



**CITY OF WHARTON
FINANCE COMMITTEE MEETING**

**Monday, July 12, 2021
6:15 PM**


CITY HALL

**NOTICE OF
CITY OF WHARTON
FINANCE COMMITTEE MEETING**

Notice is hereby given that a Finance Committee Meeting will be held on Monday, July 12, 2021 at 6:15 PM at the Wharton City Hall, 120 East Caney Street, Wharton, Texas, at which time the following subjects will be discussed to-wit:

SEE ATTACHED AGENDA

Dated this 8th day of July 2021.


By: 
Joseph R. Pace, City Manager

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the Finance Committee Meeting is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice on the bulletin board, at City Hall of said City or Town in Wharton, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted on July 8, 2021, at 4:30 p.m. and remained so posted continuously for at least 72 hours preceding the scheduled time of said Meeting.

The Wharton City Hall is wheelchair accessible. Access to the building and special parking is available at the primary entrance. Persons with disabilities, who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, or large print, are requested to contact the City Secretary's Office at (979) 532-4811 Ext. 225 or by FAX (979) 532-0181 at least two (2) days prior to the meeting date. BRAILLE IS NOT AVAILABLE.

Dated this 8th day of July 2021.

CITY OF WHARTON

By: 
Paula Favors
City Secretary



A G E N D A
CITY OF WHARTON
Finance Committee Meeting
Monday, July 12, 2021
City Hall - 6:15 PM

Call to Order.

Roll Call.

Public Comments.


Review & Consider:

1. Minutes from the meeting held June 28, 2021.
2. Wharton Economic Development Corporation Fiscal Year 2021-2022 Annual Budget.
3. Intention to Issue Certificates of Obligation for the Texas Water Development Board Flood Infrastructure Fund:
 - A. Resolution: A resolution authorizing Publication of Notice of Intention to Issue Certificates of Obligation.
 - B. Resolution: A resolution of the City Council of the City of Wharton, Texas, expressing intent to finance expenditures to be incurred.

Adjournment.

City of Wharton
120 E. Caney Street
Wharton, TX 77488

FINANCE COMMITTEE

Meeting Date:	7/12/2021	Agenda Item:	Minutes from the meeting held June 28, 2021.
Attached are a copy of the draft minutes from the meeting held June 28, 2021.			
City Manager: Joseph R. Pace		Date: Thursday, July 8, 2021	
Approval: 			
Mayor: Tim Barker			

**MINUTES
OF
CITY OF WHARTON
FINANCE COMMITTEE MEETING
120 EAST CANEY STREET
WHARTON, TEXAS 77488
Monday, June 28, 2021 –6:00 p.m.**

City Manager Joseph R. Pace, declared a meeting of the City Council Finance Committee duly open for the transaction of business at 6:10 p.m.

Committee Members present were: Mayor Tim Barker, Councilmember Alice Heard Roberts and Councilmember Russell Machann.

Committee Member absent was: None.

City Council Member present was: None.

Staff members present were: City Manager Joseph R. Pace, Assistant to the City Manager Brandi Jimenez, City Secretary Paula Favors and Finance Director Joan Anandel.

Staff member absent was: None.

Visitors: None.

Public Comments. There were no public comments.

The first item on the agenda was to review and consider minutes from the meeting held April 26, 2021. Councilmember Russell Machann made a motion to approve the minutes as presented. Councilmember Alice Heard Roberts seconded the motion. All voted in favor.

The second item on the agenda was to review and consider Resolution: A resolution of the Wharton City Council approving the Interlocal Agreement with the Texas Municipal League Health Benefits Pool (TML Health Benefits Pool) for medical, long-term disability, life, accidental death & dismemberment, for flexible spending account, health reimbursement account and voluntary vision plans for city employees for the October 1, 2021 to September 30, 2022 Fiscal Year; and Sun Life Financial for voluntary dental coverage for City employees; authorizing the Mayor of the City of Wharton to execute all documents relating to said contracts. City Secretary Paula Favors presented to the Committee the City of Wharton TML-Multistate IEBP Health re-rate options for the 2021-2022 year. She requested that the Committee consider the TML Health Benefits Pool for the employee's health insurance plan and contribute the previous year's amount of \$1,250.00 to a Health Reimbursement Agreement (HRA) to offset the deductible or other medical expenses. She also requested that the Committee consider adding voluntary Vision Option H to this year's TML Health Benefits Pool plan. She stated there were no changes in the rates for the Voluntary Sun Life Financial Dental Coverage. After some discussion, Councilmember Russell Machann made a motion to recommend to the City Council the approval of the Interlocal Agreement with the Texas Municipal League Health Benefits Pool (TML Health Benefits Pool) for medical, long-term disability, life, accidental death & dismemberment, for flexible spending account, health reimbursement account and voluntary vision plans for city employees for the October 1, 2021 to September 30, 2022 Fiscal Year; and Sun Life Financial for voluntary dental coverage for City employees. Councilmember Alice Heard Roberts seconded the motion. All voted in favor.


The third item on the agenda was adjournment. Councilmember Russell Machann moved to adjourn. Councilmember Alice Heard Roberts seconded the motion. All voted in favor.

The meeting adjourned at 6:30 p.m.

Joseph R. Pace, City Manager

City of Wharton
 120 E. Caney Street
 Wharton, TX 77488

FINANCE COMMITTEE

Meeting Date:	7/12/2021	Agenda Item:	Wharton Economic Development Corporation Fiscal Year 2021-2022 Annual Budget.
<p>Attached you will find the Wharton Economic Development Corporation Fiscal Year 2021-2022 Annual Budget.</p> <p>Mr. Josh Owens will be present to answer any questions.</p>			
City Manager: Joseph R. Pace		Date: Thursday, July 8, 2021	
Approval: 			
Mayor: Tim Barker			



Economic Development Corporation
1944 North Fulton Street, Wharton, TX 77488
Phone (979) 532-0999 Fax (979) 532-5257

June 21, 2021

City Manager Joseph R. Pace
120 E. Caney Street
Wharton, TX 77488

RE: Wharton Economic Development Corporation Fiscal Year 2021-2022 Annual Budget.

Dear Mr. Pace,

Attached please find WEDC's FY 2021-2022 Budget approved by the Directors on June 21, 2021.

Please place the Budget on the agenda for your next City Council Meeting for comment, review, consideration and approval.

Please feel free to contact our office if you should have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "JO", with a stylized flourish extending from the bottom.

