



CITY COUNCIL REGULAR MEETING CITY OF BAY CITY

Tuesday, March 09, 2021 at 6:00 PM
COUNCIL CHAMBERS | 1901 5th Street

COUNCIL MEMBERS

Mayor: Robert K Nelson

Mayor Pro Tem: Jason W. Childers

Council Members: Brent P. Marceaux, Becca Sitz, Floyce Brown, Jim Folse

Bay City is committed to developing and enhancing the long-term prosperity, sustainability, and health of the community.

AGENDA

THE FOLLOWING ITEM WILL BE ADDRESSED AT THIS OR ANY OTHER MEETING OF THE CITY COUNCIL UPON THE REQUEST OF THE MAYOR, ANY MEMBER(S) OF COUNCIL AND/OR THE CITY ATTORNEY:

ANNOUNCEMENT BY THE MAYOR THAT COUNCIL WILL RETIRE INTO CLOSED SESSION FOR CONSULTATION WITH CITY ATTORNEY ON MATTERS IN WHICH THE DUTY OF THE ATTORNEY TO THE CITY COUNCIL UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH THE OPEN MEETINGS ACT (TITLE 5, CHAPTER 551, SECTION 551.071(2) OF THE TEXAS GOVERNMENT CODE).

CALL TO ORDER

INVOCATION & PLEDGE

Texas State Flag Pledge: *"Honor The Texas Flag; I Pledge Allegiance To Thee, Texas, One State Under God, One And Indivisible."*

Councilman James Folse

CERTIFICATION OF QUORUM

MISSION STATEMENT

The City of Bay City is a community that fosters future economic growth, strives to deliver superior municipal services, invests in quality of life initiatives and is the gateway to the great outdoors. We encourage access to our unique historical and eco-cultural resources while maintaining our small-town Texas charm.

Councilman James Folse

APPROVAL OF AGENDA

PUBLIC COMMENTS

State Law prohibits any deliberation of or decisions regarding items presented in public comments. City Council may only make a statement of specific factual information given in

response to the inquiry; recite an existing policy; or request staff places the item on an agenda for a subsequent meeting.

APPROVAL OF MINUTES

- 1. Minutes of Council Workshop Meeting on January 26, 2021**
- 2. Minutes of Regular Council Meeting on January 26, 2021**
- 3. Minutes of Council Workshop Meeting on February 23, 2021**
- 4. Minutes of Regular Council Meeting on February 23, 2021**

REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL

- 5. Report ~ Review residential usage of the HHW Solutions.**Krystal Mason, Code Compliance Officer
- 6. Report ~ Bay City Police Department Annual Report and Highlights.**
Robert Lister, Chief of Police
- 7. Ordinance ~ An Ordinance authorizing the issuance of the City of Bay City, Texas, Tax and Surplus Revenue Certificates of Obligation, Series 2021A (CWSRF); authorizing execution and delivery of a paying agent/registrar agreement and an escrow agreement relating to such certificates; prescribing the form of said certificates; levying a tax and pledging surplus revenues of the water and sewer system in payment thereof; and enacting other provisions relating thereto.**Scotty Jones, Finance Director
- 8. Ordinance ~ An Ordinance authorizing the issuance of the City of Bay City, Texas, Tax and Surplus Revenue Certificates of Obligation, Series 2021B (DWSRF); authorizing execution and delivery of a paying agent/registrar agreement and an escrow agreement relating to such certificates; prescribing the form of said certificates; levying a tax and pledging surplus revenues of the water and sewer system in payment thereof; and enacting other provisions relating thereto.**
Scotty Jones, Finance Director
- 9. Report ~ Update on Winter Event within the community.**Shawna Burkhart, City Manager
- 10. Declaration ~ Discuss, consider, and/or approve a Declaration of Local State of Disaster.**Robert K. Nelson, Mayor

CLOSED / EXECUTIVE SESSION

- 11. Pursuant to Texas Government Code Section 551.087, (1) to discuss commercial or financial information that BCCDC has received from a business prospect that BCCDC seeks to have locate, stay, or expand in Bay City and with which BCCDC is conducting economic development negotiations; and/or (2) to deliberate the**

**offer of a financial or other incentive to a business prospect described by
Subdivision (1).**

OPEN SESSION

Discuss, consider and/or take action on item(s) listed in Executive/Closed Session, (if any).

ITEMS / COMMENTS & MAYOR AND COUNCIL MEMBERS

ADJOURNMENT

AGENDA NOTICES:

Action by Council Authorized: The City Council may vote and/or act upon any item within this Agenda. The Council reserves the right to retire into executive session concerning any of the items listed on this Agenda, pursuant to and in accordance with Texas Government Code Section 551.071, to seek the advice of its attorney about pending or contemplated litigation, settlement offer or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflict with the Open Meetings Act and may invoke this right where the City Attorney, the Mayor or a majority of the Governing Body deems an executive session is necessary to allow privileged consultation between the City Attorney and the governing body, if considered necessary and legally justified under the Open Meetings Act. The City Attorney may appear in person, or appear in executive session by conference call in accordance with applicable state law.

Attendance By Other Elected or Appointed Officials: It is anticipated that members of other city board, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be in attendance. The members of the boards, commissions and/or committees may participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that board, commission or committee subject to the Texas Open Meetings Act.

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

CERTIFICATION OF POSTING

This is to certify that the above notice of a Regular Called Council Meeting was posted on the front window of the City Hall of the City of Bay City, Texas on **Friday, March 5, 2021 before**

6:00 p.m. Any questions concerning the above items, please contact Mayor Robert K. Nelson at (979) 245-2137.

CITY OF BAY CITY

MINUTES • JANUARY 26, 2021

**COUNCIL
CHAMBERS | 1901
5th Street**

City Council Workshop

5:00 PM

**1901 5TH STREET
BAY CITY TX, 77414**



Mayor

Robert K. Nelson

Councilman

Jim Folse

Mayor Pro Tem

Jason W. Childers

Councilman

Brent P. Marceaux

Councilwoman

Becca Sitz

Councilwoman

Floyce Brown

Bay City is committed to developing and enhancing the long-term prosperity, sustainability, and health of the community.

CALL TO ORDER

Mayor Robert K. Nelson called the meeting to order at 5:03 PM.

CERTIFICATION OF QUORUM

Mayor Robert K. Nelson certified that a quorum was present.

PRESENT

Mayor Robert K. Nelson
Mayor Pro Tem Jason W. Childers
Councilwoman Floyce Brown
Councilman Jim Folse
Councilman Brent P. Marceaux
Councilwoman Becca Sitz

PUBLIC COMMENTS

There were not any public comments.

REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND / OR APPROVAL**1. Discussions regarding Utility fee changes.**

Barry Calhoun, Public Works Director, stated that the City is trying to gather funds for major capital improvement projects, 2 new water plants, improvements to existing water and waste water, and that the City has applied for low interest loan to help fund projects. We visited utility rates structure to see if can make adjustments to help fund projects and did a study. After fee adjustments customers were impacted and we received a lot of complaints. So we adjusted one section of utility rate to help alleviate cost and are seeking ratification on adjustment.

Scotty Jones, Finance Director, added that the volume metric rate that nearly doubled in residential rate and the quick solution - took volume metric rate on water side, changed to 5000 rate instead of 10000 rate.

There are different customer class - residential, multifamily (apartments, condo, hotel), commercial, industrial; each charged a little differently.

Dan Olsen with Garver added that the conservation rate is referring to tiering structure based on what you use.

2. Discuss and consider location(s) for Splashpad.

Shawn Blackburn, Parks & Recreation Director, presented the location options suggested by the advisory board:

1. Amistad Park met all criteria - listed in master plan
2. Riverside Park would help create revenue, not easily accessible to foot traffic.
3. Hardeman Park, least favorite due to the youth soccer has lease for this land.

Mayor Nelson stated that Amistad Park was more localized. Councilman Marceaux asked about groups for birthday parties and Mr. Blackburn replied that they may need to get pavilion for it. Councilwoman Sitz stated that she is hesitant on Amistad, and asked if we only considered city properties that has facilities and Mayor Nelson replied that they did look at other properties but cost is more exponential. Councilwoman Brown stated that Amistad Park sounds great.

ADJOURNMENT

Motion made by Councilman Folse to adjourn, Seconded by Councilwoman Brown. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilwoman Brown, Councilman Folse, Councilman Marceaux, Councilwoman Sitz. Motion carried and Council adjourned at 6:09 pm.

PASSED AND APPROVED, this ____ day of _____, 2021.

ROBERT K. NELSON, MAYOR
CITY OF BAY CITY, TEXAS

JEANNA THOMPSON
CITY SECRETARY

CITY OF BAY CITY

MINUTES • JANUARY 26, 2021

COUNCIL
CHAMBERS | 1901
5th Street

City Council Regular Meeting

6:00 PM

1901 5TH STREET
BAY CITY TX, 77414



Mayor

Robert K. Nelson

Councilman

Jim Folse

Mayor Pro Tem

Jason W. Childers

Councilman

Brent P. Marceaux

Councilwoman

Becca Sitz

Councilwoman

Floyce Brown

Bay City is committed to developing and enhancing the long-term prosperity, sustainability, and health of the community.

CALL TO ORDER

Mayor Robert K. Nelson called the meeting to order at 6:16 PM.

INVOCATION & PLEDGE

Texas State Flag Pledge: *"Honor The Texas Flag; I Pledge Allegiance To Thee, Texas, One State Under God, One And Indivisible."*

Councilwoman Floyce Brown

CERTIFICATION OF QUORUM

Mayor Robert K. Nelson certified that a quorum was present.

PRESENT

Mayor Robert K. Nelson
 Mayor Pro Tem Jason W. Childers
 Councilwoman Floyce Brown
 Councilman Jim Folse
 Councilman Brent P. Marceaux
 Councilwoman Becca Sitz

MISSION STATEMENT

The City of Bay City is a community that fosters future economic growth, strives to deliver superior municipal services, invests in quality of life initiatives and is the gateway to the great outdoors. We encourage access to our unique historical and eco-cultural resources while maintaining our small-town Texas charm.

Councilwoman Floyce Brown

APPROVAL OF AGENDA

Motion made by Councilwoman Brown to approve the agenda, Seconded by Councilman Marceaux. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilwoman Brown, Councilman Folse, Councilman Marceaux, Councilwoman Sitz. Motion carried.

PUBLIC COMMENTS

There were not any public comments.

CONSENT AGENDA ITEMS FOR CONSIDERATION AND/OR APPROVAL

1. **Minutes of City Council Regular Meeting on January 12, 2021.**
2. **Accounts Payable, Direct Payable and Utility Refunds for October, November, and December 2020**

Motion made by Mayor Pro Tem Childers to approve the Consent Items, Seconded by Councilwoman Brown. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilwoman

Brown, Councilman Folse, Councilman Marceaux, Councilwoman Sitz. Motion carried.

REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL

3. Presentation ~ Discuss, consider, and/or approve architectural design of Digital Billboard at Bay City Civic Center.

Heidi Martinez, Tourism Director, presented the billboard design proposed. We do not need Texas Department of Transportation approval. Have gotten confirmation that the sign will be covered under insurance for lightning/weather/wind once it is built, different features that includes earth grounding rod, built to accommodate wind load, projecting sign to be 29 feet tall. Ms. Martinez answered various questions from Council regarding the sign capabilities and software.

Motion made by Mayor Pro Tem Childers to approve the design of the digital billboard, Seconded by Councilwoman Sitz. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilwoman Brown, Councilman Folse, Councilman Marceaux, Councilwoman Sitz. Motion carried.

4. Presentation ~ Library 1st Quarter Report.

Samantha Denbow, Library Director, presented the Library statistics from October through December. They had 29 programs that were all virtual except one. Number are down due to COVID, but computer usage has remained steady. Ms. Denbow stated that they are getting ready for summer programs that will be both virtual and in person.

5. Ratification ~ Discuss, review and/or approve ratifying adjusted Utility Fees.

The ratification of adjusted utility fees was presented by both Shawna Burkhart, City Manager, and Scotty Jones, Finance Director, and the need to ratify change in volume and fee change from 6.30 to 3.15

Motion made by Councilwoman Brown to approve the ratification of the adjusted utility fees, Seconded by Councilman Folse. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilwoman Brown, Councilman Folse, Councilman Marceaux, Councilwoman Sitz. Motion carried.

6. Resolution ~ Discuss, consider, and/or approve a Resolution allowing the City Manager to approve contracts.

Motion made by Councilwoman Sitz to approve a resolution allowing the City Manager to approve contracts, Seconded by Mayor Pro Tem Childers. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilwoman Brown, Councilman Folse, Councilman Marceaux, Councilwoman Sitz. Motion carried.

7. Resolution ~ Discuss, consider, and/or approve a Resolution approving the submission of the "Project Justice" project grant application under the Criminal Justice Grant with the Office of the Governor, Criminal Justice Division.

Robert Lister, Chief of Police, presented the resolution and stated that the grant would assist in the salary of a full time investigator. Chief Lister stated that based on the number of cases, the investigations division has struggle to keep up. Chief added that the grant pays 100% first year and will provide vehicle and full salary, 2nd year 80% - city 11,000, 3rd year - 23,000, and 4th year city picks up full salary. Mayor Nelson asked Chief Lister if her will hire investigator and Chief replied that is trying to get one already. Mayor Pro-Tem Childers asked if it can be from within or are they hiring from outside and the Chief replied that it could be from within or a lateral transfer from another agency. Chief stated that the funding is through DOJ, criminal justice division for State of Texas - JAG grant is Federal funded. Councilwoman Brown added that there will have to be adjustments in the budget after first year and after 4th year, full 58,000 (2025-26).

Motion made by Mayor Pro Tem Childers to approve the resolution, Seconded by Councilwoman Brown. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilwoman Brown, Councilman Folse, Councilman Marceaux, Councilwoman Sitz. Motion carried.

CLOSED / EXECUTIVE SESSION

Council adjourned in to an Executive Session at 6:51 pm.

- 8. Executive session pursuant to Texas Government Code Section 551.087, (1) to discuss or deliberate regarding commercial or financial information that BCCDC has received from a business prospect that BCCDC seeks to have locate, stay, or expand in Bay City and with which BCCDC is conducting economic development negotiations; and/or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).**
- 9. Executive Session to consult with legal counsel about legal matters pursuant to Section 551.071(2) of the Texas Government Code.**

OPEN SESSION

Discuss, consider and/or take action on item(s) listed in Executive/Closed Session, (if any).

Council reconvened in at 8:12 pm. Council took no action on the items in executive session.

ITEMS / COMMENTS & MAYOR AND COUNCIL MEMBERS

There were comments from Mayor or Council

ADJOURNMENT

Motion made by Councilman Marceaux to adjourn, Seconded by Mayor Pro Tem Childers. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilwoman Brown, Councilman Folse, Councilman Marceaux, Councilwoman Sitz. Motion carried and meeting adjourned at 8:16 pm.

PASSED AND APPROVED, this ____ day of _____, 2021.

ROBERT K. NELSON, MAYOR

CITY OF BAY CITY, TEXAS

JEANNA THOMPSON

CITY SECRETARY

CITY OF BAY CITY

MINUTES • FEBRUARY 23, 2021

COUNCIL
CHAMBERS | 1901
5th Street

City Council Utility Workshop

4:30 PM

1901 5TH STREET
BAY CITY TX, 77414



Mayor

Robert K. Nelson

Councilman

Jim Folse

Mayor Pro Tem

Jason W. Childers

Councilman

Brent P. Marceaux

Councilwoman

Becca Slitz

Councilwoman

Floyce Brown

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CALL TO ORDER

Mayor Robert K. Nelson called the meeting to order at 4:38 pm.

CERTIFICATION OF QUORUM**PRESENT**

Mayor Robert K. Nelson
Mayor Pro Tem Jason W. Childers
Councilwoman Floyce Brown
Councilman Jim Folse
Councilman Brent P. Marceaux
Councilwoman Becca Sitz

Also present:

Shawna Burkhart, City Manager
Barry Calhoun, Public Works Director
Dan Olsen, Garver

PUBLIC COMMENTS

None

REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND / OR APPROVAL**REVIEW AND DISCUSS THE CITY'S UTILITY ORDINANCE**

Barry Calhoun, Public Works Director reviewed the need to adjust rates after the increase in rates created complaint. Mr. Calhoun stated that irrigation water use rates was hit hard. Mr. Calhoun added that we have revisited and brought down last month after making adjustments. The review tonight is to review the final adjustments. Dan Olsen with Garver addressed council. Mr. Olsen stated that they tried to incorporate the feedback and to moderate and phase in.

Mayor Nelson asked if these rates cover the debt service. Mr. Olsen replied yes.

Mayor Pro Tem Childers asked if there will be incremental increases and Mr. Olsen replied that it would for next few years but not like this. Benchmark showed a sewer cap, sewer cap makes a difference. The new fees still keeps us in the middle of the road and the changes were to satisfy those high volume customers.

Mayor Pro Tem Childers asked about the meters. Mr. Calhoun stated that the company had updated the software and they drug their feet but there were bugs in the software, the City is still manually reading meters. Mr. Calhoun added that commercial business meters have failed, facing replacing 18 meters and we should have in by next month. One hundred Badger test meters are in the ground, still reading 100%, working real good. Very pleased with those

test meters and showed leaks with out customer knowing.

ADJOURNMENT

Motion made by Councilwoman Brown to adjourn, Seconded by Councilman Folse. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilwoman Brown, Councilman Folse, Councilman Marceaux, Councilwoman Sitz. Motion carried and the meeting adjourned at 5:15 pm.

PASSED AND APPROVED, this ____ day of _____, 2021.

ROBERT K. NELSON, MAYOR
CITY OF BAY CITY, TEXAS

JEANNA THOMPSON
CITY SECRETARY

CITY OF BAY CITY

MINUTES • FEBRUARY 23, 2021

**COUNCIL
CHAMBERS | 1901
5th Street**

City Council Regular Meeting

6:00 PM

**1901 5TH STREET
BAY CITY TX,77414**



Mayor

Robert K. Nelson

Councilman

Jim Folse

Mayor Pro Tem

Jason W. Childers

Councilman

Brent P. Marceaux

Councilwoman

Becca Sitz

Councilwoman

Floyce Brown

Bay City is committed to developing and enhancing the long-term prosperity, sustainability, and health of the community.

