



**CITY OF DENISON
CITY COUNCIL MEETING
AGENDA**

Monday, March 3, 2025

After determining that a quorum is present, the City Council of the City of Denison, Texas will convene in a Regular Meeting on **Monday, March 3, 2025 at 6:00 PM** in the Council Chambers at City Hall, 300 W. Main Street, Denison, Texas at which the following items will be considered:

1. INVOCATION, PLEDGE OF ALLEGIANCE AND TEXAS PLEDGE

2. PROCLAMATIONS AND PRESENTATION

A. Autism Awareness and Acceptance Month Proclamation.

3. PUBLIC COMMENTS

Citizens may speak on action items listed on the Agenda. A “Request to Speak Card” should be completed and returned to the City Clerk upon arrival, prior to the Council reaching the Public Comment section of the agenda. Citizen comments are limited to three (3) minutes, unless otherwise required by law. Comments related to the Public Hearings listed below, will be heard when the specific hearing starts.

4. CONSENT AGENDA

A. Receive a report, hold a discussion and take action on approving the Minutes from the February 17, 2025, regular City Council Meeting.

B. Receive a report, hold a discussion, and take action on reallocating funds from the multi-surface court project at Munson Park to the addition of a new restroom facility at Munson Park.

C. Receive a report, hold a discussion, and take action on an Ordinance amending Chapter 26 "Utilities", Article II "Sewer Use, Wastewater and Stormwater Disposal", Division 5 "Regulation of Discharge and Sewer Connections", section 26-114 “Authority to Require Pretreatment and Monitoring Facilities” by deleting subsection (I) of the City of Denison Code of Ordinances.

D. Receive a report, hold a discussion and take action on an ordinance declaring the unopposed candidates Spence Redwine for Place 4, Single Member District 4, and Teresa Adams for Place 6, At Large duly elected and providing that the May 3, 2025, Regular Municipal Election shall not be held.

- E. Receive a report, hold a discussion and take action on the appointment of City Council Member Teresa Adams to serve on the Texoma Area Paratransit System (TAPS) Board of Directors.
- F. Receive a report, hold a discussion, and take action on an ordinance amending Chapter 25, “Traffic”, Article V, “Stopping, Standing and Parking”, Section 25-136.1, “Stop Intersections – Enumerated”, of the Denison Code of Ordinances to include additional Stop Intersections at W. Crawford Street at its intersection with US Highway 75, east and west frontage roads, and Loy Lake Road at its intersection with US Highway 75, east and west frontage roads.
- G. Receive a report, hold a discussion and take action on an ordinance amending portions of Chapter 31, “Special Events”, to revise the regulations pertaining to special events and to enhance public safety and security.

5. PUBLIC HEARINGS

- A. Receive a report, hold a discussion, conduct a public hearing and take action on an Ordinance finding the reasonableness of the costs of demolition of a structure situated at 116 N. Lynn Ave. in the City of Denison, Texas to abate a public nuisance, levying an assessment of the costs against the real estate and assessing the amount of the costs for such demolition as a lien against such real property.
- B. Receive a report, hold a discussion, continue the public hearing, and take action on an Ordinance to rezone an approximately 6.200-acre tract identified as GCAD Property ID No. 101027, said property being legally described as being situated in the Jacob Willcox Survey, Abstract No. 1358 and Polly Stamps Survey, Abstract No. 1098, according to the recorded instrument No. 2023-32617, official records of Grayson County, Texas; located at Harbor Road and Highway 84, from the Planned Development Overlay (PD) District to the Light Industrial (LI) District to allow for an electrical substation. (Case No. 2024-34Z)

6. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. Receive a report, hold a discussion, and take action on entering into a Municipal Advisory Agreement (Contract No. 2025-0024) with Hilltop Securities to provide financial assistance with loans through the Texas Water Development Board, and authorize the Interim City Manager to execute the same.
- B. Receive a report, hold a discussion, and take action on entering into a Contract with McCall, Parkhurst & Horton (Contract No. 2025-0025) to provide legal assistance with loans through the Texas Water Development Board, and authorize the Interim City Manager to execute the same.
- C. Receive a report, hold a discussion, and take action on awarding a bid and entering into a contract with SYB Construction Co. Inc. (Contract No. 2025-0026) for on-call pipeline maintenance and repair services for an amount not to exceed \$1,831,525.00 and authorize the Interim City Manager to execute all related documents.

- D. Receive a report, hold a discussion and take action on an ordinance considering all matters incident and related to the issuance, sale and delivery of “City of Denison, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2025A;” authorizing the issuance of said Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject.
- E. Receive a report, hold a discussion and take action on an ordinance considering all matters incident and related to the issuance, sale and delivery of “City of Denison, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2025B;” authorizing the issuance of said Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject.
- F. Receive a report, hold a discussion and take action on an ordinance considering all matters incident and related to the issuance, sale and delivery of “City of Denison, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Series 2025C;” authorizing the issuance of said Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject.

7. EXECUTIVE SESSION

Pursuant to Chapter 551, *Texas Government Code*, the Council reserves the right to convene in Executive Session(s), from time to time as deemed necessary during this meeting to receive legal advice from its attorney on any posted agenda item as permitted by law or to discuss the following:

- A. Consult with attorney on a matter in which the attorney's duty to the governmental body under the Texas Disciplinary Rules of Professional Conduct conflicts with this chapter and/or consult with attorney about pending or contemplated litigation or contemplated settlement of the same. Section 551.071.**

 - 1. Confer with City Attorney regarding surplus properties located at 428 E. Woodard and 721 W. Parnell.
 - 2. Confer with City Attorney regarding amending state law for use of hotel occupancy taxes and/or sales taxes for qualified projects and resolution supporting amendment of Texas Tax Code.
- B. Discuss the possible purchase, exchange, lease or sale value of real property (public discussion of such would not be in the best interests of the City's bargaining position). Section 551.072.
- C. Discuss negotiated gifts or donations to the City (public discussion at this stage would have a detrimental effect on the City's bargaining position). Section 551.073.
- D. Discuss the appointment, employment, evaluation, reassignment of duties, discipline, or dismissal of or to hear a complaint against a public officer or employee. Section 551.074.

- E. Discuss the commercial or financial information received from an existing business or business prospect with which the City is negotiating for the location or retention of a facility, or for incentives the City is willing to extend, or financial information submitted by the same. Section 551.087.
- F. Discuss the deployment or specific occasions for implementation of security personnel or devices. Section 551.076.
- G. Deliberations regarding economic development negotiations pursuant to Section 551.087.

Following the closed Executive Session, the Council will reconvene in open and public session and take any such action as may be desirable or necessary as a result of the closed deliberations.

CERTIFICATION

I do hereby certify that a copy of this Notice of Meeting was posted on the front window of City Hall readily accessible to the general public at all times and posted on the City of Denison website on the 28th day of February 2025, before 6:00 PM.

Christine Wallentine, City Clerk

In compliance with the Americans With Disabilities Act, the City of Denison will provide for reasonable accommodations for persons attending City Council meeting. To better serve you, requests should be received 48 hours prior to the meetings. Please contact the City Clerk's Office at 903-465-2720, Ext: 2437.



**CITY OF DENISON
CITY COUNCIL MEETING
MINUTES**

Monday, February 17, 2025

Announce the presence of a quorum.

Mayor Robert Crawley called the meeting to order at 6:00 p.m. Council Members present were Mayor Pro Tem, Teresa Adams, Michael Courtright, James Thorne, Spence Redwine and Aaron Thomas. Council Member Josh Massey was absent. Staff present were Assistant City Manager, Renee Waggoner, City Attorney, Julie Fort, and City Clerk, Christine Wallentine. Department Directors were also present.

1. INVOCATION, PLEDGE OF ALLEGIANCE AND TEXAS PLEDGE

Todd Catteau, Pastor of Park Avenue Church of Christ, gave the invocation which was followed by the Pledge of Allegiance and Texas Pledge led by Mary Tate, Director of Development Services.

2. PUBLIC COMMENTS

Mayor Crawley called for any public comments at this time and reminded those wanting to comment of the guidelines established by the City Council. Christine Wallentine, City Clerk, confirmed there were no Request to Speak Cards received by this point in the meeting. Therefore, no public comments were received.

3. CONSENT AGENDA

A. Receive a report, hold a discussion and take action on approving the Minutes from the regular City Council Meeting held on February 3, 2025.

B. Receive a report, hold a discussion, and take action on entering into an Interlocal Agreement (Contract No. 2025-0020) between the City of Denison and Texoma Community Center, pertaining to collaboration on the provision of a Co-Responder Program for the City of Denison and authorize the Interim City Manager to execute the same.

C. Receive a report, hold a discussion and take action on approval of the DPD Contact Data Annual Report for 2024.

- D. Receive a report, hold a discussion, and take action on a Resolution permitting staff to develop and submit an application to the Texas Water Development Board Water Loss Reduction Program for a Water System Improvements project.
- E. Receive a report, hold a discussion and take action on a resolution authorizing membership in the Atmos Cities Steering Committee and authorizing the payment of five cents (\$0.05) per capita to the Atmos Cities Steering Committee to fund regulatory and related activities related to Atmos Energy Corporation.
- F. Receive a report, hold a discussion, and take action on an ordinance amending Chapter 22, Article IV “Requirements for Public Improvements and Design” of the City of Denison’s Code of Ordinances to add Division 10 “Engineering Standards Variance.”

Council Action

On motion by Council Member Redwine, seconded by Council Member Thomas, the City Council unanimously approved **Resolution No. 4193**, “APPLICATION FILING AND AUTHORIZED REPRESENTATIVE RESOLUTION FOR TEXAS WATER DEVELOPMENT BOARD GRANT FOR COSTS OF WATER DISTRIBUTION IMPROVEMENTS PROJECT FOR DISADVANTAGED AREAS;” **Resolution No. 4194** “A RESOLUTION AUTHORIZING MEMBERSHIP IN THE ATMOS CITIES STEERING COMMITTEE; AND AUTHORIZING THE PAYMENT OF FIVE CENTS PER CAPITA TO THE ATMOS CITIES STEERING COMMITTEE TO FUND REGULATORY AND RELATED ACTIVITIES RELATED TO ATMOS ENERGY CORPORATION”; **Ordinance No 5377**, “AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DENISON, TEXAS, AMENDING CHAPTER 22 OF THE CODE OF ORDINANCES OF THE CITY, THE SAME BEING THE SUBDIVISION REGULATIONS OF THE CITY OF DENISON, TO AMEND ARTICLE IV (REQUIREMENTS FOR PUBLIC IMPROVEMENTS AND DESIGN), TO ADD DIVISION 10 (ENGINEERING STANDARDS VARIANCE); PROVIDING FOR SAVINGS, REPEALING AND SEVERABILITY CLAUSES; PROVIDING A PENALTY CLAUSE; PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE”; and the rest of the Consent Agenda as presented.

4. PUBLIC HEARINGS

- A. Receive a report, hold a discussion, conduct a public hearing, and take action on an Ordinance to rezone an approximately 6.200-acre tract identified as GCAD Property ID No. 101027, said property being legally described as being situated in the Jacob Willcox Survey, Abstract No. 1358 and Polly Stamps Survey, Abstract No. 1098, according to the recorded instrument No. 2023-32617, official records of Grayson County, Texas; located at Harbor Road and Highway 84, from the Planned Development Overlay (PD) District to the Light Industrial (LI) District to allow for an electrical substation. (Case No. 2024-34Z)

Council Action

Mary Tate, Director of Development Services, presented this agenda item. This is a request from Oncor Electric. This 6.2 acres sits just below Preston Harbor Planned Development District and when the planned development standards were developed and the uses were put in, an electrical substation was left out of this use. So, this is a formality to make sure that we get electricity to the property. So, this is a request from the planned development district overlay to Light Industrial District to allow for the electrical substation. The applicant is not present this evening and they have already submitted a preliminary site plan detailing the access and they will have to meet screening requirements, landscaping and all the other submittal requirements. Because they are not able to be present this evening, staff recommends opening the public hearing and continuing the public hearing until they are able to be present on March 3, 2025.

Mayor Crawley then opened the public hearing and asked if there was anyone present who wished to speak on this agenda item. Mayor Crawley then called for a motion to continue the public hearing to March 3, 2025 at 6:00 p.m.

On motion by Mayor Pro Tem Adams, seconded by Council Member Courtright, the City Council unanimously approved continuing the public hearing to the March 3, 2025, City Council meeting at 6:00 p.m. in the Council Chambers at City Hall.

5. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. Receive a report, hold a discussion and take action on an ordinance considering all matters incident and related to the issuance, sale and delivery of “City of Denison, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2025A;” authorizing the issuance of said Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject.

Council Action

Laurie Alsabbagh, Finance Director, reminded the City Council that a notice of intent to issue the certificates of obligation for Series 2025A was approved by Council at the November 18, 2024, City Council Meeting. Two notices were published in the newspaper as required and sale of the certificates was scheduled for today, but due to bond markets being closed for President’s Day, and also due to not receiving final approval from the Attorney General’s Office before tonight’s meeting, staff is requesting that Council table the adoption of the ordinance to authorize the issuance until a future Council meeting, pending their approval.

On motion by Mayor Pro Tem Adams, seconded by Council Member Thorne, the City Council unanimously approved tabling adoption of an ordinance considering all matters incident and related to the issuance, sale and delivery of “City of Denison, Texas

Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2025A;” authorizing the issuance of said Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject to a future Council meeting.

- B. Receive a report, hold a discussion and take action on an ordinance considering all matters incident and related to the issuance, sale and delivery of “City of Denison, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2025B;” authorizing the issuance of said Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject.

Council Action

Laurie Alsabbagh, Finance Director, reminded the City Council that a notice of intent to issue the certificates of obligation for Series 2025B was approved by Council at the November 18, 2024, City Council Meeting. Two notices were published in the newspaper as required and sale of the certificates was scheduled for today, but due to bond markets being closed for President’s Day, and also due to not receiving final approval from the Attorney General’s Office before tonight’s meeting, staff is requesting that Council table the adoption of the ordinance to authorize the issuance until a future Council meeting, pending their approval.

On motion by Mayor Pro Tem Adams, seconded by Council Member Thorne, the City Council unanimously approved tabling adoption of an ordinance considering all matters incident and related to the issuance, sale and delivery of “City of Denison, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2025B;” authorizing the issuance of said Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject to a future Council meeting.

- C. Receive a report, hold a discussion and take action on an ordinance considering all matters incident and related to the issuance, sale and delivery of “City of Denison, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Series 2025C;” authorizing the issuance of said Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject.

Council Action

Laurie Alsabbagh, Finance Director, reminded the City Council that a notice of intent to issue the certificates of obligation for Series 2025C was approved by Council at the November 18, 2024, City Council Meeting. Two notices were published in the newspaper as required and sale of the certificates was scheduled for today, but due to bond markets

being closed for President's Day, and also due to not receiving final approval from the Attorney General's Office before tonight's meeting, staff is requesting that Council table the adoption of the ordinance to authorize the issuance until a future Council meeting, pending their approval.