Joshua Owens, Executive Director

Enclosure

JO/kh

Wharton Economic Development Corporation

FY 21-22 BUDGET APPROVED 06-21-2021

Projected Estimated Revenues		CURRENT	FY 2021-22
		FY 20-21	Approved Budget
51-3210	Sales Tax	601,455	725,000
51-3773	Interest on Investments	2,500	2,500
51-3778	Property Investments/Misc. Income	5,000	5,000
Sub Total Revenues		608,955	732,500
General Funds	Draw From Fund Balance(Cash on Hand)	658,859	572,823
51-3780	Fund Balance/Loan Proceeds	109,509	0
Sub Total General Funds & Fund Balance/Loan Proceeds		768,368	572,823
Total Revenues		1,377,323	1,305,323

PROJECTED EXPENDITURES

Program/Project			
51-555-00-661	Property Taxes	2,000	2,000
51-555-00-664	Uncommitted Funds	199,148	133,148
<p>On Projects at 124,132,220,243,802,804,1904 W. Milam, 505,507,720 E.Milam, 315 Alabama, 221 Fulton, 208,314,605,1105,1106,1717,1827,1902,2302,2322 2407,2918,3027 N. Richmond,415 Colorado, 416-522E. Milam, 505,507 Ogden, Mega Projects Option Fee, Studies, Performance Agreements , Special Professional Services & Retail Recruiting Debit Service, Business Recovery Grants,Planning,Downtown Development Promotion & Business Attraction, Corridor Studies, Plan & Promote FM 1301 Expansion</p>			
51-555-00-666	Restoration/Demolition Special Projects,	100,000	100,000
<p>On Projects at 204, 1901 Richmond Road, 416-500 E. Milam</p>			
51-555-00-667	Wharton o6o Local Business Disaster Recovery Loans	40,000	40,000
51-555-00-702	City Mapping Support	6,000	6,000
51-555-00-707	Tractor Supply Sales Tax Rebate	30,000	30,000
51-555-00-709	Projects Requiring Infrastructure	298,197	198,197
<p>On Projects, including but not limited to locations for FM 1301, Wharton Industrial Foundation, Outdoor Recreation Facility, Hotel, Air Port Mfg.,</p>			
51-555-00-719	Entrance Imporvement Project	33,250	33,250
51-555-00-720	Parks & Pool Equipment	150,000	0
51-555-00-728	Business Retention & Expansion	15,000	150,000
51-555-00-732	Wayfinding Project	65,000	19,000
51-555-00-733	FM 1301 Extension Debt Service	0	150,000
Total Program/Project		938,595	861,595

Marketing

51-557-00-215	Printing & Binding	8,500	8,500
51-557-00-218	Office & Grounds	2,500	2,500
51-557-00-222	Board Meeting/Director Expense	3,500	3,500
51-557-00-290	Miscellaneous (Supplies)	500	500
51-557-00-520	Business Expense Meals/ Gifts	4,000	4,000
51-557-00-522	Meeting Expense	5,500	5,500
51-557-00-540	Chamber Programs	50,000	25,000
51-557-00-559	Travel Expense	3,500	3,500
51-557-00-561	Conferences	14,000	14,000
51-557-00-562	Contract Marketing/Web Site	5,500	5,500
51-557-00-563	SBDC Office Funding/SCORE	12,000	12,000
51-557-00-690	Miscellaneous	1,000	1,000
Total Marketing		110,500	85,500

FY 21-22 PROPOSED DRAFT BUDGET 05-14-2021

Administration

51-550-00-110	Personnel & Benefits	237,977	237,977
51-550-00-122	Vehicle Allowance	13,200	13,200
51-554-00-210	Supplies	3,000	3,000
51-554-00-211	Postage	700	700
81-554-00-212	Dues & Subscriptions	7,000	7,000
51-554-00-250	Equipment	5,000	5,000
51-554-00-524	Phone/Internet	9,000	9,000
51-554-00-530	Insurance	6,500	6,500
51-554-00-550	Continuine Educaton	2,500	2,500
51-554-00-560	Professional Services	25,000	55,000
51-554-00-561	City Lease/Acct. Service	14,851	14,851
51-554-00-690	Miscellaneous	3,500	3,500
Total Administration		328,228	358,228

TOTAL EXPENDITURES

1,377,323 1,305,323


2021-2022 Revenues Less Expenditures

\$0

\$0

City of Wharton
 120 E. Caney Street
 Wharton, TX 77488

FINANCE COMMITTEE

Meeting Date:	7/12/2021	Agenda Item:	Intention to Issue Certificates of Obligation for the Texas Water Development Board Flood Infrastructure Fund: <ul style="list-style-type: none"> A. Resolution: A resolution authorizing Publication of Notice of Intention to Issue Certificates of Obligation. B. Resolution: A resolution of the City Council of the City of Wharton, Texas, expressing intent to finance expenditures to be incurred.
<p>The City staff has been working with Mr. James Gilley of U.S. Capital Advisors LLC, the City's financial advisor, and Tom Sage, bond counsel with Hunton Andrews Kurth LLP, regarding the intention to issue certificates of obligation for the Texas Water Development Board Flood Infrastructure Fund (FIF) project. This project is a drainage project which encompasses the Nelga/Stavena addition, Ahldag addition, and Caney Creek area. The city was awarded a grant under the FIF in the amount of \$2,400,157 which was 48% of the eligible project cost of \$5,000,328. Thru the issuance of the certificates of obligation in the amount of \$2,601,000, the City will be able to fund the entire project.</p> <p>The notice of intent is required to be published once a week for two (2) consecutive weeks, the date of the first publication to be at least forty-six (46) days before the date of the passage of the ordinance authorizing the issuance of the certificates of obligation. I am recommending that we publish this notice of intent for the first publication on Wednesday, July 14, 2021 and on July 21, 2021.</p> <p>Attached is a draft resolution and notice of intent to issue the Certificates of Obligation prepared by Hunton Andrews Kurth LLP.</p> <p>Also attached is a draft reimbursement resolution prepared by Bond Counsel of Hunton Andrews Kurth, LLP to be used to cover any expenses incurred sixty (60) days prior to the issuance of the Certificates of Obligation.</p> <p>Finance Director Joan Andel will be present to answer any questions.</p>			
City Manager: Joseph R. Pace		Date: Thursday, July 8, 2021	
Approval: 			
Mayor: Tim Barker			



City of Wharton

120 E. Caney Street ° Wharton, TX
77488

Phone (979) 532-2491° Fax (979) 532-
0181

MEMORANDUM

To: Mr. Joseph R. Pace
City Manager

From: Joan Andel

Date: July 5, 2021

Re: Notice of Intent

The City staff has been working with Mr. James Gilley of U.S. Capital Advisors LLC, the City's financial advisor, and Tom Sage, bond counsel with Hunton Andrews Kurth LLP, regarding the intention to issue certificates of obligation for the Texas Water Development Board Flood Infrastructure Fund (FIF) project. This project is a drainage project which encompasses the Nelga/Stavena addition, Ahldag addition, and Caney Creek area. The city was awarded a grant under the FIF in the amount of \$2,400,157 which was 48% of the eligible project cost of \$5,000,328. Thru the issuance of the certificates of obligation in the amount of \$2,601,000, the City will be able to fund the entire project.