CALL TO ORDER

Mayor Robert K. Nelson called the meeting to order at 6:01 pm

INVOCATION & PLEDGE

Texas State Flag Pledge: *"Honor The Texas Flag; I Pledge Allegiance To Thee, Texas, One State Under God, One And Indivisible."*

Councilman Brent Marceaux

CERTIFICATION OF QUORUM**PRESENT**

Mayor Robert K. Nelson
Mayor Pro Tem Jason W. Childers
Councilwoman Floyce Brown
Councilman Jim Folse
Councilman Brent P. Marceaux
Councilwoman Becca Sitz

MISSION STATEMENT

The City of Bay City is a community that fosters future economic growth, strives to deliver superior municipal services, invests in quality of life initiatives and is the gateway to the great outdoors. We encourage access to our unique historical and eco-cultural resources while maintaining our small-town Texas charm.

Councilman Brent Marceaux

APPROVAL OF AGENDA

Motion made by Mayor Pro Tem Childers to approve the agenda, Seconded by Councilman Marceaux. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilwoman Brown, Councilman Folse, Councilman Marceaux, Councilwoman Sitz. Motion carried.

PUBLIC COMMENTS

David Torrez, who has been a resident for 67 years, stated that he is concerned with the holes in roads and that the City is broke. Mr. Torrez asked what Council will do when the water bills come in for all the broken lines from last weeks freeze. He is concerned the bills will be outrageous.

APPROVAL OF MINUTES**1. Minutes of City Council Regular meeting on February 9, 2021.**

Motion made by Councilman Marceaux to approve the minutes from the February 9, 2021 Regular Meeting, Seconded by Councilwoman Sitz. Voting Yea: Mayor Nelson,

Mayor Pro Tem Childers, Councilwoman Brown, Councilman Folse, Councilman Marceaux, Councilwoman Sitz. Motion carried.

REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL

2. **Ordinance ~ Discuss, consider, and/or approve revisions to the City of Bay City, Texas Code of Ordinances, Chapter 114 "Utilities", providing rules and regulations in compliance with State law for efficient and safe operations of the City's utility water and wastewater systems.**

Barry Calhoun, Public Works Director, presented the ordinance to Council, revision directly tied to the rate structure. We adjusted the language in the ordinance, multifamily moved out of commercial and now its own class.

Motion made by Mayor Pro Tem Childers to approve the ordinance amending Chapter 114 "Utilities", Seconded by Councilwoman Brown. Mayor Nelson polled Council, Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilwoman Brown, Councilman Folse, Councilman Marceaux, Councilwoman Sitz. Motion carried.

3. **Ordinance ~ Discuss, consider and/or approve an Ordinance of the City of Bay City, Texas, revising the Fee Schedule labeled "Appendix B" in the Code of Ordinances of the City of Bay City, Texas; adopting new fees for Chapter 114 Utilities; providing for repeal; providing for ratification; providing a penalty; providing for severability; and providing an effective date. Barry Calhoun, Public Works**

Motion made by Mayor Pro Tem Childers to approve the Ordinance amending the Fee Schedule, Seconded by Councilwoman Brown. Mayor Nelson polled Council: Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilwoman Brown, Councilman Folse, Councilman Marceaux, Councilwoman Sitz. Motion carried.

4. **Discuss, consider, and/or award the Construction Bid for the 2019 Texas Community Development Block Grant (CDBG) Fund, Contract 7219029 For Water Improvements Project in northwest quadrant of the City, to Android Construction Services, LLC in the amount of \$379,305.00 and authorize the Mayor and/or City Manager to execute a contract; approve to form by the City Attorney between the City of Bay City and Android Construction Services, LLC.**

Barry Calhoun, Public Works Director, stated that we will need to do budget amend of \$22,000, suggest award all 4 alternates and will bring budget amendment for approval. Work will be completed in 60 days.

Motion made by Councilman Folse to award the four alternate contracts, Seconded by Councilwoman Sitz. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilwoman Brown, Councilman Folse, Councilman Marceaux, Councilwoman Sitz. Motion carried.

5. Agreement ~ Discuss, consider, and/or approve an agreement for Public Improvement District (PID) administrative services.

Shawna Burkhart, City Manager, stated that we have recently been talking with individual entities that may want to do improvement. Ms. Burkhart reviewed the benefits of a PID for developer. Mayor Pro Tem Childers asked about the turn time and Ms. Burkhart responded as soon as possible that they are trying to 45 day to meet. Anne Marie Odefey, City Attorney, added that it depends on the developer who provides the information to P3.

Motion made by Councilman Marceaux to approve the agreement P3 for PID administrative services, Seconded by Councilwoman Sitz. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilwoman Brown, Councilman Folse, Councilman Marceaux, Councilwoman Sitz. Motion carried.

6. Report ~ Discuss, consider, and/or approve the City of Bay City waiving the Bay City Housing Authority payment in lieu of taxes (Pilot) fees for Fiscal years ending March 31, 2012 through March 31, 2020, not to exceed \$82,793.

Council adjourned into and executive session to consult with the City Attorney at 6:32, Council reconvened at 7:15 pm. Mayor Pro Tem Childers commented that he takes offense when some one owes us money and has a pending law suit against us. Ask them to withdraw the law suit then ask us to forgive the amount owed. They should have dropped this all ready and would like the City legal fees recovered, he is not in favor of waiving the fees since they have not applied for grants. Because of the situation we should be seeing the financial reports regularly. They should seek HUD approval for what ever we decide upon. He does not want to set a precedence.

Motion made by Mayor Pro Tem Childers for the Mayor and City Manager to proceed with negotiations, Seconded by Councilman Marceaux. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilwoman Brown, Councilman Folse, Councilman Marceaux, Councilwoman Sitz. Motion carried.

7. Report ~ Discuss and provide staff direction regarding notification of affordable rental housing application proposed.

Shawna Burkhart, City Manager, state that a developer of an apartment complex asked to be endorsed by the City. There were concerns from CDC with the developer. There was not time for them to finished their application by March 1st. Ms. Burkhart added that her experience is that it takes a year and a half, and this time frame is questionable. Asked council as to where you desire affordable housing or do you desire another? Is the City going to be supportive with TDHCA applications? Councilwoman Brown stated that the developer should work with CDC, and Mayor Pro Tem Childers thinks its a good start and that Council needs all the details not a bait and switch. Direction is to go to CDC and provide sufficient time to gather information.

CLOSED / EXECUTIVE SESSION

- 8. **Executive session pursuant to Texas Government Code Section 551.087, (1) to discuss commercial or financial information that BCCDC has received from a business prospect that BCCDC seeks to have locate, stay, or expand in Bay City and with which BCCDC is conducting economic development negotiations; and/or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).**

Council did not adjourn into an Executive Session due to a delay in information.

ITEMS / COMMENTS & MAYOR AND COUNCIL MEMBERS

Councilman Folsie publicly wished his wife happy birthday. Councilwoman Sitz stated that we are fortunate to have many contractors in town, but a lot of loud vehicles and would like to bring it to the attention of PD.

ADJOURNMENT

Motion made by Councilwoman Brown to adjourn, Seconded by Councilwoman Sitz. Voting Yea: Mayor Nelson, Mayor Pro Tem Childers, Councilwoman Brown, Councilman Folsie, Councilman Marceaux, Councilwoman Sitz. Motion carried and meeting adjourned at 7:16 pm.

PASSED AND APPROVED, this ____ day of _____, 2021.

ROBERT K. NELSON, MAYOR
CITY OF BAY CITY, TEXAS

JEANNA THOMPSON
CITY SECRETARY

**EXCLUSIVE AGREEMENT
FOR THE COLLECTION, HAULING, RECYCLING AND DISPOSAL OF
HOUSEHOLD HAZARDOUS WASTE
IN THE CITY OF BAY CITY, TEXAS**

March 1, 2020

**EXCLUSIVE AGREEMENT
FOR THE COLLECTION, HAULING, RECYCLING AND DISPOSAL OF
HOUSEHOLD HAZARDOUS WASTE
IN THE CITY OF BAY CITY, TEXAS
STATE OF TEXAS
COUNTY OF MATAGORDA**

THIS EXCLUSIVE AGREEMENT (this "Agreement") is made and entered into as of March 1, 2020, by and between Doliver Enterprises, LLC., a Texas Corporation, dba HHW Solutions (the "Service Provider"), and the City of Bay City, Texas (the "City").

WHEREAS, the City, subject to the terms and conditions set forth herein and the ordinances and regulations of the City, desires to grant to the Service Provider the exclusive license and privilege to collect, haul and recycle or dispose of Household Hazardous Waste (as such terms are defined herein) within the City's corporate limits.

NOW, THEREFORE, in consideration of the premises and the mutual promises, covenants and agreements set forth herein, the Service Provider and the City hereby agree as follows:

SECTION 1. DEFINED TERMS.

The following terms, as used herein, will be defined as follows:

Aggregate - The act of bringing together household hazardous waste that, after being separated from other household waste, is collected from two or more households and accumulated at a collection event, permanent collection center, point of generation pick-up service, mobile collection unit, or transporter's facility for the purpose of reusing, recycling, or disposing the material.

Business Day - Any day that is not a Saturday, a Sunday, or other day on which banks are required or authorized by law to be closed in the City.

Collector - Any person who accepts from two or more households any waste materials that have been separated from other household waste and offered to the collector because the generator either knows or considers the materials to be household hazardous waste.

Hazardous Waste - Waste identified or listed as a hazardous waste by the administrator of the United States Environmental Protection Agency (EPA) under the federal Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended, or so classified by any federal or State of Texas statute, rule, order or regulation.

Holidays - The following days:

- (1) New Year's Day (January 1st)
- (2) Memorial Day
- (3) Independence Day (July 4th)

- (4) Labor Day
- (5) Thanksgiving Day
- (6) Christmas Day (December 25th).

Household Hazardous Waste - Any solid waste generated in a household by a consumer which, except for the exclusion provided in 40 Code of Federal Regulations (CFR) §261.4(b)(1), would be classified as a hazardous waste under 40 CFR Part 261. The term has the same meaning as "hazardous household waste." The definition for purposes of this contract shall include Electronic Recyclables.

Household Hazardous waste processing, storage, or disposal facility - A hazardous waste processing, storage, or disposal facility that has received an United States Environmental Protection Agency (EPA) permit (or a facility with interim status) in accordance with the requirements of 40 Code of Federal Regulations (CFR) Parts 270 and 124, or that has received a permit from a state authorized in accordance with 40 CFR Part 271.

Landfill - Any facility or area of land receiving Municipal Solid Waste or Construction and Demolition Waste and operating under the regulation and authority of the Texas Commission on Environmental Quality ("TCEQ") within the State of Texas, or the appropriate governing agency for landfills located outside the State of Texas.

Mobile collection unit - A vehicle (such as a truck or trailer) that is used to aggregate household waste materials delivered by the public prior to transporting the material to a permanent collection center, collection event, or registered hazardous waste transporter facility.

Operator - A person responsible for the collection, aggregation, and storage of household hazardous waste and household materials at a collection event or permanent collection center, in a point of generation pick-up service or mobile collection unit, or in any combination of collection programs.

Personnel - All individuals who perform tasks at or oversee the operations of a collection event, permanent collection center, mobile collection unit, or point of generation pick-up service.

Point of generation pick-up service - A service to collect household hazardous waste at generating households, either through direct contact with the generators or by collection of household hazardous waste left at curbside or in another location at the household.

Residential Unit - Any residential dwelling that is either a Single-Family Residential Units or a Multi-Family Residential Units such as a duplex. Excluding Multi-family dwellings such as apartments, townhouses, or hi rise units.

Single-Family Residential Unit - Any residential dwelling that is designed for, and inhabited by, a single person or family unit and that generates and accumulates Household Hazardous Waste.

SECTION 2. OPERATIONS.

A. **Scope of Operations.** It is expressly understood and agreed that the Service Provider will collect, haul and recycle or dispose of all Household Hazardous Waste(i) generated and accumulated by Residential Units, and (ii) placed for collections by those Residential Units receiving the services of the Service Provider all within the City's corporate limits, including any territories annexed by the City during the term of this Agreement (the "Services").

B. **Nature of Operations.** The City hereby grants to the Service Provider, in accordance with the City's ordinances and regulations governing the collection, hauling and recycling or disposal of Household Hazardous Waste, the title to all Household Hazardous Waste collected, hauled and recycled or disposed of by the Service Provider over, upon, along and across the City's present and future streets, alleys, bridges and public properties. All title to and liability for materials excluded from this Agreement shall remain with the generator of such materials.

SECTION 3. SINGLE-FAMILY RESIDENTIAL UNIT COLLECTIONS.

- **Single-Family Residential Units.** The Service Provider will collect Household Hazardous Waste from Single-Family Residential Units once per month; provided, that (i) such Household Hazardous Waste items are placed close to the Residential Unit such as at the doorstep or driveway adjacent to the Unit, no later than 8:00 a.m. on the scheduled collection day.
- **Materials accepted include the following:**
 - Aerosol products
 - Ammunition, home use fireworks
 - Antifreeze
 - Auto fluids
 - Ballasts (non-PCB & PCB)
 - Batteries – auto, sump, power tool & household sizes
 - Blacktop sealer - oil based
 - Cleaning products
 - Cooking Oil
 - Fire Extinguishers
 - Fluorescent bulbs (tubes and CFLs)
 - Gasoline & oil/gas mixtures
 - HID (headlight bulbs)
 - Hobby & photo chemicals
 - Lawn chemicals
 - Mercury containing Devices (thermostats, etc.)
 - Motor oil
 - Oxygen tanks
 - Paint (Oil-based paints, stains, varnishes; and Latex Paint)
 - Pesticides, poisons, herbicides, insecticides
 - Pharmaceuticals/medications

- Pool chemicals
 - Propane tanks • Resins, Glues, Adhesives
 - Smoke Detectors
 - Solvents
- Items not accepted include the following:
 - Acetylene cylinders
 - Biological or medical waste
 - Business generated waste
 - Foam cylinders (Part A/Part B)
 - Explosives
 - MAPP gases
 - Radioactive Material
 - Syringes/needles
 - Farm machinery oil
 - Item Limits per collection per month
 - Fluorescent light bulbs: Minimum 1, Maximum 8
 - Used motor oils or antifreeze: Minimum 1 gallon, Maximum 5 gallons
 - Paints and supplies; Pool & Household Chemicals: Minimum 1 gallons, Maximum 10 gallons
 - Household Cleaners; Pesticides & Fertilizers: Minimum 1 items, Maximum 8 items
 - Household Batteries: Minimum 1; Maximum 20
 - Recyclable Electronics: Minimum 1; Maximum 3, less than 50 pounds per item

SECTION 4. RATES AND FEES.

Subject to adjustment, as provided in Section 5 hereof, the rates and fees to be charged and received by the Service Provider are as follows:

A. Single-Family Residential Unit Services. For the Services provided to Single-Family Residential Units under Section 4.A. hereof, the Service Provider shall charge :

1. \$0.94 per month for each Single-Family Residential Unit.

These rates apply to all Single-Family Residential Units that are located within the City's corporate limits and billed by the City for water and sewer services.

SECTION 5. RATE ADJUSTMENT.

A. CPI-U Adjustment. On each anniversary date of this Agreement, the Service Provider shall have the right, in its sole discretion and upon giving prior notice to the City, to increase or decrease the rates set forth in Section 4 hereof (the "Initial Rates") in accordance with the CPI-U. As used herein, "CPI-U" shall mean the revised Consumer Price Index rate for all urban consumers (all items included) for the nearest available metropolitan area, based on the latest available figures from the Department of Labor's Bureau of Labor Statistics (the "Bureau"). The CPI-U used will

be the CPI-U published by the Bureau during the month ninety (90) days preceding the adjustment under this Section 5A. The amount of the increase or decrease under this Section 5A. shall be equal to the percentage that the CPI-U has increased or decreased over the previous twelve (12) month period.

SECTION 6. EXCLUSIONS.

Notwithstanding anything to the contrary contained herein, this Agreement shall not cover the collection, hauling, recycling or disposal of any Non-Hazardous Solid Waste, animal or human, dead animals, auto parts or used tires from any Residential Unit

SECTION 7. TERM OF AGREEMENT.

The term of this Agreement shall be for a period of two (2) years, commencing on March 1, 2020, and concluding on February 28, 2022. At the expiration of the term of this Agreement, the Agreement may be renewed with mutually agreed upon terms of both parties.

SECTION 8. ASSIGNMENT.

This Agreement shall not be assignable or otherwise transferable by the Service Provider without the prior written consent of the City; provided, however, that the Service Provider may assign this Agreement to any direct or indirect affiliate or subsidiary of the Service Provider or to any person or entity succeeding to all or substantially all of the Service Provider's assets (whether by operation of law, merger, consolidation or otherwise) without the City's consent.

SECTION 9. PROCESSING, BILLING AND FEES.

A. Billings for Single-Family Residential Unit Services. On a monthly basis, the City agrees to bill and collect the rates and fees charged under Section 4.A. hereto from all Single-Family Residential Units possessing active water meters within the City's corporate limits, as well as from all other Single-Family Residential Units requiring the collection, hauling, recycling and disposal of Household Hazardous Waste within the City's corporate limits (the "Residential Billing"), plus any applicable sales, use or services taxes assessed or payable in connection with the Services provided hereunder.

F. Taxes. The City will be responsible to collect any applicable sales taxes that result in the execution of this contract.

SECTION 10. HOURS OF SERVICE.

For all the Services provided hereunder, the Service Provider's hours of service shall be between 8:00 a.m. to 6:00 p.m., Monday through Friday. The Service Provider will not be required to provide service on weekends or Holidays except during natural disasters or emergencies, and may, at its sole discretion, observe Holidays during the term of this Agreement; provided, however, that the Service Provider shall provide such services on the immediately following business day.

SECTION 11. CUSTOMER SERVICE.

The Service Provider agrees to field all inquiries from Residential Units relating to the collection, hauling, recycling and disposal of Household Hazardous Waste. The Service Provider and the City agree to cooperate with each other in the response to any such inquiries and the resolution of any such complaints.

