our records management system shows that for the past five (5) years at the intersection of Ridge and Cesar Chavez road we have been averaging nine (9) accidents per-year.

Year	Accidents
2019	5
2018	9
2017	8
2016	9
2015	9

Respectfully

Juan Gonzalez, Chief of Police

2301 N. RAUL LONGORIA, SAN JUAN, TEXAS 78589
PH: 956-223-2400 / FAX: 956-783-3503

2010-2019
8 Crashes
2010-2019
8 Crashes
2010-2019
14 Crashes
Alamo Paradise Acres
W Crockett Ave
Ridge Rd
S Alamo Rd
Cesar Chavez Rd
John Mckeever Elementary
PSJA Memorial Early College High School
Alamo Rose RV Resort
Unique Hair Designs
Speedling Incorporated, ALM
The Original Willie's Bar-BQ
Willie's Sweets Co
Cory's Cakes
Materiales Cazares
The Queen's Kitchen at Castillo Rome

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
APRIL 9, 2019

Discussion and Possible Action to Approve Work Order #1 to Javier Hinojosa Engineering for Engineering Services for City of San Juan Public Safety Building-Parking Lot in the Amount of $8,500.00.

STAFF COMMENTS AND RECOMMENDATIONS:

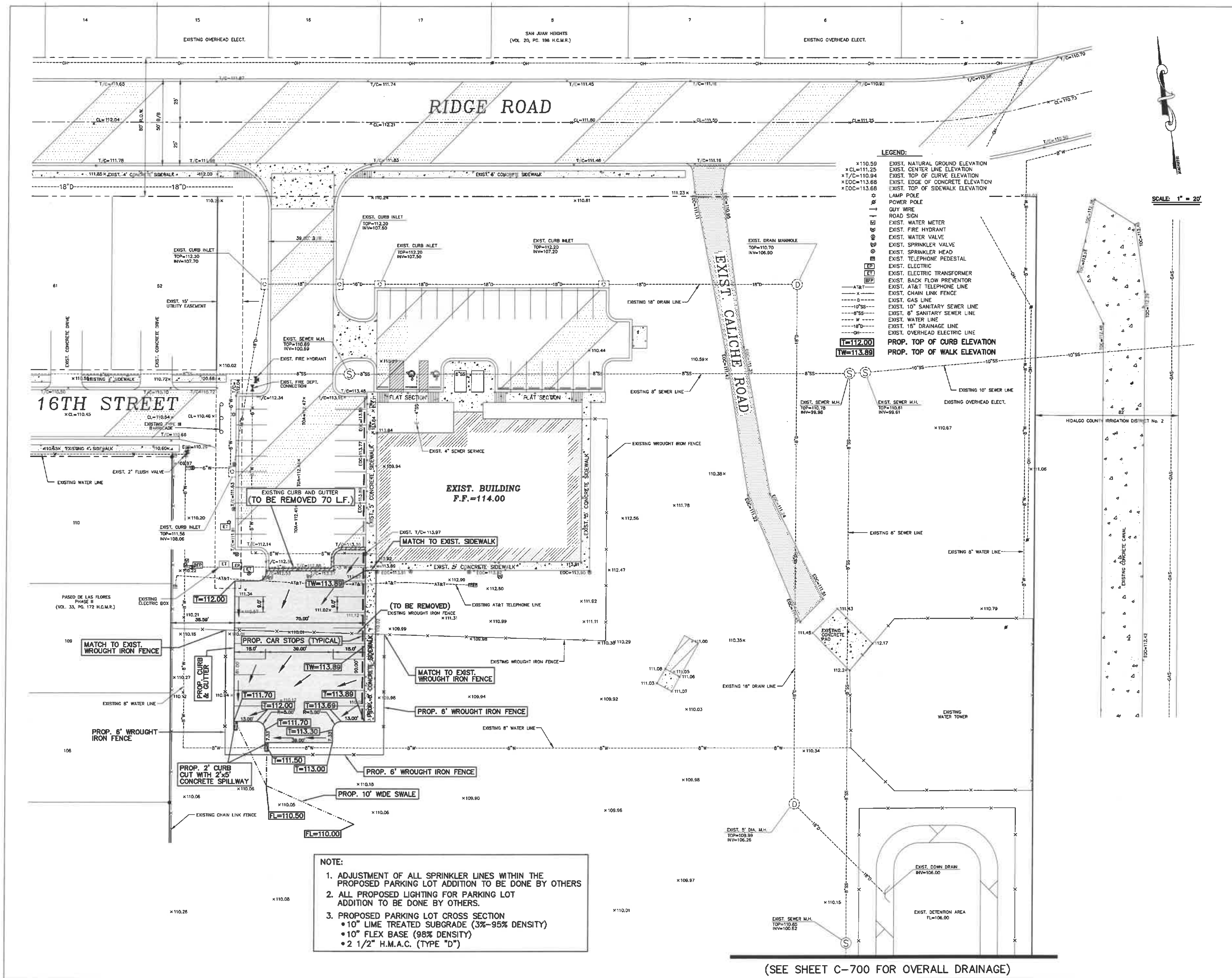
Javier Hinojosa Engineering work order #1 to design 20 additional parking spaces for the San Juan Public Safety Building.

RECOMMENDATION:

Staff recommends approval of Work Order #1 to Javier Hinojosa Engineering.

PREPARED BY:
Roberto Escobar,
Planning Director

APPROVED BY:
Benjamin Arjona, City
Manager



LEGEND:

×110.59	EXIST. NATURAL GROUND ELEVATION
×CL=111.25	EXIST. CENTER LINE ELEVATION
×T/C=110.94	EXIST. TOP OF CURVE ELEVATION
×EOC=113.68	EXIST. EDGE OF CONCRETE ELEVATION
×EOC=113.68	EXIST. TOP OF SIDEWALK ELEVATION
	LAMP POLE
	POWER POLE
	GUY WIRE
	ROAD SIGN
	EXIST. WATER METER
	EXIST. FIRE HYDRANT
	EXIST. WATER VALVE
	EXIST. SPRINKLER VALVE
	EXIST. SPRINKLER HEAD
	EXIST. TELEPHONE PEDESTAL
EP	EXIST. ELECTRIC
ET	EXIST. ELECTRIC TRANSFORMER
BFP	EXIST. BACK FLOW PREVENTOR
—AT&T—	EXIST. AT&T TELEPHONE LINE
—x—	EXIST. CHAIN LINK FENCE
----G----	EXIST. GAS LINE
----10"SS----	EXIST. 10" SANITARY SEWER LINE
----8"SS----	EXIST. 8" SANITARY SEWER LINE
---- W ----	EXIST. WATER LINE
----18"D----	EXIST. 18" DRAINAGE LINE
----OH----	EXIST. OVERHEAD ELECTRIC LINE
T=112.00	PROP. TOP OF CURB ELEVATION
TW=113.89	PROP. TOP OF WALK ELEVATION

NOTE:

1. ADJUSTMENT OF ALL SPRINKLER LINES WITHIN THE PROPOSED PARKING LOT ADDITION TO BE DONE BY OTHERS
2. ALL PROPOSED LIGHTING FOR PARKING LOT ADDITION TO BE DONE BY OTHERS.
3. PROPOSED PARKING LOT CROSS SECTION
   - 10" LIME TREATED SUBGRADE (3%-95% DENSITY)
   - 10" FLEX BASE (98% DENSITY)
   - 2 1/2" H.M.A.C. (TYPE "D")

(SEE SHEET C-700 FOR OVERALL DRAINAGE)

PBK

ARCHITECTURE
MCALLEN
3900 North 10th Street, Suite 810
McAllen, TX 78501
956-687-1330 P
956-687-1331 F
TX Firm: F-3709
PBK.com

STRUCTURE
Chanin Engineers
400 W. Nolana Ave, #D
McAllen, Texas 78501
[P] 956-687-9421 [F] 956-687-3211

MEP
PBK
3900 North 10th Street, Suite 810
McAllen, TX 78501

CIVIL
Javier Hinojosa Engineering
416 E. Dove Ave.
McAllen, Texas 78504
[P] 956-668-1588 [F] 956-994-8102
TBE FIRM NUMBER F-1295
javhin@rgv.rr.com

LANDSCAPE
Heffner Design Team, PLLC
McAllen, TX
Andrew Heffner, RLA, ASLA
[P] 956-212-3385