The notice of intent is required to be published once a week for two (2) consecutive weeks, the date of the first publication to be at least forty-six (46) days before the date of the passage of the ordinance authorizing the issuance of the certificates of obligation. I am recommending that we publish this notice of intent for the first publication on Wednesday, July 14, 2021 and on July 21, 2021.

Attached is a draft resolution and notice of intent to issue the Certificates of Obligation prepared by Hunton Andrews Kurth LLP.

I am also attaching a draft reimbursement resolution prepared by Bond Counsel of Hunton Andrews Kurth, LLP to be used to cover any expenses incurred sixty (60) days prior to the issuance of the Certificates of Obligation.

Please place this on the next Finance Committee meeting for approval and then also on the City Council agenda for July 12, 2021 for final approval.

Please contact me if you have any questions.

Thank you.

PROJECT FUNDING REQUEST

BOARD DATE: July 7, 2021

PRESENTED BY: Claudia Corsetti

ACTION REQUESTED

Approve by resolution a request from the City of Wharton (Wharton County) for \$5,001,157 in financial assistance consisting of \$2,601,000 in financing and \$2,400,157 in grant from the Flood Infrastructure Fund for the planning, design, and construction of a drainage improvement project.

STAFF RECOMMENDATION

Approve No Action

PROJECT NAME AND NUMBER

City of Wharton Flood Protection Plan, Project Number 40106.

BACKGROUND

Passed by the 86th Texas Legislature and approved by voters through a constitutional amendment, the Flood Infrastructure Fund (FIF) was created to provide funding for flood mitigation projects. The purpose of the FIF, as outlined in Senate Bill 7 is to assist in financing drainage, flood mitigation, and flood control projects. FIF projects presented for consideration have been scored and ranked using prioritization criteria outlined in 31 Texas Administrative Code § 363.404 and further specified in the Flood Intended Use Plan. The prioritized list of projects was approved by the Board on September 17, 2020.

The City of Wharton (City) is located in Wharton County, approximately 60 miles southwest of Houston, Texas. The City is 8.28 square miles and has a population of about 8,637.

PROJECT NEED AND DESCRIPTION

Large areas of the City are located inside Colorado River's FEMA effective 100-year floodplain. Local businesses and residents in the vicinity of Stavena Addition Subdivision, Pecan Acres Subdivision, Ahldag Ditch, North Caney Creek, and the South Richmond Bridge crossing experience frequent flooding during 25-year storm events because the City's existing drainage system has limited capacity. The Colorado River overflows and feeds stormwater runoff to the headwaters of Peach Creek, Baughman Sough, and Caney Creek.

The proposed project will be done in two phases to address citywide flooding. Phase I includes a Master Drainage Study for the City limits and the Extraterritorial Jurisdiction. The study will verify parameters of the hydrologic model based on historical rain events. Findings from the study will also produce a detailed 1D/2D hydraulic model with an urban storm sewer analysis using 2018 LiDAR and updated National Oceanic and Atmospheric Administration Atlas 14 rainfall data to identify the level of service of the existing utilities. Phase II would implement previously designed solutions with considerations from the Master Drainage Study. The proposed drainage improvements include creek daylighting

(restoring previously covered waterways to natural conditions), channel modifications, and increased capacity of the storm drain system to reduce flood risk to 339 houses and businesses.

PROJECT SCHEDULE

Task	Schedule Date
Closing	September 1, 2021
Engineering Feasibility Report Completion (End of Planning Phase)	February 28, 2023
Design Phase Completion	August 31, 2023
Start of Construction	October 2, 2023
Construction Completion	October 31, 2024

KEY ISSUES

The City’s project is eligible under Category 2 of the 2020 Flood Intended Use Plan. This category of funding was designed for planning, acquisition, design, and construction activities to implement flood mitigation projects. Category 2 projects are eligible to receive up to 70 percent in grant funding. Recipients of financial assistance may either use their own available funds or borrow FIF funds at zero percent for any portion of the required local share not provided through FIF grant funds.

The City qualified for a \$2,400,157 grant under the FIF equal to 48 percent of the TWDB-eligible project cost of \$5,000,328. The City is also eligible to receiving a \$2,601,000 in FIF financing. In addition, the City received \$1,650,172 in grant funding from the General Land Office.

LEGAL

Special Conditions

- Executed Grant Agreement

Attachments:

1. Financial Review
2. Project Budget
3. Resolution (21-)
4. Location Map

Financial Review

City of Wharton

Risk Score: 2B

Audit Reviewed: FY 2020

Key Indicators

Indicator	Result	Benchmark
Population Growth, Average Annual 2010-2019	County: -0.25%	State: 1.24%
Top 10 Customers of the System	25%	<10-15%
Median Household Income Index %	63%	100%
Days of Cash on Hand (3-year Average)	48 days	30-149 days
Net Fixed Assets/ Annual Depreciation	22 years	12-24 years
Debt Service Coverage Ratio	1.62x	1.0x
Net Direct Debt/ Total Assessed Valuation	5.80%	2 - 4.99%
Unemployment Rate (April)	6.3%	6.3%

Key Risk Score Strengths

- Debt service coverage ratio exceeds the benchmark showing the City's ability to cover the proposed debt while meeting its current debt obligations.
- The City's unemployment rate is lower than the state average and has been on par or lower than the state average unemployment since March 2020.

Key Risk Score Concerns

- The top 10 customers of the system revenue percentage exceeds the benchmark with the highest percentage being Nan Ya Plastics at 8.4 percent. A stress test was run showing the City would still meet the required debt service coverage without the need for a rate increase.
- The City's net direct debt is higher than the benchmark mostly due to the City supporting its three most recent debt issuances with tax revenues only.

PLEDGE

Legal Pledge Name	Ad valorem tax and surplus system revenue
Type of Pledge	<input type="checkbox"/> Tax <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Tax & Revenue <input type="checkbox"/> Contract <input type="checkbox"/> Other
Revenue Pledge Level	<input type="checkbox"/> First <input type="checkbox"/> Second <input checked="" type="checkbox"/> Third <input type="checkbox"/> N/A

RATES AND CHARGES

Average Residential Use	Gallons/Month	Current Rates	Projected Rates	Current Household Cost Factor	Projected Household Cost Factor
WATER	4,466	\$40.40	\$40.40	2.32%	2.32%
WASTEWATER	3,441	\$35.05	\$35.05		

TAXES

	2021 Tax Year Rate	Max Projected Tax Rate (2022)	Maximum Allowable Rate	3-Year Avg Current Tax Collections	Assessed Valuation
Maintenance & Operation	\$0.096	\$0.096	\$2.50	97%	\$540,082,785
Interest & Sinking	\$0.341	\$0.507			
Total Tax Rate	\$0.437	\$0.603			

Cost Savings

Based on a 30-year maturity schedule and current interest rates, the City could save approximately \$1,319,577 over the life of the financing. The City is also saving \$2,400,157 in grant funding.