On motion by Mayor Pro Tem Adams, seconded by Council Member Thorne, the City Council unanimously approved tabling adoption of an ordinance considering all matters incident and related to the issuance, sale and delivery of "City of Denison, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2025C;" authorizing the issuance of said Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject to a future Council meeting,

6. PROJECT UPDATES

- A. Receive a report and hold a discussion regarding proposed amendments to Chapter 31-Special Events of the City's Code of Ordinances.

Council Action

Chris Wallentine, City Clerk, stated she was present to provide an update on proposed amendments to Chapter 31 – the Special Events ordinance. This chapter was adopted in 2017 and there was a small amendment in 2018, but other than this, there have been no other updates. Some gatherings and organized activities do put some stress on public facilities, infrastructure, and public safety, so these amendments are made to make sure that we have a successful event and that it's safe. It's not intended to be a hardship on the events themselves. We pulled together a group from the various departments, Public Works, Development Services, Public Safety, and other key players and this is a collaborative effort of those departments. The major highlights of the amendments is that it expands definitions and specifically identifies City departments, First Amendment activity, and it also defines the Special Events Review Team, or SERT. The SERT team meets bi-weekly, goes over the events, approves the events, and coordinates city services to make sure we have a successful event. Another highlight is that it requires an emergency action plan for events with more than 50 people, including event emergency contacts and an event site plan, etc. It also limits the events of the same nature in one location to two in a 12-month period, except for City sponsored events or downtown partner events. Because special events in Denison are becoming so popular, these amendments are necessary to ensure that we continue to have a safe and successful event season. Just to give you a perspective, in 2023 we permitted 49 special events, and 2024 we permitted 77. So, as interest grows, as Denison becomes more of a hot spot, these amendments are necessary. Staff will be bringing an ordinance for the Council's consideration at one of the March meetings.

No action taken. Informational presentation only.

7. EXECUTIVE SESSION

The Council then adjourned into Executive Session to discuss Item 7.A.1. below at 6:11 p.m., pursuant to Chapter 551, Texas Government Code, in accordance with the Authority:

A. Consult with attorney on a matter in which the attorney's duty to the governmental body under the Texas Disciplinary Rules of Professional Conduct conflicts with this chapter and/or consult with attorney about pending or contemplated litigation or contemplated settlement of the same. Section 551.071.

1. Confer with City Attorney regarding *North Texas Natural Select Materials, LLC v. City of Denison*, Cause No. 4:24-cv-01136-SDJ, United States District Court for the Eastern District of Texas.

B. Discuss the possible purchase, exchange, lease or sale value of real property (public discussion of such would not be in the best interests of the City's bargaining position). Section 551.072.

C. Discuss negotiated gifts or donations to the City (public discussion at this stage would have a detrimental effect on the City's bargaining position). Section 551.073.

D. Discuss the appointment, employment, evaluation, reassignment of duties, discipline, or dismissal of or to hear a complaint against a public officer or employee. Section 551.074.

E. Discuss the commercial or financial information received from an existing business or business prospect with which the City is negotiating for the location or retention of a facility, or for incentives the City is willing to extend, or financial information submitted by the same. Section 551.087.

F. Discuss the deployment or specific occasions for implementation of security personnel or devices. Section 551.076.

G. Deliberations regarding economic development negotiations pursuant to Section 551.087.

RECONVENE INTO REGULAR SESSION

The Council reconvened into Regular Session at 6:15 p.m. regarding Item 7.A.1.

A. Consult with attorney on a matter in which the attorney's duty to the governmental body under the Texas Disciplinary Rules of Professional Conduct conflicts with this chapter and/or consult with attorney about pending or contemplated litigation or contemplated settlement of the same. Section 551.071.

1. Confer with City Attorney regarding *North Texas Natural Select Materials, LLC v. City of Denison*, Cause No. 4:24-cv-01136-SDJ, United States District Court for the Eastern District of Texas.

Council Action

No action taken.

There being no further business to come before the Council, the meeting was adjourned at 6:15 p.m.

ROBERT CRAWLEY, Mayor

ATTEST:

Christine Wallentine, City Clerk

City Council Meeting Staff Report



Agenda Item

Receive a report, hold a discussion, and take action on reallocating funds from the multi-surface court project at Munson Park to the addition of a new restroom facility at Munson Park.

Staff Contact

Amanda Parsons, Director of Parks and Recreation

aparsons@denisontx.gov

903-465-2720 Ext. 2513

Summary

- FY24/25 Budget allocated \$195,000 for the addition of a multi-surface court at Munson Park.
- Current amenities at Munson Park include two single-stall restrooms, inconveniently located at the far northwest section of the park.
- The Parks & Recreation Commission supports reallocating the funds from the multi-surface court to install additional restrooms at Munson Park.
- The project location and funding will remain the same, only the scope of work will be changed.

Staff Recommendation

Staff recommends reallocating the funds to provide additional restrooms at Munson Park.

Recommended Motion

“I move to reallocate the \$195,000, originally allotted for the installation of a multi-surface court, to fund additional restrooms at Munson Park.”

Background Information and Analysis

Munson Park, spanning 174 acres, offers a wide variety of recreational amenities, including a baseball field, a multiuse field, a batting cage, a basketball court, a playground, and an 18-hole disc golf course. With only two single-stall restrooms, located at the far northwest section of the park near the pavilion, the number of restroom facilities are insufficient and inconveniently placed to accommodate park-goers on such a large property.

Parks and Recreation staff presented the issue of the aged and inconveniently placed restrooms to the Parks & Recreation Commission and received their agreement that the need for a new restroom facility outweighs the desire for a multi-surface court at this time. The Parks & Recreation Commission is in support of reallocating the park improvement funds to add necessary restroom facilities at Munson Park.

Financial Considerations

No additional funding needed.

Prior Board or Council Action

On February 10, 2025, the Parks & Recreation Commission voted in support of reallocating the funds, previously allotted for installing a multi-surface court at Munson Park, to adding additional restrooms at Munson Park.

Alternatives

City Council may table or deny this request.

City Council Meeting Staff Report



March 3, 2025
Regular Council Meeting

Agenda Item

Receive a report, hold a discussion, and take action on an Ordinance amending Chapter 26 "Utilities", Article II "Sewer Use, Wastewater and Stormwater Disposal", Division 5 "Regulation of Discharge and Sewer Connections", section 26-114 "Authority to Require Pretreatment and Monitoring Facilities" by deleting subsection (I) of the City of Denison Code of Ordinances.

Staff Contact

Julie Fort, City Attorney
(972) 668-6400

Summary

- The City, as a home rule municipal corporation pursuant to Section 5, Article XI of the Texas Constitution exercises powers granted by the Texas Constitution and the City's Charter and is so empowered to adopt ordinances and rules that are for the good government of the City.
- The City is required to comply with applicable federal, state, and local laws to protect the source wastewater and stormwater discharge by administering a pretreatment program.
- The proposed adoption of ordinance will provide staff with more flexibility when setting limits for significant industrial users based on the industry type being served.

Staff Recommendation

Staff recommends adoption of the ordinance as presented.

Recommended Motion

"I move to adopt the Ordinance amending Chapter 26 "Utilities", Article II "Sewer Use, Wastewater and Stormwater Disposal", Division 5 "Regulation of Discharge and Sewer Connections", section 26-114 "Authority to Require Pretreatment and Monitoring Facilities" by deleting subsection (I) of the City of Denison Code of Ordinances."

Background Information and Analysis

The City, as a home rule municipal corporation pursuant to Section 5, Article XI of the Texas Constitution exercises powers granted by the Texas Constitution and the City's Charter and is so empowered to adopt ordinances and rules that are for the good government of the City. The City is periodically required to update the industrial pretreatment program and the latest update effort has been completed with the assistance of Plummer and Associates. The proposed ordinance revision is part of this update and is intended to enhance the administration of the pretreatment program by allowing staff to adopt Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) limits by industry type rather than requiring one set of limits for all industries regardless of type. If adopted, all future BOD and TSS limits will be set within the pretreatment program rather than in ordinance. Plummer and Associates consulted with the Texas Commission on Environmental Quality (TCEQ) on as part of the pretreatment program update and TCEQ is requiring the revision in ordinance by March 15, 2025.

Financial Considerations

None.

Prior Board or Council Action

The ordinance was previously updated on 11/26/2024.

Alternatives

Council may choose to deny, table, or modify this agenda item.

ORDINANCE NO. 2025-_____

AN ORDINANCE OF THE CITY OF DENISON, TEXAS, AMENDING CHAPTER 26 "UTILITIES," ARTICLE II "SEWER USE, WASTEWATER AND STORMWATER DISPOSAL," DIVISION 5 "REGULATION OF DISCHARGE AND SEWER CONNECTIONS," SECTION 26-114, "AUTHORITY TO REQUIRE PRETREATMENT AND MONITORING FACILITIES," BY DELETING SUBSECTION (I); AUTHORIZING THE CITY MANAGER AND RELATED CITY DEPARTMENTS TO UPDATED DOCUMENTATION REFLECTING SUCH AMENDMENT TO THE ORDINANCE AND STANDARDS; PROVIDING FOR REPEALING, SAVINGS, AND SEVERABILITY CLAUSES; PROVIDING FOR A PENALTY CLAUSE; PROVIDING FOR A FINDING AND DETERMINING THE MEETING AT WHICH THIS ORDINANCE IS ADOPTED TO BE OPEN TO THE PUBLIC AS REQUIRED BY LAW; PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

WHEREAS, the City of Denison, Texas (the "City") is a Home Rule Municipality acting under its Charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Texas Local Government Code; and

WHEREAS, the City Council of the City of Denison (the "City Council") adopted Chapter 26 "Utilities" of its Code of Ordinances ("Code"), which governs utility regulations, including water, sewer and waste, and its respective monitoring, in the City; and

WHEREAS, the City is periodically required to update the industrial pretreatment program in order to comply with state and federal law; and

WHEREAS, the City Council now wishes to make amendments to this Chapter of the Code to update the Code to reflect current state and federal requirements and expectations in enforcement; and

WHEREAS, amendments to the Code are intended to enhance the administration of the pretreatment program by allowing staff to adopt Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) limits by industry type rather than requiring one set of limits for all industries regardless of type; and

WHEREAS, by revising the Code to remove subsection (I), if the City or their authorized personnel determine a BOD or TSS limit is needed to comply with state and federal wastewater standards, the update allows for the individually issued permit to establish a pounds per day loading limitation for BOD and TSS based on the Mass Proportion Method from the EPA's Local Limits Development Guidance Document (EPA 833-R-04-002A, July 2004), and

WHEREAS, the City, through an advisor-consultant, has conferred with Texas Commission of Environmental Quality (“TCEQ”) as part of the pretreatment program update and TCEQ, is requiring the revision in ordinance by March 15, 2025; and

WHEREAS, the amendment of the Code to remove this requirement will help the City comply with applicable state and federal laws, and to better align health and safety standards of the City and State requirements; and

WHEREAS, the City Council does hereby find that the amendments to Chapter 26 hereby accomplishes such objectives.

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

SECTION 1: Incorporation of Premises. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2: Amendment. Chapter 26, “Utilities,” Article II, "Sewer Use, Wastewater and Stormwater Disposal," Division 5, "Regulation of Discharge and Sewer Connections," Section 26-114, “Authority to Require Pretreatment and Monitoring Facilities,” is hereby amended to delete subsection (1) in its entirety, as follows (remove the text marked with strikethrough_:

~~(1) — The significant industrial users with average loads of BOD or TSS exceeding fifty (50) pounds per day shall obtain a wastewater discharge permit. The permit will establish a pounds per day loading limitation based upon a maximum concentration of five hundred (500) mg/L for BOD and TSS multiplied by the flow from the discharger's plant.~~

SECTION 3: Update of Documentation. The City Council authorizes the City Manager, or his designees, as well as the Director of Public Works and/or his designees, and the Director of Environmental Services and/or his designees, to update any documentation necessary to reflect the amended Ordinance and its corresponding standards to reflect TCEQ and updated state and federal legal expectations, as deemed necessary for updating to reflect these changes.

SECTION 4. Savings/Repealing Clause. All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

SECTION 5. Severability. Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. Denison hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences clauses and phrases be declared unconstitutional or invalid.

SECTION 6. Penalty. Any person, firm, entity or corporation who violates any provision of this Ordinance, as may be amended, shall be deemed guilty of a misdemeanor, and upon conviction therefore, shall be fined in a sum not exceeding Two Thousand and No/100 Dollars (\$2,000.00). Each continuing day's violation shall constitute a separate offense. The penal provisions imposed under this Ordinance shall not preclude Denison from filing suit to enjoin the violation. Denison retains all legal rights and remedies available to it pursuant to local, state, and federal law.

SECTION 7. Open Meeting. That it is hereby found and determined that the meeting at which this Ordinance was passed was open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

SECTION 9. Publication and Effective Date. This Ordinance shall become effective immediately upon adoption and its publication as required by law.

AND IT IS SO ORDERED.

On motion by Council Member _____, seconded by Council Member _____, the above and foregoing ordinance was passed and approved on this the 3rd day of March 2025, by the following vote:

Ayes:
Abstentions:
Nays:

At regular meeting March 3, 2025.

ROBERT CRAWLEY, MAYOR

ATTEST:

Christine Wallentine, City Clerk

City Council Meeting Staff Report



Agenda Item

Receive a report, hold a discussion and take action on an ordinance declaring the unopposed candidates Spence Redwine for Place 4, Single Member District 4, and Teresa Adams for Place 6, At Large duly elected and providing that the May 3, 2025, Regular Municipal Election shall not be held.

Staff Contact

Christine Wallentine, City Clerk/Assistant to the City Manager
cwallentine@denisontx.gov
(903) 465-2720, Ext. 2437

Summary

- The City Council called a General Election in the City for May 3, 2025, for the purpose of electing council members to Single Member District 4 and Place 6, At-Large, on the Denison City Council, and no proposition was included in the call.
- Pursuant to Section 143.007(c) and 146.054(b) of the Texas Election Code, the deadlines for filing applications for a place on the ballot and declarations of write-in candidacy for the City's general municipal election have expired.
- The City Clerk of the City has certified to the City Council that only one person has applied for a place on the ballot in each race, and that no one has qualified to be on a list of write-in candidates.
- Pursuant to Section 2.051 *et seq.*, Texas Election Code, the City Council may dispense with the necessity of holding the General Election and may declare the results of the election.

Staff Recommendation

Staff recommends adoption of the ordinance as presented.

Recommended Motion

"I move to adopt the ordinance declaring the unopposed candidates Spence Redwine for Place 4, Single Member District 4, and Teresa Adams for Place 6, At Large duly elected and providing that the May 3, 2025, Regular Municipal Election shall not be held."