GEOTECHNICAL
Millenium Engineers Group, Inc.
5804 N. Gumwood Ave.
Pharr, Texas 78577
[P] 956-702-8500

New Public Safety Building
300 E. Ridge Road
San Juan, TX 78589

KEY PLAN

A	B	C
D	E	F
G	H	J

PLAN NORTH TRUE NORTH

STATE OF TEXAS
JAVIER HINOJOSA
74808
REGISTERED PROFESSIONAL ENGINEER

THE SEAL APPEARING ON THIS DOCUMENT WAS AUTHORIZED BY JAVIER HINOJOSA P.E. # 74808 ON MAY 3, 2018

CLIENT
City of San Juan
PROJECT NUMBER
15134
DATE: SEPTEMBER 16, 2016
DRAWN BY: A. GAUNA
CHECKED BY: J. GARZA
REVISIONS

No.	Description	Date
1	REVISED SIDEWALK ELEVATIONS	6-21-17
2	PARKING LOT EXPANSION	5-3-18

Construction Documents 100%

PROPOSED PARKING LOT EXPANSION

C-600A

151201

C:\Revit\LocalCopy\15134 SJ_New Public Safety Bldg CENTRAL_adematos.rvt
7/18/2016 8:18:38 PM

\2015\San Juan\Subdivisions\San Juan Police Station\dwg\SJPS- Prop.New Parking.dwg, 5/3/2018 11:13:47 AM, Adobe PDF

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
APRIL 9, 2019

Consider Amending Resolution Authorizing the Submission of an Application Under the 2020 Local Border Security Program Solicitation to the Governor's Office Homeland Security Grant Division.(Juan Gonzalez, Chief of Police)

STAFF COMMENTS AND RECOMMENDATIONS:

On February 26th, 2019, The San Juan Commission approved a resolution authorizing the submission of a grant to the Governor's Office Homeland Security Grant Division. We have since been notified that the operational period of the resolution needed to be changed from 2019 to the actual time frame of 09/01/2019 to 08/31/2020.

RECOMMENDATION:

Approve Amending Resolution to the Governor's Office of Homeland Security Grant Division to reflect the operation period of 09/01/2019 to 08/31/2020.

PREPARED BY:	**APPROVED BY:**
Juan Gonzalez, Chief of Police	Benjamin Arjona, City Manager

RESOLUTION No. 19 - 06

RESOLUTION AUTHORIZING THE CITY OF SAN JUAN TO SUBMIT A 2020 LOCAL BORDER SECURITY PROGRAM APPLICATION TO THE OFFICE OF THE GOVERNOR, HOMELAND SECURITY GRANTS DIVISION

WHEREAS, The **City of San Juan** finds it in the best interest of the citizens of **San Juan, Texas**, that the **Local Border Security Program** be operated for the **09/01/2019 to 08/31/2020;** and

WHEREAS, City of San Juan, Texas agrees that in the event of loss or misuse of the **Homeland Security Grant Division Funds**, The **City of San Juan, Texas** assures that the funds will be returned to the **Homeland Security Grant Division** in full.

WHEREAS, City of San Juan, Texas designates **The San Juan City Manager** as the grantee's authorized official. The authorized official is given the power to apply for, accept, reject, alter or terminate the grant on behalf of the applicant agency.

NOW THEREFORE, BE IT RESOLVED that the **City of San Juan, Texas** approves submission of the 2020 **Local Border Security Program** grant application to the Governor's Office Homeland Security Grant Division.

Approved and adopted by the board of commissioners of the City of San Juan, Texas on this **26th** of February, 2019

CITY OF SAN JUAN

____
Mario Garza, Mayor

ATTEST:

____
City Secretary

Grant Number: # 2988805

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
APRIL 9, 2019

Consideration and Approval of a Resolution Approving the Principal Forgiveness Agreement Clean Water State Revolving Fund in the Amount of $498,000.00 and an Escrow Agreement Relating Thereto; Authorizing the Mayor and/or City Secretary, or their Designees, to Execute any and All Documents Related Thereto; and Other Matters in Connection Therewith.

STAFF COMMENTS AND RECOMMENDATIONS:

The City of San Juan, Applied to the Texas Water Development Board for Financial Assistance and Received Approval on February 4, 2019. The City will Fund the Following Projects:

1. Rehabilitation of the Wastewater Treatment Plant. Applied for a total funding in the amount of $9,207,00 under the Clean Water State Revolving Fund. out of the total funding requested, Texas Water Development Board awarded $2,562,000 in Principal Forgiveness.

2. Rehabilitation of Lift Station and Force Mains. Applied for a total Funding in the amount of $2,213,000 under the Clean Water State Revolving Fund. Out of the total funding requested, Texas Water Development Board awarded $498,000 in Principal Forgiveness.

The Total Principal Forgiveness Granted by the Texas Water Development Board is $3,060,000 out of the Total of $11,420,000.

RECOMMENDATION:

Approve Resolution as presented.

PREPARED BY:	**APPROVED BY:**
Diana Cavazos, City Secretary	Benjamin Arjona, City Manager

RESOLUTION NO. __________

A RESOLUTION APPROVING THE PRINCIPAL FORGIVENESS AGREEMENT CLEAN WATER STATE REVOLVING FUND IN THE AMOUNT OF $498,000 AND AN ESCROW AGREEMENT RELATING THERETO; AUTHORIZING THE MAYOR AND/OR THE CITY SECRETARY, OR THEIR DESIGNEES, TO EXECUTE ANY AND ALL DOCUMENTS RELATED THERETO; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City of San Juan, Texas (the *City*) deems it necessary to request additional financial assistance from the Texas Water Development Board (the *Board*) as evidenced by a 2019A Principal Forgiveness Agreement Clean Water State Revolving Fund; and

WHEREAS, in accordance with the rules and regulations of the Board, which govern the procedures in making this request, the governing body of the City is required to pass a resolution to accompany this request; now, therefore,

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS THAT:

1. It is hereby found and determined that the City cannot reasonably finance the proposed project without the financial assistance of the Board in the amount requested in the City's Resolution adopted on September 11, 2018 authorizing the filing of an application (the *Application*) with the Board.

2. The Mayor and City Secretary of the City are hereby authorized to execute and submit to the Board the Principal Forgiveness Agreement Clean Water State Revolving Fund and the Escrow Agreement, and the Mayor and City Secretary of the City, together with the bond counsel, financial advisors and consulting engineers named in the Application, are authorized to appear before the Board in support of the Application and this additional request.

3. The Mayor and City Secretary of the City are further specifically authorized to make any required assurances to the Board in accordance with the rules, regulations, and policies of the Board.

4. 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.

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

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

7. 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 hereby declares that this Resolution would have been enacted without such invalid provision.

8. 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, as amended, Texas Government Code.

9. This resolution shall be in force and effect from and after its passage on the date shown below.

[The remainder of this page intentionally left blank]

PASSED, ADOPTED AND APPROVED on the 9th day of April, 2019.

CITY OF SAN JUAN, TEXAS

____
Mayor

Attest:

____
City Secretary

(CITY SEAL)

EXHIBIT A

PRINCIPAL FORGIVENESS AGREEMENT CLEAN WATER
STATE REVOLVING FUND

SEE TAB NO. ___

EXHIBIT B

ESCROW AGREEMENT

SEE TAB NO. ___

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
APRIL 9, 2019

Consideration and Approval of a Resolution Approving the Principal Forgiveness Agreement Clean Water State Revolving Fund in the Amount of $2,562,000.00 and an Escrow Agreement Relating Thereto; Authorizing the Mayor and/or City Secretary, or their Designees, to Execute any and All Documents Related Thereto; and Other Matters in Connection Therewith.

STAFF COMMENTS AND RECOMMENDATIONS:

The City of San Juan, Applied to the Texas Water Development Board for Financial Assistance and Received Approval on February 4, 2019. The City will Fund the Following Projects:

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The Total Principal Forgiveness Granted by the Texas Water Development Board is $3,060,000 out of the Total of $11,420,000.

RECOMMENDATION:

Approve Resolution as presented.