Responsible Authority	Wharton
Program	FLOOD
Commitment Number	G1001423, L1001422
Project Number	40106
List Year	2020
Type of Pledge	Combo Tax and Revenue
Pledge Level (if applicable)	Third Lien
Legal Description	\$2,400,157 City of Wharton, Texas Grant Agreement, \$2,601,000 City of Wharton, Texas, Combination Tax and Revenue Certificates of Obligation, Proposed Series 2021
Tax-exempt or Taxable	Tax-Exempt
Refinance	No
Outlay Requirement	Yes
Disbursement Method	Escrow
Outlay Type	Outlay = Escrow Release
Qualifies as Disadvantaged	No
Financial Managerial & Technical Complete	N/A
Phases Funded	Planning, Design, and Construction
Pre-Design	Yes
Project Consistent with State Water Plan	N/A
Water Conservation Plan	N/A
Overall Risk Score	2B

PROJECT TEAM

Team Manager	Financial Analyst	Engineering Reviewer	Environmental Reviewer	Attorney
Mireya Loewe	Tyrone Alcorn	Claudia Corsetti	Sara Sopczynski	Alexis Lorick

ISSUE BEING EVALUATED
FOR ILLUSTRATION PURPOSES ONLY
City of Wharton

Item-3.

\$2,601,000 City of Wharton, Texas, Combination Tax and Revenue Certificates of Obligation, Proposed Series 2021

Dated Date: 9/1/2021
Delivery Date: 9/1/2021
First Interest: 6/1/2022
First Principal: 6/1/2022
Last Principal: 6/1/2051
Fiscal Year End: 09/30
Required Coverage: 1.1

Source: FIF
Rate: 0.00%
IUP Year: 2020
Case: Tax and Revenue
Admin. Fee: \$0
Admin. Fee Payment Date: N/A
Total Assessed Valuation: \$540,082,785

FISCAL YEAR	CURRENT TAX RATE	TAX REVENUES WITH COLL. @ 97%	PROJECTED NET SYSTEM REVENUES	PROJECTED TOTAL REVENUES	CURRENT DEBT SERVICE	\$2,601,000 ISSUE			TOTAL DEBT SERVICE	COVERAGE	
						PRINCIPAL PAYMENT	INTEREST RATE	INTEREST PAYMENT			
2022	0.507	\$2,649,597	\$2,339,737	\$4,989,334	\$2,990,725	\$87,000	0.00%	-	\$87,000	\$3,077,725	1.62
2023	0.494	2,582,800	\$2,339,737	4,922,537	2,927,883	87,000	0.00%	-	87,000	3,014,883	1.63
2024	0.485	2,532,431	\$2,339,737	4,872,168	2,925,401	87,000	0.00%	-	87,000	3,012,401	1.62
2025	0.452	2,362,831	\$2,339,737	4,702,568	2,932,390	87,000	0.00%	-	87,000	3,019,390	1.56
2026	0.494	2,578,064	\$2,339,737	4,917,801	2,745,256	87,000	0.00%	-	87,000	2,832,256	1.74
2027	0.467	2,440,620	\$2,339,737	4,780,357	2,750,419	87,000	0.00%	-	87,000	2,837,419	1.68
2028	0.299	1,559,510	\$2,339,737	3,899,247	2,739,891	87,000	0.00%	-	87,000	2,826,891	1.38
2029	0.299	1,561,806	\$2,339,737	3,901,543	2,251,445	87,000	0.00%	-	87,000	2,338,445	1.67
2030	0.298	1,557,481	\$2,339,737	3,897,218	2,253,824	87,000	0.00%	-	87,000	2,340,824	1.66
2031	0.198	1,031,808	\$2,339,737	3,371,545	2,253,867	87,000	0.00%	-	87,000	2,340,867	1.44
2032	0.192	1,002,172	\$2,339,737	3,341,909	1,582,470	87,000	0.00%	-	87,000	1,669,470	2.00
2033	0.191	999,765	\$2,339,737	3,339,502	1,471,784	87,000	0.00%	-	87,000	1,558,784	2.14
2034	0.149	777,888	\$2,339,737	3,117,625	1,477,248	87,000	0.00%	-	87,000	1,564,248	1.99
2035	0.149	779,023	\$2,339,737	3,118,760	885,181	87,000	0.00%	-	87,000	972,181	3.21
2036	0.149	779,914	\$2,339,737	3,119,651	886,519	87,000	0.00%	-	87,000	973,519	3.20
2037	0.148	775,561	\$2,339,737	3,115,298	887,531	87,000	0.00%	-	87,000	974,531	3.20
2038	0.149	776,053	\$2,339,737	3,115,790	888,217	87,000	0.00%	-	87,000	975,217	3.19
2039	0.149	776,198	\$2,339,737	3,115,935	883,577	87,000	0.00%	-	87,000	970,577	3.21
2040	0.132	688,346	\$2,339,737	3,028,083	883,468	87,000	0.00%	-	87,000	970,468	3.12
2041	0.132	688,490	\$2,339,737	3,028,227	688,026	87,000	0.00%	-	87,000	775,026	3.91
2042	0.132	688,458	\$2,339,737	3,028,195	688,346	86,000	0.00%	-	86,000	774,346	3.91
2043	0.132	688,250	\$2,339,737	3,027,987	688,490	86,000	0.00%	-	86,000	774,490	3.91
2044	0.132	687,866	\$2,339,737	3,027,603	688,458	86,000	0.00%	-	86,000	774,458	3.91
2045	0.132	687,306	\$2,339,737	3,027,043	688,250	86,000	0.00%	-	86,000	774,250	3.91
2046	0.132	691,570	\$2,339,737	3,031,307	687,866	86,000	0.00%	-	86,000	773,866	3.92
2047	0.132	690,570	\$2,339,737	3,030,307	687,306	86,000	0.00%	-	86,000	773,306	3.92
2048	0.132	689,394	\$2,339,737	3,029,131	691,570	86,000	0.00%	-	86,000	777,570	3.90
2049	0.132	688,042	\$2,339,737	3,027,779	690,570	86,000	0.00%	-	86,000	776,570	3.90
2050	0.131	686,514	\$2,339,737	3,026,251	689,394	86,000	0.00%	-	86,000	775,394	3.90
2051	0.109	567,204	\$2,339,737	2,906,941	688,042	87,000	0.00%	-	87,000	775,042	3.75
					\$44,193,412	\$2,601,000		\$0	\$2,601,000	\$46,794,412	

AVERAGE (MATURITY) LIFE	15.3 YEARS
NET INTEREST RATE	0.000%
COST SAVINGS	\$ 1,319,577
AVERAGE ANNUAL REQUIREMENT	\$1,559,814

Disclaimer: This is a working document and is provided as a courtesy. All information contained herein, including the proposed interest rate, is subject to change upon further review of the TWDB in accordance with 31 Texas Administrative Code Chapters 363, 371, 375, or 384, as applicable. The TWDB does not function as a financial advisor to anyone in connection with this financing. The information contained in this document is used by TWDB staff to analyze the application for financing is illustrative only and does not constitute any guaranty of future rates. The TWDB makes no claim regarding the applicability of the information at closing, at which time actual rates will be set.