SECTION 12. COMPLIANCE WITH APPLICABLE LAWS.

The Service Provider shall comply with all applicable federal and state laws regarding the collection, hauling, recycling and disposal of Household Hazardous Waste, including existing and future laws that may be enacted, as well as any regulations reasonably passed by the City that are not in derogation of this Agreement. Nothing in this Agreement shall be construed in any manner to abridge the City's right to pass or enforce necessary police and health regulations for the reasonable protection of its inhabitants. The City shall have the right to make reasonable inspections of the Service Provider in order to insure compliance with this Section 12.

SECTION 13. DUE CARE.

The Service Provider shall exercise due care and caution in providing the Services so that the City's public and private property, including streets and parking areas, will be protected and preserved.

SECTION 14. PERSONNEL AND PERFORMANCE STANDARDS.

The Service Provider shall not deny employment to any person on the basis of race, creed or religion, and will insure that all federal and state laws pertaining to salaries, wages and operating requirements are met or exceeded. The Service Provider, its agents, servants and employees shall perform the Services in a courteous, competent and professional manner. During the term of this Agreement and any extension thereof, the Service Provider shall be responsible for the actions of its agents, servants and employees while such agents, servants and employees are acting within the scope of their employment or agency.

Further, the Parties have agreed to the following performance measures in accordance with this agreement:

- a. Service Provider will have no unresolved performance complaints. "Resolved" means that Service Provider addressed the issue and either resolved the issue or the customer was notified that the request was not part of the Agreement or some other unresolvable event.
- b. Service Provider agrees that more than 90% of collections shall be completed without a complaint.
- c. Service routes will be completed by 5:00pm greater than 90% of the time.

SECTION 15. INSURANCE COVERAGE.

Pursuant to this Agreement, the Service Provider shall carry the following types of insurance in an amount equal to or exceeding the limits specified below:

<u>Coverage</u>	<u>Limits of Liability</u>
(1) Worker's Compensation	Statutory
(2) Employer's Liability	\$1,000,000
(3) Commercial General Liability	\$1,000,000 per occurrence, \$2,000,000 in the aggregate, combined single limit for Bodily Injury and Property Damage Liability
(4) Automobile Liability	\$1,000,000 per occurrence combined single limit for Bodily Injury and Property Damage Liability

The City shall be named as an additional insured on all the above coverages with the exception of workers compensation insurance. To the extent permitted by law, any or all of the insurance coverage required by this Section 24 may be provided under a plan(s) of self-insurance, including coverage provided by the Service Provider's parent corporation. Upon the City's request, the Service Provider shall furnish the City with a certificate of insurance verifying the insurance coverage required by this Section 24.

SECTION 16. INDEMNITY.

Service Provider assumes all risks of loss or injury to property or persons caused by its performance of the Services, including the obligations regarding the transportation and disposition of the items collected by Service Provider. The Service Provider agrees to indemnify and hold harmless the City and its agents, directors, employees, officers and servants from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, liabilities, losses or expenses (including, but not limited to, reasonable attorneys' fees) caused by a willful or negligent act or omission of the Service Provider, its officers and employees. However, the Service Provider shall not be liable for any legal proceedings, claims, demands, damages, costs, expenses and attorneys' fees caused by a willful or negligent act or omission of the City, its agents, directors, employees, officers and servants.

SECTION 17. SAVINGS PROVISION.

In the event that any term or provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid or unenforceable, this Agreement shall, to the extent

reasonably possible, remain in force as to the balance of its terms and provisions as if such invalid term or provision were not a part hereof.

SECTION 18. TERMINATION.

Any failure by either party or its successors and assigns to observe the terms and conditions of this Agreement shall, if continuing or persisting without remedy for more than thirty (30) days after the receipt of due written notice from the other party, constitute grounds for forfeiture and immediate termination of all the defaulting party's rights under this Agreement, and all such rights shall become null and void.

SECTION 19. FORCE MAJEURE.

The performance of this Agreement may be suspended and the obligations hereunder excused in the event and during the period that such performance is prevented by a cause or causes beyond reasonable control of such party. The performance of this Agreement will be suspended and the obligations hereunder excused only until the condition preventing performance is remedied. Such conditions shall include, but not be limited to, acts of God, acts of war, accident, explosion, fire, flood, riot, sabotage, acts of terrorists, unusually severe weather, lack of adequate fuel, or judicial or governmental laws or regulations.

SECTION 20. GOVERNING LAW.

This Agreement shall be governed in all respects, including as to validity, interpretation and effect, by the internal laws of the State of Texas, without giving effect to the conflict of laws rules thereof. The parties hereby irrevocably submit to the jurisdiction of the courts of the State of Texas and the Federal courts of the United States located in the State of Texas, solely in respect of the interpretation and enforcement of the provisions of this Agreement, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement may be enforced in or by said courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a Texas State or Federal court. The parties hereby consent to and grant any such court jurisdiction over the person of such parties and over the subject matter of any such dispute and agree that mailing of process or other papers in connection with any such action or proceeding to the addresses of the parties listed below, or in such other manner as may be permitted by law, shall be valid and sufficient service thereof.

SECTION 21. NOTICES.

Any notices required or permitted to be delivered hereunder shall be in writing and shall be deemed to be delivered when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the respective party at the address set forth below:

If to the City:
City of Bay City
1901 5th Street
Bay City, Texas 77414
Attn: City Manager

If to the Service Provider:
HHW Solutions
1240 Coastal
Rockwall, Texas 75087
Attn: Dick Demein

With a Copy to:
HHW Solutions
4090 Hackberry Cir
Caddo Mills, Texas 75135
Attn: Tim Oliver

or such other addresses as the parties may hereafter specify by written notice and delivered in accordance herewith.

SECTION 22. ATTORNEYS' FEES.

The prevailing party in any dispute between the parties arising out of the interpretation, application or enforcement of any provision hereof shall be entitled to recover all of its reasonable attorneys' fees and costs whether suit be filed or not, including without limitation costs and attorneys' fees related to or arising out of any trial or appellate proceedings.


SECTION 23. ACCEPTANCE.

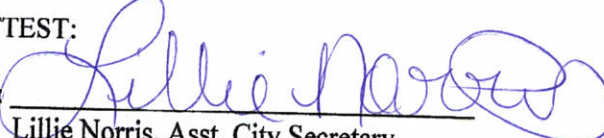
Passed and approved by the City of BAY City at a duly called City Council Meeting on the 14th day of January, 2020.

DOLIVER ENTERPRISES, LLC
DBA HHW SOLUTIONS

By: 
Tiffany Demein, President

CITY OF BAY CITY, TEXAS

By: 
Robert K. Nelson, Mayor

ATTEST:
By: 
Lillie Norris, Asst. City Secretary

**Bay City Police Department
2020 Annual Report**

**Statistical Information:*

2018

2019

2020

Calls For Service

911 Calls	9,896	9,282	9,164
Total Calls for Service	28,376	34,464	31,645

Traffic

Contact Stops	3,894	8,264	6,859
Accidents	464	535	434
Injuries	113	132	109
Fatalities	0	1	1
Written Citations	1,561	2,376	1539
Written Warnings	2,809	6,570	11,502

Arrest

Adult	1,176	1,277	906
Juveniles	94	67	53
Total	1,270	1,344	959

Warrants

Total Received	864	1073	591
Total Served	1,159	843	535

**Statistical Information-Continued:*

2018

2019

2020

ITEM #6.

Uniform Crime Index

Criminal Homicide	3	0	7
Sexual Assault	11	16	19
Robbery	18	6	11
Aggravated Assaults	53	49	52
Simple Assaults (non-UCR Reportable)	506	591	549
Burglary	122	139	99
Larceny	541	522	490
Motor Vehicle Theft	17	25	19

Family Violence

Officer Responses	337	357	302
Arrest	144	125	113

Special Response Team (SRT)

Call-outs	6	4	1
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Animal Control

Live Animals Picked Up	644	657	372
Dead Animals Picked Up	113	121	71
Animal Welfare Calls	178	202	96
Total Calls for Service	1,970	2,025	986

**Statistical Information-Continued:*

2018

2019

2020

ITEM #6.

Training

Total out of town hours	3,290	2,133	899
Total BCPD contact hours	4,950	3,058	606
Total Department Training Hours	8,240	5,191	1505

TCLEOSE Certifications

Peace officer	2	5	5
Basic Peace Officer	10	8	10
Intermediate	2	5	5
Advanced	5	5	4
Master	17	17	16
Instructor	23	23	14
F.T.O.	36	58	36
S.F.S.T.	35	35	17
Mental Health	3	6	2
Firearms Inst.	4	4	2
Crime Prevention Spl.	2	2	2
Intoxilyzer Opr.	4	4	4
Inter. Crash Inv.	6	6	6
Advance crash Inv.	1	1	1
Inv. Hypnotist	0	0	0

Jailer

Basic Certification	3	5	5
Master Certification	0	0	0

*Statistical Information-Continued:

201820192020**Communications**

Temp. Telecommunications	3	2	3
Basic Telecommunications	4	1	2
Intermediate Telecommunications	6	2	2
Advance Telecommunications	5	6	6
Master Telecommunications	3	3	3

Investigations

Cases Assigned for Investigation	2,352	2,716	2533
CPS Referrals	306	326	300
APS Referrals	11	18	23

Crime Prevention

Crime Prevention hours		263	64
Community Presentations	79	67	21
Home and Business Safety Awareness	0	0	0

Crime Victim's Liaison Division

Victim's Served	804	953	995
Crime Victim's Compensation Applications Served	45	54	42
Crime Victim's Compensation payouts to Victims	\$101,254	\$166,067	\$104,663

Mental Health

Total Calls	269	227	159
Transports	59	66	81

Statistical Information-Continued:*201820192020Juveniles**

Transports

22

24

5

Narcotic Related Statistics

Total Cases

138

146

144

Total Arrest

136

98

62

Vehicles Seized

5

3

5

Money Seized

\$16,200

\$5,663

2662

Firearms Seized

11

Special Operations

Total Special Police Operations Initiated

8

11

3

Dealing with the Homeless

Calls for Service

126

95

Code Enforcement

Calls for Service

633

1,583

1484

City Demolitions Completed

5

7

27

Arson Investigations

Calls for Service

11

20

Arrest

4

4

Racial Profiling Report | Full

Agency Name: BAY CITY POLICE DEPT.
 Reporting Date: 02/25/2021
 TCOLE Agency Number: 321201

Chief Administrator: ROBERT B. LISTER

Agency Contact Information:
 Phone: (979) 245-8500
 Email: rlister@cityofbaycity.org

Mailing Address:
 2201 AVENUE H
 BAY CITY, TX 77414

This Agency filed a full report

BAY CITY POLICE DEPT. has adopted a detailed written policy on racial profiling. Our policy:

- 1) clearly defines acts constituting racial profiling;
- 2) strictly prohibits peace officers employed by the BAY CITY POLICE DEPT. from engaging in racial profiling;
- 3) implements a process by which an individual may file a complaint with the BAY CITY POLICE DEPT. if the individual believes that a peace officer employed by the BAY CITY POLICE DEPT. has engaged in racial profiling with respect to the individual;
- 4) provides public education relating to the agency's complaint process;
- 5) requires appropriate corrective action to be taken against a peace officer employed by the BAY CITY POLICE DEPT. who, after an investigation, is shown to have engaged in racial profiling in violation of the BAY CITY POLICE DEPT. policy;
- 6) requires collection of information relating to motor vehicle stops in which a warning or citation is issued and to arrests made as a result of those stops, including information relating to:
 - a. the race or ethnicity of the individual detained;
 - b. whether a search was conducted and, if so, whether the individual detained consented to the search;
 - c. whether the peace officer knew the race or ethnicity of the individual detained before detaining that individual;
 - d. whether the peace officer used physical force that resulted in bodily injury during the stop;
 - e. the location of the stop;
 - f. the reason for the stop.
- 7) requires the chief administrator of the agency, regardless of whether the administrator is elected, employed, or appointed, to submit an annual report of the information collected under Subdivision (6) to:
 - a. the Commission on Law Enforcement; and
 - b. the governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

The BAY CITY POLICE DEPT. has satisfied the statutory data audit requirements as prescribed in Article 2.133(c),

Total stops: 7172

Street address or approximate location of the stop

City street	5792
US highway	2
County road	16
State highway	1251
Private property or other	111

Was race or ethnicity known prior to stop?

Yes	171
No	7001

Race / Ethnicity

Alaska Native / American Indian	25
Asian / Pacific Islander	65
Black	1163
White	2977
Hispanic / Latino	2942

Gender

Female	2658
Alaska Native / American Indian	8
Asian / Pacific Islander	18
Black	457
White	1186
Hispanic / Latino	989
Male	4514
Alaska Native / American Indian	17
Asian / Pacific Islander	47
Black	706
White	1790
Hispanic / Latino	1954

Reason for stop?

Violation of law	250
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	58
White	75

Hispanic / Latino	10		
Contraband	10		
Alaska Native / American Indian	0		
Asian / Pacific Islander	0		
Black	3		
White	4		
Hispanic / Latino	3		
Probable	25		
Alaska Native / American Indian	0		
Asian / Pacific Islander	0		
Black	8		
White	4		
Hispanic / Latino	13		
Inventory	9		
Alaska Native / American Indian	0		
Asian / Pacific Islander	0		
Black	0		
White	1		
Hispanic / Latino	8		
Incident to arrest	39		
Alaska Native / American Indian	0		
Asian / Pacific Islander	0		
Black	10		
White	9		
Hispanic / Latino	20		
Was Contraband discovered?			
Yes	69		
Alaska Native / American Indian	0	Did the finding result in arrest?	
Asian / Pacific Islander	1	(total should equal previous column)	
Black	16	Yes 0	No 0
White	20	Yes 1	No 0
Hispanic / Latino	32	Yes 5	No 11
No	60	Yes 7	No 13
Alaska Native / American Indian	0	Yes 16	No 16
Asian / Pacific Islander	0		
Black	15		
White	16		
Hispanic / Latino	29		

Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	2
Written warning	5744
Alaska Native / American Indian	22
Asian / Pacific Islander	55
Black	882
White	2491
Hispanic / Latino	2294
Citation	1333
Alaska Native / American Indian	3
Asian / Pacific Islander	9
Black	263
White	459
Hispanic / Latino	599
Written warning and arrest	12
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	3
White	4
Hispanic / Latino	5
Citation and arrest	14
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	2
White	5
Hispanic / Latino	7
Arrest	67
Alaska Native / American Indian	0
Asian / Pacific Islander	1
Black	13
White	18
Hispanic / Latino	35
Arrest based on	
Violation of Penal Code	57
Alaska Native / American Indian	0
Asian / Pacific Islander	1



BAY CITY POLICE DEPARTMENT
 2201 AVENUE H
 BAY CITY, TX 77414
 Office: (979) 245-8500 Fax: Fax (979) 245-5758



ITEM #6.

Chief of Police
 Robert Lister

Captain
 Christella Rodriguez

To: Chief Robert Lister *RLH*
 From: Lt. Irene Kjergaard *IJK*
 Re: 2020 Use of Force Report
 Date: January 22, 2021

From January 1, 2020 to December 31, 2020 there were 51 use of force incidents reported. The incidents were calculated by counting each suspect rather than each officer. Meaning if there was one suspect and two officers who used force. It was counted as one incident. If there were two suspects and one officer, it was counted as two incidents.

Of these cases 17 involved multiple officers using force in the same incident. In cases of multiple officers, a majority were felony stops and a few with an FTO and PPO. In other cases, it was highly combative subjects. Of these incidents, 47 resulted in arrest. In two cases, subjects were turned over for mental health treatment. Two cases resulted in death. One was the death of a dog and the other a death of a suspect who fired on officers.

Officers' Use of Force

These calculations came from each use of force report submitted by an officer. Unlike above if there was one suspect and two officers, each officer's use of force type was counted. This will explain the difference in the amount of force types reported verses the number of incidents reported. Also, the highest use of force used by the officer was documented. Meaning if an officer pulled a CEW and a firearm in the same incident, only the firearm was counted.

During these incidents, the officers used the following types of force:

- Soft Empty Hand Control – 15
- Hard Empty Hand Control – 11
- Display of Intermediate Weapon (CEW) – 2
- Use of Intermediate Weapon (CEW) – 6
- Use of Intermediate Weapon (OC) – 1
- Display Deadly Weapon – 38
- Use of Deadly Weapon – 2

Suspect's Use of Force

These calculations came from each use of force submitted by an officer. Once again this means if there was one suspect and two officers, the force used against each officer was counted. This was merely because a suspect may use one type of force on one officer on the scene and another type of force on the secondary officer.

The type of force primarily used against the officers was defensive resistance. This occurred in 36 of the incidents reported. As previously stated, many of these incidents were due to evading detention.

The secondary type of force used against officers was Active Aggression. Primarily when the suspect pushed or kicked the officers. There were two instances when the suspect pulled a firearm on an officer. In one incident the suspect fired at the officer resulting in the suspect's death.

Injury Rate

In all the reported incidents, there were 17 that resulted in injury. The incidents that resulted in injury are as follows:

- There was a total of eight officer injuries reported. Seven of the reported injuries were scratches, scrapes and/or bruises. In one incident an officer injured his ankle.
- There was a total of nine suspects injured. The primary being cuts and abrasions. Three were from marks left from the CEW. Counted in this was the one death.

Complaints and Policy Violations and Response

There was one complaint filed against an officer claiming the use of force was unnecessary. Upon reviewing reports and videos, it was found the officer was justified in the use of force.

There were six policy violations in these incidents. All but one was when the officer either failed to turn on their body camera, turned it on too late, or turned it off before investigation was complete. One incident was an improper use of CEW.

All the violations involving the cameras were handled by verbal or documented counseling. The improper use of CEW was a documented counseling. Proper procedures for using the CEW were reviewed with the officer. In this instance the officer failed to shout, "Taser, taser, taser" before deploying the CEW.

The shift supervisors continue to review each use of force. They look for policy violations, improper use of tools, and/or the officers' professionalism. There were six instances where officers were verbally counselled on their use of profane language. Supervisors continue to review the use of force policy in briefings. The policy is also covered during each training or refresher training involving use of force. Meaning the policy is covered before any firearms training or qualification, any refresher over OC, Taser, ASP baton or hand to hand combat training.