PREPARED BY:	APPROVED BY:
Diana Cavazos, City Secretary	Benjamin Arjona, City Manager

RESOLUTION NO. __________

A RESOLUTION APPROVING THE PRINCIPAL FORGIVENESS AGREEMENT CLEAN WATER STATE REVOLVING FUND IN THE AMOUNT OF $2,562,000 AND AN ESCROW AGREEMENT RELATING THERETO; AUTHORIZING THE MAYOR AND/OR THE CITY SECRETARY, OR THEIR DESIGNEES, TO EXECUTE ANY AND ALL DOCUMENTS RELATED THERETO; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City of San Juan, Texas (the *City*) deems it necessary to request additional financial assistance from the Texas Water Development Board (the *Board*) as evidenced by a Principal Forgiveness Agreement Clean Water State Revolving Fund; and

WHEREAS, in accordance with the rules and regulations of the Board, which govern the procedures in making this request, the governing body of the City is required to pass a resolution to accompany this request; now, therefore,

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SAN JUAN, TEXAS THAT:

1. It is hereby found and determined that the City cannot reasonably finance the proposed project without the financial assistance of the Board in the amount requested in the City's Resolution adopted on September 11, 2018 authorizing the filing of an application (the *Application*) with the Board.

2. The Mayor and City Secretary of the City are hereby authorized to execute and submit to the Board the Principal Forgiveness Agreement Clean Water State Revolving Fund and the Escrow Agreement, and the Mayor and City Secretary of the City, together with the bond counsel, financial advisors and consulting engineers named in the Application, are authorized to appear before the Board in support of the Application and this additional request.

3. The Mayor and City Secretary of the City are further specifically authorized to make any required assurances to the Board in accordance with the rules, regulations, and policies of the Board.

4. 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.

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

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

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8. 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, as amended, Texas Government Code.

9. This resolution shall be in force and effect from and after its passage on the date shown below.

[The remainder of this page intentionally left blank]

PASSED, ADOPTED AND APPROVED on the 9th day of April, 2019.

CITY OF SAN JUAN, TEXAS

____

Mayor

Attest:

____

City Secretary

(CITY SEAL)

EXHIBIT A

PRINCIPAL FORGIVENESS AGREEMENT CLEAN WATER
STATE REVOLVING FUND

SEE TAB NO. ___

EXHIBIT B

ESCROW AGREEMENT

SEE TAB NO. ___

AGENDA ITEM AND RECOMMENDATION SUMMARY
CITY COMMISSION REGULAR MEETING
APRIL 9, 2019

Consider Second and Final Reading of an Ordinance for the Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at "Isla 360°" Drive-Thru legally described as Lot 11, Plazita Piedra Grande Subdivision, located at 4202 N. Raul Longoria Road, as Requested by Carranza Development, LLC.

STAFF COMMENTS AND RECOMMENDATIONS:

At the City Commission Meeting on March 26, 2019 the City Commission approved the First Reading of the Ordinance as presented by staff.

Previously, staff provided the following background:

Carranza Development Corporation is applying for a Conditional Use Permit for the Sale of Alcoholic Beverages (wine and beer) for Off-Premise Consumption and late hours permits at "Isla 360° Drive-Thru" formally known as Vi-kinis Drive-Thru. He is taking over the business that was originally open in the year of 2011.

The proposed days and hours of operation are Sunday thru Thursday from 8:00 a.m. to 10:00 p.m. and Fridays and Saturdays from 8:00 a.m. to 2:00 a.m. (See attached affidavit)

RECOMMENDATION:

During their regular meeting on March 21, 2019 the Planning and Zoning Commission recommended approval of the conditional use permit with a 6-0 vote.

PREPARED BY:
Roberto Escobar,
Planning Director

APPROVED BY:
Benjamin Arjona, City
Manager

MEETING DATES:
PLANNING AND ZONING COMMISSION – 03/21/2019
CITY COMMISSION – 04/09/2019
DATE PREPARED – 03/28/2019

STAFF REPORT
GENERAL INFORMATION

APPLICATION:	Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at "Isla 360° Drive-Thru."
APPLICANT:	Carranza Development LLC.
SURVEYOR/ENGINEER:	N/A
LEGAL:	Lot 11, Plazita Piedra Grande Subdivision
LOCATION:	4202 N. Raul Longoria Road
EXISTING LAND USE/ ADJACENT ZONING:	*North* – Vacant; General Business District (C-2) *South* – Residential; General Business District (C-2) *East* – Residential; General Business District (C-2) *West* – Vacant; Single-Family Residence District (R-S)
ACCESS AND CIRCULATION:	This property has access onto Raul Longoria Road.
PUBLIC SERVICES:	Water service is provided by the North Alamo Water Supply Corporation; sewer will be provided by the City of San Juan.
RECOMMENDATION:	Staff recommends approval subject to comply with the list of requirements attached in the packet.

EVALUATION AND CONDITIONS FOR APPROVAL

Carranza Development Corporation is applying for a Conditional Use Permit for the Sale of Alcoholic Beverages (wine and beer) for Off-Premise Consumption and late hours permits at "Isla 360° Drive-Thru" formally known as Vi-kinis Drive-Thru. He is taking over the business that was originally open in the year of 2011.

The proposed days and hours of operation are Sunday thru Thursday from 8:00 a.m. to 10:00 p.m. and Fridays and Saturdays from 8:00 a.m. to 2:00 a.m. (See attached affidavit)

The following are the list of requirements for a liquor store:

1. The applicant must comply with the City's *Security Cameras Ordinance.*
2. The applicant must comply with the Health and Occupational License Permits.
3. The proposed operation hours are Sunday thru Thursday from 8:00 a.m. to 10:00 p.m. and Fridays and Saturdays from 8:00 a.m. to 2:00 a.m. (See attached affidavit)
4. The applicant must agree to update the alcohol license with the city every year.
5. No loading or unloading of merchandise in a public street.
6. Owner agrees to abide by the hours of operation as submitted by the enclosed affidavit.
7. There shall be no smoking inside the premises at any time.

Staff mailed a notice of the public hearing before the Planning and Zoning Commission to seven (11) property owners within a two hundred (200) feet radius and received no comments in favor or against the request.

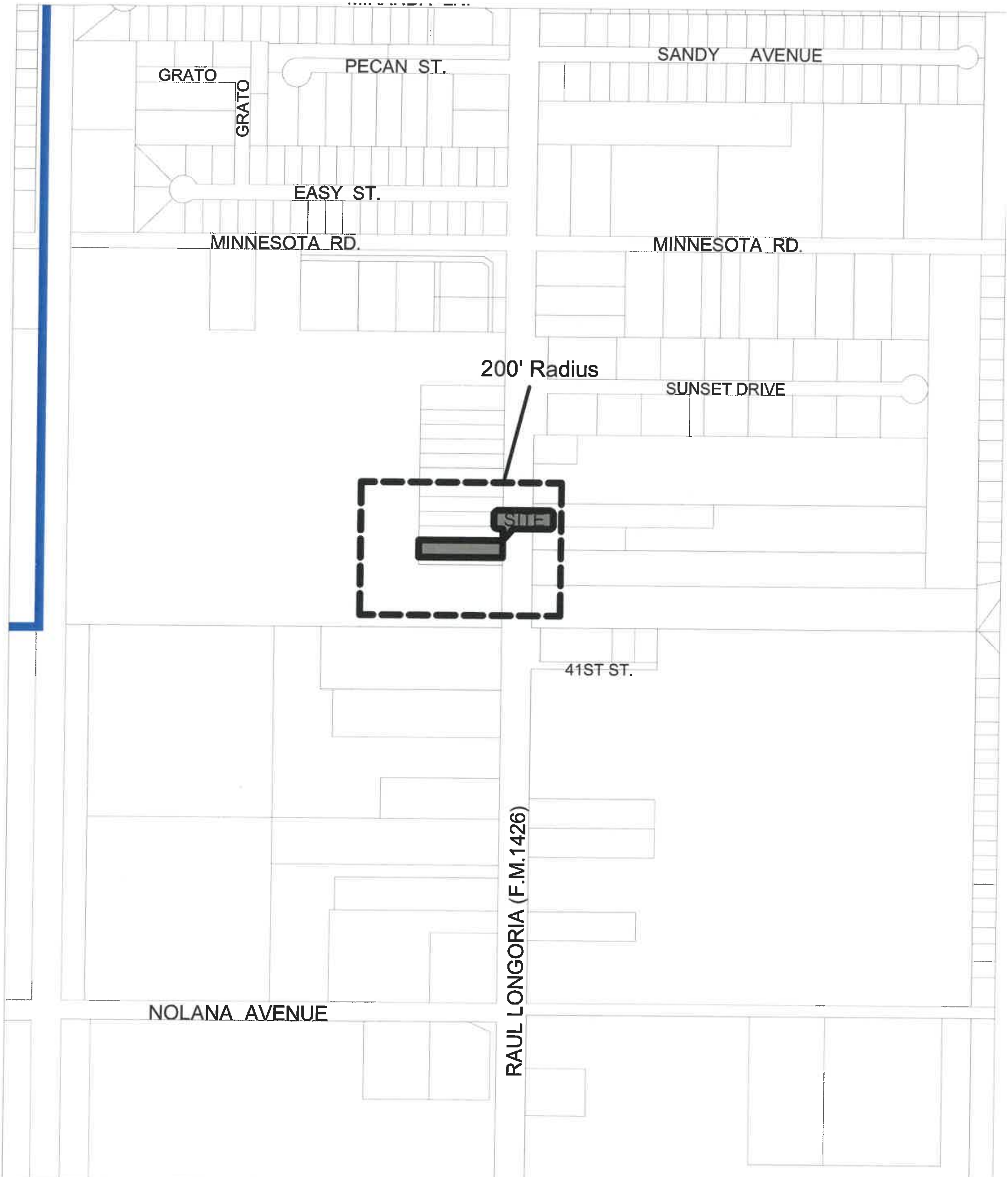
ATTACHMENTS:

Location Map
Aerial Photo
Zoning Map
Operation Hours Affidavit
Incident Report
List of neighboring property owners receiving notice
Photos
Ordinance

FINAL RESOLUTION OF REQUEST & COMMENTS:

P&Z – 03/21/19 Commissioner Alvarado made a motion to approve the request. Commissioner Guajardo seconded the motion. The motion passed unanimously with a 6-0 vote.

Mr. Escobar explained that Carranza Development LLC was applying for a Conditional Use Permit for Isla 360° drive-thru for off-premise consumption. The applicant is taking over the business with a different name and they are applying for the TABC license. He said they will need to comply with the City Health Department inspection & permit, Occupational License and Camera Ordinance.



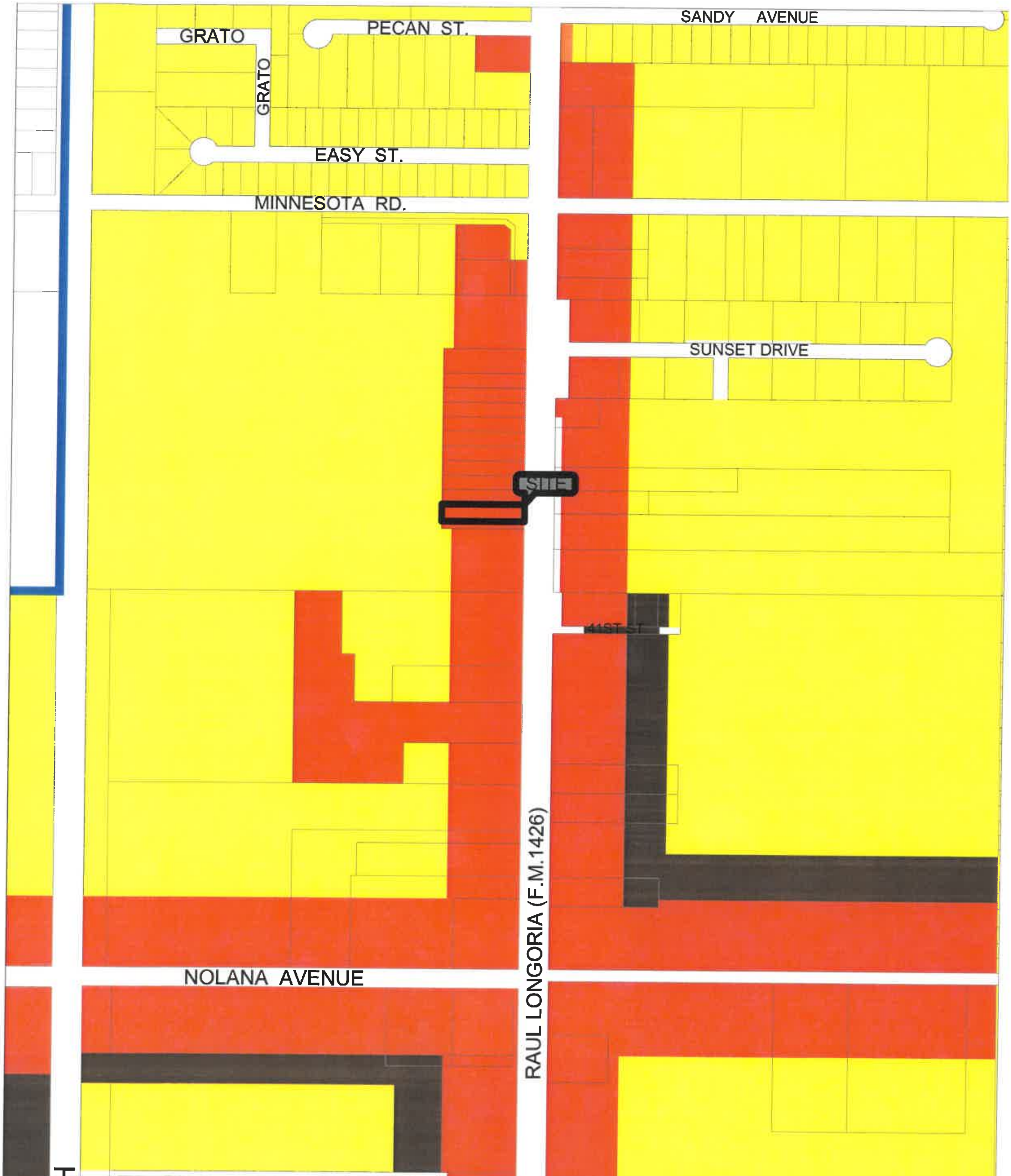
Legend
CITY LIMITS
Proposed area

Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at "Isla 360" legally described as Lot 11, Plazita Piedra Grande Subdivision, located at 4202 N. Raul Longoria Road, as Requested by Carranza Development LLC.

Legend
CITY LIMITS
Proposed area

Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at "Isla 360" legally described as Lot 11, Plazita Piedra Grande Subdivision, located at 4202 N. Raul Longoria Road, as Requested by Carranza Development LLC.

N



Zoning Districts

Single Family Residential (R-S)	Heavy Commercial (C-3)
Manufactured Home (R-MH)	Light Industrial (I-1)
Multi-Family Residential (R-MF)	Heavy Industrial (I-2)
Neighborhood Commercial (C-1)	Open Space (O)
General Business (C-2)	Exp. Corridor (EC)

Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at "Isla 360" legally described as Lot 11, Plazita Piedra Grande Subdivision, located at 4202 N. Raul Longoria Road, as Requested by Carranza Development LLC.

AFFIDAVIT

March 1, 2019

To whom it may concern:

I, **Carranza Development, LLC.** am requesting a Conditional Use Permit for the Sale of Alcoholic Beverages (wine and beer) for Off-Premise Consumption and late hours permit at **Isla 360°** located at **4202 N. Raul Longoria Road, San Juan, TX**, legally described as **Lot 11, Plazita Piedra Grande Subdivision.**

The sale of alcohol will be:

Monday from 8:00 a.m. to 10:00 p.m.

Tuesday from 8:00 a.m. to 10:00 p.m.

Wednesday from 8:00 a.m. to 10:00 p.m.

Thursday from 8:00 a.m. to 10:00 p.m.

Friday from 8:00 a.m. to 2:00 a.m.

Saturday from 8:00 a.m. to 2:00 a.m.

Sunday from 8:00 a.m. to 10:00 p.m.