Background Information and Analysis

The City Council called a General Election in the City for May 3, 2025, for the purpose of electing council members to Single Member District 4 and Place 6, At-Large, on the Denison City Council, and no proposition was included in the call. Pursuant to Section 143.007(c) and 146.054(b) of the Texas Election Code, the deadlines for filing applications for a place on the ballot and declarations of write-in candidacy for the City's general municipal election have expired. The City Clerk of the City has certified to the City Council that only one person has applied for a place on the ballot in each race, and that no one has qualified to be on a list of write-in candidates. Pursuant to Section 2.051 *et seq.*, Texas Election Code, the City Council may dispense with the necessity of holding the General Election and may declare the results of the election.

Spence Redwine in Place 4 and Teresa Adams in Place 6 are the only candidates to have qualified for a place on the ballot of such election and no one has qualified for a list of write-in candidates pursuant to the requirements of the Election Code. Therefore, they are unopposed for the seats on the Denison City Council for which they filed. Additionally, the City Council finds that there are no propositions to be resolved. Pursuant to the authority of Sec. 2.053, Texas Election Code, the May 3, 2025, General Election should be cancelled.

Financial Considerations

Cancelling the General Election scheduled for May 3, 2025, will save the City \$8,910 which was budgeted out of the General Fund.

Prior Board or Council Action

None.

Alternatives

None.

CITY OF DENISON

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CERTIFICATION OF UNOPPOSED CANDIDATES
CERTIFICACIÓN DE CANDIDATOS ÚNICOS

To: Robert Crawley, Mayor

Al: Robert Crawley, Alcalde

As the authority responsible for having the official ballot prepared, I hereby certify that the following candidates are unopposed for election to office for the General Election scheduled to be held on May 3, 2025.

Como autoridad a cargo de la preparación de la boleta de votación oficial, por la presente certifico que los siguientes candidatos únicos para elección para un cargo en la elección que se llevará a cabo el 3 de Mayo, 2025.

<u>Office(s), Cargo(s)</u>		<u>Candidate(s), Candidato(s)</u>
Council Place 4	–	Spence Redwine
Council Place 6	–	Teresa Adams



Christine Wallentine

Christine Wallentine
City Clerk, City of Denison

February 19, 2025

Date

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DENISON, TEXAS, DECLARING THE UNOPPOSED CANDIDATES SPENCE REDWINE FOR PLACE 4, SINGLE MEMBER DISTRICT 4, AND TERESA ADAMS FOR PLACE 6, AT-LARGE DULY ELECTED; PROVIDING THAT THE MAY 3, 2025, REGULAR MUNICIPAL ELECTION SHALL NOT BE HELD; FINDING AND DETERMINING THE MEETING AT WHICH THIS ORDINANCE IS PASSED TO BE OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Denison, Texas called a General Election in the City for May 3, 2025, for the purpose of electing council members to Single Member District 4 and Place 6, At-Large, on the Denison City Council, and no proposition was included in the call; and

WHEREAS, pursuant to Section 143.007(c) and 146.054(b) of the Texas Election Code, the deadlines for filing applications for a place on the ballot and declarations of write-in candidacy for the City's general municipal election have expired; and

WHEREAS, the City Clerk of the City has certified to the City Council that only one person has applied for a place on the ballot in each race, and that no one has qualified to be on a list of write-in candidates; and

WHEREAS, pursuant to Section 2.051 *et seq.*, Texas Election Code, the City Council may dispense with the necessity of holding the General Election and may declare the results of the election; now, therefore,

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

SECTION 1: That the certification of the City Clerk relating to the General Election of May 3, 2025 be hereby received and acknowledged by the City Council.

SECTION 2: That it is hereby found and determined that Spence Redwine in Place 4 and Teresa Adams in Place 6, are the only candidates to have qualified for a place on the ballot of such election and no one has qualified for a list of write-in candidates pursuant to the requirements of the Election Code. Therefore, are unopposed for the seats on the Denison City Council for which they filed. Additionally, the City Council finds that there are no propositions to be resolved.

SECTION 3: That the May 3, 2025 General Election is hereby cancelled pursuant to the authority of Sec. 2.053, Texas Election Code, and the City Council does hereby declare the following individuals as duly elected to the following places on the Denison City Council:

Spence Redwine	Place 4
Teresa Adams	Place 6

SECTION 4: The City Clerk is directed to post a copy of the Election Cancellation Notice at each designated polling place on May 3, 2025.

SECTION 5: That it is hereby found and determined that the meeting at which this ordinance was passed was open to the public as required by law, and that public notice of the time, place and purpose of said meeting was given, all as required by Article 551.041, Texas Government Code.

SECTION 6: This Ordinance shall take effect immediately upon and after its passage as provided by law.

AND IT IS SO ORDERED.

On motion by Council Member _____, seconded by Council Member _____, the above and foregoing ordinance was passed and approved on this the 3rd day of March 2025, by the following vote:

Ayes:
Nays:
Abstentions:

At regular meeting on March 3, 2025.

ROBERT CRAWLEY, Mayor

ATTEST:

Christine Wallentine, City Clerk

City Council Meeting Staff Report



Agenda Item

Receive a report, hold a discussion and take action on the appointment of City Council Member Teresa Adams to serve on the Texoma Area Paratransit System (TAPS) Board of Directors.

Staff Contact

Chris Wallentine, City Clerk/Assistant to the City Manager
cwallentine@denisontx.gov
(903) 465-2720, Ext. 2437

Summary

- TAPS is a rural transportation provider in a rural transit district as defined under Section 458 of the Texas Transportation Code.
- The governing body of TAPS consists of the Commissioners Court of Grayson County and one elected representative from the governing body of each municipality in the territory of the district.
- The City of Denison must appoint a representative to the TAPS Board of Directors.
- James Thorne was the last City Council Member appointed but is no longer able to serve on this Board due to a scheduling conflict. Therefore, the Council needs to appoint a new representative to the Board of Directors.

Staff Recommendation

None. This is a City Council appointment.

Recommended Motion

“I move to appoint City Council Member Teresa Adams to serve on the Texoma Area Paratransit System (TAPS) Board of Directors.”

Background Information and Analysis

Texoma Area Paratransit System ("TAPS") is a rural transportation provider in a rural transit district as defined under Section 458 of the Texas Transportation Code. The governing body of TAPS consists of the Commissioners Court of Grayson County and one elected representative from the governing body of each municipality in the territory of the district. The City of Denison is one of the municipalities within the urban transit district and therefore must appoint a representative to the TAPS Board of Directors. James Thorne was the most recent City Council Member appointed member, but he is no longer able to serve on this board. Therefore, the City needs to appoint a new Council representative to take James Thorne's position on the Board of Directors.

Financial Considerations

None.

Prior Board or Council Action

James Thorne was the last City Council Member appointed in February of 2022.

Alternatives

The Council may make another recommendation or table this item.

City Council Meeting Staff Report



Agenda Item

Receive a report, hold a discussion, and take action on an ordinance amending Chapter 25, “Traffic”, Article V, “Stopping, Standing and Parking”, Section 25-136.1, “Stop Intersections – Enumerated”, of the Denison Code of Ordinances to include additional Stop Intersections at W. Crawford Street at its intersection with US Highway 75, east and west frontage roads, and Loy Lake Road at its intersection with US Highway 75, east and west frontage roads.

Staff Contact

Ronnie Bates, Director of Public Works

rbates@denisontx.gov

903-465-2720

Summary

- If approved, 4 new stop signs will be added:
 - W. Crawford Street at its intersection with U.S. Highway 75 East Frontage Road.
 - W. Crawford Street at its intersection with U.S. Highway 75 West Frontage Road.
 - Loy Lake Road at its intersection with U.S. Highway 75 East Frontage Road.
 - Loy Lake Road at its intersection with U.S. Highway 75 West Frontage Road
- Highway construction and increased development necessitate the additional signs, which will improve safety for vehicle and pedestrian traffic in these neighborhoods.

Staff Recommendation

Staff recommends approval of the item.

Recommended Motion

“I move to approve the ordinance amending Chapter 25, “Traffic”, Article V, “Stopping, Standing and Parking”, Section 25-136.1, “Stop Intersections – Enumerated”, of the Denison Code of Ordinances to include additional Stop Intersections at W. Crawford Street at its intersection with US Highway 75, east and west frontage roads, and Loy Lake Road at its intersection with US Highway 75, east and west frontage roads.”

Background Information and Analysis

This item will add Stop signs at the intersections listed below. Highway construction and additional development in these areas have necessitated Stop signs on the cross streets connecting to the Highway 75 frontage roads. This will increase pedestrian and motor vehicle safety in these areas.

- W. Crawford Street at its intersection with U.S. Highway 75 East Frontage Road.
- W. Crawford Street at its intersection with U.S. Highway 75 West Frontage Road.
- Loy Lake Road at its intersection with U.S. Highway 75 East Frontage Road.
- Loy Lake Road at its intersection with U.S. Highway 75 West Frontage Road

As Stop signs are legally enforceable traffic control devices, City Ordinance must be updated to include their locations.

Financial Considerations

None

Prior Board or Council Action

None

Alternatives

Council may table the item.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DENISON, TEXAS, AMENDING THE CODE OF ORDINANCES, CHAPTER 25, “TRAFFIC”, ARTICLE V, “STOPPING, STANDING AND PARKING”, SECTION 25-136.1, “STOP INTERSECTIONS – ENUMERATED”, AMENDING THE ENUMERATED INTERSECTIONS DESIGNATED AS STOP INTERSECTIONS; AUTHORIZING THE DIRECTOR OF PUBLIC WORKS TO ERECT TRAFFIC CONTROL DEVICES NECESSARY TO IMPLEMENT THIS ORDINANCE; PROVIDING A PENALTY; PROVIDING REPEALING, SAVINGS AND SEVERABILITY CLAUSES; PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE; AND FINDING AND DETERMINING THE MEETING AT WHICH THIS ORDINANCE IS ADOPTED WAS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City of Denison, Texas (the “City”) has received a request from the Texas Department of Transportation (“TXDOT”) to designate the intersection of U.S. Highway 75 Frontage Road at Loy Lake and Crawford a designated stop intersection in the City; and

WHEREAS, Texas Transportation Code Section 542.201 provides that a local authority may regulate traffic in a manner that does not conflict with Texas Transportation Code Chapter 542, Title 7, Subtitle C, and Texas Transportation Code 544.002 provides that to implement a local traffic ordinance, a local authority may place and maintain a traffic-control device on a highway under the authority’s jurisdiction in compliance with applicable Texas Transportation Commission manuals and specifications; and

WHEREAS, the City has the authority to adopt regulations restricting and regulating the direction and flow of traffic on streets located within the City limits; and

WHEREAS, it has been determined by the City Council (the “City Council”) of the City, that the installation of additional stop signs at the intersection of (1) U.S. Highway 75 Frontage Road and W. Crawford Street and (2) U.S. Hwy 75 Frontage Road and Loy Lake Road and the stop signs will increase pedestrian and motor vehicle safety.

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

SECTION 1: Findings Incorporated. The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

SECTION 2: Amendment. The City’s Code of Ordinances, Chapter 25, “Traffic”, Article V, “Stopping, Standing and Parking”, Section 25-136.1, “Stop Intersections – Enumerated”, is hereby amended by adding language that is underlined (underlined) as follows:

Sec. 25-136.1. Same—Enumerated

The following intersections are designated as stop intersections:

...

W. Crawford Street at its intersection with U.S. Highway 75 East Frontage Road.
W. Crawford Street at its intersection with U.S. Highway 75 West Frontage Road.
Loy Lake Road at its intersection with U.S. Highway 75 East Frontage Road.
Loy Lake Road at its intersection with U.S. Highway 75 West Frontage Road

SECTION 3: Traffic Control Device. The Director of Public Works, or their designee, is hereby directed to install all traffic control devices necessary to implement the provisions of this Ordinance.

SECTION 4: Penalty. Any person violating this Ordinance or the requirements to obey traffic control devices contained in the Texas Transportation Code and other applicable law shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in accordance with penalties prescribed by the Texas Transportation Code and the City's Code of Ordinances. Each occurrence in violation of this Ordinance shall constitute a separate and distinct offense.

SECTION 5: Severability. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation of this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION 6: Savings/Repealing Clause. All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

SECTION 7: Open Meetings. That it is hereby found and determined that the meeting at which this Ordinance was passed was open to the public as required by law, and that public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551 of the Texas Government Code.

SECTION 8: Effective Date. This Ordinance shall become effective upon its passage and publication as required by law.

AND IT IS SO ORDERED.

On Motion by Councilmember _____, seconded by Councilmember _____, the above and foregoing ordinance was passed and approved by the following vote:

Ayes:

Nays:

Abstentions:

At regular meeting _____, 2025.

Robert Crawley, Mayor

ATTEST:

Christine Wallentine, City Clerk

City Council Meeting Staff Report



Agenda Item

Receive a report, hold a discussion and take action on an ordinance amending portions of Chapter 31, “Special Events”, to revise the regulations pertaining to special events and to enhance public safety and security.

Staff Contact

Chris Wallentine, City Clerk/Assistant to the City Manager
cwallentine@denisontx.gov
(903) 465-2720, Ext. 2437

Summary

- This Chapter was adopted in 2017 to encourage and promote events and put a formal process in place for special events using City services or that are conducted on City property.
- Some gatherings and organized activities open to the public, due to their size and special requirements, may place unique demands on public resources, facilities, infrastructure or pose a danger to public health, safety and welfare.
- Staff pulled together key departments such as Public Works, Development Services, Public Safety, Emergency Management, City Manager’s Office, Parks and Recreation and Main Street to take a look at the ordinance and provide a general update and clean-up.
- The major highlights of the proposed amendment is that it expands the definitions section and specifically identifies City departments, First Amendment activity and the Special Events Review Team (SERT).
- The amendment also includes a requirement for an emergency action plan for events with more than 50 people – including event emergency contacts and an event site plan.

Staff Recommendation

Staff recommends adoption of the ordinance.

Recommended Motion

“I move to adopt the ordinance amending portions of Chapter 31, “Special Events”, to revise the regulations pertaining to special events and to enhance public safety and security.”

Background Information and Analysis

This Chapter was adopted in 2017 to encourage and promote events and put a formal process in place for special events using City services or that are conducted on City property. There was a small amendment to the Chapter in 2018, but there otherwise has not been any updates.

Some gatherings and organized activities open to the public, due to their size and special requirements, may place unique demands on public resources, facilities, infrastructure or pose a danger to public health, safety and welfare. The provisions of this Chapter are intended to address those concerns and coordinate City services and are not intended to place any unnecessary burden on events themselves. Staff pulled together key departments such as Public Works, Development Services, Public Safety, Emergency Management, City Manager’s Office, Parks and Recreation and Main Street to take a look at the

ordinance and provide a general update and clean-up. This is a collaborative effort from these departments.