Project Budget Summary
 Wharton
 40106 - City of Wharton Flood Protection
 Plan

Budget Items	This Commitment	TWDB Funds	Total
Construction			
Construction	\$3,210,000.00	\$3,210,000.00	\$3,210,000.00
Subtotal for Construction	\$3,210,000.00	\$3,210,000.00	\$3,210,000.00
Basic Engineering Services			
Construction Engineering	\$145,500.00	\$145,500.00	\$145,500.00
Design	\$340,500.00	\$340,500.00	\$340,500.00
Planning	\$255,000.00	\$255,000.00	\$255,000.00
Subtotal for Basic Engineering Services	\$741,000.00	\$741,000.00	\$741,000.00
Special Services			
Environmental	\$150,000.00	\$150,000.00	\$150,000.00
Inspection	\$45,000.00	\$45,000.00	\$45,000.00
Project Management (by engineer)	\$52,000.00	\$52,000.00	\$52,000.00
Surveying	\$164,000.00	\$164,000.00	\$164,000.00
Water Distribution Modeling	\$400,000.00	\$400,000.00	\$400,000.00
Subtotal for Special Services	\$811,000.00	\$811,000.00	\$811,000.00
Fiscal Services			
Bond Counsel	\$39,000.00	\$39,000.00	\$39,000.00
Financial Advisor	\$45,500.00	\$45,500.00	\$45,500.00
Subtotal for Fiscal Services	\$84,500.00	\$84,500.00	\$84,500.00
Contingency			
Contingency	\$154,657.00	\$154,657.00	\$154,657.00
Subtotal for Contingency	\$154,657.00	\$154,657.00	\$154,657.00
Total	\$5,001,157.00	\$5,001,157.00	\$5,001,157.00

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF
\$5,001,157 TO THE CITY OF WHARTON
FROM THE FLOOD INFRASTRUCTURE FUND
THROUGH THE PROPOSED PURCHASE OF
\$2,601,000 CITY OF WHARTON, TEXAS
TAX AND REVENUE CERTIFICATES OF OBLIGATION
PROPOSED SERIES 2021
AND
THE EXECUTION OF A GRANT AGREEMENT IN THE AMOUNT OF \$2,400,157

(21 -)

WHEREAS, the City of Wharton (City), located in Wharton County, Texas, has filed an application for financial assistance from the Flood Infrastructure Fund (FIF) in accordance with Texas Water Code Chapter 15, Subchapter I, for planning, design, and construction of a Master Drainage Plan identified as Project No. 40106 (Project); and

WHEREAS, the City seeks financial assistance from the Texas Water Development Board (TWDB) in the amount of \$5,001,157 through the TWDB's proposed purchase of \$2,601,000 City of Wharton, Texas, Tax and Revenue Certificates of Obligation, Proposed Series 2021 (together with all authorizing documents (Obligations)) and \$2,400,157 through execution of a Grant Agreement, all as is more specifically set forth in the application and in recommendations of the Executive Administrator's staff; and

WHEREAS, the City has offered a pledge of ad valorem taxes and surplus net revenues of the City's waterworks and sewer system as sufficient security for the repayment of the Obligations; and

WHEREAS, the TWDB hereby finds:

1. that the application and financial assistance requested meet the requirements of Texas Water Code, Chapter 15, Subchapter I; 31 TAC Chapter 363, Subchapters A and D; and the State Fiscal Year 2020 Flood Intended Use Plan (FIUP);
2. the City has demonstrated a sufficient level of cooperation among eligible political subdivisions and has included all of the eligible political subdivisions substantially affected by the flood project in accordance with Texas Water Code § 15.536(2);
3. that the City has submitted a written memorandum of understanding relating to the management of the project watershed executed by all governing bodies of eligible political subdivisions located in the project watershed; and

4. that in its opinion the taxes or revenues pledged by the City will be sufficient to meet all Obligations assumed by the City in accordance with Texas Water Code § 15.536(3); and
5. that the City is eligible to receive grant funding in accordance with Texas Water Code § 15.534 and the FIUP; and
6. that the City has demonstrated that the benefit-cost ratio of the Project meets the requirements of the FIUP; and
7. that the request for financial assistance does not include redundant funding for activities already performed and/or funded through another source, in accordance with the FIUP; and
8. that the City has demonstrated that the application meets the requirements of the FIUP related to the National Flood Insurance Program in the area to be served by the Project; and
9. that the Project was developed using the best and most recent available data, in accordance with the FIUP; and
10. that the City has documented that it has planned for operations and maintenance costs associated with the Project, in accordance with the FIUP; and
11. that the City has considered possible floodwater capture techniques that could be associated with the Project for water supply purposes, in accordance with the FIUP; and
12. that the current water audit has been completed by the City and filed with the TWDB in accordance with Texas Water Code § 16.0121; and

NOW THEREFORE, based on these findings, the TWDB resolves as follows:

A commitment is made by the TWDB to City of Wharton for financial assistance in the amount of \$5,001,157 from the Flood Infrastructure Fund, to be evidenced by the TWDB's proposed purchase of \$2,601,000 City of Wharton, Texas, Tax and Revenue Certificates of Obligation, Proposed Series 2021 and the execution of a Grant Agreement in the amount of \$2,400,157. This commitment will expire on January 31, 2022; however, the Executive Administrator may, at his discretion, grant up to one extension for a maximum of three months.