Signature

Monica Gomez

Notary Public

MONICA GOMEZ
Notary Public, State of Texas
Comm. Expires 03-08-2021
Notary ID 126773678

Incidents Report -SAN JUAN POLICE DEPARTMENT

Sorted by Incident_Number, Supp_ID, Agency, Report_Date

From_Date : 01/01/2017 00:00 - 03/12/2019 23:59 - OR -

To_Date : 01/01/2017 00:00 - 03/12/2019 23:59

Block_Number : 4202, 4202

Street : raul longoria

AddressCategory : LOCAL ADDRESS

Incident # / Officer	Report Date	Description	Incident Address	Victims	Subjects	Offenses	Status Offense	Status Case
17-00427(0) Garcia, R	02/17/2017 21:40	AGG. ROBBERY	4202 N RAUL LONGORIA ROAD SAN JUAN, TX 78589	LOZANO, SYLVIA TREVINO MARTINEZ, JOANNA RAYAS, SELENA AZENETH	UNKNOWN, UNKNOWN UNK, UNK UNKU	AGG. ROBBERY	ACTIVE	INACTIVE
17-00427(1) Sifuentes, L	02/17/2017 22:00		4202 N RAUL LONGORIA ROAD SAN JUAN, TX 78589					INACTIVE
17-00427(2) Casas, L	02/19/2017 16:42	AGG. ROBBERY	4202 N RAUL LONGORIA ROAD SAN JUAN, TX 78589					INACTIVE
17-00427(3) Casas, A	02/22/2017 00:00		4202 N RAUL LONGORIA ROAD SAN JUAN, TX 78589					INACTIVE
17-00427(4) Benitez, S	03/06/2017 00:00		4202 N RAUL LONGORIA ROAD SAN JUAN, TX 78589					INACTIVE
17-02641(0) Lizcano,	11/30/2017 19:59	INDICENT EXPOSURE	4202 N RAUL LONGORIA ROAD SAN JUAN, TX 78589	RODRIGUEZ, ALEJANDRA	MUNOZ, SYLVIA ORTIZ, EDUARDO JR	INDECENT EXPOSURE	ACTIVE	CLEARED BY ARREST
17-02641(1) Padilla, J	12/01/2017 14:29		4202 N RAUL LONGORIA ROAD SAN JUAN, TX 78589					CLEARED BY ARREST
17-02641(2) Sifuentes, L	12/05/2017 00:00		4202 N RAUL LONGORIA ROAD SAN JUAN, TX 78589					CLEARED BY ARREST
17-02641(3) Moya, J	12/13/2017 00:00		4202 N RAUL LONGORIA ROAD SAN JUAN, TX 78589					CLEARED BY ARREST

9 Records Selected

Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at "Isla 360°" Drive-Thru legall described as Lot 11, Plazita Piedra Grande Subdivision, located at 4202 N. Raul Longoria Road, as Requested by Carranz Development LLC.

Carranza Development LLC.
2813 Supreme Drive
Edinburg, TX 78542

Carranza Development LLC.
4202 N. Raul Longoria Road
San Juan, TX 78589

Plains Capital Bank
P.O. Box 660
Edinburg, TX 78540-0660

Casas, Ruben Juan
110 W. Thelma Street
San Juan, TX 78589

Rodriguez, Edgar
119 W. Thelma Street
San Juan, TX 78589

Garza Leasing
P.O. Box 658
San Juan, TX 78589-0658

Enriquez, Elias and Enedina
P.O. Box 956
San Juan, TX 78589-0956

Mora, Roberto Jr.
P.O. Box 1921
San Juan, TX 78589-1921

Rodriguez, Humberto and Eliza
505 W. 10th Street
San Juan, TX 78589-2422

Valle, Jose and Rosalva
4207 N. Raul Longoria Road Apt. #2
San Juan, TX 78589

Padron, Alma Rosa
4303 North Raul Longoria Road
San Juan, TX 78589

Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at "Isla 360°" Drive-Thru legally described as Lot 11, Plazita Piedra Grande Subdivision, located at 4202 N. Raul Longoria Road, as Requested by Carranza Development LLC.

Proposed Site

ORDINANCE NO.

AN ORDINANCE GRANTING A CONDITIONAL USE PERMIT FOR THE SALE OF ALCOHOLIC BEVERAGES (WINE AND BEER) FOR OFF-PREMISE CONSUMPTION AND LATE HOURS PERMIT AT "ISLA 360° DRIVE-THRU" LOCATED AT 4202 N. RAUL LONGORIA ROAD, LEGALLY DESCRIBED AS LOT 11, PLAZITA PIEDRA GRANDE SUBDIVISION, AS PROVIDED IN ARTICLE IV, OF THE ZONING ORDINANCE, CITY OF SAN JUAN, HIDALGO COUNTY, TEXAS, PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; PROVIDING FOR A CODE DISPOSITION.

WHEREAS, Carranza Development LLC. has applied for a Conditional Use Permit under Article IV; of the Zoning Ordinance of the City of San Juan for the Sale of Alcoholic Beverages (wine and beer) for Off-Premise Consumption and Late Hours Permit at "Isla 360° Drive Thru".

WHEREAS, this type of activity is prohibited by said Zoning Ordinance unless a Conditional Use Permit is granted; and,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMMISSION OF THE CITY OF SAN JUAN, TEXAS, AS FOLLOWS:

SECTION I. That a Conditional Use Permit under Article IV of the Zoning Ordinance of the City of San Juan, Texas, be granted to Carranza Development LLC. has applied for a Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption and Late Hours Permit at "Isla 360° Drive Thru" located at 4202 N. Raul Longoria Road, subject to the following conditions:

1. The applicant must comply with the City's *Security Cameras Ordinance.*
2. The applicant must comply with the Health and Occupational License Permits.
3. The proposed operation hours are Sunday thru Thursday from 8:00 a.m. to 10:00 p.m. and Fridays and Saturdays from 8:00 a.m. to 2:00 a.m. (See attached affidavit)
4. The applicant must agree to update the alcohol license with the city every year.
5. No loading or unloading of merchandise in a public street.
6. Owner agrees to abide by the hours of operation as submitted by the enclosed affidavit.
7. There shall be no smoking inside the premises at any time.

SECTION II. PUBLICATION AND EFFECTIVE DATE CLAUSE. This Ordinance shall be published in the official newspaper of the City of San Juan, Texas, as provided by law, and shall be and remain in full force and effect from the after said date of publication.

PASSED and **APPROVED** on first reading on the **26th** day of **March, 2019.**

PASSED and **APPROVED** on second and final reading on the **9th** day of **April, 2019**.

CITY OF SAN JUAN

MARIO GARZA, MAYOR

ATTEST:

DIANA CAVAZOS
CITY SECRETARY

APPROVED BY:
Palacios, Garza & Thompson, P.C.

CITY ATTORNEY

MINUTES OF REGULAR MEETING OF THE CITY OF SAN JUAN COMMISSION

DATE:	Tuesday, January 22, 2019
TIME:	6:00 p.m.
PLACE:	San Juan Memorial Library Multipurpose Meeting Room 1010 S. Standard San Juan, Texas 78589
MEMBERS PRESENT:	Mario Garza, Mayor Pete Garcia, Mayor Pro-Tem Jesus "Jesse" Ramirez, Commissioner Ernesto "Neto" Guajardo, Commissioner Leonardo "Lenny" Sanchez, Commissioner Ricardo Palacios, City Attorney
STAFF PRESENT:	Benjamin Arjona, City Manager Diana Cavazos, City Secretary Tirso Garza, Chief of Fire Juan Gonzalez, Chief of Police Leroy Gonzales, Director of Finance Adelaida Cordero, Director of Human Resources Armandina Sesin, Library Director Patrick Willingham, Director of Parks & Recreation Robert Escobar, Director of Planning Juan Soto, Director of Sanitation/ Public Works Rene Jaime, Purchasing/Risk Management David Salinas, Director of Utilities Mary Enriquez, Court Administrator Pat Karr, Director of Information Technology

ORDER OF BUSINESS

I. CALL MEETING TO ORDER
Mayor Mario Garza called the meeting to order at 6:00pm.

II. INVOCATION
Benjamin Arjona, City Manager led the Invocation.

III. PLEDGE OF ALLEGIANCE
Mayor Mario Garza led the Pledge of Allegiance.

IV. PUBLIC COMMENTS

V. PRESENTATIONS

A. Update on:
Paving Project Phase 2
Hidalgo County – Urban County Paving Project 2017

Discussion: City Manager, Benjamin Arjona informed that Project Phase 2 has been completed and project is ready to be closed. On Urban County Paving Project 2017 City Manager informed that a notice has been given to proceed with a completion date of March 22nd.

B. Presentation of Departmental Reports: Finance Department, Police Department, Municipal Court, Fire Department, and Utilities Department.

Discussion: Commissioner Jesus "Jesse" Ramirez asked on the defer, if the full amount is paid on the citation, partial the court cost or nothing at all to which Mrs. Mary Enriquez, Court Administrator answered that the full amount is paid. Commissioner Jesus "Jesse" Ramirez asked how much time they have to complete the defensive driving course to which Ms. Enriquez replied 90 days. Commissioner Jesus "Jesse" Ramirez asked who oversees the pretrial, Ms. Enriquez replied that Mr. Greg Treviño.