The major highlights of the proposed amendment is that it expands the definitions section and specifically identifies City departments, First Amendment activity and the Special Events Review Team (SERT). SERT meets biweekly to review and approve special events and ensure City services are coordinated for an event. The amendment also includes a requirement for an emergency action plan for events with more than 50 people – including event emergency contacts and an event site plan. It also limits events of the same nature in one location to 2 in a 12-month period – except for City sponsored events or downtown partner events. Special events in Denison are becoming more popular and staff feels these amendments are necessary to ensure safe and successful events. In 2023, we permitted 49 special events whereas in 2024 we permitted 77. So, as the interest grows, we need to make sure our ordinance aligns with our process and the proposed amendments do this.

Financial Considerations

None.

Prior Board or Council Action

This was presented as a Project Update at the February 17, 2025, City Council Meeting.

Alternatives

City Council may deny, modify or table this agenda item.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DENISON, TEXAS, AMENDING PORTIONS OF THE CODE OF ORDINANCES, CHAPTER 31, "SPECIAL EVENTS", TO REVISE THE REGULATIONS PERTAINING TO SPECIAL EVENTS AND TO ENHANCE PUBLIC SAFETY AND SECURITY; PROVIDING A PENALTY; PROVIDING FOR REPEALING, SAVINGS AND SEVERABILITY CLAUSES; FINDING AND DETERMINING THE MEETING AT WHICH THIS ORDINANCE IS ADOPTED WAS OPEN TO THE PUBLIC AS REQUIRED BY LAW; PROVIDING FOR A PENALTY; AND PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

WHEREAS, the City of Denison, Texas (the "City") is a home--rule city acting under its Charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City has previously adopted regulations for the holding of special events within the City as provided in Chapter 31 of the City's Code of Ordinances; and

WHEREAS, the City Council desires to enhance public safety and security measures and other desirable edits the Chapter 31; and

WHEREAS, the City Council, after due and careful consideration, considers it desirable and in the best interest of the health, safety, morals and general welfare of the citizens to amend the regulations and fees related to solid waste and recycling services within the City.

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

SECTION 1: Findings Incorporated. The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

SECTION 2: Amendment. The City of Denison, Texas Code of Ordinances, Chapter 31, "Special Events", is hereby amending and restated to read as reflected in **Exhibit A** hereto.

SECTION 3: Severability. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation of this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 4: Savings/Repealing Clause. All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate

any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

SECTION 5. Penalty. Any person, firm, entity or corporation who violates any provision of this Ordinance, as may be amended, shall be deemed guilty of a misdemeanor, and upon conviction therefore, shall be fined in a sum not exceeding Five Hundred and No/100 Dollars (\$500), except that a violation affecting the public health and safety shall be fined a sum not exceeding Two Thousand and No/100 Dollars (\$2,000.00). Each continuing day's violation shall constitute a separate offense. The penal provisions imposed under this Ordinance shall not preclude Denison from filing suit to enjoin the violation. Denison retains all legal rights and remedies available to it pursuant to local, state, and federal law.

SECTION 6: Open Meetings. That it is hereby found and determined that the meeting at which this ordinance was passed was open to the public as required by law, and that public notice of the time, place and purpose of said meeting was given, all as required by Article 551.041 of the Texas Government Code.

SECTION 7: Effective Date. This Ordinance shall become effective upon its passage and publication as required by law.

AND IT IS SO ORDERED.

On Motion by Councilmember _____, seconded by Councilmember _____, the above and foregoing ordinance was passed and approved by the following vote:

Ayes:
Nays:
Abstentions:

At regular meeting March 3, 2025.

ROBERT CRAWLEY, MAYOR

ATTEST:

Christine Wallentine, City Clerk

EXHIBIT A

Chapter 31 SPECIAL EVENTS¹

ARTICLE I. GENERAL PROVISIONS

Sec. 31-1. Purpose.

The City recognizes the need to encourage and promote events for the greater good and for contribution to the cultural, economic, social welfare, civic promotion and cultural diversity of the City. Some gatherings and organized activities, due to their size and special requirements, may place unique demands on public resources, facilities, infrastructure, or pose a danger to public health, safety and welfare. In order to plan for these demands on public resources and ensure that public health and safety is protected, it is necessary that the City receive advance notice of these events. The provisions of this Chapter are intended to address those concerns and are not intended to place an unnecessary burden on any right of association or freedom of expression.

(Ord. No. 4931, § 2, 2-19-18)

Sec. 31-2. Definitions.

The following words, terms and phrases when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Applicant shall mean a person, as defined herein, who has filed a written application for a Special Event Permit.

City shall mean the City of Denison, Texas.

City Clerk shall mean the City Clerk of the City of Denison, Texas.

City Council shall mean the City Council of the City of Denison, Texas.

City Manager shall mean the City Manager of the City of Denison, Texas, or their designee.

City Park means any property in the City designated as a park, playground, recreational facility, swimming pool or hike and bike path, and shall include buildings, parking lots and driveways in such areas.

City Property shall mean a City park, street, public right-of-way, or other property owned or held by the City.

City-Sponsored Event shall mean either:

- (i) An event sponsored in whole or in majority part by the City, a department of the City, or
- (ii) An event conducted by or with a non-profit organization, and for which the City pays all or a majority (i.e. greater than fifty percent) of costs for holding a Special Event; or
- (iii) An event that is supported financially and logistically hosted by the City of Denison, and meet the criteria of support by the Fine Arts Board, Parks and Recreation Department, or any other city governed entity, board, or body, and involves City interdepartmental work efforts to enhance economic vitality, strengthen commercial corridors, promote tourism, promote arts and cultural activities, or are organized and operated to promote efforts of the City's Comprehensive Plan(s).

¹Editor's note(s)—Ord. No. 4931, § 2, adopted Feb. 19, 2018, enacted provisions designated as ch. 31, §§ 31.101—31.103, 31.201—31.208, 31.301—31.307, 31.401, 312.402. In order to maintain the style of the Code, said provisions have been renumbered as §§ 31-1—31-3, 31-21—31-28, 31-31—31-37, and 31-41, 31-42, at the discretion of the editor.

Downtown Entertainment District shall mean an area within downtown Denison, Texas as designated and more particularly set forth in Chapter 21, Article VI—“Entertainment Districts”, Section 21-121 of the Code of Ordinances of the City of Denison, Texas.

Downtown Partner shall mean a business, organization, Non-Profit, individual, or other legal entity that either (i) operates or is established within the Downtown Entertainment District, or (ii) has a successful and established history of applying for, obtaining Special Event Permits, and hosting, sponsoring, or co-sponsoring Special Events, whether as a primary sponsor, co-sponsor or other significant role) in the Downtown Entertainment District.

Fire Department shall mean the Fire Department of the City of Denison, Texas.

First Amendment Activity means all expressive and associative activity on public streets that is protected by the United States and Texas Constitutions, including constitutionally protected speech as recognized by the Supreme Court of the United States, press, assembly and the right to petition, but does not include commercial advertising and non-constitutionally protected speech as recognized by the Supreme Court of the United States. An event where the sole or principal objective is to showcase or express a First Amendment Activity will be referred to as a First Amendment Event.

Force Majeure shall mean and includes fire, casualty, strikes, lockouts, labor trouble, inability to procure materials or supplies, failure of power, governmental authority, inclement weather, acts of God, war or terrorism or the potential or actual threat thereof, public safety or public welfare considerations, contagion or plague, riots, or local, national or international emergencies, or other reason of like or substantially similar nature.

Main Street Department shall mean the Main Street Department of the City of Denison, Texas.

Non-Profit Organization means an organization or entity that is exempt from the payment of taxes pursuant to section 501(c) of the Internal Revenue Code, either directly or through a parent organization.

Parade means any assembly, march, demonstration, or procession upon public streets with the City including persons, animals, or vehicles that is reasonably likely to interfere with the normal flow or regulation of traffic.

Permittee means the person to whom a Special Event Permit is granted pursuant to this Chapter.

Person means any individual, entity, association, organization, non-profit group, or other legally recognized entity or organization.

Police Department shall mean the Police Department of the City of Denison, Texas.

Public Works Department shall mean the Public Works Department of the City of Denison, Texas.

Seasonal Special Event means an event that occurs in a specific season and is scheduled throughout the season on non-sequential days, using a single Special Event Permit.

Special Event means a temporary event, gathering, or organized activity, including but not limited to, Parades, bike races, marathons, walk-a-thons, fireworks displays, celebrations, concerts, carnivals, other types of races and festivals, circus, First Amendment Events, and Seasonal Special Events which involves one or more of the following activities during the entire or partial duration of the Special Event:

- (1) Complete or partial closure of a public street;
- (2) Complete or partial blocking or restricting of access to City Property (including public rights of way);
- (3) Complete or partial blocking or restricting access to City Parks unless otherwise authorized by the City Parks and Recreation Department;
- (4) Sale of merchandise, food, or beverages on City property (including public rights of way) or on private property where otherwise prohibited;
- (5) Sale of alcoholic beverages on City Property or private property where otherwise prohibited;

-
- (6) Erection of a tent, canopy, or other similar type of temporary structure equal to or greater than 200 square feet in an area on City Property;
 - (7) Installation of a stage, band shell, grandstand, bleachers, portable building, trailer, van, sound and/or lighting scaffolding, or other similar type of temporary structure or vehicle on City Property, or on private property where otherwise prohibited by ordinance;
 - (8) Equipment to amplify and transmit sound, or assist in the amplification and/or transmission of sound, such as but not limited to, traditional speakers, amplifiers, line array speakers, stage monitors, standalone monitors, subwoofers, wireless transmission devices or equipment for sound transmission, etc., and any associated wiring (electrical, coaxial, analogue, fiber optic, etc.) thereof;
 - (9) Temporary lighting and/or security lighting to be used at the location(s) or site(s) of the Special Event; or
 - (10) Placement of portable toilets on City Property; or
 - (11) Placement of temporary informational and/or regulatory signs including, but not limited to, no-parking, directional, or identification, special event signs or banners in, on or over City Property, within a City Park, over any public right-of-way, or on private property where otherwise prohibited by ordinance.

Special Event Permit means the City's written authorization to hold a Special Event or a Seasonal Special Event, which permit may impose terms and conditions and is subject to the guidelines therein.

Special Event Permit Application means the Special Event Permit Application provided by the City.

Special Events Review Team ("SERT") means a team established by the City consisting of representatives from various City departments as designated by the City Manager, including but not limited to, Police, Fire, Public Works, Emergency Management, Finance, Development Services, Parks and Recreation, Main Street, Marketing and Tourism, City Clerk, and City Manager's Office.

Special Event Rules and Regulations means the guidelines, rules, regulations, policies and procedures developed and adopted by the City for the health, safety and welfare of citizens and Special Event attendees, Special Event Rules and Regulations may include, but are not limited to, the following: processes; procedures; cost recovery for public safety, sanitation and public works or transportation personnel; safety regulations; resource requirements; and surety and insurance requirements.

(Ord. No. 4931, § 2, 2-19-18)

Sec. 31-3. Exemptions.

At the discretion of the City Manager an event may be considered exempt from the Special Event Permit process or Seasonal Special Event Permit process if: (1) the activity proposed utilizes one (1) of the City's Park facilities for the parks intended purpose(s), and (2) the event does not require the support from additional departments other than the sponsoring department. While an event may meet the criteria for a Special Event exemption, the event may still be considered a Special Event if organized formation of an activity proposed to occur affects the public's ordinary use of rights-of-way or City Parks, including but not limited to athletic activities, runs/walks, fairs, dances, recreation programs, community awareness activities, and other similar events. All Special Event and Seasonal Special Event exemptions require written approval by the City Manager. Notwithstanding the foregoing, the following are exempt from the operation, rules, and regulations of this chapter:

- (1) A private party held on private property and to which the public is not invited, to the extent the party does not impact the operation of public rights-of-way, necessitate street closures, or impede the ebb and flow of pedestrian or vehicular traffic on public rights-of-way, or involve activities or facilities not permitted by applicable zoning regulations;

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- (2) A private party held in a City Park and to which the public is not invited, to the extent such party does not impact the operation of public rights-of-way, necessitate street closures, or impede the ebb and flow of pedestrian or vehicular traffic on public rights-of-way, or involve activities or facilities not permitted by applicable zoning regulations (e.g., family function or reunion);
 - (3) An event wholly contained on property specifically designed or suited for the event and that holds a certificate of occupancy for such use including adequate parking (e.g., a hotel ballroom, a lawfully operating banquet hall, etc.);
 - (4) Funeral processions;
 - (5) An event held in the Downtown Entertainment District subject to Chapter 21, Article VI, entertainment districts, of the City of Denison Code of Ordinances;
 - (6) Activities under the control of the City's Parks and Recreation Department conducted on City Property that does not affect public rights-of-way;
 - (7) Unorganized gatherings that involve less than 100 people; and
 - (8) A First Amendment Event conducted entirely on city sidewalk, public parks, or right-of-way organized solely to express participants' rights protected by the First Amendment, which does not unreasonably block pedestrian or vehicular traffic, interfere with the reasonable use of public open space, or involve a crowd of over 100 people sidewalks, in public parks, or on private property.

(Ord. No. 4931, § 2, 2-19-18; Ord. No. 4993, § 2, 4-1-19)

Secs. 31-4—31-20. Reserved.

ARTICLE II. SPECIAL EVENT PERMITS

Sec. 31-21. Permit required.

- (a) It shall be unlawful for any Person to hold a Special Event, sponsor a Special Event, or cause a Special Event to be held within the City without first obtaining a Special Event Permit. Special Event Permits are issued by the City Clerk. A Special Event Application may be obtained from the City's website or by contacting the City Clerk. All Special Event Applications shall be reviewed and decided upon on a case-by-case basis by SERT.
- (b) Except as otherwise provided in this Chapter and notwithstanding other requirements as promulgated in the City's Code of Ordinances, a Special Event Application must be completed and submitted to the City Clerk at least forty-five (45) days prior to a proposed Special Event, excluding First Amendment Events. The City Manager may waive the above requirements if the Special Event Application can be processed in a shorter time period, taking into consideration the nature and scope of the proposed event and the number and types of permits required to be issued in conjunction with the Special Event Permit.
- (c) The issuance of a Special Event Permit grants permission to use public property proposed to be used in connection with the Special Event and/or authorizes the use of private property in a manner not otherwise permitted by the City's Code of Ordinances in connection with the Special Event. The use shall be solely for the purpose of constructing, installing, operating, and maintaining the Special Event, and for such other purposes consistent with promoting and conducting the Special Event as SERT authorizes in writing.

Regarding the sale or distribution of services or goods on public property, notwithstanding other provisions of this Chapter and other requirements as promulgated in the City's Code of Ordinances, the SERT may issue a Special Event Permit to enable the holder to sell or distribute services or goods on public property during the Special

Event. The Permittee shall comply with and ensure compliance with all of the specifications, including location of uses and uses authorized as listed in the permit.