Such commitment is conditioned as follows:

Standard Conditions:

1. this commitment is contingent on availability of TWDB funds on hand;

2. this commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that the City has complied with all of the requirements of the laws under which said Obligations were issued, that said Obligations were issued in conformity with the Constitution and laws of the State of Texas, and that said Obligations are valid and binding obligations of the City;
3. this commitment is contingent upon the City's continued compliance with all applicable laws, rules, policies, and guidance (as these may be amended from time to time to adapt to a change in law, in circumstances, or any other legal requirement), including but not limited to 31 TAC Chapter 363;
4. the City shall use a paying agent/registrar in accordance with 31 TAC § 363.42(c)(2);

The Following Conditions Must Be Included in the Obligations:

5. the Obligations must provide that the City will comply with all applicable TWDB laws and rules related to the use of the financial assistance;
6. the Obligations must provide that the City must comply with all conditions as specified in the final environmental finding of the Executive Administrator when issued, including the standard emergency discovery conditions for threatened and endangered species and cultural resources;
7. the Obligations must provide that the City will not begin construction for a portion of the Project until the environmental finding has been issued for that portion of the Project;
8. the Obligations must contain a provision requiring the City to maintain insurance coverage sufficient to protect the TWDB's interest in the Project;
9. the Obligations must include a provision wherein the City, or an obligated person for whom financial or operating data is presented to the TWDB in the application for financial assistance either individually or in combination with other issuers of the City's Obligations or obligated persons, will, at a minimum, regardless of the amount of the Obligations, covenant to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by Securities and Exchange Commission (SEC) in 17 CFR § 240.15c2-12 (Rule 15c2-12) and determined as if the TWDB were a Participating Underwriter within the meaning of such rule, such continuing disclosure undertaking being for the benefit of the TWDB and the beneficial owners of the City's Obligations, if the TWDB sells or otherwise transfers such Obligations, and the beneficial owners of the TWDB's bonds if the City is an obligated person with respect to such bonds under SEC Rule 15c2-12;

10. the Obligations must contain a provision requiring the City to levy a tax and/or maintain and collect sufficient rates and charges to produce revenues in an amount necessary to meet the debt service requirements of all outstanding obligations and to maintain the funds established and required by the Obligations;
11. the Obligations must include a provision requiring a final accounting to be made of the total sources and authorized use of Project funds within 60 days of the completion of the Project;
12. the Obligations must include a provision requiring the City to deposit any bond proceeds from the Obligations that are determined to be surplus proceeds remaining after completion of the Project and completion of a final accounting, including any interest earned on the bond proceeds, into the Interest and Sinking Fund;
13. the Grant Agreement must include a provision stating that the City shall either return or deposit into the Interest and Sinking Fund any grant funds that are determined to be surplus funds remaining after completion of the Project and completion of a final accounting, including any interest earned on the grant funds;
14. the Obligations must contain a provision that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Obligations that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect;
15. financial assistance proceeds are public funds and, as such, the Obligations must include a provision requiring that these proceeds shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256 and the Public Funds Collateral Act, Government Code, Chapter 2257;
16. financial assistance proceeds shall not be used by the City when sampling, testing, removing or disposing of contaminated soils and/or media at the Project site. The Obligations shall include an environmental indemnification provision wherein the City agrees to indemnify, hold harmless and protect the TWDB 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, recycling, 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 as a result of activities relating to the Project to the extent permitted by law;
17. the Obligations must contain a provision stating that the City shall abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by Texas Government Code, Chapter 2252, Subchapter G;

18. the Obligations must provide that the City will not cause or permit the Obligations to be treated as “federally guaranteed” obligations within the meaning of § 149(b) of the Code;
19. the Obligations must contain a covenant that the City will refrain from using the proceeds of the Obligations to pay debt service on another issue of obligations of the borrower in contravention of section 149(d) of the Code (related to “advance refundings”);
20. the Obligations must contain a provision requiring the City to submit quarterly status reports on the progress of the Project that details information requested by the Executive Administrator. The Executive Administrator may withhold authorization to release funds from escrow or adjust the amount of funds to be released from escrow based on the receipt of the quarterly status reports and the projected quarterly needs for the Project.

Pledge Conditions for the Loan

21. the Obligations must contain a provision that provides as follows:
 - a. if system revenues are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes which otherwise would have been required to be levied and collected may be reduced to the extent and by the amount of revenues then on deposit in the Interest and Sinking Fund; or
 - b. if surplus revenues are based upon budgeted amounts:
 - i. the Obligations must include a requirement that the City transfer and deposit in the Interest and Sinking Fund each month an amount of not less than 1/12th of the annual debt service on the Obligations until the amount on deposit in the Interest and Sinking Fund equals the amount required for annual debt service on the Obligations; further, that the ordinance authorizing the issuance of the Obligations must include a requirement that the City shall not transfer any funds from the City’s pledged system revenues to any fund other than the Interest and Sinking Fund until such time as an amount equal to the annual debt service on the Obligations for the then-current fiscal year has been deposited in the Interest and Sinking Fund;
 - ii. the Obligations must include a requirement that for each year the Obligations are outstanding, and prior to the time taxes are to be levied for such year, the City shall establish, adopt, and maintain an annual budget that provides for either the monthly deposit of sufficient surplus pledged revenues and/or tax revenues, the

monthly deposit of any other legally available funds on hand at the time of the adoption of the annual budget, or a combination thereof, into the Interest and Sinking Fund for the repayment of the Obligations; and

- iii. the Obligations must include a requirement that the City shall at all times maintain and collect sufficient rates and charges so that after payment of the costs of operating and maintaining the Project, it produces revenues in an amount not less than 1.10 times debt service requirements of all outstanding Obligations of the City and other obligations of the City that are secured in whole or in part by the pledged revenues, for which the City is budgeting the repayment of such Obligations, or the City shall provide documentation that evidences the levy and collection of an ad valorem tax rate dedicated to the Interest and Sinking Fund, in conjunction with any other legally available funds, sufficient for the repayment of debt service requirements;

Conditions to Close or for Release of Funds:

- 22. prior to closing, the City shall submit documentation evidencing the adoption and implementation of sufficient system rates and charges or, if applicable, the levy of an interest and sinking tax rate sufficient for the repayment of all system debt service requirements;
- 23. prior to release of funds for the relevant services, and if required under the TWDB's financial assistance program and if not previously provided with the application, the City shall submit executed contracts for engineering and, if applicable, financial advisor and bond counsel, for the Project that are satisfactory to the Executive Administrator. Fees to be reimbursed under the contracts must be reasonable in relation to the services performed, reflected in the contract, and acceptable to the Executive Administrator;
- 24. prior to closing, when any portion of financial assistance is to be held in escrow or in trust, the City shall execute an escrow agreement or trust agreement, approved as to form and substance by the Executive Administrator, and shall submit that executed agreement to the TWDB;
- 25. prior to closing, the City's bond counsel must prepare a written, unqualified approving opinion acceptable to the executive administrator. Bond counsel may rely on covenants and representations of the City when rendering this opinion.