Commissioner Jesus "Jessie" Ramirez informed Police Chief Juan Gonzalez that he received an email regarding animal cruelty. An individual was calling animal control over animals or dogs being tied up for an extended amount of time. Commissioner Jesus "Jesse" Ramirez asked if Code Enforcement is aware of the Texas Law and if we are enforcing it. Police Chief Gonzalez answered that even though that particular call was out of jurisdiction it was referred to the county. In addition he further mentioned that the animal control officers are aware of the law.

Commissioner Leonardo "Lenny" Sanchez asked Roel Garza, Director of Sanitation/Public Works status on the brush pick-up. Mr. Garza replied that they are approximately 3 weeks behind. Mayor Mario Garza advised Mr. Garza to add another week to the quadrants just to be in the safe side.

VI. PUBLIC HEARING/ORDINANCES

A. Conduct a Public Hearing and Consider an Ordinance in First Reading for a Conditional Use Permit for the Sale of Alcoholic Beverages for On-Premise Consumption at Candilejas Event Center LLC. Located at 2103 N. Raul Longoria Road, legally described as Lot 11, Dos Arbolitos Plaza, as Requested by Looney Tunes Day Care Center, Inc.

Mayor Mario Garza opened the Public Hearing at 6:25 p.m.

Discussion: Commissioner Leonardo "Lenny" Sanchez asked for the hours of operation to which Mr. Roberto Escobar, Director of Planning and Zoning replied 12:00pm – 12:00am Monday through Friday and Saturday's 12:00pm – 1:00am. Commissioner Jesus "Jesse" Ramirez asked at what time the day care closed to which Mr. Escobar replied 3:30pm. Commissioner Ramirez doesn't want the sale of alcohol while the day care is open.

Mayor Mario Garza closed the Public Hearing at 6:27 p.m.

Commissioner Ernesto "Neto" Guajardo made motion to approve and was seconded by Commissioner Jesus "Jesse" Ramirez. Motion passed 5-0.

VII. APPOINTMENTS

A. Consider Nomination for the City of San Juan to the 2019 Rio Grande Walk of Fame, as Requested by the City of Hidalgo.

Discussion: City Manager, Benjamin Arjona informed the commission that Cory's Cake was nominated and was very thankful but she declined. Since she declined the honor to be nominated for the 2019 Rio Grande Walk of Fame it is brought back to the commission for nomination.

Commissioner Jesus "Jesse" Ramirez nominated Juan Quiroz, he was very instrumental in the Park and Recreation Department seconded by Commissioner Leonardo "Lenny" Sanchez. Motion passed 5-0.

B. Consider Removal and Appointment of Board Members related to the San Juan Memorial Library Advisory Board.

Discussion: City Secretary, Diana Cavazos informed the commission that we have Teresa Sloss from the San Juan Memorial Library Advisory Board who has missed the meetings more than 3 times. As part of the bylaws of the San Juan Library, if a member is absent more than 3 consecutive times, the individual should be automatically dropped from membership. Mayor Mario Garza asked City Secretary, Diana Cavazos if she has contacted Ms. Sloss to see why she's been missing. Mayor Garza informed City Secretary that he thinks it's because she teaches CCD.

Commissioner Jesus "Jesse" Ramirez made motion to appoint Elizabeth Saldaña to replace Teresa Sloss, was seconded by Commissioner Leonardo "Lenny" Sanchez. Motion passed 4-1. Mayor Mario Garza opposed.

C. Consider Removal and Appointment of Board Members Related to the Parks and Recreation Advisory Board.

Discussion: City Secretary, Diana Cavazos informed the commission that this item is for the Parks and Recreation Board which consists of 7 members serving for 2 years staggered terms. According to the Parks and Recreation Bylaws, if absent more than 3 consecutive times, the individual is automatically dropped from the Advisory Board. The individual to be replaced is Laura Martinez due to assistance. Ms. Cavazos informed the commission that she hasn't contacted Ms. Martinez but Mr. Willingham, Director of Parks and Recreation has. Mr. Willingham informed the commission that initially they were having trouble getting a hold and when they finally did, she showed up to the meeting on May 2018. The meetings have been in conjunction with the parks plan and there's been monthly attempts reaching her and emailing her but there hasn't been any response

Commissioner Jesus "Jesse" Ramirez made motion to appoint Ralph Quintanilla to replace Lara Martinez was seconded by Commissioner Leonardo "Lenny" Sanchez. Motion passed 5-0.

D. Consider the Removal and/or Appointment of Board Member(s) of the San Juan Economic Development Corporation.

Commissioner Jesus "Jesse" Ramirez made motion to remove Mayor Mario Garza and Pedro Contreras and appoint Commissioner Jesus "Jesse" Ramirez and Rolando Casas was seconded by Commissioner Guajardo. Mayor opposed (4-1). Business as usual

VIII. DISCUSSION AND POSSIBLE ACTION ON ALL THE FOLLOWING MATTERS:

A. Discussion and Possible Action to Award the Annual Water Treatment Chemicals to the Most Responsible Bidder and Authorize the City Manager to Execute all Related Documents and Budget Amendment as Needed.

Discussion: David Salinas, Director of Utilities came forward ***(technical issues)***

Commissioner Jesus "Jesse" Ramirez made motion to approve and was seconded by Mayor Pro-Tem Pete Garcia. Motion passed 5-0.

B. Discussion and Possible Action to Authorize the Mayor to Execute a Lease Agreement with US Bancorp to Purchase two (2) 2019 Doggett Freightliner Peterson M2-106 SRA Grapple Trucks, two (2) 2019 Doggett Freightliner M2-106 SRA Brush Trucks, one (1) 2018 Rush Truck Peterbilt 520 Neway Front Loader, one (1) 2020 Rush Truck 520 Pac Mor Side Loader and one (1) 2018 Romco Equipment Volvo L35GS Grapple Loader.

Discussion: Commissioner Jesus "Jesse" Ramirez asked when the equipment would be available to which Mr. Roel Garza, Director of Sanitation responded: the brush truck would be available in two to three weeks, the grapple truck in three to four months and the Volvo side loader in two months.

Rick, Palacios, City Attorney advised to motion for staff recommendation

Commissioner Jesus "Jesse" Ramirez made motion to approve staff recommendation and was seconded by Commissioner Ernesto "Neto" Guajardo. Motion passed 5-0.

C. Discussion and Possible Action to Authorize the City Manager to Purchase (2) 2019 Doggett Freightliner, Peterson M2 – 106 SRA Grapple Trucks for the Purchase Price of ($303,004), (2) 2019 Doggett Freightliner M2 -106 SRA Brush Trucks for the Purchase Price of ($184,735.44), (1) 2018 Rush Truck Peterbilt 520 Neway Front Loader for the Purchase Price of ($250,939.19), (1) 2020 Rush Truck 520 Pac Mor Side Loader for the Purchase Price of ($237,768.47), (1) 2018 Romco Equipment Volvo L35GS Grapple Loader for the Purchase Price of ($97,313.00).

Commissioner Jesus "Jesse" Ramirez made motion to approve and was seconded by Commissioner Leonardo "Lenny: Sanchez. Motion passed 5-0.

D. Discussion and Possible Action to consider Amending the Sanitation Budget for Fiscal 2018-2019 to Add the Position of Receptionist/Clerk.

Discussion: Roel Garza, Director of Sanitation informed the commission that this position will help our customer service and our administrative work and traffic.

Mayor Pro-Tem Pete Garcia made motion to approve and was seconded by Commissioner Jesus "Jesse" Ramirez. Motion passed 5-0.

E. Discussion and Possible Action Regarding the Exchange between the City of San Juan Extra-Territorial Jurisdiction (ETJ) Approximately 559 Acres and a Portion of the City of Pharr ETJ Approximately 654 Acres.

Discussion: Dr. Ambrosio Hernandez, Mayor of City of Pharr came forward and explained that the City of Pharr is proposing land swap acre for acre of useable land with City of San Juan. He explained that he understands that the utility expense for the City of San Juan is very expensive however the City of Pharr is putting an infrastructure in that area which can cross over. He informed that it is an ideal solution for both cities. Number one, it's pretty expensive for the City of San Juan to go under floodways and put infrastructure in so it's not ideal but Pharr is prepared. We will be whole. Dr. Hernandez further explained that there's no leak transparency in the deal that has been talked about. Dr. Hernandez introduced Jesse Zambrano, EDC Attorney for the City of Pharr. He informed that the deal is legally feasible and it can be done as long as the cities are in agreement, and that the land is relatively about the same.