- (d) The issuance of a Special Event Permit authorizes the City to issue permits for activities in connection with the authorized event in locations where such activities would otherwise be prohibited by ordinance.
- (e) Additional authorization is required when a tent structure, canopy, or other similar temporary structure has an area in excess of two hundred (200) square feet. Uses involving smaller tents ten (10) feet by ten (10) feet, or other similar types of temporary structures, when located directly adjacent to one another will require additional review.
- (f) Setup is allowed no earlier than the day immediately preceding the day of the event and must be completely removed before noon on the next succeeding business day after the event, unless otherwise determined.
- (g) The City and its officials, officers, employees, and agents shall not be liable for any damage to or loss of any such property or facilities sustained during removal or storage of such property, equipment, tents or other facilities and the permittee shall indemnify the City, its officials, officers, employees, and agents against all claims for any such damage or loss.
- (h) Issuance of a Special Event Permit does not authorize removal or alteration of City Property and any such removal or alteration is strictly prohibited.
- (i) In addition to complying with all conditions of the Special Event Permit and all applicable City ordinances, regulations, rules, policies and guidelines, the Permittee must comply with all applicable federal, state and county laws, rules, and regulations.
- (j) A Permittee is not transferrable and may only be used by the person or entity to which ti permit was issued.
- (k) No rights granted by a Special Event Permit shall create rights in anyone other than the Permittee. Such rights granted by a Special Event Permit shall be revocable at the discretion of the City.
- (l) No more than two (2) Special Event Permits may be obtained by a special event holder, organizer, or primary sponsor to one location within a 12-month period, unless the event is a City-Sponsored Event, or a Special Events permit is applied for in the same location by a Downtown Partner, which may be evaluated and is at the discretion of the SERT.
- (m) Every Permittee having a Permit issued under this Chapter or required to have a Special Events Permit and conducting business within the City, or any individual listed on a Special Events Permit shall display the Special Events Permit in an area that is readily accessible and visible to the public and upon the request of the City. Failure to do so shall result in being deemed a violation of this Chapter.

(Ord. No. 4931, § 2, 2-19-18)

Sec. 31-22. Application process.

- (a) Prior to submitting an application, if the Special Event will be held in the Downtown Entertainment District, including Heritage Park and Katy Plaza, the Applicant shall contact the Main Street Department to discuss availability and event details. If a Special Event is planned to be held in a City Park, the Applicant shall contact the Parks and Recreation Department to discuss availability and reservations.
- (b) The Applicant must complete in full the City's Special Event Permit Application. In addition to the information furnished on the Special Event Permit Application, the Applicant shall provide the following information:
 - Overall Special Event layout and site plan;
 - Proposed size(s) and location(s) of parking lot(s) and other designated parking areas, if any;

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- The number of expected attendees;
 - Location of:
 - First Aid Stations;
 - Generators and/or other sources of power;
 - Tents, canopies, and other temporary structures;
 - Party rentals (bounce houses, rock walls, climbing walls, etc.);
 - Food vendors;
 - Bars/Drink stations;
 - Lighting equipment and placement;
 - Stage and sound equipment and placement;
 - Portable restrooms and handwashing stations;
 - Temporary signage;
 - Security station(s);
 - Emergency Operations Plan for events with expected attendees to number 50 persons or more.
- (c) Applicant shall contact the City Clerk to discuss desired or available dates for the Special Event, except as set forth above. A Special Event returning to the Downtown Entertainment District or other location within the City for a successive year (a "Returning Event") may be given priority consideration for the same time period in which it was held in the previous year(s).
- (d) At minimum, and in addition to the information required in this Article II, the Special Event Application must contain the following information, which may be considered public information subject to the Texas Public Information Act and other applicable law:
- (1) *Applicant information.* Applicant's name, organization name, type of organization; a representation that the Applicant and organization are in good standing under the laws of the state and the United States; address, including city, state, zip code, e-mail address and web site address; 24-hour emergency telephone number; mobile telephone number; telephone number; facsimile number; driver's license number and state; date of birth; and on-site contact name and mobile telephone number. If the Applicant is a corporation, copies of a current certificate of account status issued by the respective state comptroller's office and a current certificate of existence issued by the respective state secretary of state's office, or, if the corporation is not incorporated in or holding a certificate of authorization in the state, copies of similar current certificates from the state in which the corporation is incorporated;
 - (2) *Special Event information.* Event name; dates and times requested; type of Special Event; any previous dates such Special Event has been held; previous attendance; expected attendance; whether the Special Event will be open to the public; admission fee; estimated budget; proposed Special Event area; setup dates; teardown dates; Special Event sponsors; and Special Event beneficiaries;
 - (3) *Special Event special features.* Plans for sound amplification; stage, grandstand, bleacher, bandshell, scaffolding, and other staging; dance floor; food and beverage service, including participating concessionaires and caterers; sale or distribution of alcohol; open flames; pyrotechnics; cooking (whether involving on-site, off-site, and/or involving mobile food units); road closures and/or traffic flow modification measures; tents, canopies, or other similar types of temporary structure; temporary fencing, barricades, bollards, etc.; restrooms; sinks; showers or wash stations; dumpsters; trash containers; trash collection; electrical service; rentals; professional parking/valet; carnival or amusement rides or attractions; climate control; seating; animals; bicycles; decorations; golf carts; inflatables;

security; transportation; signage; ticket sales; emergency plan; overall event layout and any other special features planned for or in conjunction with the Special Event;

- (4) *Insurance.* The Permittee shall, at its own expense, procure, pay for and maintain the following insurance written by companies approved by the state and acceptable to the City. The Permittee shall furnish to the City certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, expiration dates and compliance with all applicable required provisions:
- a. Commercial general liability insurance, including, but not limited to premises/operations, personal and advertising injury, products/completed operations, independent contractors and contractual liability, with minimum combined single limits of one million dollars (\$1,000,000.00) per occurrence, two million dollars (\$2,000,000.00) products/completed operations aggregate, and two million dollars (\$2,000,000.00) general aggregate. Coverage must be written on an occurrence form. The general aggregate shall apply on a per project basis. The City of Denison shall be listed as an additional insured on all insurance policies.
 - b. Liquor liability insurance, either endorsed onto the above policy or written on a "stand alone" basis, if any of the following applies:
 1. The Applicant is in the business of manufacturing, selling, or distributing alcoholic beverages;
 2. The Applicant serves or furnishes alcoholic beverages for a charge, whether or not such activity requires a license or is for the purpose of financial gain or livelihood; or
 3. The Applicant serves or furnishes alcoholic beverages without a charge, if a license is required for such activity.
 - c. Business automobile liability insurance covering owned, hired and non-owned vehicles, with a minimum combined bodily injury and property damage limit of one million dollars (\$1,000,000.00) per occurrence.

The insurance requirements for Special Events involving expressive activity which enjoy protection under the United States or Texas constitutions may be waived by the City Manager if the First Amendment Activity involving expressive activity poses no substantial risk of public liability or property damage;

- (5) *Advertising and promotion.* Listing of types of advertising and promotion, including radio, television, print ads, press releases, fliers, posters, direct mail, social media, etc. Any signage, posters, or other posted materials must be in accordance with City ordinances; and
- (6) *Reimbursement for services; fees.* Permittee shall reimburse the City for any costs incurred by the City within thirty (30) days of being invoiced. Fees for services to be rendered or requested must be submitted with the Special Event Application and is required for each Special Event Permit, which Special Event Permit shall extend only to those dates requested in the Special Event Application and which are approved by SERT. If the Special Event is for a First Amendment Event, the application fee may be reduced to a nominal fee or waived if hardship is applicable.
- (c) Fees must be in the form of a check, money order or credit card in the name of the organization stated on the application and shall be made payable to the City. Any amounts invoiced by the City must be paid within thirty (30) days from the date of the invoice.
- (d) SERT shall review the Special Event Application and make its determination within SERT. After a complete Special Event Application, including all required fees and licenses and/or permits, has been submitted to the City Clerk, Applicant shall be scheduled to present their Special Event to SERT.

If the City Clerk determines that clarification or additional information is necessary for proper consideration of a Special Event Application, this time period may be extended an additional ten (10) days from the date clarification or additional information is provided. SERT may approve, approve with conditions, or deny a Special Event

Application. The City Manager or SERT may also direct the City Clerk to revoke a permit if it determines at any time after approval that the Special Event is not in compliance with the Special Event Permit or with this Chapter or determined that misrepresentations were made on the application.

In making a final determination to approve a Special Event Application, each of the following factors shall be considered:

- (1) Whether the Special Event Application establishes that there will be ample opportunity to properly plan and prepare for the Special Event;
 - (2) Whether the proposed dates or location conflict with another Special Event or activity;
 - (3) Whether the Applicant has previous professional experience with hosting a Special Event of the nature or scope proposed;
 - (4) Whether the proposed Special Event has been held within the City on a previous occasion;
 - (5) Whether police, fire, or other City services will be unduly burdened or adversely affected by the Special Event;
 - (6) Whether the Special Event is reasonably likely to cause injury to persons or property, to provoke disorderly conduct or to create a disturbance; and
 - (7) Such other factors or considerations as SERT may deem necessary or important in evaluating a Special Event Application.
- (e) SERT shall notify an Applicant in writing of their decision to approve, approve with conditions, or deny a Special Event. If a Special Event Permit Application is approved, the notification must advise the Applicant of the minimum staffing levels for the Special Event, any specific requirements imposed pursuant to Article III of this Chapter, and the time frame for completing such requirements.
- (f) A Special Event cancelled or postponed by the City taking place on City Property due to a Force Majeure may be rescheduled within ninety (90) days following its original date subject to availability of the scheduled location.

(Ord. No. 4931, § 2, 2-19-18)

Sec. 31-23. Compliance with Provisions of the City Code of Ordinances or Other Applicable Law.

The Permittee shall comply with the guidelines and with all other applicable rules, regulations, and directives of the City within the City's Code of Ordinances as may be issued.

(Ord. No. 4931, § 2, 2-19-18)

Sec. 31-24. Force majeure.

- (a) The City may, in its sole discretion, postpone, cancel, suspend, or close any Special Event or revoke a Special Event Permit for any Force Majeure event.
- (b) The City shall have no liability for such postponement, cancellation, suspension, or closing. Further, the City shall have no liability for failure to postpone, cancel, suspend, or close a Special Event for a force majeure event or any other reason.

(Ord. No. 4931, § 2, 2-19-18)

Sec. 31-25. Denial, revocation, and cancellation .

- (a) SERT shall deny a Special Event Permit, unless an exemption is obtained, if:
- (1) A Special Event Permit has been granted for another Special Event at the same place and time or overlaps with another Special Event during the same place and time;
 - (2) An established Special Event is customarily held at the same place and time as the proposed Special Event;
 - (3) The proposed Special Event will unreasonably disrupt the orderly flow of traffic, and no reasonable means of rerouting traffic or otherwise meeting traffic needs is available;
 - (4) The Applicant fails to adequately plan for:
 - a. The protection of Special Event participants and spectators;
 - b. Maintenance of public order in and around the Special Event location;
 - c. Crowd security, taking into consideration the size of the Special Event;
 - d. Emergency vehicle access;
 - e. Emergency Operations Plan for events with expected attendees to number 50 persons or more;
 - f. Portable restroom facilities for the Special Event as required by SERT; or
 - g. Removal of waste, rubbish, and other materials resulting from participants, spectators, and/or animals in and around the Special Event.
 - (5) The Applicant fails to comply with or the proposed Special Event will violate a City ordinance or other applicable law, unless the prohibited conduct or activity would be allowed under this Chapter;
 - (6) The Applicant makes a false statement of material fact on a Special Event Application for a Special Event Permit or fails to properly complete a Special Event Application;
 - (7) The Applicant fails to provide proof that the Applicant possesses or is able to obtain a license or permit required by another City ordinance or other applicable law for the conduct of all activities included as part of the Special Event;
 - (8) The Applicant has had a Special Event Permit revoked within the preceding fourteen (14) months;
 - (9) The Applicant has committed, within the preceding fourteen (14) months, two (2) or more violations of a provision of a Special Event Permit of this Chapter;
 - (10) The Applicant fails to pay any outstanding fees assessed under this Chapter for the proposed Special Event or for a past Special Event;
 - (11) The Applicant has conducted or sponsored two (2) Special Events at one location within the last twelve (12) months, notwithstanding any exemptions provided for within section 31-21;
 - (12) The Chief of the Police Department or the Chief of the Fire Department determines that the Special Event would pose a serious threat to the public health, safety, or welfare;
 - (13) The Applicant or any other person responsible for the conduct or sponsorship of the Special Event is overdue in payment to the City of taxes, fees, fines, or penalties assessed against or imposed upon the Applicant;
 - (14) The Applicant has a history of conducting or sponsoring Special Events in a disorderly, unsafe, unsanitary, or fiscally irresponsible manner;

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- (15) A Special Event has been previously scheduled for the same time or overlapping time on property described in this Chapter that is adjacent to the location of the proposed Special Event; or
 - (16) The Applicant, if it is a corporation, fails to provide copies of a current certificate of account status and current certificate of existence as required by Section 31-22 of this Chapter.
- (b) SERT may revoke, whether issued properly or in error, a Special Event Permit if:
- (1) The Permittee fails to comply with or the Special Event is in violation of any provision of the Special Event Permit, a City ordinance, or any other applicable law;
 - (2) The Permittee made a false statement of material fact on a Special Event Application or failed to properly complete a Special Event Application for a Special Event Permit;
 - (3) The Chief of the Police Department or the Chief of the Fire Department determines that the Special Event poses a serious threat to the public health, safety, or welfare;
 - (4) The Permittee failed to pay any outstanding fees assessed under this Chapter for the proposed Special Event or for a past Special Event;
 - (5) The Permittee or any other person responsible for the conduct of the Special Event is overdue in payment to the City of taxes, fees, fines, or penalties assessed against or imposed upon the Permittee or such other person;
 - (6) The Permittee, if it is a corporation, failed to provide copies of a current certificate of account status and current certificate of existence as required by Section 31-22 of this Chapter; or
 - (7) The Permittee is found guilty or pleads guilty or no contest to a citation alleging a violation of this Chapter.

(Ord. No. 4931, § 2, 2-19-18)

Sec. 31-26. Appeal from denial or revocation of a Special Event Permit.

If SERT denies the issuance of a Special Event Permit or revokes a Special Event Permit, SERT shall issue written notice of the denial or revocation and of the right to an appeal. The Applicant or Permittee may appeal the decision of SERT to the City Manager, in writing, within five (5) days after the date of the denial or revocation. If such appeal is not made within this five-day period, the decision of SERT shall be final. The appeal shall be decided by the City Manager within ten (10) days after the date of a timely filed appeal.

(Ord. No. 4931, § 2, 2-19-18)

Sec. 31-27. Appeal of Special Event Permit conditions.

A Permittee who disagrees with the requirements imposed by SERT on a Special Event Permit issued under this Chapter may appeal the to the City Manager, in writing, setting forth the specific condition contested and the basis for the appeal within five (5) days of the date of Special Event Permit approval. The City Manager shall issue their decision within ten (10) days and the decision of the City Manager shall be final.