Training Needs

There seems to be a need to review the proper way to complete a use of force report. After a meeting between the Captain and myself, we decided to see how other agencies do use of force reporting. I have received several report forms from other agencies and well as receiving recommendations on software for use of force reporting. Currently, I am looking to make an easier, clearer report form for officers to use. It will have to be reviewed by all of administration prior to presenting it to the officers.

Training Received

In 2020 officers received refresher training in OC, ASP Baton, and Taser. All new employees received a full eight-hour Taser training.

Training Planned

In 2021 we are looking to cover a handcuffing training, less lethal refresher as well as some type of hands on defensive training such as TAC-RAT and SABA training.

Equipment Needs

Two more shields would be beneficial. Lt. Ryman already has the purchase of those in the works for the next budget.

Policy Revisions

ITEM #6.

There were two policy revisions made. Both were requirements for the Texas Police Chiefs' Association's Best Practices.

The first involved the duty to intervene. Meaning ANY employee of the department has a duty to intervene if they observe another using unnecessary force.

The second was unauthorized use of deadly force. This change in policy states that no officer can use deadly force in situations where the force being used against the officer or another person is not likely to result in serious injury or death.

Both policy revisions were covered the an ICN. Each officer and telecommunicator was required to read and sign off on the policy. It was also covered in briefings.



BAY CITY POLICE DEPARTMENT
2201 AVENUE H
BAY CITY, TX 77414
Office: (979) 245-8500 Fax (979) 245-5758



ITEM #6.

Chief of Police
Robert Lister

Captain
Christella Rodriguez

To: Chief Robert Lister *RL*

From: Lt. Irene Kjergaard

Date: January 25, 2021

Subject: Annual Fleet Accident Review for 2020

OVERVIEW: From January 1, 2020 to December 31, 2020 there were eight separate incidents involving our fleet. None of the incidents involved injury to an employee. Two of the incidents involved other vehicles. One incident involved the railroad track and one involved an embankment in an off-road incident. Four of the incidents involved animals.

The two incidents involving other vehicles occurred when an officer backed into another vehicle and when an officer was attempting to make a U-turn to head to a call for service. The incident involving the railroad tracks occurred when an officer was heading to the area of a pursuit and went over the tracks too fast. The unit bottomed out crossing the tracks. The incident involving the embankment occurred when the officer was on a call about dirt bikes. The officer drove off road when he thought he heard a dirt bike and he hit the embankment causing damage. Of the four incidents involving animals two involved deer and two involved dogs. Of the incidents involving the deer, one occurred while the officer was off duty en route to their residence. The other occurred while the officer was on regular patrol. The two with the dog occurred while the officers were en route to calls for service.

The incidents involving the animals could not be prevented. The officers tried to maneuver to keep from hitting the animals but were unsuccessful. In the other incidents, officers were talked to about possible ways to prevent the accidents.

Training Received: Officers review department and city policy on vehicle operations, pursuits, and fleet accidents periodically during shift briefings. After each at fault incident above, officers were talked to and ways to prevent these types of incidents were discussed.

Training Needs: Have officers continue to review department policy on vehicle operations, pursuits, and fleet accidents. Officers should be reminded to remain aware of their surroundings and obey all traffic laws. Officers should continue to hold each other accountable if they observe any unsafe acts.

Equipment Needs:

ITEM #6.

No additional equipment needs are recognized at this time.

Policy Revisions:

None currently.

Irene Kjergaard
Support Services Commander



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 BAY CITY, TX 77414
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ITEM #6.

Chief of Police
 Robert Lister

Captain
 Christella Rodriguez

To: Chief Robert Lister *RL*
 From: Lt. Irene Kjergaard *IK*
 Date: January 25, 2021
 Subject: 2020 Accident and Injury Report for Sworn and Non-Sworn Personnel

From January 1, 2020 to December 31, 2020, there were 16 incident reports. Four of those were merely reports for exposure to either COVID-19 or blood. The other twelve were reported injuries.

Seven of the injuries were caused when a suspect resisted arrest. Two injuries occurred during a foot pursuit, two were due to a new employee handling animals at the impound, and in one case the employee fell due to fogged glasses. Employees sought medical treatment in five of these reported injuries.

Below briefly details each employee's injury:

Officers injured due to suspect resisting arrest

- 1 – Officer fell to ground while trying to detain subject causing pain and scratches to officer's knee
- 1 – Officer was hit in the face by a suspect resisting arrest. This caused scratches to the officers face and back pain.
- 1 – An Officer received bruise to forearm when a subject swung at him knocking the Taser out of his hand.
- 1 – Officer was trying to restrain a subject in a hospital bed when the suspect grabbed the officer's hand and twisted it causing injury to officer's wrist.
- 1 - Officer felt pain in his shoulder when a suspect jerked his arm hard.
- 1 - Officer was trying to detain a subject and hit his (officer's) head on a table causing a scratch to his ear.
- 1 – Officer injured while trying to arrest a heavy-set individual. The individual grabbed the officer by the neck causing a lot of pain.

Employee injured by animals at impound

- 1 – A new employee was injured twice by cats at the impound. On one instance the employee was cleaning the cat kennel as she had many times before. The cat then bit the employee on the hand. In the other instance the employee was trying to put a cat in the kennel when a dog barked startling the cat. The cat tried to jump away but the employee was still holding it. The cat bit the employee several times on the hand.

Officers injured during foot pursuit

- 1 – During a foot pursuit the officer reached for the suspect and grabbed him. The suspect was heavy set and fell back onto the officer's ankle causing swelling and pain.
- 1 – During a foot pursuit the officer jumped a chain link fence causing puncture wounds to his hand.

Employee injured from fall

- 1 – Employee was wearing their prescription glasses while wearing required personal protective equipment (mask). The mask caused the employee's glasses to fog and the employee could not see. The employee missed a step and fell causing injury to her wrist.

From January 1, 2020 to December 31, 2020, there were four incidents reported due to employee's exposure to either blood or COVID-19. In the instance where the employee was exposed to blood, it occurred when the employee was performing CPR. The exposures COVID-19 occurred while dealing with the public only to have the individual later say they were positive for COVID-19. One exposure was due to officer's sharing units and one of the officers testing positive for COVID-19.

Training Needs

Officers should continue discussing safety topics during every shift briefing that is conducted for both Sworn and Non-Sworn personnel. Having separate divisional briefings helps pass on safety tips for each person's job assignment. Assigning different employees to present a safety topic also helps provide a variety of topics.

Training Given

During a supervisor's meeting we discussed the need for proper safety topics. Meaning covering Penal Code is not considered a safety topic neither are the words, "be safe." For the new impound employee who was bitten by cats, the impound supervisor sat down and went over proper handling of animals.

Equipment Needs

No additional equipment is needed at this time.

Policy Revisions

The City of Bay City put out requirements for the use of PPE while in city buildings.

Irene Kjergaard
Support Services Commander

ORDINANCE NO. ____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF BAY CITY, TEXAS, TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021A (CWSRF); AUTHORIZING EXECUTION AND DELIVERY OF A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT RELATING TO SUCH CERTIFICATES; PRESCRIBING THE FORM OF SAID CERTIFICATES; LEVYING A TAX AND PLEDGING SURPLUS REVENUES OF THE WATER AND SEWER SYSTEM IN PAYMENT THEREOF; AND ENACTING OTHER PROVISIONS RELATING THERETO

THE STATE OF TEXAS §
COUNTY OF MATAGORDA §
CITY OF BAY CITY §

WHEREAS, the City Council of the City of Bay City, Texas (the “City”), authorized the publication of a notice of intention to issue certificates of obligation to the effect that the City Council would meet on March 9, 2021 to adopt an ordinance and take such other action as may be deemed necessary to authorize the issuance of certificates of obligation payable from City ad valorem taxes and from a pledge of and lien on the surplus revenues of the City’s water and sewer system, for the purpose of evidencing the indebtedness of the City for all or any part of the costs associated with the improvements to the City’s sanitary sewer system, including the planning, acquisition, design and construction of the City’s wastewater treatment plant and lift stations, the City’s sewer lines, and the costs of professional services related thereto; and

WHEREAS, such notice was published at the times and in the manner required by the Constitution and laws of the State of Texas, particularly Subchapter C, Chapter 271, Texas Local Government Code, as amended; and

WHEREAS, no petition or other request has been filed with or presented to any official of the City requesting that any of the proceedings authorizing such Certificates (as defined herein) be submitted to a referendum or other election; and

WHEREAS, the City is authorized to make the pledge of Surplus Revenues (as defined herein) pursuant to Chapter 1502, Texas Government Code; and

WHEREAS, the City is now authorized and empowered to proceed with the issuance and sale of the Certificates, and has found and determined that it is necessary and in the best interests of the City and its citizens that it issue the Certificates in accordance with the terms and provisions of this Ordinance; and

WHEREAS, the meeting at which this Ordinance is being considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code; Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS:

1. Recitals. It is hereby found and determined that the matters and facts set out in the preamble to this Ordinance are true and correct and incorporated herein for all purposes.

2. Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the same meanings specified below:

“Act” means Chapter 271, Texas Local Government Code, as amended.

“Attorney General” means the Attorney General of the State of Texas.

“Blanket Issuer Letter of Representations” means the Blanket Issuer Letter of Representations between the City, the Paying Agent/Registrar and DTC.

“Bond Counsel” means Bracewell LLP.

“Business Day” means 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 close, or a legal holiday.

“Certificate” or “Certificates” means the City of Bay City, Texas, Tax and Surplus Revenue Certificates of Obligation, Series 2021A (CWSRF) authorized in this Ordinance, unless the context clearly indicates otherwise.

“City” means the City of Bay City, Texas.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Escrow Agent” means Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas, and its successors and assigns, or such other escrow agent as may be approved by the Mayor or Mayor Pro Tem and acceptable to the TWDB.

“Escrow Agreement” means the escrow agreement by and between the City and the Escrow Agent pertaining to the deposit of the proceeds of the Certificates.

“Financial Obligation” means a (i) debt obligation, (ii) derivative instrument entered into

in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means such fiscal year as shall from time to time be set by the City Council.

“Initial Certificate” means the Initial Certificate authorized by Section 6(d) of this Ordinance.

“Interest and Sinking Fund” means the interest and sinking fund for payment of the Certificates established by the City in Section 18 of this Ordinance.

“Interest Payment Date” when used in connection with any Certificate, means September 1, 2021, and each March 1 and September 1 thereafter until maturity.

“Issuance Date,” with respect to the Certificates initially delivered to the TWDB, shall mean the date on which each such Certificate is authenticated by the Paying Agent/Registrar and delivered to and paid for by the TWDB. Certificates delivered on transfer of or in exchange for other Certificates shall bear the same Issuance Date as the Certificate or Certificates in lieu of or in exchange for which the new Certificate is delivered.

“MSRB” means the Municipal Securities Rulemaking Board.

“Ordinance” as used herein and in the Certificates means this ordinance authorizing the Certificates.

“Owner” means any person who shall be the registered owner of any outstanding Certificate.

“Paying Agent/Registrar” means Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas, and its successors in that capacity.

“Project” means the improvements to the City’s sanitary sewer system, including the planning, acquisition, design and construction of the City’s wastewater treatment plant and lift stations, the City’s sewer lines, and the costs of professional services related thereto.

“Project Fund” shall mean the project fund established by the City pursuant to Section 27 of this Ordinance.

“Record Date” means, for any Interest Payment Date, the fifteenth day of the month next preceding such Interest Payment Date.

“Register” means the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of and the principal amounts registered to each Owner.

“Regulations” means the applicable, proposed, temporary or final Treasury Regulations promulgated under the Code, or, to the extent applicable to the Code, under the Internal Revenue

Code of 1954, as such regulations may be amended or supplemented from time to time.

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

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

“Surplus Revenues” means the revenues available after the payment of operation and maintenance expenses of the System and the debt service payable from gross revenues or net revenues of the System, if any, as well as any other payments, costs or expenses designated in an ordinance authorizing the issuance of System revenue obligations.

“System” means the City’s water and sewer system.

“TWDB” means the Texas Water Development Board.

3. Authorization. The Certificates shall be issued pursuant to the Act in fully registered form, without coupons, in the total authorized principal amount of \$4,742,000 for the purpose of evidencing the indebtedness of the City for all or any part of the costs associated with the Project.

4. Designation and Date. The Certificates shall be designated as the “CITY OF BAY CITY, TEXAS, TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021A (CWSRF),” and shall be dated April 1, 2021. The Certificates shall bear interest at the rates set out in Section 5 of this Ordinance, from the later of the Issuance Date or the most recent Interest Payment Date to which interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months.

5. Initial Certificates; Numbers and Denominations. The Certificates shall be issued in the principal amounts and bearing interest at the rates set forth in the following schedule, and may be transferred and exchanged as set out in this Ordinance. The Certificates shall mature on September 1 in each of the years and in the amounts set out in such schedule. The Initial Certificate shall be numbered I-1 and all other Certificates shall be numbered in sequence beginning with R-1. Certificates delivered on transfer of or in exchange for other Certificates shall be numbered in order of their authentication by the Paying Agent/Registrar, shall be in the denomination of \$1,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Certificate or Certificates in lieu of which they are delivered.

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$130,000	%	2037	\$165,000	%
2023	132,000		2038	167,000	
2024	134,000		2039	170,000	
2025	136,000		2040	173,000	
2026	138,000		2041	175,000	
2027	141,000		2042	178,000	
2028	143,000		2043	181,000	
2029	145,000		2044	184,000	
2030	147,000		2045	187,000	
2031	150,000		2046	190,000	
2032	152,000		2047	193,000	
2033	155,000		2048	196,000	
2034	157,000		2049	199,000	
2035	160,000		2050	202,000	
2036	162,000				

6. Execution and Registration of Certificates. (a) The Certificates shall be signed on behalf of the City by the Mayor or Mayor Pro Tem and countersigned by the City Secretary, by their manual, lithographed, or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Certificates shall have the same effect as if each of the Certificates had been signed manually and in person by each of said officers, and such facsimile seal on the Certificates shall have the same effect as if the official seal of the City had been manually impressed upon each of the Certificates.

(b) If any officer of the City whose manual or facsimile signature shall appear on the Certificates shall cease to be such officer before the authentication of such Certificates or before the delivery of such Certificates, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Paying Agent/Registrar's Authentication Certificate substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. In lieu of the executed Registrar's Authentication Certificate described above, the Initial Certificate delivered at the Issuance Date shall have attached hereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Certificate has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Issuance Date, the Initial Certificate, being a single certificate representing the entire principal amount of the Certificates, payable in stated installments to the TWDB or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro Tem and City Secretary, approved by the Attorney General, and registered and manually signed by the

Comptroller, shall be delivered to the TWDB or its designee. Upon payment for the Initial Certificate, the Paying Agent/Registrar shall cancel the Initial Certificate and deliver definitive Certificates to DTC.

7. Payment of Principal and Interest. The Paying Agent/Registrar is hereby appointed as the initial paying agent for the Certificates. The principal of the Certificates shall be payable, without exchange or collection charges, 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 become due and payable at the principal payment office of the Paying Agent/Registrar in Houston, Texas. The interest on each Certificate shall be payable by check 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 Register; provided, however, that for so long as the TWDB is the Owner of the Certificates, all payments of principal and interest will be made in wire transfer form at no cost to the TWDB.

If the date for payment of the principal of any Certificate 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 original date payment was due.

8. Successor Paying Agent/Registrars. The City covenants that at all times while any Certificates are outstanding it will provide a commercial bank or trust company, organized under the laws of the United States or any which is duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Certificates. The City reserves the right to change the Paying Agent/Registrar on not less than 45 days written notice to the Paying Agent/Registrar, so long as any such notice is effective not less than 45 days prior to the next succeeding principal or interest payment date on the Certificates. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or copies 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 Section.

9. Special Record Date. If interest on any Certificate is not paid on any Interest Payment Date and continues unpaid for 30 days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Paying Agent/Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be 15 days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Owner of record as of the close of business on the day prior to the mailing of such notice.

10. Ownership; Unclaimed Principal. The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Certificate is registered as the absolute Owner of such Certificate for the purpose of making payment of principal on such Certificate, and for all other purposes, whether or not such Certificate is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made

to the person deemed to be the Owner of any Certificate 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 Certificate to the extent of the sums paid.

Amounts held by the Paying Agent/Registrar which represent principal of the Certificates remaining unclaimed by the Owner after the expiration of three 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.

11. Registration, Transfer, and Exchange. So long as any Certificates remain outstanding, the Paying Agent/Registrar shall keep the Register at its principal payment office in Houston, Texas and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Certificates in accordance with the terms of this Ordinance. The Issuance Date of each Certificate originally delivered to and paid for by TWDB shall be recorded in the Register.

Each Certificate shall be transferable only upon the presentation and surrender thereof at the principal payment office of the Paying Agent/Registrar in Houston, Texas, 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 Certificate for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, within three (3) Business Days after such presentation, a new Certificate or Certificates, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity, aggregate principal amount, and Issuance Date, bearing interest at the same rate as the Certificate or Certificates so presented.

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

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

12. Mutilated, Lost, or Stolen Certificates. Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Certificate, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Certificate of like maturity, Issuance Date, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Certificate 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 Certificate has been acquired by a bona fide purchaser, shall authorize and the Paying Agent/Registrar shall authenticate and deliver a replacement Certificate of like maturity, Issuance Date, interest rate and principal amount, bearing a number not contemporaneously outstanding.

The City or the Paying Agent/Registrar may require the Owner of a mutilated Certificate to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Paying Agent/Registrar.

The City or the Paying Agent/Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Certificate, before any replacement Certificate is issued, to:

- (1) 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 Certificate;
- (2) furnish such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;
- (3) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that may be imposed; and
- (4) meet any other reasonable requirements of the City and the Paying Agent/Registrar.

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

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

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

13. Cancellation of Certificates. All Certificates paid in accordance with this Ordinance, and all Certificates in lieu of which exchange Certificates or replacement Certificates are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the

making of proper records regarding such payment. The Paying Agent/Registrar shall furnish the City with appropriate certificates of destruction of such Certificates.