PROVIDED, however, the commitment is subject to the following special condition:

Special Condition:

26. prior to closing, the City shall execute a Grant Agreement in a form and substance acceptable to the Executive Administrator.

APPROVED and ordered of record this, the 7th day of July, 2021.

TEXAS WATER DEVELOPMENT BOARD

Brooke T. Paup, Chairwoman

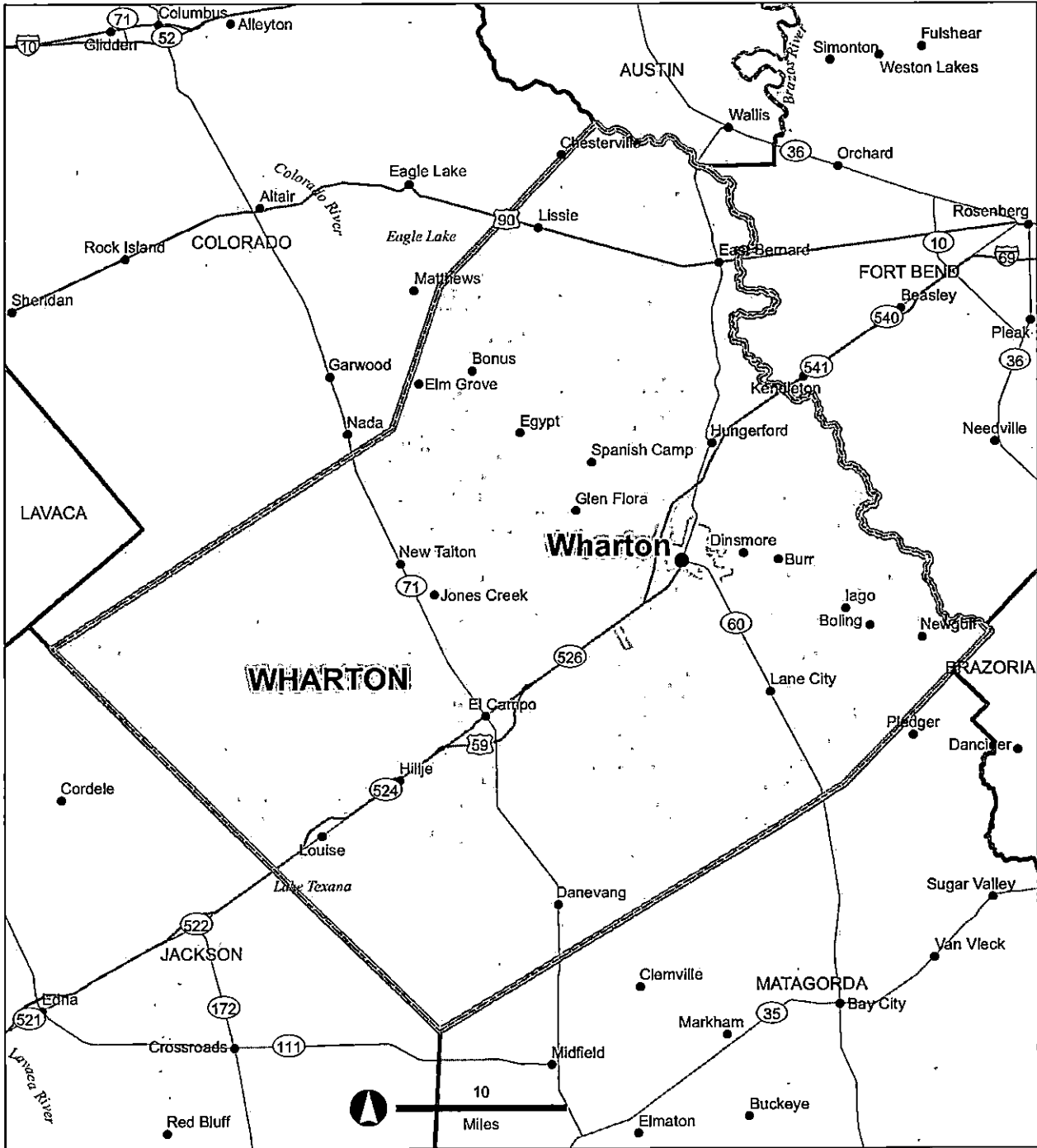
DATE SIGNED: _____

ATTEST:

Jeff Walker, Executive Administrator



City of Wharton Wharton County



CITY OF WHARTON, TEXAS
TAX & REVENUE CERTIFICATES OF OBLIGATIONS, SERIES 2021A
 UNRATED (CITY MAINTAINS S&P GLOBAL "A+")
 COUNCIL MEETS 2ND AND 4TH MONDAY OF THE MONTH (7:00 PM)

Draft 2
6/23/2021

Tentative Timetable of Events

JULY						
S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

AUGUST						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

SEPTEMBER						
S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

OCTOBER						
S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

Complete By	Day	Event	Parties
July 12	Monday	The City Council of the City of Wharton (the "Council") approves the Notice of Intent ("NOI") to issue Tax & Revenue Certificates of Obligation, Series 2021A (the "Series 2021A Certificates").	C, BC, FA
July 13	Tuesday	City of Wharton (the "City") posts the NOI on its website. The posting must remain on the City's website until after the ordinance ("Ordinance") approving the sale of the Series 2021A Certificates is approved.	C
July 14	Wednesday	First publication of the NOI in the local paper.	C, BC
July 21	Wednesday	Second publication of the NOI in the local paper.	
August 12	Thursday	Bond Counsel provides the Certificate documents to the TWDB 30 days prior to the sale.	BC
September 8	Wednesday	Request CUSIPs for the Series 2021A Certificates.	FA
September 13	Monday	Sale Date. City Council adopts the Ordinance authorizing the Series 2021A Certificates.	All
September 14	Tuesday	Distribute draft copy of the Private Placement Memorandum for review and comments.	FA
September 21	Tuesday	Comments due on the Private Placement Memorandum.	All
September 21	Tuesday	Distribute draft copy of the Closing memorandum.	FA
September 30	Thursday	Comments due on the draft Closing Memo.	ALL

October 1	Friday	Provide all documents to the TWDB 9-10 days prior to the closing.	FA
October 14	Thursday	Deliver Certificates.	C, BC

Legend

City of Wharton
Hunton Andrews Kurth LLP
USCA Municipal Advisors
Texas Water Development Board

Issuer (C)
Bond Counsel (BC)
Financial Advisor (FA)
TWDB –Purchaser

RESOLUTION NO. _____
RESOLUTION AUTHORIZING PUBLICATION OF NOTICE
OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

THE STATE OF TEXAS §
COUNTY OF WHARTON §
CITY OF WHARTON §

WHEREAS, the City Council of the City of Wharton, Texas (the “City”), deems it advisable to issue certificates of obligation of the City in accordance with the Notice hereinafter set forth; Now, Therefore

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

Section 1. The facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct.