(Ord. No. 4931, § 2, 2-19-18)

Sec. 31-28. Right of entry.

The City through its officials, employees, agents, and representatives shall have the right at all reasonable times to enter upon all permitted premises for the purpose of inspecting the permitted premises, for observing the

performance of obligations under this Chapter, and for the doing of any act or thing which the City may be obligated to or have the right to do under the Special Event Permit, this Chapter, or other applicable City ordinance, rule or regulation.

(Ord. No. 4931, § 2, 2-19-18)

Secs. 31-29, 31-30. Reserved.

ARTICLE III. SPECIAL PROVISIONS AND REQUIREMENTS

Sec. 31-31. City services.

To best serve the safety and welfare of the public, the following services may be provided by the City as required (as determined by SERT) in conjunction with a Special Event. The Applicant shall reimburse the City for the cost of the following services in accordance with the City's Comprehensive Fee Schedule:

- (1) Police protection, security and crowd control.
- (2) Fire protection, emergency medical services, and emergency management services.
- (3) Park maintenance.
- (4) Public works: street closures and water services.
- (5) Traffic and parking control.
- (6) Development services: building inspections, environmental health compliance, code, et al.

(Ord. No. 4931, § 2, 2-19-18)

Sec. 31-32. Street closure plan.

An Applicant requesting street closure(s) for a Special Event shall submit for approval a traffic control plan approved by the Public Works Department and by SERT showing the layout of all barricades and signs at the time of Special Event Application. SERT shall consider such request in evaluating the Special Event Application and may recommend additional or fewer street closures. If a street closure affects business owners adjacent to the street being closed, the City may require written consent of each business and/or property owner adjacent to the affected area. Should street closures be approved, the City's Public Works Department shall place all barricades and signs on public streets or on any public rights-of-way and shall remove all barricades and signs at the conclusion of a Special Event. Fees associated with street closures shall be in accordance with the City's Comprehensive Fee Schedule. City-partnered Special Events may be exempt from any fees related to street closures. At no time shall a street closure restrict access to emergency vehicles.

(Ord. No. 4931, § 2, 2-19-18)

Sec. 31-33. Outdoor activities.

- (a) Any outside area to be occupied by persons attending the Special Event must be completely enclosed by a temporary (during the term of the Special Event only) interlocking fence if alcohol is served or allowed to be consumed in such area. If required fencing crosses a fire lane, a twenty-foot-wide emergency gate must be utilized and kept closed. The gate must be kept closed, but unlocked, at all times to accommodate public safety

vehicles and provide an emergency exit. The fencing set-up must ensure that customers are not forced to re-enter an adjacent structure, if any, in order to vacate the area in case of an emergency.

- (b) All outdoor activities and entertainment must be confined to the area (and if fencing is required by paragraph (a) of this section, then such activities and entertainment must be confined to the area within the fencing).
- (c) All fire lanes throughout the property on which the Special Event takes place must be kept completely unobstructed by vehicular traffic.
- (d) All fire hydrants shall not be blocked at any time and a clearance of at least six (6) feet around fire hydrants must be maintained.

(Ord. No. 4931, § 2, 2-19-18)

Sec. 31-34. Parking.

- (a) The Applicant shall provide a parking plan, which, at a minimum, identifies the number of parking spaces, each entrance and each exit to the parking area.
- (b) If parking needs for the Special Event are expected to exceed the area(s) owned by or assigned to the host establishment(s), appropriate parking arrangements must be made with affected properties or establishments.
- (c) Any required handicapped parking space affected by the outdoor fencing for the event must be temporarily replaced using a space(s) outside the fenced area that is as close as practicable to the entrance to the establishment. Such temporary space must meet all requirements for handicapped spaces including the required "clear zone" on the driver's side of the vehicle and appropriate signage.

(Ord. No. 4931, § 2, 2-19-18)

Sec. 31-35. Alcoholic beverages.

- (a) Any Special Event serving alcohol shall require at least two actively licensed private security officers, as approved by the City, or two off-duty active and in good standing Texas Commission on Law Enforcement (TCOLE) licensed Peace Officers. If Denison Police Officers' services are utilized through the City, they shall be compensated in accordance with the City's Comprehensive Fee Schedule.
- (b) Access points into the area where alcohol is being served must be constantly manned to prevent patrons from entering or exiting with alcoholic beverages.
- (c) A copy of the Special Event Permit to use public property must be provided to the Texas Alcoholic Beverage Commission ("TABC") or its successor agency.
- (d) Any required permit or letter of approval from the TABC and the City must be posted where the Special Event takes place and must be posted in an area that is accessible for inspection, if required.
- (e) A copy of a current permit from TABC authorizing the Permittee to sell, dispense, or otherwise serve alcohol at the location must be submitted twelve (12) days prior to the Special Event.
- (f) In accordance with Chapter 3, Section 3-7, of the City of Denison Code of Ordinances, as amended, no person shall consume or have in his possession any alcoholic beverage while on City Park property, except as specifically allowed for in Chapter 3-.

(Ord. No. 4931, § 2, 2-19-18)

Sec. 31-36. Noise.

No loud, excessive, or unusual noise is allowed between the hours of 11:00 p.m. and 7:00 a.m. during setup, operation, or teardown of a Special Event. Failure to comply with a request from SERT or the Chief of Police concerning noise levels may result in the immediate revocation of the Special Event Permit. Outdoor music must be provided at a volume level that is not exceed standards established in either Chapter 13, Article V of the Code of Ordinances, or the terms of the Permit, which can be reasonably distracting to drivers on adjacent or nearby streets and that is not disturbing to residents or adjacent businesses. Permittee shall adhere to the noise regulations in Chapter 13, Article V of the City of Denison Code of Ordinances, as amended.

(Ord. No. 4931, § 2, 2-19-18)

Sec. 31-37. Signs.

- (a) All signs used in connection with a Special Event shall be professionally executed and must comply with all applicable ordinances, rules, and regulations of the City, and be approved in writing by SERT.
- (b) Written permission from the City must be obtained prior to placing signs on City Property. Signs placed on City Property must be approved by the City. Signs placed on City Property must be designed and constructed such that they do not leave adhesive residue when removed. Inflated signs anchored to the ground, a building, or other structure are prohibited.
- (c) Permanent, existing signs on City Property shall not be removed or covered.
- (d) The City's Public Works Department shall place all directional signs placed on public streets.
- (e) The City shall authorize any signs placed on public streets or rights-of-way related to the Special Event.
- (f) The City or the SERT may require a separate sign permit, if such a sign or sign require a separate permit under Chapter 19 of the City's Code of Ordinances.

(Ord. No. 4931, § 2, 2-19-18)

Secs. 31-38—31-40. Reserved.

ARTICLE IV. ENFORCEMENT

Sec. 31-41. Offenses.

- (a) A person commits an offense if the person commences or conducts a Special Event:
 - (1) Without a Special Event Permit; or
 - (2) In violation of any provision of a Special Event Permit, this Chapter, or any other City ordinance or applicable law, rule, standard, or regulation.
- (b) For offenses punishable by a fine not to exceed five hundred dollars (\$500.00), a culpable mental state is not required for the commission of an offense under this Chapter.

(Ord. No. 4931, § 2, 2-19-18)

Sec. 31-42. Penalty.

- (a) A person who violates a provision of this Chapter or a requirement of a Special Event Permit is guilty of a separate offense for each day or part of a day during which the violation is committed or continues.
- (b) Each offense is punishable by a fine not to exceed:
 - (1) Two thousand dollars (\$2,000.00) for a violation of a provision of this Chapter or a requirement of a Special Event Permit governing fire safety, zoning, or public health and sanitation, including dumping or refuse; or
 - (2) Five hundred dollars (\$500.00) for all other violations of this Chapter or requirements of a Special Event Permit.
- (c) The penal provisions imposed under this Chapter shall not preclude the City from filing suit to enjoin the violation. The City retains all legal rights and remedies available to it pursuant to local, state and federal law.

(Ord. No. 4931, § 2, 2-19-18)

City Council Meeting Staff Report



Agenda Item

Receive a report, hold a discussion, conduct a public hearing and take action on an Ordinance finding the reasonableness of the costs of demolition of a structure situated at 116 N. Lynn Ave. in the City of Denison, Texas to abate a public nuisance, levying an assessment of the costs against the real estate and assessing the amount of the costs for such demolition as a lien against such real property.

Staff Contact

Robert Lay, Neighborhood Services Manager
rlay@denisontx.gov
903-465-2720 ext. 2457

Summary

- Resolution passed setting February 3, 2025 as the date for the public hearing.
- City Staff demolished and removed debris from 116 N. Lynn Ave at a cost of \$8,474.44 in September 2024.
- Interested parties were invoiced for the abatement and have not paid the invoice.
- Due to a homestead exemption the Public Hearing was delayed until 2025.
- Interested parties were notified of the public hearing on February 18, 2025.

Staff Recommendation

Staff recommends levying a special assessment lien against the real property in the amount of \$8,474.44.

Recommended Motion

"I move to approve an Ordinance finding the reasonableness of the costs of demolition of a structure situated at 116 N. Lynn Ave. in the City of Denison, Texas to abate a public nuisance, levying an assessment of the costs totaling \$8,474.44 against the real estate and assessing the amount of the costs for such demolition as a lien against such real property

Background Information and Analysis

At the February 3, 2025 City Council meeting, a resolution was adopted setting March 3, 2025 as the date for a Public Hearing for a lien assessment against the property at 116 N. Lynn Ave. City Staff demolished and removed the debris from the location, completing the work on Sept. 9, 2024. The total cost of the abatement was \$8,474.44, which the City is seeking reimbursement for. Interested parties were invoiced, the invoice has not been paid. Due to a homestead on the property, the lien assessment public hearing had to be delayed until 2025. Interested parties were given notice on February 18, 2025 of this public hearing.

Financial Considerations

The City would attempt to recover the costs of demolition in the amount of \$8,474.44 by assessing a lien against the real property. Said lien to accrue interest at 10% per annum.

Prior Board or Council Action

City Council adopted a Resolution at the February 3, 2025 meeting which set the public hearing for assessment of the lien against the real property.

Alternatives

Do not adopt an ordinance assessing a lien for the abatement.

RESOLUTION NO. 4186

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DENISON, TEXAS CALLING A PUBLIC HEARING PURSUANT TO THE REQUIREMENTS OF SECTION 13-159(c) OF THE CODE OF ORDINANCES OF THE CITY FOR THE PURPOSES OF RECEIVING THE REPORT OF DEMOLITION OF THE PROPERTY SITUATED AT 116 N. LYNN AVENUE IN THE CITY OF DENISON, TEXAS; SETTING THE DATE, LOCATION AND HOUR OF SUCH PUBLIC HEARING; CALLING FOR THE REVIEW OF THE REASONABLENESS OF THE COSTS OF DEMOLITION; PROVIDING FOR THE NOTICE TO OWNER(S) OF SUCH PROPERTY; AND FINDING AND DETERMINING THE MEETING AT WHICH THIS RESOLUTION IS ADOPTED TO BE OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City Council of the City of Denison, Texas (“City Council”) has received releases from all interested parties in the real property locally known as 116 N. Lynn Avenue in the City of Denison, County of Grayson, Texas (the “Property”), requesting that the City of Denison abate the nuisance at the Property by demolishing any and all structures and cleaning and grading the surface, mowing weeds, removing junked or abandoned vehicles and/or removing all trash, junk and debris; and

WHEREAS, the demolition has been completed and the Director of Public Works has filed his report of demolition as required by Subsections 13-159(b) of Chapter 13, Article VII, Part B, of the Code of Ordinances; and

WHEREAS, Section 13-159(c) of the Code of Ordinances requires that the City Council by resolution fix the day, hour and place when it will review, hear and pass upon the report of demolition, and any objections or protests thereto, and determine whether to assess the costs of demolition against the Property; and

WHEREAS, the City Council wishes to call the public hearing so as to consider such assessment and the attachment of a lien against the Property.

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

Section 1. That pursuant to the authority and requirement of Section 13-159(c) of the Code of Ordinances a public hearing is hereby called for **Monday, March 3, 2025 at 6:00 o’clock, p.m.**, in the Council Chambers located at the City Hall building, 300 West Main Street, Denison, Texas 75020, at which time the City Council shall hear and pass upon the report of demolition for the Property, together with any objections or protests which may be raised by any property owner liable to be assessed for the cost of such demolition, and determine whether an assessment of such costs shall be made against the Property by ordinance.

Section 2. That the City Clerk be, and is hereby, instructed to cause notice of such public hearing to be issued in a manner consistent with the requirements of said Section 13-159(c) of said Code.

Section 3. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public and that public notice of the time, place, location and purpose of said meeting was given as required by law.

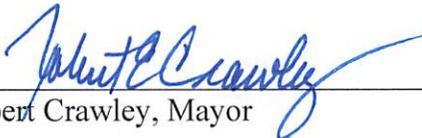
On motion by Council Member Redwine, seconded by Council Member Thomas, the above and foregoing Resolution was passed and approved at a Regular Meeting of the City Council of the City of Denison, Texas, on this the 3rd day of February, 2025.

Ayes: Adams, Courtright, Thorne, Crawley, Massey, Redwine and Thomas

Nays:

Abstentions:

Absent:



Robert Crawley, Mayor

ATTEST:



Christine Wallentine, City Clerk





116 N. Lynn

116 N. Lynn



116 N. Lynn



ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DENISON, TEXAS FINDING THE REASONABLENESS OF THE COSTS OF DEMOLITION OF A STRUCTURE SITUATED AT 116 N. LYNN AVENUE IN THE CITY OF DENISON TO ABATE A PUBLIC NUISANCE; LEVYING AN ASSESSMENT OF THE COSTS AGAINST THE REAL ESTATE; ASSESSING THE AMOUNT OF THE COSTS FOR SUCH DEMOLITION AS A LIEN AGAINST SUCH REAL PROPERTY; AND FINDING AND DETERMINING THE MEETING AT WHICH THIS ORDINANCE IS ADOPTED TO BE OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City of Denison has caused the public nuisance to be abated by demolition of the subject structure pursuant to a contract for demolition let by the City; and

WHEREAS, the Code of Ordinances of the City provide at Section 13-156 authority for and the procedure for assessing costs and attaching a lien for the reasonable costs associated with the City abating a public nuisance; and

WHEREAS, the City Council, by Resolution No. 4186, has called a public hearing to receive comment on the reasonableness of such charges as they relate to the real property locally known as 116 N. Lynn Avenue, Denison, Grayson County, Texas; and

WHEREAS, the City Council conducted such public hearing on March 3, 2025; now, therefore,

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

SECTION 1: That the City Council of the City of Denison, Texas does hereby find and determine that the reasonable costs and expenses associated with the abatement of a dilapidated and unsafe structure locally known as, and situated at 116 N. Lynn Avenue, Denison, Grayson County, Texas and being more particularly described as being WESTCLIFF ADDITION, BLOCK 2, LOT 1, ACRES .2907

Demolition costs:	\$ 8,474.44
TOTAL:	\$ 8,474.44

SECTION 2: That the City Council does hereby levy a special assessment against the real property herein described in the amount of \$8,474.44, such special assessment to be secured by a lien in, on and against such real property. Such lien shall, for all purposes, take priority over all other liens except tax liens and/or paving liens.