14. Book-Entry System. The Initial Certificates shall be delivered against payment to the TWDB. The TWDB shall be required to promptly surrender the Initial Certificates to the Paying Agent/Registrar for exchange. Certificates issued in exchange shall be registered in the name of Cede & Co., as nominee of DTC, as registered owner of the Certificates, and held in the custody of DTC. Unless otherwise requested by DTC, a single certificate will be issued and delivered to DTC for each maturity of the Certificates. Beneficial owners of Certificates will not receive physical delivery of Certificates except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the certificates as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Certificates is to receive, hold or deliver any Certificate.

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

Replacement Certificates may be issued directly to beneficial owners of Certificates other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Certificates (which determination shall become effective no less than 90 days after written notice to such effect to the City and the Paying Agent/Registrar); or (ii) the City has advised DTC of its determination (which determination is conclusive as to DTC and the beneficial owners of the Certificates) that the interests of the beneficial owners of the Certificates might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any of the foregoing events, the City shall use its best efforts to attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City shall cause to be authenticated and delivered replacement Certificates, in certificate form, to the beneficial owners of the Certificates. In the event that the City makes the determination noted in (ii) above (provided that the City undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the City to make any such determination), and has made provisions to notify the beneficial owners of Certificates of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Certificates in certificate form to beneficial owners of the Certificates as shown on the records of DTC provided to the City.

Whenever, during the term of the Certificates, the beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Ordinance of holding, delivering or

transferring Certificates shall be deemed modified to require the appropriate person or entity to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

If at any time, DTC ceases to hold the Certificates as securities depository, all references herein to DTC shall be of no further force or effect.

Before the City can discontinue the book-entry-only system of registration through DTC, notice must be given to the TWDB and prior written consent of the TWDB must be received by the City.

15. Optional Redemption; Defeasance. (a) The Certificates are subject to optional redemption as set forth in the Form of Certificate in this Ordinance.

Principal amounts may be redeemed only in integral multiples of \$1,000. If a Certificate subject to redemption is in a denomination larger than \$1,000, a portion of such Certificate may be redeemed, but only in integral multiples of \$1,000. Upon surrender of any Certificate for redemption in part, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Certificate or Certificates of like maturity, Issuance Date, and interest rate in an aggregate principal amount equal to the unredeemed portion of the Certificate so surrendered.

Notice of any redemption identifying the Certificates to be redeemed in whole or in part shall be given by the Paying Agent/Registrar at least 30 days prior to the date fixed for redemption by sending written notice by first class mail, postage prepaid, to the Owner of each Certificate to be redeemed in whole or in part at the address shown on the Register. Such notices shall state the redemption date, the redemption price, the place at which Certificates are to be surrendered for payment and, if less than all Certificates outstanding of a particular maturity are to be redeemed, the numbers of the Certificates or portions thereof of such maturity to be redeemed. Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the redemption price of the Certificates or portions thereof to be redeemed. When Certificates have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Certificates or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Certificate or portion thereof called for redemption shall terminate on the date fixed for redemption.

The City reserves the right, in the case of a redemption, to give notice of its election or direction to redeem Certificates conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such

notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Certificate subject to conditional redemption and such redemption has been rescinded shall remain outstanding.

(b) The Certificates may be discharged, defeased, redeemed or refunded in any manner now or hereafter permitted by law.

16. Forms. The form of the Certificates, including the form of the Paying Agent/Registrar’s Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller shall be, respectively, substantially as follows, with such additions, deletions and variations as may be necessary or desirable and not prohibited by this Ordinance:

(a) Form of Certificate.

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF MATAGORDA

REGISTERED
NUMBER

REGISTERED
DENOMINATION

\$_____

CITY OF BAY CITY, TEXAS
TAX AND SURPLUS REVENUE CERTIFICATE OF OBLIGATION
SERIES 2021A (CWSRF)

MATURITY DATE:	DATED DATE:	ISSUANCE DATE:	CUSIP NO.:
September 1, 20__	April 1, 2021	April 13, 2021	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

THE CITY OF BAY CITY, TEXAS (the “City”) promises to pay to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Certificate at Zions Bancorporation, National Association, Amegy Bank Division (the “Paying Agent/Registrar”), at its principal payment office in Houston, Texas, the principal amount identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal 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 of twelve 30-day months, from the later of the Issuance Date identified above, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Certificate is payable by check on March 1 and September 1, beginning on September 1,

2021, mailed to the registered owner as shown on the books of registration kept by the Paying Agent/Registrar as of the fifteenth day of the month next preceding each interest payment date; provided, however, that for so long as the Texas Water Development Board (“TWDB”) is the Owner of the Certificates, all payments of principal and interest will be made in wire transfer form at no cost to the TWDB.

THIS CERTIFICATE is dated April 1, 2021 and is one of a series of fully registered certificates specified in the title hereof issued in the aggregate principal amount of \$4,742,000 (herein referred to as the “Certificates”), for the purpose of evidencing the indebtedness of the City for all or any part of the costs associated with the improvements to the City’s sanitary sewer system, including the planning, acquisition, design and construction of the City’s wastewater treatment plant and lift stations, the City’s sewer lines, and the costs of professional services related thereto, issued in accordance with the Constitution and laws of the State of Texas, particularly Subchapter C, Chapter 271, Texas Local Government Code, as amended, pursuant to an ordinance duly adopted by the City Council of the City (the “Ordinance”), which Ordinance is of record in the official minutes of the City Council.

THE CITY RESERVES THE RIGHT to redeem Certificates maturing on and after September 1, 2032, prior to their scheduled maturities, in whole or from time to time in part, in inverse order of maturity, in integral multiples of \$1,000, on September 1, 2031, or any date thereafter at par. Reference is made to the Ordinance for complete details concerning the manner of redeeming the Certificates.

NOTICE OF ANY REDEMPTION shall be given at least 30 days prior to the date fixed for redemption by first class mail, addressed to the registered owner of each Certificate to be redeemed in whole or in part at the address shown on the books of registration kept by the Paying Agent/Registrar. When Certificates or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption, if any.

THE CITY RESERVES THE RIGHT, in the case of a redemption, to give notice of its election or direction to redeem Certificates conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Certificates subject to conditional redemption and such redemption has been rescinded shall remain outstanding.

THIS CERTIFICATE is transferable only upon presentation and surrender at the principal payment office of the Paying Agent/Registrar in Houston, Texas, 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.

THIS CERTIFICATE is exchangeable at the principal payment office of the Paying Agent/Registrar in Houston, Texas, for certificates in the principal amount of \$1,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance.

THIS CERTIFICATE shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Certificate is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.

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

THE CITY has covenanted in the Ordinance that it will at all times provide a legally qualified paying agent/registrar for the Certificates and will cause notice of any change of paying agent/registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Certificate have been performed, exist and have been done in accordance with law; and that annual ad valorem taxes, within the limits prescribed by law, sufficient to provide for the payment of the interest, if any, on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the City.

IT IS FURTHER certified, recited and represented that the Surplus Revenues (as defined in the Ordinance) to be derived from the operation of the City's System (as defined in the Ordinance), are pledged to the payment of the Certificates. The City reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind payable in whole or in part from the Surplus Revenues, secured by a pledge of the Surplus Revenues that may be on a parity with, or junior and subordinate to the pledge of Surplus Revenues securing the Certificates.

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

City Secretary
City of Bay City, Texas

Mayor [Pro Tem] ¹
City of Bay City, Texas

[SEAL]

(b) Form of Registration Certificate of Comptroller.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

WITNESS MY SIGNATURE AND SEAL this _____.

Comptroller of Public Accounts of
the State of Texas

(SEAL)

(c) Form of Paying Agent/Registrar's Authentication Certificate.

AUTHENTICATION CERTIFICATE

It is hereby certified that this Certificate has been delivered pursuant to the Ordinance described in the text of this Certificate.

ZIONS BANCORPORATOION, NATIONAL
ASSOCIATION, AMEGY BANK DIVISION,
as Paying Agent/Registrar

By: _____
Authorized Signature

Date of Authentication: _____

(d) Form of Assignment.

¹ Delete if the Mayor executes the Initial Certificate.

ASSIGNMENT

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

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

 (Please insert Social Security or Taxpayer Identification Number of Transferee)
 the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints

 attorney to transfer said Certificate on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature Guaranteed:

 Registered Owner

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

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

(e) The Initial Certificate shall be in the form set forth in paragraphs (a), (b) and (d) of this Section, except for the following alterations:

(i) immediately under the name of the Certificate, the heading "MATURITY DATE" shall be completed with the words "As Shown Below" and the words "CUSIP NO." deleted;

(ii) in the first paragraph of the Certificate, the words "on the Maturity Date specified above" shall be deleted and the following shall be inserted after the last sentence in the first paragraph, "The principal shall be paid in installments on September 1 in each of the years and in the principal amounts identified in the following schedule:"

[Information to be inserted from schedule in Section 5]

(iii) the Initial Certificate shall be numbered I-1.

17. CUSIP Numbers. CUSIP Numbers may be printed on the Certificates, but errors or omissions in the printing of such numbers shall have no effect on the validity of the Certificates.

18. Interest and Sinking Fund; Tax Levy. The proceeds from all taxes levied, assessed and collected for and on account of the Certificates authorized by this Ordinance shall be deposited, as collected, in a special fund to be designated “City of Bay City, Texas, Tax and Surplus Revenue Certificates of Obligation, Series 2021A (CWSRF) Interest and Sinking Fund”. While the Certificates or any part of the principal thereof or interest thereon remain outstanding and unpaid, there is hereby levied and there shall be annually levied, assessed and collected in due time, form and manner, and at the same time other City taxes are levied, assessed and collected, in each year, a continuing direct annual ad valorem tax, within the limits prescribed by law, upon all taxable property in the City sufficient to pay the current interest on the Certificates as the same becomes due, and to provide and maintain a sinking fund adequate to pay the principal of the Certificates as such principal matures, but never less than two percent (2%) of the original principal amount of the Certificates each year, full allowance being made for delinquencies and costs of collection, and such taxes when collected shall be applied to the payment of the interest on and principal of the Certificates and to no other purpose.

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

19. Pledge of Revenues.

(a) The Surplus Revenues to be derived from the operation of the System are hereby pledged to the payment of the principal of and interest on the Certificates as the same come due. The City also reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind payable in whole or in part from the Surplus Revenues, secured by a pledge of the Surplus Revenues that may be senior to, on a parity with, or junior and subordinate to the pledge of Surplus Revenues securing the Certificates.

(b) While the Certificates are outstanding, the City will at all times maintain sufficient rates and charges for the payment of the maintenance and operation expenses of the System and, to the extent that ad valorem taxes are not available for such purpose, the City will at all times maintain sufficient rates and charges to produce revenues not less than 1.10 times the annual debt service obligations of all outstanding obligations of the City secured in whole or in part by the Surplus Revenues of the System for which the City is budgeting to make payments from Surplus Revenues, for the payment of debt service on the Certificates. Upon the written request of the TWDB, the City shall provide documentation that evidences the levy of ad valorem taxes for the payment of debt service on the Certificates or information demonstrating that the City has budgeted Surplus Revenues of the System or other lawfully available revenues sufficient for the payment of debt service on the Certificates.

(c) 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, the amount of taxes that otherwise would have been required to be levied may be reduced to the extent and by the amount of revenues then on deposit in the Interest and Sinking Fund.

(d) If the City does not levy taxes in any year as provided in Section 18 and Section 19(c) above, the City shall 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 Certificates until the amount on deposit in the Interest and Sinking Fund equals the amount required for annual debt service on the Certificates and the City shall not transfer Surplus Revenues from the System to any fund other than the Interest and Sinking Fund until such times as an amount equal to the annual debt service on the Certificates for the then current fiscal year has been deposited in the Interest and Sinking Fund.

(e) Each year that the Certificates 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 the monthly deposit of sufficient Surplus Revenues, the monthly deposit of any other legally available funds on hand at the time of the adoption of the annual budget, the deposit of tax revenues, or a combination thereof, into the Interest and Sinking Fund for the payment of debt service on the Certificates.

20. Application of Chapter 1208, Government Code. Chapter 1208, Government Code, applies to the issuance of the Certificates and the pledge of the taxes and revenues granted by the City under Sections 18 and 19 of this Ordinance, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Certificates are outstanding and unpaid such that the pledge of the taxes and revenues granted by the City under Sections 18 and 19 of this Ordinance is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

21. Further Proceedings. After the Initial Certificate has been executed, it shall be the duty of the Mayor or Mayor Pro Tem of the City to deliver the Initial Certificate and all pertinent records and proceedings to the Attorney General of Texas, for examination and approval. After the Initial Certificate has been approved by the Attorney General, it shall be delivered to the Comptroller for registration. Upon registration of the Initial Certificate, the Comptroller (or a deputy lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller’s Registration Certificate prescribed herein to be affixed or attached to the Certificates to be initially issued, and the seal of said Comptroller shall be impressed, or placed in facsimile, thereon.

22. Sale. The Certificates are hereby sold and shall be delivered to the TWDB, as soon as practicable after adoption of this Ordinance, at a price of par, subject to the approval of the Attorney General of Texas and Bond Counsel. At the time the Certificates are delivered to the TWDB, the City shall pay an origination fee to the TWDB equal to [_____] % ([\$ _____]) of the Project costs, in accordance with the rules of the TWDB. The Mayor or Mayor Pro Tem and other appropriate officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to provide for the issuance and delivery of the Certificates.

23. Books and Records. So long as any of the Certificates are outstanding the City covenants and agrees that it will keep proper books of record and account in which full, true and correct entries will be made of all transactions relating to the Certificates 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 Owner.

24. Provisions Concerning Federal Income Tax Matters.

(a) General. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the interest on the Certificates to be includable in gross income for federal income tax purposes. In furtherance thereof, the City covenants to comply with sections 103 and 141 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the City in connection with the Certificates.

(b) No Private Activity Bonds. The City covenants that it will use the proceeds of the Certificates (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Certificates will not be “private activity bonds” within the meaning of section 141 of the Code. Furthermore, the City will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Certificates to be a “private activity bond” unless it takes a remedial action permitted by section 1.141-12 of the Regulations.

(c) No Federal Guarantee. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the Certificates to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

(d) No Hedge Bonds. The City covenants not to take any action or omit to take action that, if taken or omitted, would cause the Certificates to be “hedge bonds” within the meaning of section 149(g) of the Code.

(e) No Arbitrage Bonds. The City covenants that it will make such use of the proceeds of the Certificates (including investment income) and regulate the investment of such proceeds of the Certificates so that the Certificates will not be “arbitrage bonds” within the meaning of section 148(a) of the Code.

(f) Required Rebate. The City covenants that, if the City does not qualify for an exception to the requirements of section 148(f) of the Code, the City will comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds of the Certificates, be rebated to the United States.

(g) Information Reporting. The City covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Certificates in accordance with section 149(e) of the Code.

(h) Record Retention. The City covenants to retain all material records relating to the expenditure of the proceeds (including investment income) of the Certificates and the use of the property financed, directly or indirectly, thereby until six years after the last Certificate is redeemed

or paid at maturity (or such other period as provided by subsequent guidance issued by the Department of the Treasury) in a manner that ensures their complete access throughout such retention period.

(i) Registration. If the Certificates are “registration-required bonds” under section 149(a)(2) of the Code, the Certificates will be issued in registered form.

(j) Favorable Opinion of Bond Counsel. Notwithstanding the foregoing, the City will not be required to comply with any of the federal tax covenants set forth above if the City has received an opinion of nationally recognized bond counsel that such noncompliance will not adversely affect the excludability of interest on the Certificates from gross income for federal income tax purposes.

(k) Continuing Compliance. Notwithstanding any other provision of this Ordinance, the City’s obligations under the federal tax covenants set forth above will survive the defeasance and discharge of the Certificates for as long as such matters are relevant to the excludability of interest on the Certificates from gross income for federal income tax purposes.

(l) Official Intent. For purposes of section 1.150-2(d) of the Regulations, to the extent that an official intent to reimburse has not previously been adopted by the City, this Ordinance serves as the City’s official declaration of intent to use proceeds of the Certificates to reimburse itself from proceeds of the Certificates issued in the maximum amount for certain expenditures paid in connection with the projects set forth herein. Any such reimbursement will only be made (i) for an original expenditure paid no earlier than 60 days prior to the date hereof and (ii) not later than 18 months after the later of (A) the date the original expenditure is paid or (B) the date of with the project to which such expenditure relates is placed in service or abandoned, but in to event more than three years after the original expenditure is paid.

(m) Source Series Bonds. The City covenants that neither the City nor a related party thereto will acquire any of the TWDB’s Source Series Bonds in an amount related to the amount of the Certificates to be acquired from the City by the TWDB.

(n) Advanced Refunding. The City covenants to refrain from using the proceeds of the Certificates to pay debt service on another issue more than 90 days after the date of issue of the Certificates in contravention of the requirements of section 149(d) of the Code.

25. TWDB Resolution. The City agrees to comply with the applicable provisions of TWDB Resolution No. 21-_____, which authorized the financial assistance evidenced by the Certificates.

26. Escrow Agreement. To facilitate the delivery of and payment for the Certificates pending completion of review of plans and specifications, the City Council hereby authorizes an Escrow Agreement to be entered into by and between the City and the Escrow Agent, the terms and conditions of which are hereby approved, subject to such insertions, additions, and modifications as shall be necessary to comply with all applicable laws, regulations, and procedures and to carry out the intent and purposes of this Ordinance. The Mayor or Mayor Pro Tem and the

City Secretary are authorized to execute and deliver such Escrow Agreement in multiple counterparts on behalf of the City.