Mayor Hernandez informed the Commission that the City of Pharr was not there to take advantage of the City of San Juan or any Municipality or Government. They are there to work in partnership with the City. Mayor Pro-Tem Pete Garcia asked what terms will City of San Juan get after the investment is paid to which Dr. Hernandez replied that they are open to any legal entities and any fair and accountable deal. Commissioner Jesus "Jesse" Ramirez asked Dr. Hernandez how is it equitable for the City of San Juan if it will be out of ten million dollars. Dr. Hernandez replied that he's fully aware of the math, what City of Pharr has proposed in writing already multiple times, there are needs in the City of San Juan that we will be happy to help with. City Attorney, Rick Palacios informed that there are still terms that need to be flushed out and ironed out; we are still waiting for more information regarding which road the linear feet of the paving to verify whether it would be dollar for dollar. Mr. Palacios informed that the only property mention to entertain at this time would be motion to have the City Manager further negotiates these terms, and under the charter it will require 4/5 of votes of the entire council.

Commissioner Jesus "Jessie" Ramirez asked Benjamin Arjona, City Manager if he ever took steps to do a study on our behalf for Tax Collection. Benjamin Arjona replied that he's just waiting on instructions whether to do it or not. Mayor Pro-Tem Pete Garcia asked if there were any other questions. Commissioner Ernesto "Neto" Guajardo asked for a guarantee that the houses or the projects that are going to be built are going to be completed. Dr. Hernandez replied that the developer has every intention of starting but he's not going to lift a finger until he knows he's getting the structure. Mayor Pro-Tem Pete Garcia asked how much the City of San Juan will receive from the value of the CCN. The Mayor of Pharr replied CCN is separate from the land deal or an infrastructure deal. Mayor Pro-Tem Pete Garcia informed that this item is being brought up so that we can decide whether to proceed or not with the agreement.

Mayor of Pharr Dr. Ambrosio Hernandez added that their infrastructure and their development in South Pharr across I Rd will go forward without the City of San Juan.

Mayor Mario Garza made motion to deny the request due to insufficient information and was seconded by Commissioner Leonardo "Lenny" Sanchez motion. Motion passed 4-1.

IX. CONTRACTUALS/RESOLUTIONS

A. Consider the Approval of the Work Plan for Fiscal year 32 (2019) for the Hidalgo County Urban County Program.

Discussion: Roberto Escobar, Director of Planning and Zoning informed that this is the final work plan due on the 15th. The total amount Urban County is providing us with is $295,584.00

Mayor Pro-Tem made motion to approve and was seconded by Commissioner Jesus "Jesse" Ramirez. Motion passed 5-0.

B. Consider Resolution Issuing Order and Notice of City General Election, Appointing and Determining Polling Locations.

Discussion: City Secretary, Diana Cavazos came forward… *(Technical issues)*Mayor Garza verified that on Election Day we have two locations: Carmen Elementary and Fire Station No. 2. Commissioner Ramirez asked that if April 22, 2019 if County works after Easter because District doesn't. Ms. Cavazos replied that she hasn't called them directly but she knows that the cities all across and the ones hiring the county have the same early voting dates that are on the resolution but that she will still call to confirm.

Commissioner Jesus "Jesse" Ramirez made motion to approve and was seconded by Commissioner Leonardo "Lenny" Sanchez. Motion passed 5-0.

X. ADJOURNMENT 6:42 P.M.

Commissioner Ernesto "Neto" Guajardo made motion to adjourn and was seconded by Commissioner Jesus "Jesse" Ramirez. Motion passed 5-0.

CITY OF SAN JUAN, TEXAS

____

Mario Garza, Mayor

ATTEST:

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Diana H. Cavazos, City Secretary

WORK SESSION AGENDA

DATE:	Thursday, January 24, 2019
TIME:	5:30 p.m.
PLACE:	San Juan Memorial Library Multipurpose Meeting Room 1010 S. Standard San Juan, Texas 78589
MEMBERS PRESENT:	Mario Garza, Mayor Pete Garcia, Mayor Pro-Tem Jesus “Jesse” Ramirez, Commissioner Ernesto “Neto” Guajardo, Commissioner Leonardo “Lenny” Sanchez, Commissioner Criselda Palacios, City Attorney
STAFF PRESENT:	Benjamin Arjona, City Manager Brenda Escalante, Administrative Clerk Leroy Gonzales, Director of Finance Maria Beltran, Accounting Manager Robert Escobar, Director of Planning Roel Garza, Director of Sanitation/ Public Works Rene Jaime, Purchasing/Risk Management David Salinas, Director of Utilities

ORDER OF BUSINESS

I. CALL MEETING TO ORDER
Mayor Mario Garza called the meeting to order at 5:30pm.

II. DISCUSSION ON THE FOLLOWING MATTERS

A. Cesar Chavez Road Improvements with Precinct 2.
Street Paving Project Phase 3.
Citizen Collection Drop-Off Site & Recycling Center.
Utilities Proposed Projects.

Discussion: Benjamin Arjona, City Manager introduced L & G Engineers and mentioned that this meeting with Precinct 2 has been overdue in order to get an update on the Cesar Chavez Road Improvement project. L&G Representative began the presentation, talking about how this was one of the largest projects in ten years with MPO and continued stating that it has been broken down in two sections. Section 1 is from Business 83 to Nolana Loop and Section 2 is from Ridge Road to Business 83. He also showed a location map indicating their limits which would travel between San Juan on the West side and Alamo on the East side for a project approximately of 3.6 miles. He went on show the existing typical section a two-lane rural road where the drainage is on the roadside ditches. He moved on showing the proposed two double sections and explaining that from Ridge Road to Business 83 then from Nebraska to Nolana they would be building a four-lane urban roadway. He continued explaining that a traffic study was done between Business 83 and Nolana and they were able to justify a six lane section having 3 lanes on each direction. He also gave an update on the project development dividing it in two sections.

Section 1

- Created New Project and Secured MPO Funding
- Executed AFA with cities of San Juan and Alamo
- Accelerated the HCMPO Row funds from FY2022 to FY2020
- Accelerated the HCMPO Construction funds from FY3036 to FY2027
- Received TxDot Development Authority due to acceleration of funding.
- Held a public meeting on July 18, 2018 at Alamo Middle School
- Submitted schematic to TxDot for approval
- EDC to be executed by county at next commissioner's court.

Section 2

Discussion: Mayor Mario Garza asked Bobby as why the Public Meeting was held in Alamo. Armando Garza Jr. Hidalgo County Chief Administrator answered them saying that they chose Alamo Middle School as it was the most centered area. Oscar Cansino asked why the project is starting from Business 83 to Nolana Loop and not from Business 83 to Ridge Road. Beh Badiozazamani, P.E. replied that the reason the project is not that way is because the original project was from Business 83 to Nolana and until the City of San Juan signs an Interlocal. Mr. Badaozzamani also added that later on at no cost to the city there was an extension to the project called Section 2 and it's all at the county cost. Mr. Macheska mentioned that Section 1 and Section 2 are two different projects. Mr. Badiozzamani referred to the Cesar Chavez projects as Cesar Chavez corridor, he further mentioned that this roadway project will be built according to TxDot specifications, meaning TxDot roads are expensive and designed to last for a 20 year life. He stated that a six lane facility with carb and gutter will be built due to the high traffic projection from Business 83 North was able to secure through the Hidalgo County MPO a combined thirty three million dollars of federal funds to build this corridor. He added that the thirty three million is broken down between Section 1 that has $2,520 million dollars and Section 2 has $785 million, both sections are broken down as shown below.

Cesar Chavez Road (Section 1) Current ACMPO Funding

"" (Section 2) ""

Discussion: Furthermore he explained how EDC works and how the Federal Funds are broken when the County executes an agreement with TxDot, which is 80% Federal Funds and 20% local. He also added that 20% of thirty three million could add up to a lot of money, therefore the legislature mended that the 20% local share needs to be reduced through the Economically Disadvantage County program, so the 20% goes down to three or four percent. He added that the big section of the project will be on Commissioners Court on Tuesday. He further mentioned that the biggest factor on this project is that the construction funds was brought in for 2027 which is within the 10 years TxDot planning documents and that's why they are willing to sign an agreement with the County.