SECTION 3: That the City Clerk shall cause a certified copy of such special assessment lien to be filed with the County Clerk in the Deed Records of Grayson County, Texas.

SECTION 4: That such special assessment lien shall bear interest at the rate of ten (10) percent per annum from the date of filing of the same with the County Clerk, and such lien shall be collected in the same manner as other assessment liens are collected under the laws of the state.

SECTION 5: That it is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given all as required by Section 551.041, Texas Government Code.

AND IT IS SO ORDERED.

On motion by Council Member _____, seconded by Council Member _____, the above and foregoing ordinance was passed and approved on this the 3rd day of March, 2025, by the following vote:

- Ayes:
- Nays:
- Abstentions:
- Absent:

At regular meeting on March 3, 2025.

ROBERT CRAWLEY, MAYOR

ATTEST:

Christine Wallentine, City Clerk

APPROVED AS TO FORM:

Julie Fort, City Attorney

City Council Meeting Staff Report



Agenda Item

Receive a report, hold a discussion, continue the public hearing, and take action on an Ordinance to rezone an approximately 6.200-acre tract identified as GCAD Property ID No. 101027, said property being legally described as being situated in the Jacob Willcox Survey, Abstract No. 1358 and Polly Stamps Survey, Abstract No. 1098, according to the recorded instrument No. 2023-32617, official records of Grayson County, Texas; located at Harbor Road and Highway 84, from the Planned Development Overlay (PD) District to the Light Industrial (LI) District to allow for an electrical substation. (Case No. 2024-34Z).

Staff Contact

Dianne York, Planning Manager
dyork@denisontx.gov
903-465-2720

Summary

- The applicant is requesting a rezone of the subject property from a Planned Development Overlay District (PD) to Light Industrial (LI) District to accommodate an electrical substation.
- The subject property is currently located within the Preston Harbor development.
- The applicant has requested that the public hearing be tabled to the City Council meeting held on March 3rd, 2025.

Staff Recommendation

Staff recommends approving the Ordinance rezoning the subject property.

Recommended Motion

"I move to approve an Ordinance rezoning the subject property from a Planned Development Overlay District to Light Industrial (LI) to accommodate an electrical substation."

Background Information and Analysis

The applicant asked that this item be tabled to the City Council Meeting held on March 3rd, 2025. At their meeting held on February 17th, 2025, the City Council opened the public hearing for this item and voted to table the item and continue the public hearing at the City Council meeting held on March 3rd, 2025.

City staff received an application requesting a rezone of approximately 6.200 acres to the Light Industrial District to accommodate an Oncor electrical substation. The subject tract of land currently falls within the bounds of the Preston Harbor Planned Development Overlay District (PD). This Planned Development (PD) was approved by City Council at their meeting held on April 1st, 2024.

The current Preston Harbor PD establishes specific uses that are allowed within the development. An electrical substation is not listed as an allowed use. In order to meet the current demand for electricity as well as future demand needs for the subject area, it is essential that the property be rezoned to the Light

Industrial District (LI). Rezoning the subject property will allow for the construction of the Oncor electrical substation.

The applicant has provided a preliminary Site Plan detailing the location and access for the substation. The future substation must meet development standards outlined in Chapter 28 as it pertains to screening, landscaping, and submittal requirements.

According to Ordinance Section 28.10, City staff and the Planning and Zoning Commission shall consider the following factors when reviewing rezone requests:

1. *Whether the uses permitted by the proposed change will be appropriate in the immediate area concerned, and their relationship to the general area and to the city as a whole;*

The majority of the area adjacent to the subject property has currently been undeveloped. Directly north of the subject property, commercial uses are in place as well as a neighborhood.

2. *Whether the proposed change is in accord with any existing or proposed plans for providing public schools, streets, water supply, sanitary sewers, and other utilities to the area;*

N/A

3. *The amount of vacant land currently classified for similar development in the vicinity and elsewhere in the city, and any special circumstances that may make a substantial part of such vacant land unavailable for development;*

Rezoning of this property will not impact the availability of similar land for development.

4. *The recent rate at which land is being developed in the same zoning classification as the request, particularly in the vicinity of the proposed change;*

The majority of the area adjacent to the subject property is currently undeveloped with a few commercial uses to the north of the property.

5. *How other areas designated for similar development will be, or are likely to be, affected if the proposed amendment is approved;*

N/A

6. *Whether the zoning petition is consistent with the current land use plan; and*

The Future Land Use Map calls for the subject area to be developed in a “Neighborhood” manner. However, the use is essential for existing development as well as future development.

7. *Any other factors that will substantially affect the public health, safety, morals, or general welfare.*

Other factors which may substantially affect general welfare have been addressed above.

Financial Considerations

N/A

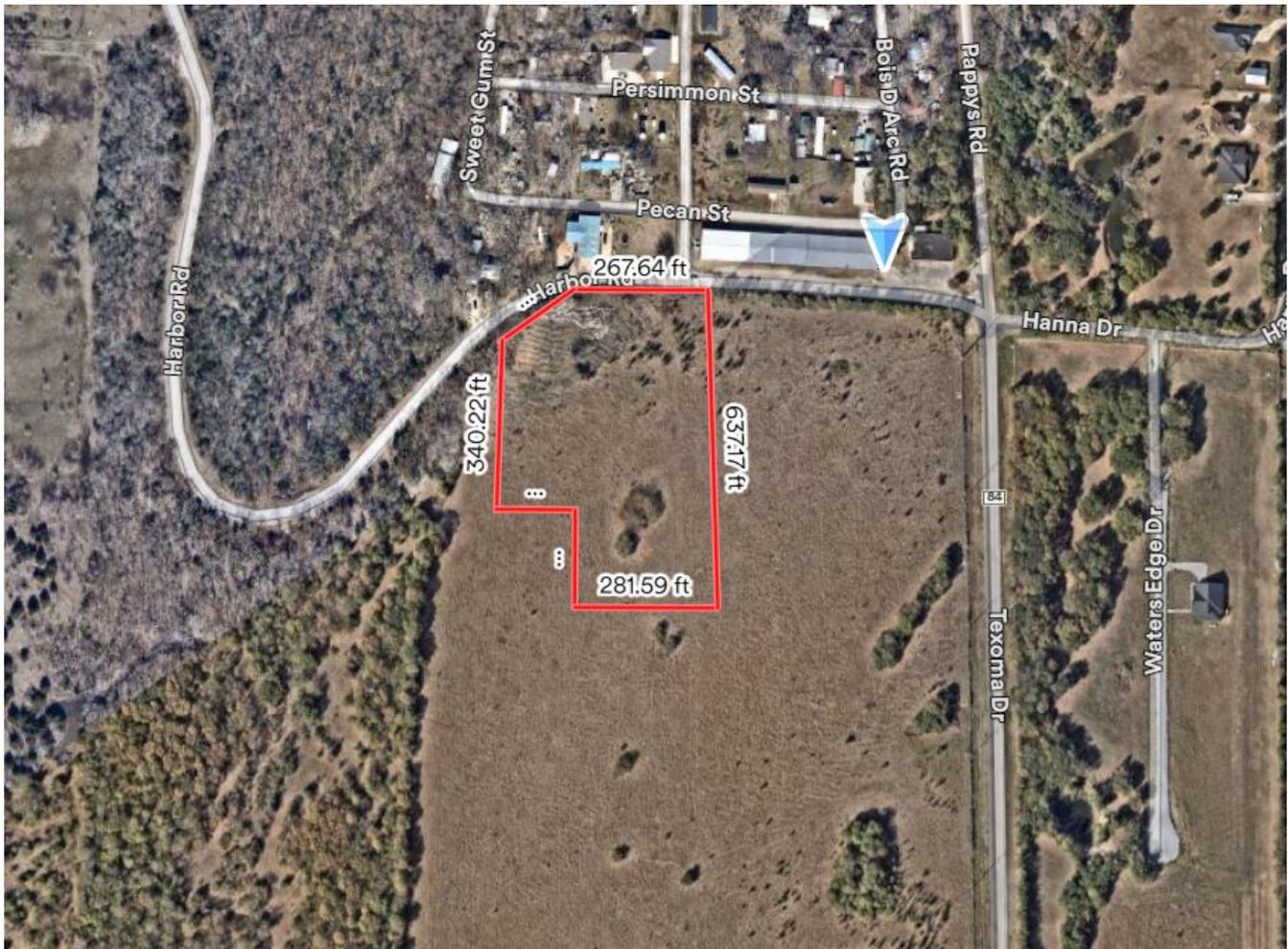
Prior Board or Council Action

- The Planning and Zoning Commission recommended approval of this request at their meeting held on February 17th, 2025.

Alternatives

- The City Council may table, recommend denial or recommend approval with conditions.

Aerial of Subject Area



PROJECT NARRATIVE
Oncor Harbor Substation
Jacob Wilcox Survey, Abstract No. 1358, Grayson County, Texas
Polly Stamps Survey, Abstract No. 1098, Grayson County, Texas

Location:

The site is located at the southwest corner of the intersection of Harbor Road and F.M. Highway 48 in Denison. The proposed development would consist of one Oncor substation on 6.200 acres.

Purpose of Zoning District Change Submittal:

The purpose of this rezoning submittal is to rezone the existing PD to a LI straight zoning district for an electrical substation.

Is there vacant land that is zoned for your proposed use available in other areas of the City? Why are those vacant areas not appropriate for your proposed project?:

Oncor determined the subject property is appropriate for a substation based on the electrical load demand in the area and proximity to the existing transmission lines.

If approved how will your request affect other areas designated for similar development?:

The electrical substation does not generate traffic and is used to help the reliability of the electrical grid in the area.

How are the uses permitted by the requested zoning district appropriate in the immediate area surrounding the subject property and the city as a whole?

The substation will improve the reliability and service for the current and future customers in the City of Denison and meet the growing demand in the area.

Ordinance Section 25.10.01.B Approval Criteria

1. Whether the uses permitted by the proposed change will be appropriate in the immediate area concerned, and their relationship to the general area and to the city as a whole.
 - a. Oncor determined the subject property is appropriate for a substation based on the electrical load demand in the area and proximity to the existing transmission lines.
2. Whether the proposed change is in accord with any existing or proposed plans for providing public schools, streets, water supply, sanitary sewers, and other utilities to the area.
 - a. The electrical substation will utilize the existing transmission lines and provide additional support for the electrical utility demand in this area.

3. The amount of vacant land currently classified for similar development in the vicinity and elsewhere in the city, and any special circumstances that may make a substantial part of such vacant land unavailable for development.
 - a. Oncor uses a specific property selection process based on the location of the electrical demand and proximity to the existing transmission infrastructure. The subject property was determined to be the prime location for this project.
4. The recent rate at which land is being developed in the same zoning classification as the request, particularly in the vicinity of the proposed change.
 - a. Light Industrial zoning is a common zoning district on the north side of Denison and will serve the surrounding area.
5. How other areas designated for similar development will be, or are likely to be, affected if the proposed amendment is approved.
 - a. The electrical substation development will help support the electrical grid for surrounding areas.
6. Whether the zoning petition is consistent with the current land use plan.
 - a. The zoning petition is consistent with the current land use plan.
7. Any other factors that will substantially affect the public health, safety, morals, or general welfare.
 - a. The substation and security proposed are industry standard to help protect public health, safety, and general welfare.

EXHIBIT 'A'

Metes & Bounds Description

BEING a 6.200 acre tract of land situated in the Jacob Wilcox Survey, Abstract No. 1358, and the Polly Stamps Survey, Abstract No. 1098, Grayson County, Texas and being a portion of the tract of land described in deed to Waterfall Development Partners, LP, as recorded in Instrument No. 2023-32617, Official Public Records of Grayson County, Texas (O.P.R.G.C.T), said 6.200 acre tract of land described as follows:

COMMENCING at a found Corp of Engineers monument for a northern interior corner of said Waterfall Development Partners, LP tract, from which a found Corp of Engineers monument bears North 01 degree 57 minutes 38 seconds East, a distance of 411.57 feet, said point of commencement being locatable by NAD83 Grid coordinates N: 7,358,084.58', E: 2,532,772.37';

THENCE South 88 degrees 03 minutes 29 seconds East, a distance of 765.56 feet to a set 5/8-inch iron rod with yellow cap stamped "DUNAWAY ASSOC." on the south right-of-way line of Harbor Road (60 foot right-of-way width), for the POINT OF BEGINNING, said point of beginning being locatable by NAD83 Grid coordinates N: 7,358,058.64', E: 2,533,537.44';

THENCE South 88 degrees 03 minutes 29 seconds East, along the south right-of-way line of said Harbor Road, a distance of 264.97 feet to a set 5/8-inch iron rod with yellow cap stamped "DUNAWAY ASSOC.";

THENCE South 00 degrees 00 minutes 00 seconds East, departing the south right-of-way line of said Harbor Road, a distance of 680.64 feet to a set 5/8-inch iron rod with yellow cap stamped "DUNAWAY ASSOC.";

THENCE North 90 degrees 00 minutes 00 seconds West, a distance of 283.92 feet to a set 5/8-inch iron rod with yellow cap stamped "DUNAWAY ASSOC.";

THENCE North 00 degrees 00 minutes 00 seconds East, a distance of 198.48 feet to a set 5/8-inch iron rod with yellow cap stamped "DUNAWAY ASSOC.";

THENCE South 90 degrees 00 minutes 00 seconds West, a distance of 168.24 feet to a set 5/8-inch iron rod with yellow cap stamped "DUNAWAY ASSOC.";

THENCE North 00 degrees 00 minutes 00 seconds East, a distance of 346.55 feet to a set 5/8-inch iron rod with yellow cap stamped "DUNAWAY ASSOC.";

THENCE North 22 degrees 11 minutes 20 seconds East, a distance of 76.91 feet to a set 5/8-inch iron rod with yellow cap stamped "DUNAWAY ASSOC.";

THENCE North 51 degrees 58 minutes 45 seconds East, a distance of 65.13 feet to a set 5/8-inch iron rod with yellow cap stamped "DUNAWAY ASSOC.";

THENCE North 63 degrees 26 minutes 23 seconds East, a distance of 36.99 feet to a set 5/8-inch iron rod with yellow cap stamped "DUNAWAY ASSOC.";

THENCE North 70 degrees 47 minutes 50 seconds East, a distance of 42.25 feet to a set 5/8-inch iron rod with yellow cap stamped "DUNAWAY ASSOC.";

THENCE North 85 degrees 14 minutes 32 seconds East, a distance of 34.13 feet to the POINT OF BEGINNING and containing 6.200 acres or 270,075 square feet of land more or less.