27. Project Fund. There is hereby created and established a special fund of the City, to be known as the “City of Bay City, Texas, Tax and Surplus Revenue Certificates of Obligation, Series 2021A (CWSRF) Project Fund,” which shall be established at an official depository of the City and kept separate and apart from other funds of the City. The proceeds of the Certificates, shall be deposited in the escrow account for the Certificates that is maintained by the Escrow Agent for the benefit of the City and TWDB under and as more specifically provided in the Escrow Agreement. Upon release from the escrow account, such proceeds shall be deposited and held in the Project Fund until used for authorized purposes. The proceeds of the Certificates, as received, shall be deposited in the Project Fund. Money on deposit in the Project Fund and all interest, and income derived therefrom shall be used only for the purposes set forth in Section 3 of this Ordinance and to pay costs of issuance. Money on deposit in the Project Fund, may, at the option of the City, be invested as permitted by Texas law including, particularly, the Public Funds Investment Act, Texas Government Code, Chapter 2256, and the Public Funds Collateral Act, Texas Government Code, Chapter 2257; provided that all such deposits and investments shall be made in such manner that the money required to be expended from the Project Fund will be available at the proper time or times. Certificate proceeds deposited in the Project Fund shall be timely and expeditiously used, in accordance with the schedule for the Project approved by the TWDB, as may be amended from time to time. The City will maintain project accounts in accordance with generally accepted government accounting standards, including standards related to the reporting of infrastructure assets.

28. TWDB Rules. In compliance with the published rules and regulations of the TWDB, the City covenants and agrees that upon final completion of the project to be financed with the proceeds of the Certificates, and if all or any portion of the Certificates shall be held by or on account of the TWDB or the State of Texas, the proper officials of the City shall render due and final accounting to the TWDB of the total cost of the Project and provide a copy of as-built plans for the Project. If, following completion of the Project, funds remain on hand in the Project Fund, or if the TWDB Executive Administrator (the “Executive Administrator”) disapproves construction of any portion of the Project as not being in accordance with the plans and specifications, the City shall use any remaining funds for enhancements to the Project that are approved by the Executive Administrator, or, if no enhancements are authorized by the Executive Administrator, the City shall submit to the TWDB a final accounting and describe the proposed disposition of the any unused funds. If any funds are determined to be surplus funds remaining after the completion of the Project and the completion of a final accounting, such surplus funds shall be used for purposes approved by the Executive Administrator. Unless otherwise stated in the loan commitment of the TWDB with respect to the purchase of the Certificates, in determining the amount of available funds for constructing the Project to be financed, the City shall account for all monies in the Project Fund, including all loan funds extended by the TWDB, all other funds available from the Project as described in the Project engineer’s sufficiency of funds statement required for closing the TWDB’s loan and all interest, earned by the City on money in the Project Fund. This requirement shall not be interpreted as prohibiting the TWDB from enforcing such other rights as it may have under law.

29. Outlay Reports. The City agrees to submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with TWDB outlay report guidelines.

30. Environmental Indemnification. The City shall not use proceeds from the sale of the Certificates for sampling, testing, removing or disposing of contaminated soils and/or media at the Project site. To the extent permitted by law, 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 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.

31. Insurance. The City covenants that the Project will be kept continually insured against such perils in an amount sufficient to protect the TWDB's interest in the Project, to the extent that insurance is customarily carried by cities operating similar facilities in similar locations; provided, however, that the City shall not be required to maintain such insurance so long as builders risk insurance covering such facilities during the period of construction is in effect.

32. Compliance with Rules and Statutes. The City covenants that it will comply with TWDB's rules and relevant state statutes in connection with the sale of the Certificates to TWDB and the use of the proceeds in connection with the Project approved by TWDB.

33. Compliance with Environmental Findings of Executive Administrator. The City covenants that it will comply with the conditions specified in the final environmental finding of the Executive Administrator when issued, including the standing emergency discovery conditions for threatened and endangered species and cultural resources.

34. Audited Financial Statements. The City shall annually submit to the TWDB a copy of its audited financial statements, which shall be prepared by a certified public accountant in accordance with the accounting principles the City may be required to employ from time to time pursuant to State law or regulation.

35. Compliance with Davis-Bacon and Federal Disadvantaged Business Enterprises Program. Laborers and mechanics employed by contractors and subcontractors for the Project 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 sub-contractors shall ensure that all Project contracts mandate compliance with the Davis-Bacon Act. All contracts and subcontracts for the construction of the Project carried out in whole or in part with Certificate proceeds shall insert in full in any contract in excess of \$2,000 the contracts clauses as provided by the TWDB. The City covenants to comply with all applicable State and federal procurement requirements, including the federal procurement requirements under the Disadvantaged Business Enterprises program.

36. Federal Funding Accountability and Transparency Act. 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 System for Award Management (SAM), and maintain current registration at all times during which the Certificates are outstanding.

37. Use of Iron and Steel Products. The City covenants that it will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by 31 TAC § 375.3, 33 U.S.C. § 1388, and related State Revolving Fund Policy Guidelines.

38. Maintenance of Project Fund. The City covenants that it will maintain the Project Fund in accordance with generally accepted government accounting principles.

39. Continuing Disclosure Undertaking.

(a) Annual Reports. The City agrees to provide to the MSRB, in electronic format, accompanied by identifying information as prescribed by the MSRB, within six months after the end of each fiscal year, financial information and operating data with respect to the City of the general type included in the City's annual financial statements. The information will also include the audited financial statements of the City, if the City commissions an audit and it is completed within the required time. If the audit of such financial statements is not complete within such period, then the City will provide unaudited financial statements within such six month period to the MSRB, and audited financial statements if and when the audit report on such statements becomes available. Any financial statements so to be provided shall be prepared in accordance with the accounting principles the City may be required to employ from time to time pursuant to State law or regulation. All such information and operating data shall be provided to the MSRB, in an electronic format, accompanied by identifying information, as prescribed by the MSRB, and will be available via the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org.

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

All such information and operating data may be provided to the MSRB in full in one or more documents, or may be included by specific reference to documents available to the public (including an Official Statement or other offering document, if it is available from the MSRB).

(b) Event Notices. The City shall provide the following to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Certificates:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;

- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of Certificates, or other material events affecting the tax status of the Certificates;
- (7) Modifications to rights of the holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the City;

Note to paragraph 12: For the purposes of the event identified in paragraph 12 of this section, the event 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 U.S. 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.

- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of successor or additional paying agent/registrars or the change of name of a paying agent/registrars, if material;
- (15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security

holders, if material; and

- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

Note to paragraphs (15) and (16): For purposes of the events identified in paragraphs (15) and (16) of this section and in the definition of Financial Obligation in Section 2, the City intends the words used in such paragraphs to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018 (the “2018 Release”) and any further amendments or written guidance provided by the SEC or its staff with respect with respect to the amendments to the Rule effected by the 2018 Release.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 38(a). All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the City in any event will give notice of any redemption calls and any defeasances that cause the City to be no longer an “obligated person.”

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

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

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provisions 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 (i) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the outstanding Certificates consent to such amendment or (B) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Certificates. 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 Section 34(a) 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.

40. Private Placement Memorandum. The form and substance of the Private Placement Memorandum for the Certificates dated June 23, 2021, and any addenda, supplement or amendment thereto (the “Private Placement Memorandum”), presented to and considered at this meeting, are hereby in all respects approved and adopted. The proper officials of the City are hereby authorized to execute such Private Placement Memorandum as prescribed therein.

41. Appointment of Initial Paying Agent/Registrar; Paying Agent Registrar Agreement.

(a) Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas, is hereby appointed as the initial Paying Agent/Registrar for the Certificates.

(b) The Paying Agent/Registrar shall keep such books or records and make such transfers and registrations under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfer and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of such Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as provided herein. The City or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Register confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(c) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest, on the Certificates. The Paying Agent/Registrar shall

keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates, and of all conversions, exchanges and replacements of such Certificates, as provided in the Ordinance.

(d) The form of Paying Agent/Registrar Agreement setting forth the duties of the Paying Agent/Registrar is hereby approved, and the appropriate officials of the City are hereby authorized to execute such agreement for and on behalf of the City.

42. Maintenance, Termination and Replacement of Paying Agent/Registrar.

(a) At all times while any Certificates are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under this Section 41 of the Ordinance.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement, provided no such resignation shall be effective until a successor Paying Agent/Registrar has accepted the duties of Paying Agent/Registrar for the Certificates.

(c) Each Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Certificates.

(d) The City reserves the right to terminate the appointment of any Paying Agent/Registrar by (i) delivering to the entity whose appointment is to be terminated forty-five (45) days written notice of the termination of the appointment and of the Paying Agent/Registrar Agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar; provided, that, no such termination shall be effective until a successor Paying Agent/Registrar has assumed the duties of Paying Agent/Registrar for the Certificates.

(e) Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by United States mail, first class, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

(f) By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby and under the Paying Agent/Registrar Agreement.

(g) If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Certificates to the successor Paying Agent/Registrar.

43. Remedies. TWDB shall have all remedies available at law or in equity with respect to the Certificates, and any provision of the Certificates that restricts or limits TWDB's exercise of such remedies shall be of no force and effect.

44. Changes to Ordinance. Bond Counsel is hereby authorized to make changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Certificates by the Attorney General of Texas.

45. Related Matters. To satisfy in a timely manner all of the City’s obligations under this Ordinance, the Mayor or Mayor Pro Tem, the City Secretary and all other appropriate officers and agents of the City are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms and purposes of this Ordinance.

46. Individuals Not Liable. No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member of City Council or agent or employee of City Council or of the City in his or her individual capacity and neither the members of City Council nor any officer thereof, nor any agent or employee of City Council or of the City, shall be liable personally on the Certificates, or be subject to any personal liability or accountability by reason of the issuance thereof.

47. Severability and Savings. 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.

48. Repealer. All ordinances or resolutions, or parts thereof, heretofore adopted by the City and inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such conflict.

49. Force and Effect. This Ordinance shall be in full force and effect from and after its final passage, and it is so ordered. This Ordinance completely amends, replaces, and supersedes the Original Ordinance.

[Remainder of Page Intentionally Left Blank]

PASSED AND APPROVED this 9th day of March, 2021, by the City Council of the City of Bay City, Texas.

<u>Council Member:</u>	<u>Voted Aye</u>	<u>Voted No</u>	<u>Absent</u>
Robert K. Nelson, Mayor	_____	_____	_____
Floyce Brown	_____	_____	_____
James Foles	_____	_____	_____
Brent P. Marceaux	_____	_____	_____
Becca Sitz	_____	_____	_____
Jason W. Childers, Mayor Pro Tem	_____	_____	_____

 Robert K. Nelson, Mayor
 City of Bay City

ATTEST:

[SEAL]

 Jenna Thompson, City Secretary
 City of Bay City

APPROVED AS TO FORM:

 City Attorney
 City of Bay City

Signature Page to Ordinance No. _____

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS §
COUNTY OF MATAGORDA §

I, the undersigned officer of the City Council of the City of Bay City, Texas, hereby certify as follows:

1. The City Council of the City of Bay City, Texas, convened in a regular meeting on the 9th day of March, 2021, and the roll was called of the duly constituted officers and members of said City Council, to wit:

- | | |
|-------------------|---|
| Robert K. Nelson | Mayor |
| Floyce Brown | Council Member, Position No. 1 |
| James Foles | Council Member, Position No. 2 |
| Brent Marceaux | Council Member, Position No. 3 |
| Becca Sitz | Council Member, Position No. 4 |
| Jason W. Childers | Mayor Pro Temp and Council Member, Position No. 5 |

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

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF BAY CITY, TEXAS, TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021A (CWSRF); AUTHORIZING EXECUTION AND DELIVERY OF A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT RELATING TO SUCH CERTIFICATES; PRESCRIBING THE FORM OF SAID CERTIFICATES; LEVYING A TAX AND PLEDGING SURPLUS REVENUES OF THE WATER AND SEWER SYSTEM IN PAYMENT THEREOF; AND ENACTING OTHER PROVISIONS RELATING THERETO

was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said ordinance be adopted; and, after due discussion, said motion, carrying with it the adoption of said ordinance, prevailed and carried by the following vote:

_____ Member(s) of City Council shown present voted "Aye."

_____ Member(s) of City Council shown present voted "No."

_____ Member(s) of City Council shown present abstained from voting.

2. A true, full and correct copy of the aforesaid ordinance adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said ordinance has been duly recorded in said City Council's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said meeting pertaining to the adoption of said ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said ordinance would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED this 9th day of March, 2021.

[SEAL]

City Secretary
City of Bay City, Texas

ORDINANCE NO. ____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF BAY CITY, TEXAS, TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021B (DWSRF); AUTHORIZING EXECUTION AND DELIVERY OF A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT RELATING TO SUCH CERTIFICATES; PRESCRIBING THE FORM OF SAID CERTIFICATES; LEVYING A TAX AND PLEDGING SURPLUS REVENUES OF THE WATER AND SEWER SYSTEM IN PAYMENT THEREOF; AND ENACTING OTHER PROVISIONS RELATING THERETO

THE STATE OF TEXAS §
COUNTY OF MATAGORDA §
CITY OF BAY CITY §

WHEREAS, the City Council of the City of Bay City, Texas (the “City”), authorized the publication of a notice of intention to issue certificates of obligation to the effect that the City Council would meet on March 9, 2021 to adopt an ordinance and take such other action as may be deemed necessary to authorize the issuance of certificates of obligation payable from City ad valorem taxes and from a pledge of and lien on the surplus revenues of the City’s water and sewer system, for the purpose of evidencing the indebtedness of the City for all or any part of the costs associated with the improvements to the City’s water system, including the planning, acquisition, design and construction of two water plants, including water wells, ground storage tanks, hydropneumatic tanks, booster pump stations, disinfection equipment, and related infrastructure and equipment, water transmission lines, water meter replacements, and the costs of professional services related thereto; and

WHEREAS, such notice was published at the times and in the manner required by the Constitution and laws of the State of Texas, particularly Subchapter C, Chapter 271, Texas Local Government Code, as amended; and

WHEREAS, no petition or other request has been filed with or presented to any official of the City requesting that any of the proceedings authorizing such Certificates (as defined herein) be submitted to a referendum or other election; and

WHEREAS, the City is authorized to make the pledge of Surplus Revenues (as defined herein) pursuant to Chapter 1502, Texas Government Code; and

WHEREAS, the City is now authorized and empowered to proceed with the issuance and sale of the Certificates, and has found and determined that it is necessary and in the best interests of the City and its citizens that it issue the Certificates in accordance with the terms and provisions of this Ordinance; and

WHEREAS, the meeting at which this Ordinance is being considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code; Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS:

1. Recitals. It is hereby found and determined that the matters and facts set out in the preamble to this Ordinance are true and correct and incorporated herein for all purposes.

2. Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the same meanings specified below:

“Act” means Chapter 271, Texas Local Government Code, as amended.

“Attorney General” means the Attorney General of the State of Texas.

“Blanket Issuer Letter of Representations” means the Blanket Issuer Letter of Representations between the City, the Paying Agent/Registrar and DTC.

“Bond Counsel” means Bracewell LLP.

“Business Day” means 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 close, or a legal holiday.

“Certificate” or “Certificates” means the City of Bay City, Texas, Tax and Surplus Revenue Certificates of Obligation, Series 2021B (DWSRF) authorized in this Ordinance, unless the context clearly indicates otherwise.

“City” means the City of Bay City, Texas.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Escrow Agent” means Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas, and its successors and assigns, or such other escrow agent as may be approved by the Mayor or Mayor Pro Tem and acceptable to the TWDB.

“Escrow Agreement” means the escrow agreement by and between the City and the Escrow Agent pertaining to the deposit of the proceeds of the Certificates.

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

“Fiscal Year” means such fiscal year as shall from time to time be set by the City Council.

“Initial Certificate” means the Initial Certificate authorized by Section 6(d) of this Ordinance.

“Interest and Sinking Fund” means the interest and sinking fund for payment of the Certificates established by the City in Section 18 of this Ordinance.

“Interest Payment Date” when used in connection with any Certificate, means September 1, 2021, and each March 1 and September 1 thereafter until maturity.

“Issuance Date,” with respect to the Certificates initially delivered to the TWDB, shall mean the date on which each such Certificate is authenticated by the Paying Agent/Registrar and delivered to and paid for by the TWDB. Certificates delivered on transfer of or in exchange for other Certificates shall bear the same Issuance Date as the Certificate or Certificates in lieu of or in exchange for which the new Certificate is delivered.

“MSRB” means the Municipal Securities Rulemaking Board.

“Ordinance” as used herein and in the Certificates means this ordinance authorizing the Certificates.

“Owner” means any person who shall be the registered owner of any outstanding Certificate.

“Paying Agent/Registrar” means Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas, and its successors in that capacity.

“Project” means the improvements to the City’s water system, including the planning, acquisition, design and construction of two water plants, including water wells, ground storage tanks, hydropneumatic tanks, booster pump stations, disinfection equipment, and related infrastructure and equipment, water transmission lines, water meter replacements, and the costs of professional services related thereto.

“Project Fund” shall mean the project fund established by the City pursuant to Section 27 of this Ordinance.

“Record Date” means, for any Interest Payment Date, the fifteenth day of the month next preceding such Interest Payment Date.

“Register” means the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of and the principal amounts registered to each Owner.

“Regulations” means the applicable, proposed, temporary or final Treasury Regulations promulgated under the Code, or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

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

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

“Surplus Revenues” means the revenues available after the payment of operation and maintenance expenses of the System and the debt service payable from gross revenues or net revenues of the System, if any, as well as any other payments, costs or expenses designated in an ordinance authorizing the issuance of System revenue obligations.

“System” means the City’s water and sewer system.

“TWDB” means the Texas Water Development Board.

3. Authorization. The Certificates shall be issued pursuant to the Act in fully registered form, without coupons, in the total authorized principal amount of \$2,125,000 for the purpose of evidencing the indebtedness of the City for all or any part of the costs associated with the Project.

4. Designation and Date. The Certificates shall be designated as the “CITY OF BAY CITY, TEXAS, TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021B (DWSRF),” and shall be dated April 1, 2021. The Certificates shall bear interest at the rates set out in Section 5 of this Ordinance, from the later of the Issuance Date or the most recent Interest Payment Date to which interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months.

5. Initial Certificates; Numbers and Denominations. The Certificates shall be issued in the principal amounts and bearing interest at the rates set forth in the following schedule, and may be transferred and exchanged as set out in this Ordinance. The Certificates shall mature on September 1 in each of the years and in the amounts set out in such schedule. The Initial Certificate shall be numbered I-1 and all other Certificates shall be numbered in sequence beginning with R-1. Certificates delivered on transfer of or in exchange for other Certificates shall be numbered in order of their authentication by the Paying Agent/Registrar, shall be in the denomination of \$5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Certificate or Certificates in lieu of which they are delivered.