Mr. Badiozzamani described the projects timeline and that the county is not authorized to begin acquisition of land until the environmental process is complete. He stated that the county and L&G Engineering has done everything they're supposed to do but TxDot is running a little behind. He explained that TxDot made a commitment to Commissioner Cantu which formalized in the form of a letter that by summer of this year environmental will be clear. Until that happens the County is not authorized to begin acquisition of right of way. Mr. Badiozzani mentioned that they're almost a little over one hundred parcels to be acquired between the two sections. He also clarified that when comes to the acquisition; the EDC doesn't apply so that will be 80% and 20%. Mr. Macheska explained that since its state funds the Texas Legislature cannot put money into buying property that is not state property. Mr. Badiozzamani mentioned that once TxDot clears the environmental in summer then and only then the County can begin acquisition of the 100 parcel which probably take close to two years due to the uniform act of the 1970 title 2 and title 3. This process is a slow but fair process to the process to the property owner. Also the estimated right of way cost for section one now sits at $4.5 million and for Section 2 is $1 million he also stated that they keep the eminent do rain to absolute minimum. Mr. Armando Garza informed that no relocations will be done to the San Juan side. Mr. Garza explained that the additional right of way that they are taking will improve the drainage system not only for the San Juan side but Alamo as well.

Mr. Macheska mentioned that the few property owners he has met with are excited about the extra shoulder lane and left turn lane. Mr. Armando Garza stated that he will provide a copy of the schematics to Roberto Escobar, Director of Planning and Zoning. Oscar Cancino asked if this project will have sidewalks Mr. Macheska replied that yes, it includes three and a half miles of sidewalks on both sides. Mr. Jacinto Garza mentioned that they will come back to give an update on how many have been brought, how many are going to condemnation and will inform the commission if they're staying on schedule. Mayor Mario Garza added that pretty much the project is in the mercy of the property owners, Mr. Badiozzamani stated that once they get to that spectrum of the project which includes the environmental clearance and they have title commitments from the title companies they need to see if the titles are cloudy or easy acquire. He also added that on some projects they've looked at and every panel has 5 to 6 pages of liens mechanic in the bank or the IRS. He stated every parcel needs to get clearance but it will take six months to clear it.Mr. Jacinto Garza mentioned that most of the properties used to be farm land so there's a lot of irrigations lines, also the irrigation district might have their own rights. Mayor Mario Garza asked if L & G had made contract with the property owners. Mr. Macheska replied that only for the purpose of the public meeting. Mr. Badiozzamani mentioned they cannot contact the property owner until the environmental has been created because they don't want to jeopardize the funds. David Salinas, Utilities Director mentioned that the schematics are not clear. Mr. Badiozzamani stated that the schematics are not the final design. Once they start working on PS&E where the elevation are becoming finalized and they know what utilities are in conflict it's when they will try to avoid any utilities conflict.

Mr. Jacinto Garza informed that in addition to building up the road and any right away cost will be paid by the MPU, he also mentioned that a lot of projects have been stopped due to cities not having sufficient funds in their budget to adjust the water and sewer lines. Mr. Salinas stated that he needs to be informed of any adjustment that will be needed as he has proposed projects for future force mates. Oscar Cansino asked to be explained on the compensable utilities. Mr. Badiozzamani explained that if during the acquisition they come across a utility that has its own property rights sits on its own easement and it's within the proposed right away it's consider a compensable utility. He stated that a compensable utility will get 80 percent of federal funds but utilities that are city owned not a penny can be spent from federal money. Mr. Macheska mentioned that once they release from the country and start working on the design the first phone calls will be made to Mr. David Salinas.

Mr. Armando Garza stated that they will come to give an update on the city's request at any time. He also stated that he receives phone calls daily in regards to this project, since there are a lot of interested parties. Mr. Badiozzamani mentioned that L&G Engineering is doing many parcels under federal rules. He also stated that by respecting the property owners and their land this will reduce the number of eminent domain. He informed that there will be cases where they will have no other choice but to take it to the environment domain and let the special commissioners decide. Mayor Pro-Tem Pete Garcia stated that he believes there will not be a lot of resistance since this project will improve the conditions of the streets. Commissioner Leonardo "Lenny" Sanchez asked for an estimated date for completion. Mr. Bodiozzamani replied that once the project starts, it will be around two and a half years for the entire 3.6 miles construction. Mr. Salinas asked L&G engineering for a proposed alignment for utilities. He also mentioned that he has an ongoing project at Cesar Chavez and Expressway; he asked to be informed of any changes that will be done to the South section.

Benjamin Arjona, City manager presented the next item on the agenda street paving project Phase 3. Mr. Arjona mentioned that Phase 1 and Phase 2 are finalized now starting on the 3rd phase which is roughly about a million dollars' worth of paving improvements. He also mentioned that out of the million dollars 15% will be taken out to take care of the engineering cost and testing. He provided a list of current streets and maps of all the streets that have been completed on phase 1 and Phase 2, along with streets that were included on the Urban County Program Project -2019 funds. He also stated that the streets marked for Phase 3 are just included in the list as recommended streets for future improvements and will be presented in the next City Commission meeting.

Benjamin Arjona, City Manager presented the next item on the agenda citizen collection Drop-Off site & Recycling Center. Mr. Arjona mentioned that there has been a talk about the Recycling Center and the TCQ violation the city received. He further mentioned that the city applied with TCQ, the city was allowed to have a citizen collection site for a dual purpose by adding roll-off containers in order for citizens to be able to dispose of trash or brush and also to have the Recycling Center at the same place. Mr. Garza stated it's a great preliminary layout. Mr. Arjona clarified that this location is the one right next to the shooting range also it'll be open throughout the day and will close after hours. He also mentioned that the proposal is all concrete so it's going to be high on the money so they are looking on doing it on two phases. He stated that they will continue working on this proposal and a recommendation will be brought before the City Commission. Mayor Mario Garza asked if any asphalt quotes were obtain for the back area of the Sanitation Department. Mr. Arjona answered that Mr. Garza is currently working on that, he also added that not necessarily asphalt but concrete as well.

Benjamin Arjona, City Manager continued with the next item utilities proposed project. Mr. Arjona stated that according to Leroy Gonzalez, Finance Director there's surplus monies around three million dollars that they would like to use on projects that are needed within the Utilities Department. He mentioned that lawsuit with Meklen and Hunt Inc. regarding the water tower and the maintenance that is needed on the existing water tower. David Salinas, Utility Director provided a graph showing the different elevations in the towers, also showing that they all have the same base elevation except the North Tower. Mr. Salinas provided a few recommendations; first recommendation would be to raise the existing towers by 12 feet to match the level of the new tower for half of million dollars.

Second recommendation would be to build a new tower and demolish the two existing towers for about 3.9 million dollars. He also mentioned that the two metal towers have compliance issues with TCQ and TCQ recommends the maintenance to be completed on the towers by March of 2019. He recommended using McGuire Iron who already does maintenance work on the towers, to do a chemical wash and paint on both metal towers for $47,000. He mentioned that if they authorize the change on the contract they can have the company start doing the chemical wash as soon as tomorrow. Chris Palacios, City Attorney stated that if the contract needs to be amended Mr. Salinas would have to bring it before the City Commission for approval. Mr. Salinas would like to add the paving of the Utilities Department parking lot to Phase 3.

III. EXECUTIVE SESSION 6:43 P.M.

A. The San Juan City Commission will convene in Executive Session in accordance with the Texas Open Meeting Act, Vernons Texas Statues and codes annotated. Government code Chapter 551.071, consultation with Attorney and Texas Government code 551.087 (Deliberation Regarding Economic Development Negotiations.)

1. Pursuant to section 551.087 Economic Development Negotiations. Deliberation Regarding Financial Incentives to a Business Prospect Project Square.

IV. RECONVENE 7:17 P.M.
No action taken.

V. ADJOURNMENT 7:18P.M

Commissioner Ernesto "Neto" Guajardo made motion to adjourn and seconded by Commissioner Leonardo "Lenny" Sanchez. Motion passed 5-0.
Meeting was adjourned at 7:18 pm.

CITY OF SAN JUAN, TEXAS

Mario Garza, Mayor

ATTEST:

Diana H. Cavazos, City Secretary