Section 2. The City Secretary is hereby authorized and directed to cause to be published in the manner required by law and in substantially the form attached hereto as Exhibit A, a notice of intention to issue certificates of obligation (the “Notice”).

Section 3. The Notice authorized in Section 2 above shall be published once a week for two (2) consecutive weeks in a newspaper which is of general circulation in the City, the date of the first publication to be at least forty-six (46) days before the date tentatively set in said Notice for the passage of the ordinance authorizing the issuance of such certificates of obligation. Further, the Notice shall be continuously posted on the City’s Internet website, for at least forty-five (45) days before the date tentatively set for the passage of the order or ordinance authorizing the issuance of the certificates.

Section 4. For the purposes of the Notice, the City hereby designates as self-supporting those public securities listed in the attached Exhibit B, the debt service on which the City currently pays from sources other than ad valorem tax collections.

Section 5. The Mayor, City Secretary, and other officers and agents of the City are hereby authorized and directed to do any and all things necessary or desirable to carry out the provisions of this resolution.

Section 6. This resolution shall take effect immediately upon its passage.

Section 7. The Notice and agenda relating to this meeting and heretofore posted by the City Secretary, and the posting thereof, are hereby authorized, approved, and ratified.

PASSED AND APPROVED the 12th day of July, 2021.

Mayor
City of Wharton, Texas

ATTEST:

City Secretary
City of Wharton, Texas

(SEAL)

EXHIBIT A

NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Wharton, Texas (the “City”), will meet at the Wharton City Hall, 120 East Caney Street, Wharton, Texas, 77488 at 7:00 p.m. on the 13th day of September, 2021, which is the time and place tentatively set for the passage of an ordinance and such other action as may be deemed necessary to authorize the issuance of the City’s certificates of obligation, in the maximum aggregate principal amount of \$2,750,000 payable from ad valorem taxation and from a pledge of a subordinate lien on the net revenues of the City’s waterworks and sewer system, bearing interest at any rate or rates not to exceed the maximum interest rate now or hereafter authorized by law, as shall be determined within the discretion of the City Council at the time of issuance, and maturing over a period of years not to exceed thirty (30) years from the date thereof, for the purpose of evidencing the indebtedness of the City to pay all or any part of the contractual obligations to be incurred for the (i) design, construction and installation of flood control, storm water and drainage improvements within the City and (ii) the cost of professional services rendered in connection the above listed projects.

It is estimated that the combined principal and interest required to pay the certificates is \$2,750,000. Such estimate is provided for illustrative purposes only, and is based on an assumed interest rate of 0.00%. As of the date of this notice, the aggregate principal amount outstanding of tax-supported debt obligations of the City (excluding public securities secured by an ad valorem tax but designated by the City as self-supporting in Resolution No. _____, dated July 12, 2021, which resolution is available from the City upon request) is \$11,806,334, and based on the City’s expectations, as of the date of this notice the combined principal and interest required to pay all of the outstanding tax-supported debt obligations of the City (excluding public securities secured by an ad valorem tax but designated by the City as self-supporting) on time and in full is \$13,991,844. Such amounts are derived from projections obtained from the City’s financial advisor based upon current market conditions and is provided from the City without assurance that such projections will be realized. The City cannot guarantee that such conditions will continue through the date of the sale of the Certificates.

City Secretary
City of Wharton, Texas

EXHIBIT B
SELF-SUPPORTING DEBT

Principal Amount Designated as Self Supporting	Series Designation
\$195,500	General Obligation Refunding Bonds, Series 2013
\$2,127,000	Tax and Revenue Certificates of Obligation, Series 2013
\$1,489,417	Tax and Revenue Certificates of Obligation, Series 2015
\$1,610,400	Tax and Revenue Certificates of Obligation, Series 2019
\$1,036,350	General Obligation Refunding Bonds, Series 2019
\$15,000,000	Tax and Revenue Certificates of Obligation, Series 2021
\$21,458,667	Total Principal Amount Designated as Self-Supporting

RESOLUTION _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS,
EXPRESSING INTENT TO FINANCE EXPENDITURES TO BE INCURRED**

THE STATE OF TEXAS §
CITY OF WHARTON §

WHEREAS, the City of Wharton, Texas (the "City"), is a home rule city of the State of Texas, authorized to finance its activities by issuing obligations pursuant to the Texas Government Code and Texas Local Government Code, which may include obligations that qualify for an income tax credit or obligations the interest on which is excludable from gross income for federal income tax purposes ("tax-advantaged obligations"), pursuant to Section 103 of the Internal Revenue of 1986, as amended (the "Code"), or both; and,

WHEREAS, the City has made, within the last 60 days, and will continue to make payments with respect to the acquisition of the projects listed on Exhibit A attached hereto (the "Financed Facilities and Improvements"); and,

WHEREAS, the City reasonably expects to issue Tax-Advantaged Obligations to reimburse itself for the costs associated with the Financed Facilities and Improvements; and

WHEREAS, the City desires to reimburse itself for the costs associated with the Financed Facilities and Improvements from the proceeds of Tax-Advantaged Obligations to be issued subsequent to the date hereof; and,

NOW, THEREFORE, be it resolved that:

Section 1. The City hereby declares its intent to reimburse itself for all costs paid within the last 60 days and that will be paid subsequent to the date hereof in connection with the acquisition of the Financed Facilities and Improvements from the proceeds of Tax-Advantaged Obligations to be issued subsequent to the date hereof.

Section 2. The City reasonably expects that the maximum principal amount of tax-advantaged obligations issued by the City to finance costs associated with the Financed Facilities and Improvements listed on Exhibit A and other improvements attached hereto will not exceed \$2,601,000.

Section 3. This Resolution will be kept in the books and records maintained by the City with respect to the tax-advantaged obligations.

PASSED AND APPROVED this ____ day of _____, 2021.

CITY OF WHARTON, TEXAS

By: _____
Mayor

ATTEST:

City Secretary

(SEAL)

APPROVED AS TO FORM

Hunton Andrews Kurth LLP, Bond Counsel

EXHIBIT A**Financed Facilities and Improvements**Item or Fund - - Described by Character, Type or Purpose

The design, construction and installation of flood control, storm water and drainage improvements within the City, including, but not limited to:

1. Engineering services
2. Environmental services
3. Land/right of way acquisition
4. Acquisition relocation
5. Drainage studies
6. Drainage improvements
7. Legal fees associated with the project
8. Surveying services
9. Inspection services
10. Water Distribution Modeling – Hydrologic and Hydraulic study
11. The cost of professional services or other expenses of issuing the Certificates