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$60,000	%	2037	\$75,000	%
2023	60,000		2038	75,000	
2024	60,000		2039	75,000	
2025	60,000		2040	75,000	
2026	60,000		2041	80,000	
2027	65,000		2042	80,000	
2028	65,000		2043	80,000	
2029	65,000		2044	85,000	
2030	65,000		2045	85,000	
2031	65,000		2046	85,000	
2032	70,000		2047	85,000	
2033	70,000		2048	90,000	
2034	70,000		2049	90,000	
2035	70,000		2050	90,000	
2036	70,000				

6. Execution and Registration of Certificates. (a) The Certificates shall be signed on behalf of the City by the Mayor or Mayor Pro Tem and countersigned by the City Secretary, by their manual, lithographed, or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Certificates shall have the same effect as if each of the Certificates had been signed manually and in person by each of said officers, and such facsimile seal on the Certificates shall have the same effect as if the official seal of the City had been manually impressed upon each of the Certificates.

(b) If any officer of the City whose manual or facsimile signature shall appear on the Certificates shall cease to be such officer before the authentication of such Certificates or before the delivery of such Certificates, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Paying Agent/Registrar's Authentication Certificate substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. In lieu of the executed Registrar's Authentication Certificate described above, the Initial Certificate delivered at the Issuance Date shall have attached hereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Certificate has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Issuance Date, the Initial Certificate, being a single certificate representing the entire principal amount of the Certificates, payable in stated installments to the TWDB or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro Tem and City Secretary, approved by the Attorney General, and registered and manually signed by the

Comptroller, shall be delivered to the TWDB or its designee. Upon payment for the Initial Certificate, the Paying Agent/Registrar shall cancel the Initial Certificate and deliver definitive Certificates to DTC.

7. Payment of Principal and Interest. The Paying Agent/Registrar is hereby appointed as the initial paying agent for the Certificates. The principal of the Certificates shall be payable, without exchange or collection charges, 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 become due and payable at the principal payment office of the Paying Agent/Registrar in Houston, Texas. The interest on each Certificate shall be payable by check 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 Register; provided, however, that for so long as the TWDB is the Owner of the Certificates, all payments of principal and interest will be made in wire transfer form at no cost to the TWDB.

If the date for payment of the principal of any Certificate 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 original date payment was due.

8. Successor Paying Agent/Registrars. The City covenants that at all times while any Certificates are outstanding it will provide a commercial bank or trust company, organized under the laws of the United States or any which is duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Certificates. The City reserves the right to change the Paying Agent/Registrar on not less than 45 days written notice to the Paying Agent/Registrar, so long as any such notice is effective not less than 45 days prior to the next succeeding principal or interest payment date on the Certificates. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or copies 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 Section.

9. Special Record Date. If interest on any Certificate is not paid on any Interest Payment Date and continues unpaid for 30 days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Paying Agent/Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be 15 days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Owner of record as of the close of business on the day prior to the mailing of such notice.

10. Ownership; Unclaimed Principal. The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Certificate is registered as the absolute Owner of such Certificate for the purpose of making payment of principal on such Certificate, and for all other purposes, whether or not such Certificate is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made

to the person deemed to be the Owner of any Certificate 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 Certificate to the extent of the sums paid.

Amounts held by the Paying Agent/Registrar which represent principal of the Certificates remaining unclaimed by the Owner after the expiration of three 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.

11. Registration, Transfer, and Exchange. So long as any Certificates remain outstanding, the Paying Agent/Registrar shall keep the Register at its principal payment office in Houston, Texas and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Certificates in accordance with the terms of this Ordinance. The Issuance Date of each Certificate originally delivered to and paid for by TWDB shall be recorded in the Register.

Each Certificate shall be transferable only upon the presentation and surrender thereof at the principal payment office of the Paying Agent/Registrar in Houston, Texas, 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 Certificate for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, within three (3) Business Days after such presentation, a new Certificate or Certificates, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity, aggregate principal amount, and Issuance Date, bearing interest at the same rate as the Certificate or Certificates so presented.

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

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

12. Mutilated, Lost, or Stolen Certificates. Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Certificate, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Certificate of like maturity, Issuance Date, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Certificate 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 Certificate has been acquired by a bona fide purchaser, shall authorize and the Paying Agent/Registrar shall authenticate and deliver a replacement Certificate of like maturity, Issuance Date, interest rate and principal amount, bearing a number not contemporaneously outstanding.

The City or the Paying Agent/Registrar may require the Owner of a mutilated Certificate to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Paying Agent/Registrar.

The City or the Paying Agent/Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Certificate, before any replacement Certificate is issued, to:

- (1) 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 Certificate;
- (2) furnish such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;
- (3) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that may be imposed; and
- (4) meet any other reasonable requirements of the City and the Paying Agent/Registrar.

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

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

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

13. Cancellation of Certificates. All Certificates paid in accordance with this Ordinance, and all Certificates in lieu of which exchange Certificates or replacement Certificates are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the

making of proper records regarding such payment. The Paying Agent/Registrar shall furnish the City with appropriate certificates of destruction of such Certificates.

14. Book-Entry System. The Initial Certificates shall be delivered against payment to the TWDB. The TWDB shall be required to promptly surrender the Initial Certificates to the Paying Agent/Registrar for exchange. Certificates issued in exchange shall be registered in the name of Cede & Co., as nominee of DTC, as registered owner of the Certificates, and held in the custody of DTC. Unless otherwise requested by DTC, a single certificate will be issued and delivered to DTC for each maturity of the Certificates. Beneficial owners of Certificates will not receive physical delivery of Certificates except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the certificates as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Certificates is to receive, hold or deliver any Certificate.

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

Replacement Certificates may be issued directly to beneficial owners of Certificates other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Certificates (which determination shall become effective no less than 90 days after written notice to such effect to the City and the Paying Agent/Registrar); or (ii) the City has advised DTC of its determination (which determination is conclusive as to DTC and the beneficial owners of the Certificates) that the interests of the beneficial owners of the Certificates might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any of the foregoing events, the City shall use its best efforts to attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City shall cause to be authenticated and delivered replacement Certificates, in certificate form, to the beneficial owners of the Certificates. In the event that the City makes the determination noted in (ii) above (provided that the City undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the City to make any such determination), and has made provisions to notify the beneficial owners of Certificates of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Certificates in certificate form to beneficial owners of the Certificates as shown on the records of DTC provided to the City.

Whenever, during the term of the Certificates, the beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Ordinance of holding, delivering or

transferring Certificates shall be deemed modified to require the appropriate person or entity to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

If at any time, DTC ceases to hold the Certificates as securities depository, all references herein to DTC shall be of no further force or effect.

Before the City can discontinue the book-entry-only system of registration through DTC, notice must be given to the TWDB and prior written consent of the TWDB must be received by the City.

15. Optional Redemption; Defeasance. (a) The Certificates are subject to optional redemption as set forth in the Form of Certificate in this Ordinance.

Principal amounts may be redeemed only in integral multiples of \$5,000. If a Certificate subject to redemption is in a denomination larger than \$5,000, a portion of such Certificate may be redeemed, but only in integral multiples of \$5,000. Upon surrender of any Certificate for redemption in part, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Certificate or Certificates of like maturity, Issuance Date, and interest rate in an aggregate principal amount equal to the unredeemed portion of the Certificate so surrendered.

Notice of any redemption identifying the Certificates to be redeemed in whole or in part shall be given by the Paying Agent/Registrar at least 30 days prior to the date fixed for redemption by sending written notice by first class mail, postage prepaid, to the Owner of each Certificate to be redeemed in whole or in part at the address shown on the Register. Such notices shall state the redemption date, the redemption price, the place at which Certificates are to be surrendered for payment and, if less than all Certificates outstanding of a particular maturity are to be redeemed, the numbers of the Certificates or portions thereof of such maturity to be redeemed. Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the redemption price of the Certificates or portions thereof to be redeemed. When Certificates have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Certificates or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Certificate or portion thereof called for redemption shall terminate on the date fixed for redemption.

The City reserves the right, in the case of a redemption, to give notice of its election or direction to redeem Certificates conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such

notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Certificate subject to conditional redemption and such redemption has been rescinded shall remain outstanding.

(b) The Certificates may be discharged, defeased, redeemed or refunded in any manner now or hereafter permitted by law.

16. Forms. The form of the Certificates, including the form of the Paying Agent/Registrar’s Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller shall be, respectively, substantially as follows, with such additions, deletions and variations as may be necessary or desirable and not prohibited by this Ordinance:

(a) Form of Certificate.

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF MATAGORDA

REGISTERED
NUMBER

REGISTERED
DENOMINATION

\$_____

CITY OF BAY CITY, TEXAS
TAX AND SURPLUS REVENUE CERTIFICATE OF OBLIGATION
SERIES 2021B

MATURITY DATE:	DATED DATE:	ISSUANCE DATE:	CUSIP NO.:
September 1, 20__	April 1, 2021	April 13, 2021	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

THE CITY OF BAY CITY, TEXAS (the “City”) promises to pay to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Certificate at Zions Bancorporation, National Association, Amegy Bank Division, (the “Paying Agent/Registrar”), at its principal payment office in Houston, Texas, the principal amount identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal 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 of twelve 30-day months, from the later of the Issuance Date identified above, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Certificate is payable by check on March 1 and September 1, beginning on September 1,

2021, mailed to the registered owner as shown on the books of registration kept by the Paying Agent/Registrar as of the fifteenth day of the month next preceding each interest payment date; provided, however, that for so long as the Texas Water Development Board (“TWDB”) is the Owner of the Certificates, all payments of principal and interest will be made in wire transfer form at no cost to the TWDB.

THIS CERTIFICATE is dated April 1, 2021 and is one of a series of fully registered certificates specified in the title hereof issued in the aggregate principal amount of \$2,125,000 (herein referred to as the “Certificates”), for the purpose of evidencing the indebtedness of the City for all or any part of the costs associated with the improvements to the City’s water system, including the planning, acquisition, design and construction of two water plants, including water wells, ground storage tanks, hydropneumatic tanks, booster pump stations, disinfection equipment, and related infrastructure and equipment, water transmission lines, water meter replacements, and the costs of professional services related thereto, issued in accordance with the Constitution and laws of the State of Texas, particularly Subchapter C, Chapter 271, Texas Local Government Code, as amended, pursuant to an ordinance duly adopted by the City Council of the City (the “Ordinance”), which Ordinance is of record in the official minutes of the City Council.

THE CITY RESERVES THE RIGHT to redeem Certificates maturing on and after September 1, 2032, prior to their scheduled maturities, in whole or from time to time in part, in inverse order of maturity, in integral multiples of \$5,000, on September 1, 2031, or any date thereafter at par. Reference is made to the Ordinance for complete details concerning the manner of redeeming the Certificates.

NOTICE OF ANY REDEMPTION shall be given at least 30 days prior to the date fixed for redemption by first class mail, addressed to the registered owner of each Certificate to be redeemed in whole or in part at the address shown on the books of registration kept by the Paying Agent/Registrar. When Certificates or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption, if any.

THE CITY RESERVES THE RIGHT, in the case of a redemption, to give notice of its election or direction to redeem Certificates conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Certificates subject to conditional redemption and such redemption has been rescinded shall remain outstanding.

THIS CERTIFICATE is transferable only upon presentation and surrender at the principal payment office of the Paying Agent/Registrar in Houston, Texas, 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.

THIS CERTIFICATE is exchangeable at the principal payment office of the Paying Agent/Registrar in Houston, Texas, for certificates in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance.

THIS CERTIFICATE shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Certificate is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.

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

THE CITY has covenanted in the Ordinance that it will at all times provide a legally qualified paying agent/registrar for the Certificates and will cause notice of any change of paying agent/registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Certificate have been performed, exist and have been done in accordance with law; and that annual ad valorem taxes, within the limits prescribed by law, sufficient to provide for the payment of the interest, if any, on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the City.

IT IS FURTHER certified, recited and represented that the Surplus Revenues (as defined in the Ordinance) to be derived from the operation of the City's System (as defined in the Ordinance), are pledged to the payment of the Certificates. The City reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind payable in whole or in part from the Surplus Revenues, secured by a pledge of the Surplus Revenues that may be on a parity with, or junior and subordinate to the pledge of Surplus Revenues securing the Certificates.

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

City Secretary
City of Bay City, Texas

Mayor [Pro Tem] ¹
City of Bay City, Texas

[SEAL]

¹ Delete if the Mayor executes the Initial Certificate.

(b) Form of Registration Certificate of Comptroller.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

WITNESS MY SIGNATURE AND SEAL this _____.

Comptroller of Public Accounts of
the State of Texas

(SEAL)

(c) Form of Paying Agent/Registrar's Authentication Certificate.

AUTHENTICATION CERTIFICATE

It is hereby certified that this Certificate has been delivered pursuant to the Ordinance described in the text of this Certificate.

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, AMEGY BANK DIVISION,
as Paying Agent/Registrar

By: _____
Authorized Signature

Date of Authentication: _____

(d) 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 Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer said Certificate on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature Guaranteed:

Registered Owner

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

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

(e) The Initial Certificate shall be in the form set forth in paragraphs (a), (b) and (d) of this Section, except for the following alterations:

(i) immediately under the name of the Certificate, the heading "MATURITY DATE" shall be completed with the words "As Shown Below" and the words "CUSIP NO." deleted;

(ii) in the first paragraph of the Certificate, the words "on the Maturity Date specified above" shall be deleted and the following shall be inserted after the last sentence in the first paragraph, "The principal shall be paid in installments on September 1 in each of the years and in the principal amounts identified in the following schedule:"

[Information to be inserted from schedule in Section 5]

(iii) the Initial Certificate shall be numbered I-1.

17. CUSIP Numbers. CUSIP Numbers may be printed on the Certificates, but errors or omissions in the printing of such numbers shall have no effect on the validity of the Certificates.

18. Interest and Sinking Fund; Tax Levy. The proceeds from all taxes levied, assessed and collected for and on account of the Certificates authorized by this Ordinance shall be deposited, as collected, in a special fund to be designated "City of Bay City, Texas, Tax and Surplus Revenue Certificates of Obligation, Series 2021B (DWSRF) Interest and Sinking Fund". While the Certificates or any part of the principal thereof or interest thereon remain outstanding and unpaid, there is hereby levied and there shall be annually levied, assessed and collected in due time, form and manner, and at the same time other City taxes are levied, assessed and collected, in each year, a continuing direct annual ad valorem tax, within the limits prescribed by law, upon all taxable property in the City sufficient to pay the current interest on the Certificates as the same becomes

due, and to provide and maintain a sinking fund adequate to pay the principal of the Certificates as such principal matures, but never less than two percent (2%) of the original principal amount of the Certificates each year, full allowance being made for delinquencies and costs of collection, and such taxes when collected shall be applied to the payment of the interest on and principal of the Certificates and to no other purpose.

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

19. Pledge of Revenues.

(a) The Surplus Revenues to be derived from the operation of the System are hereby pledged to the payment of the principal of and interest on the Certificates as the same come due. The City also reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation and other obligations of any kind payable in whole or in part from the Surplus Revenues, secured by a pledge of the Surplus Revenues that may be senior to, on a parity with, or junior and subordinate to the pledge of Surplus Revenues securing the Certificates.

(b) While the Certificates are outstanding, the City will at all times maintain sufficient rates and charges for the payment of the maintenance and operation expenses of the System and, to the extent that ad valorem taxes are not available for such purpose, the City will at all times maintain sufficient rates and charges to produce revenues not less than 1.10 times the annual debt service obligations of all outstanding obligations of the City secured in whole or in part by the Surplus Revenues of the System for which the City is budgeting to make payments from Surplus Revenues, for the payment of debt service on the Certificates. Upon the written request of the TWDB, the City shall provide documentation that evidences the levy of ad valorem taxes for the payment of debt service on the Certificates or information demonstrating that the City has budgeted Surplus Revenues of the System or other lawfully available revenues sufficient for the payment of debt service on the Certificates.

(c) 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, the amount of taxes that otherwise would have been required to be levied may be reduced to the extent and by the amount of revenues then on deposit in the Interest and Sinking Fund.

(d) If the City does not levy taxes in any year as provided in Section 18 and Section 19(c) above, the City shall 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 Certificates until the amount on deposit in the Interest and Sinking Fund equals the amount required for annual debt service on the Certificates and the City shall not transfer Surplus Revenues from the System to any fund other than the Interest and Sinking Fund until such times as an amount equal to the annual debt service on the Certificates for the then current fiscal year has been deposited in the Interest and Sinking Fund.

(e) Each year that the Certificates 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 the monthly deposit of sufficient Surplus Revenues, the monthly deposit of any other legally available funds on hand at the time of the adoption of the annual budget, the deposit of tax revenues, or a combination thereof, into the Interest and Sinking Fund for the payment of debt service on the Certificates.

20. Application of Chapter 1208, Government Code. Chapter 1208, Government Code, applies to the issuance of the Certificates and the pledge of the taxes and revenues granted by the City under Sections 18 and 19 of this Ordinance, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Certificates are outstanding and unpaid such that the pledge of the taxes and revenues granted by the City under Sections 18 and 19 of this Ordinance is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

21. Further Proceedings. After the Initial Certificate has been executed, it shall be the duty of the Mayor or Mayor Pro Tem of the City to deliver the Initial Certificate and all pertinent records and proceedings to the Attorney General of Texas, for examination and approval. After the Initial Certificate has been approved by the Attorney General, it shall be delivered to the Comptroller for registration. Upon registration of the Initial Certificate, the Comptroller (or a deputy lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein to be affixed or attached to the Certificates to be initially issued, and the seal of said Comptroller shall be impressed, or placed in facsimile, thereon.

22. Sale. The Certificates are hereby sold and shall be delivered to the TWDB, as soon as practicable after adoption of this Ordinance, at a price of par, subject to the approval of the Attorney General of Texas and Bond Counsel. At the time the Certificates are delivered to the TWDB, the City shall pay an origination fee to the TWDB equal to []% ([\$]) of the Project costs, in accordance with the rules of the TWDB. The Mayor or Mayor Pro Tem and other appropriate officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to provide for the issuance and delivery of the Certificates.

23. Books and Records. So long as any of the Certificates are outstanding the City covenants and agrees that it will keep proper books of record and account in which full, true and correct entries will be made of all transactions relating to the Certificates 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 Owner.

24. Provisions Concerning Federal Income Tax Matters.

(a) General. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the interest on the Certificates to be includable in gross income for federal income tax purposes. In furtherance thereof, the City covenants to comply with sections 103 and 141 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the City in connection with the Certificates.

(b) No Private Activity Bonds. The City covenants that it will use the proceeds of the Certificates (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Certificates will not be “private activity bonds” within the meaning of section 141 of the Code. Furthermore, the City will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Certificates to be a “private activity bond” unless it takes a remedial action permitted by section 1.141-12 of the Regulations.

(c) No Federal Guarantee. The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the Certificates to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

(d) No Hedge Bonds. The City covenants not to take any action or omit to take action that, if taken or omitted, would cause the Certificates to be “hedge bonds” within the meaning of section 149(g) of the Code.

(e) No Arbitrage Bonds. The City covenants that it will make such use of the proceeds of the Certificates (including investment income) and regulate the investment of such proceeds of the Certificates so that the Certificates will not be “arbitrage bonds” within the meaning of section 148(a) of the Code.

(f) Required Rebate. The City covenants that, if the City does not qualify for an exception to the requirements of section 148(f) of the Code, the City will comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds of the Certificates, be rebated to the United States.

(g) Information Reporting. The City covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Certificates in accordance with section 149(e) of the Code.

(h) Record Retention. The City covenants to retain all material records relating to the expenditure of the proceeds (including investment income) of the Certificates and the use of the property financed, directly or indirectly, thereby until six years after the last Certificate is redeemed or paid at maturity (or such other period as provided by subsequent guidance issued by the Department of the Treasury) in a manner that ensures their complete access throughout such retention period.

(i) Registration. If the Certificates are “registration-required bonds” under section 149(a)(2) of the Code, the Certificates will be issued in registered form.

(j) Favorable Opinion of Bond Counsel. Notwithstanding the foregoing, the City will not be required to comply with any of the federal tax covenants set forth above if the City has received an opinion of nationally recognized bond counsel that such noncompliance will not adversely affect the excludability of interest on the Certificates from gross income for federal income tax purposes.

(k) Continuing Compliance. Notwithstanding any other provision of this Ordinance, the City’s obligations under the federal tax covenants set forth above will survive the defeasance and discharge of the Certificates for as long as such matters are relevant to the excludability of interest on the Certificates from gross income for federal income tax purposes.

(l) Official Intent. For purposes of section 1.150-2(d) of the Regulations, to the extent that an official intent to reimburse has not previously been adopted by the City, this Ordinance serves as the City’s official declaration of intent to use proceeds of the Certificates to reimburse itself from proceeds of the Certificates issued in the maximum amount for certain expenditures paid in connection with the projects set forth herein. Any such reimbursement will only be made (i) for an original expenditure paid no earlier than 60 days prior to the date hereof and (ii) not later than 18 months after the later of (A) the date the original expenditure is paid or (B) the date of with the project to which such expenditure relates is placed in service or abandoned, but in to event more than three years after the original expenditure is paid.

(m) Source Series Bonds. The City covenants that neither the City nor a related party thereto will acquire any of the TWDB’s Source Series Bonds in an amount related to the amount of the Certificates to be acquired from the City by the TWDB.

(n) Advanced Refunding. The City covenants to refrain from using the proceeds of the Certificates to pay debt service on another issue more than 90 days after the date of issue of the Certificates in contravention of the requirements of section 149(d) of the Code.

25. TWDB Resolution. The City agrees to comply with the applicable provisions of TWDB Resolution No. 21-_____, which authorized the financial assistance evidenced by the Certificates.

26. Escrow Agreement. To facilitate the delivery of and payment for the Certificates pending completion of review of plans and specifications, the City Council hereby authorizes an Escrow Agreement to be entered into by and between the City and the Escrow Agent, the terms and conditions of which are hereby approved, subject to such insertions, additions, and modifications as shall be necessary to comply with all applicable laws, regulations, and procedures and to carry out the intent and purposes of this Ordinance. The Mayor or Mayor Pro Tem and the City Secretary are authorized to execute and deliver such Escrow Agreement in multiple counterparts on behalf of the City.

27. Project Fund. There is hereby created and established a special fund of the City, to be known as the “City of Bay City, Texas, Tax and Surplus Revenue Certificates of Obligation, Series 2021B (DWSRF) Project Fund,” which shall be established at an official depository of the City and kept separate and apart from other funds of the City. The proceeds of the Certificates, shall be deposited in the escrow account for the Certificates that is maintained by the Escrow Agent

for the benefit of the City and TWDB under and as more specifically provided in the Escrow Agreement. Upon release from the escrow account, such proceeds shall be deposited and held in the Project Fund until used for authorized purposes. The proceeds of the Certificates, as received, shall be deposited in the Project Fund. Money on deposit in the Project Fund and all interest, and income derived therefrom shall be used only for the purposes set forth in Section 3 of this Ordinance and to pay costs of issuance. Money on deposit in the Project Fund, may, at the option of the City, be invested as permitted by Texas law including, particularly, the Public Funds Investment Act, Texas Government Code, Chapter 2256, and the Public Funds Collateral Act, Texas Government Code, Chapter 2257; provided that all such deposits and investments shall be made in such manner that the money required to be expended from the Project Fund will be available at the proper time or times. Certificate proceeds deposited in the Project Fund shall be timely and expeditiously used, in accordance with the schedule for the Project approved by the TWDB, as may be amended from time to time. The City will maintain project accounts in accordance with generally accepted government accounting standards, including standards related to the reporting of infrastructure assets.

28. TWDB Rules. In compliance with the published rules and regulations of the TWDB, the City covenants and agrees that upon final completion of the project to be financed with the proceeds of the Certificates, and if all or any portion of the Certificates shall be held by or on account of the TWDB or the State of Texas, the proper officials of the City shall render due and final accounting to the TWDB of the total cost of the Project and provide a copy of as-built plans for the Project. If, following completion of the Project, funds remain on hand in the Project Fund, or if the TWDB Executive Administrator (the “Executive Administrator”) disapproves construction of any portion of the Project as not being in accordance with the plans and specifications, the City shall use any remaining funds for enhancements to the Project that are approved by the Executive Administrator, or, if no enhancements are authorized by the Executive Administrator, the City shall submit to the TWDB a final accounting and describe the proposed disposition of the any unused funds. If any funds are determined to be surplus funds remaining after the completion of the Project and the completion of a final accounting, such surplus funds shall be used for purposes approved by the Executive Administrator. Unless otherwise stated in the loan commitment of the TWDB with respect to the purchase of the Certificates, in determining the amount of available funds for constructing the Project to be financed, the City shall account for all monies in the Project Fund, including all loan funds extended by the TWDB, all other funds available from the Project as described in the Project engineer’s sufficiency of funds statement required for closing the TWDB’s loan and all interest, earned by the City on money in the Project Fund. This requirement shall not be interpreted as prohibiting the TWDB from enforcing such other rights as it may have under law.

29. Outlay Reports. The City agrees to submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with TWDB outlay report guidelines.

30. Environmental Indemnification. The City shall not use proceeds from the sale of the Certificates for sampling, testing, removing or disposing of contaminated soils and/or media at the Project site. To the extent permitted by law, 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 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.

31. Insurance. The City covenants that the Project will be kept continually insured against such perils in an amount sufficient to protect the TWDB's interest in the Project, to the extent that insurance is customarily carried by cities operating similar facilities in similar locations; provided, however, that the City shall not be required to maintain such insurance so long as builders risk insurance covering such facilities during the period of construction is in effect.

32. Compliance with Rules and Statutes. The City covenants that it will comply with TWDB's rules and relevant state statutes in connection with the sale of the Certificates to TWDB and the use of the proceeds in connection with the Project approved by TWDB.

33. Compliance with Environmental Findings of Executive Administrator. The City covenants that it will comply with the conditions specified in the final environmental finding of the Executive Administrator when issued, including the standing emergency discovery conditions for threatened and endangered species and cultural resources.

34. Audited Financial Statements. The City shall annually submit to the TWDB a copy of its audited financial statements, which shall be prepared by a certified public accountant in accordance with the accounting principles the City may be required to employ from time to time pursuant to State law or regulation.

35. Compliance with Davis-Bacon and Federal Disadvantaged Business Enterprises Program. Laborers and mechanics employed by contractors and subcontractors for the Project 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 sub-contractors shall ensure that all Project contracts mandate compliance with the Davis-Bacon Act. All contracts and subcontracts for the construction of the Project carried out in whole or in part with Certificate proceeds shall insert in full in any contract in excess of \$2,000 the contracts clauses as provided by the TWDB. The City covenants to comply with all applicable State and federal procurement requirements, including the federal procurement requirements under the Disadvantaged Business Enterprises program.

36. Federal Funding Accountability and Transparency Act. 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 System for Award Management (SAM), and maintain current registration at all times during which the Certificates are outstanding.

37. Use of Iron and Steel Products. The City covenants that it will abide by all applicable construction contract requirements related to the use of iron and steel products produced

in the United States, as required by 31 TAC § 375.3, 33 U.S.C. § 1388, and related State Revolving Fund Policy Guidelines.

38. Maintenance of Project Fund. The City covenants that it will maintain the Project Fund in accordance with generally accepted government accounting principles.

39. Continuing Disclosure Undertaking.

(a) Annual Reports. The City agrees to provide to the MSRB, in electronic format, accompanied by identifying information as prescribed by the MSRB, within six months after the end of each fiscal year, financial information and operating data with respect to the City of the general type included in the City's annual financial statements. The information will also include the audited financial statements of the City, if the City commissions an audit and it is completed within the required time. If the audit of such financial statements is not complete within such period, then the City will provide unaudited financial statements within such six month period to the MSRB, and audited financial statements if and when the audit report on such statements becomes available. Any financial statements so to be provided shall be prepared in accordance with the accounting principles the City may be required to employ from time to time pursuant to State law or regulation. All such information and operating data shall be provided to the MSRB, in an electronic format, accompanied by identifying information, as prescribed by the MSRB, and will be available via the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org.

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

All such information and operating data may be provided to the MSRB in full in one or more documents, or may be included by specific reference to documents available to the public (including an Official Statement or other offering document, if it is available from the MSRB).

(b) Event Notices. The City shall provide the following to the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the following events with respect to the Certificates:

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

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

- (7) Modifications to rights of the holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the City;

Note to paragraph 12: For the purposes of the event identified in paragraph 12 of this section, the event 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 U.S. 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.

- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;
- (15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

Note to paragraphs (15) and (16): For purposes of the events identified in

paragraphs (15) and (16) of this section and in the definition of Financial Obligation in Section 2, the City intends the words used in such paragraphs to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018 (the “2018 Release”) and any further amendments or written guidance provided by the SEC or its staff with respect with respect to the amendments to the Rule effected by the 2018 Release.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 38(a). All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the City in any event will give notice of any redemption calls and any defeasances that cause the City to be no longer an “obligated person.”

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

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

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provisions 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 (i) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (A) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the outstanding Certificates consent to such amendment or (B) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Certificates. 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 Section 34(a) 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.

40. Private Placement Memorandum. The form and substance of the Private Placement Memorandum for the Certificates dated June 23, 2021, and any addenda, supplement or amendment thereto (the “Private Placement Memorandum”), presented to and considered at this meeting, are hereby in all respects approved and adopted. The proper officials of the City are hereby authorized to execute such Private Placement Memorandum as prescribed therein.

41. Appointment of Initial Paying Agent/Registrar; Paying Agent Registrar Agreement.

(a) Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas, is hereby appointed as the initial Paying Agent/Registrar for the Certificates.

(b) The Paying Agent/Registrar shall keep such books or records and make such transfers and registrations under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfer and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of such Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as provided herein. The City or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Register confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(c) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest, on the Certificates. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates, and of all conversions, exchanges and replacements of such Certificates, as provided in the Ordinance.

(d) The form of Paying Agent/Registrar Agreement setting forth the duties of the Paying Agent/Registrar is hereby approved, and the appropriate officials of the City are hereby authorized to execute such agreement for and on behalf of the City.

42. Maintenance, Termination and Replacement of Paying Agent/Registrar.

(a) At all times while any Certificates are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under this Section 41 of the Ordinance.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement, provided no such resignation shall be effective until a successor Paying Agent/Registrar has accepted the duties of Paying Agent/Registrar for the Certificates.

(c) Each Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Certificates.

(d) The City reserves the right to terminate the appointment of any Paying Agent/Registrar by (i) delivering to the entity whose appointment is to be terminated forty-five (45) days written notice of the termination of the appointment and of the Paying Agent/Registrar Agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar; provided, that, no such termination shall be effective until a successor Paying Agent/Registrar has assumed the duties of Paying Agent/Registrar for the Certificates.

(e) Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by United States mail, first class, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

(f) By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby and under the Paying Agent/Registrar Agreement.

(g) If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Certificates to the successor Paying Agent/Registrar.

43. Remedies. TWDB shall have all remedies available at law or in equity with respect to the Certificates, and any provision of the Certificates that restricts or limits TWDB's exercise of such remedies shall be of no force and effect.

44. Changes to Ordinance. Bond Counsel is hereby authorized to make changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Certificates by the Attorney General of Texas.

45. Related Matters. To satisfy in a timely manner all of the City's obligations under this Ordinance, the Mayor or Mayor Pro Tem, the City Secretary and all other appropriate officers and agents of the City are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms and purposes of this Ordinance.

46. Individuals Not Liable. No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member of City Council or agent or employee of City Council or of the City in his or her individual capacity and neither the members of City Council nor any officer thereof, nor any agent or employee of City Council or of the City, shall be liable personally on the Certificates, or be subject to any personal liability or accountability by reason of the issuance thereof.

47. Severability and Savings. 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.

48. Repealer. All ordinances or resolutions, or parts thereof, heretofore adopted by the City and inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such conflict.

49. Force and Effect. This Ordinance shall be in full force and effect from and after its final passage, and it is so ordered. This Ordinance completely amends, replaces, and supersedes the Original Ordinance.

[Remainder of Page Intentionally Left Blank]

PASSED AND APPROVED this 9th day of March, 2021, by the City Council of the City of Bay City, Texas.

<u>Council Member:</u>	<u>Voted Aye</u>	<u>Voted No</u>	<u>Absent</u>
Robert K. Nelson, Mayor	_____	_____	_____
Floyce Brown	_____	_____	_____
James Foles	_____	_____	_____
Brent P. Marceaux	_____	_____	_____
Becca Sitz	_____	_____	_____
Jason W. Childers, Mayor Pro Tem	_____	_____	_____

Robert K. Nelson, Mayor
City of Bay City

ATTEST:

[SEAL]

Jenna Thompson, City Secretary
City of Bay City

APPROVED AS TO FORM:

City Attorney
City of Bay City

Signature Page to Ordinance No. _____

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS §
COUNTY OF MATAGORDA §

I, the undersigned officer of the City Council of the City of Bay City, Texas, hereby certify as follows:

1. The City Council of the City of Bay City, Texas, convened in a regular meeting on the 9th day of March, 2021, and the roll was called of the duly constituted officers and members of said City Council, to wit:

- | | |
|-------------------|---|
| Robert K. Nelson | Mayor |
| Floyce Brown | Council Member, Position No. 1 |
| James Foles | Council Member, Position No. 2 |
| Brent Marceaux | Council Member, Position No. 3 |
| Becca Sitz | Council Member, Position No. 4 |
| Jason W. Childers | Mayor Pro Temp and Council Member, Position No. 5 |

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

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF BAY CITY, TEXAS, TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021B (DWSRF); AUTHORIZING EXECUTION AND DELIVERY OF A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT RELATING TO SUCH CERTIFICATES; PRESCRIBING THE FORM OF SAID CERTIFICATES; LEVYING A TAX AND PLEDGING SURPLUS REVENUES OF THE WATER AND SEWER SYSTEM IN PAYMENT THEREOF; AND ENACTING OTHER PROVISIONS RELATING THERETO

was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said ordinance be adopted; and, after due discussion, said motion, carrying with it the adoption of said ordinance, prevailed and carried by the following vote:

_____ Member(s) of City Council shown present voted "Aye."

_____ Member(s) of City Council shown present voted "No."

_____ Member(s) of City Council shown present abstained from voting.

2. A true, full and correct copy of the aforesaid ordinance adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said ordinance has been duly recorded in said City Council's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said meeting pertaining to the adoption of said ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said ordinance would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED this 9th day of March, 2021.

[SEAL]

City Secretary
City of Bay City, Texas



CITY OF BAY CITY

1901 FIFTH STREET ★ BAY CITY, TEXAS 77414
 (979) 245-2137 ★ FAX (979) 323-1626
 cityofbaycity.org

ROBERT K. NELSON
 MAYOR

DECLARATION OF LOCAL STATE OF DISASTER

WHEREAS, THE CITY OF BAY CITY on the 14th day of February 2021, has suffered widespread or severe damage, injury, or loss of life or property (or there is imminent threat of same) resulting from

FEBRUARY WINTER WEATHER 2021

WHEREAS, THE MAYOR of BAY CITY has determined that extraordinary measures must be taken to alleviate the suffering of people and to protect or rehabilitate property.

NOW, THEREFORE, BE IT PROCLAIMED BY THE MAYOR OF BAY CITY:

That a local state of disaster, effective on February 14, 2021, is hereby declared for CITY OF BAY CITY pursuant to §418.108(a) of the Texas Government Code.

Pursuant of §418.108(b) of the Texas Government Code, the state of disaster shall continue for a period of not more than seven (7) days from the date of this declaration unless continued or renewed by the CITY COUNCIL of BAY CITY:

Pursuant of §418.108(c) of the Texas Government Code, this declaration of a local state of disaster shall be given prompt and general publicity and shall be filed promptly with CITY SECRETARY.

Pursuant of §418.108(d) of the Texas Government Code, this declaration of a local state of disaster activates the CITY emergency management plan.

That this proclamation shall take effect immediately from and after its issuance.

ORDERED this 4th of March, 2021.

Robert K. Nelson

MAYOR