NOTES:

The basis of bearings for this survey is the Texas State Coordinate System, North Central Zone 4202, based upon GPS measurements. Distances and areas hereon are surface values. A combined scale factor of 0.99993664 was used for this project.

B005700.291

PAGE 1 OF 1

A plat of even date accompanies this metes and bounds description.

APRIL 23, 2024



**BOUNDARY SURVEY
OF
6.200 ACRES**

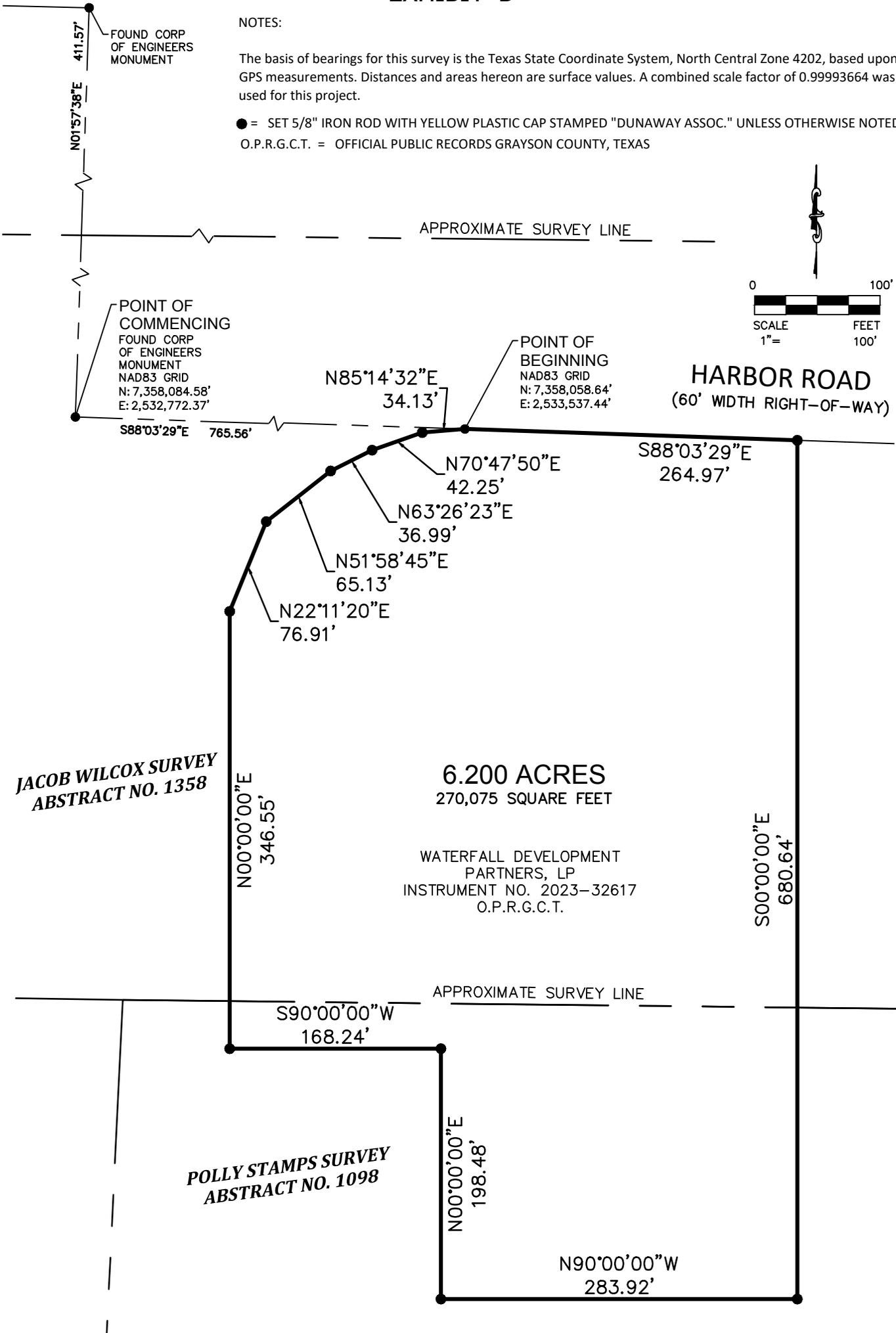
LOCATED IN
JACOB WILCOX SURVEY, ABSTRACT NO. 1358
AND POLLY STAMPS SURVEY, ABSTRACT NO. 1098,
GRAYSON COUNTY, TEXAS

EXHIBIT 'B'

NOTES:

The basis of bearings for this survey is the Texas State Coordinate System, North Central Zone 4202, based upon GPS measurements. Distances and areas hereon are surface values. A combined scale factor of 0.99993664 was used for this project.

- = SET 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "DUNAWAY ASSOC." UNLESS OTHERWISE NOTED
- O.P.R.G.C.T. = OFFICIAL PUBLIC RECORDS GRAYSON COUNTY, TEXAS



**JACOB WILCOX SURVEY
ABSTRACT NO. 1358**

**6.200 ACRES
270,075 SQUARE FEET**

WATERFALL DEVELOPMENT
PARTNERS, LP
INSTRUMENT NO. 2023-32617
O.P.R.G.C.T.

**POLLY STAMPS SURVEY
ABSTRACT NO. 1098**

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PAGE 1 OF 1

A metes and bounds description of even date accompanies this plat.

APRIL 23, 2024

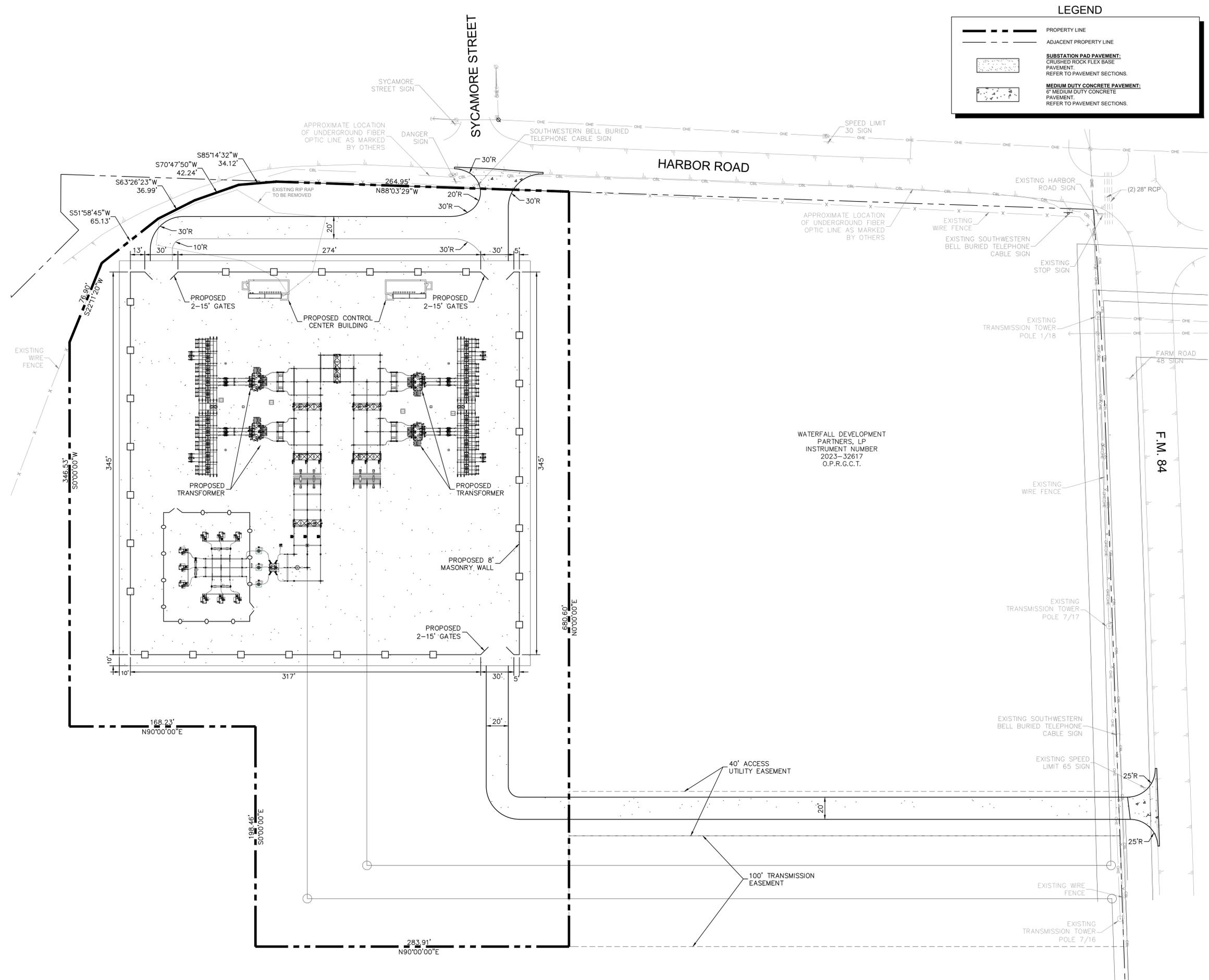
550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121
TEXAS REGISTERED SURVEYING FIRM NO. 10098100



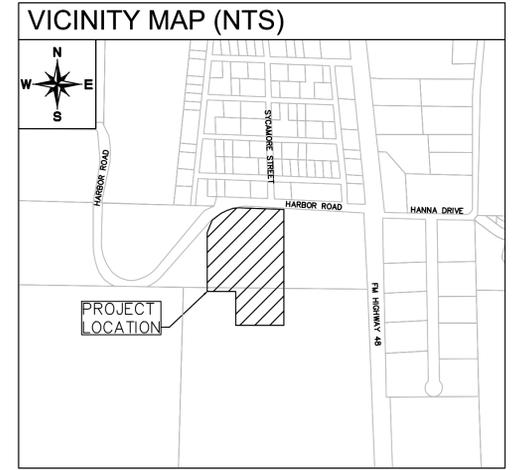
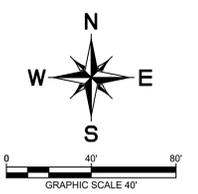
**BOUNDARY SURVEY
OF
6.200 ACRES**
LOCATED IN
JACOB WILCOX SURVEY, ABSTRACT NO. 1358
AND POLLY STAMPS SURVEY, ABSTRACT NO. 1098,
GRAYSON COUNTY, TEXAS

PLOTTED BY: Kevin Junge ON: Monday, May 13, 2024 AT: 9:14 AM FILEPATH: P:\005700\5700\291-Harbor Sub\Survey\Drawings\B005700.291 Harbor Sub Boundary TXNC SURFACE.dwg

PREPARED BY: R. HORN, 6000 W. 10TH ST., SUITE 100, FORT WORTH, TX 76102
 DRAWN BY: R. HORN, 6000 W. 10TH ST., SUITE 100, FORT WORTH, TX 76102
 LAST REVISED: 12/16/2024
 This document, together with the concepts and designs presented herein, is an instrument of service, as an instrument of service, is intended only for the specific purpose and client for which it was prepared. Reuse of and improper reliance on this document without written authorization and adaptation by Kimley-Horn and Associates, Inc. shall be without liability to Kimley-Horn and Associates, Inc.



LEGEND	
	PROPERTY LINE
	ADJACENT PROPERTY LINE
	SUBSTATION PAD PAVEMENT: CRUSHED ROCK FLEX BASE PAVEMENT. REFER TO PAVEMENT SECTIONS.
	MEDIUM DUTY CONCRETE PAVEMENT: 6" MEDIUM DUTY CONCRETE PAVEMENT. REFER TO PAVEMENT SECTIONS.



PROPOSED DEVELOPMENT REGULATIONS	
EXISTING ZONING	PD
PROPOSED ZONING	LI
USES	ELECTRICAL SUBSTATION
SETBACKS	
FRONT YARD	25 FT.
SIDE YARD	N/A
SIDE YARD (CORNER LOTS)	N/A
REAR YARD	N/A
LOT WIDTH (MINIMUM)	N/A
LOT DEPTH (MINIMUM)	N/A
LOT AREA (MINIMUM)	N/A
HEIGHT (MAXIMUM)	6 STORIES
BUILDING MATERIALS	PREFAB METAL
SCREENING	8' MASONRY WALL
OPEN SPACE	122,839 SQ. FT.
GROSS SITE AREA	270,075 SQ. FT.
LOT COVERAGE	50.32%

SITE PLAN
 FOR
ONCOR HARBOR SUBSTATION
 CURRENT ZONING: PD
 JACOB WILCOX SURVEY, ABSTRACT NO. 1358
 POLLY STAMPS SURVEY, ABSTRACT NO. 1098
 6.20 ACRES OR 270,075 SQ. FEET
 IN THE
CITY OF DENISON, GRAYSON COUNTY, TEXAS

OWNER:	DEVELOPER:	ENGINEER/SURVEYOR:
Waterfall Development Partners LP 6850 TPC DR Suite 104, Mckinney, TX 75070 Tel: 972-529-1371	Oncor 777 Main Street, Suite 707, Fort Worth, TX 76102 Tel: (817) 215-8807 Contact: Seth Sampson, P.E.	Kimley-Horn 6180 Warren Parkway, Suite 210 Frisco, TX 75034 Tel: (972) 335-3580 Contact: Rob Myers, P.E.

DESIGNED	DRAWN	CHECKED	SCALE	DATE	KH PROJECT NO.
RJM	GCB	RJM	AS SHOWN	12/16/2024	064424986

EXHIBIT 'A'

Metes & Bounds Description

BEING a 0.457 acre tract of land situated in the Polly Stamps Survey, Abstract No. 1098, Grayson County, Texas and being a portion of the tract of land described in deed to Waterfall Development Partners, LP, as recorded in Instrument No. 2023-32617, Official Public Records of Grayson County, Texas (O.P.R.G.C.T), said 0.457 acre tract of land described as follows:

COMMENCING at a found Corp of Engineers monument for a northern interior corner of said Waterfall Development Partners, LP tract, from which a found Corp of Engineers monument bears North 01 degree 57 minutes 38 seconds East, a distance of 411.57 feet, said point of commencement being locatable by NAD83 Grid coordinates N: 7,358,084.58', E: 2,532,772.37';
THENCE South 88 degrees 03 minutes 29 seconds East, a distance of 765.56 feet to a set 5/8-inch iron rod with yellow cap stamped "DUNAWAY ASSOC." on the south right-of-way line of Harbor Road (60 foot right-of-way width);
THENCE South 00 degrees 00 minutes 00 seconds East, departing the south right-of-way line of said Harbor Road, a distance of 540.70 feet to the POINT OF BEGINNING, said point being locatable by NAD83 Grid coordinates N: 7,357,509.05', E: 2,533,802.22';
THENCE North 90 degrees 00 minutes 00 seconds East, a distance of 497.36 feet to a point for corner on the west right-of-way line of F.M. Highway No. 84 (100 foot right-of-way width);
THENCE South 02 degrees 01 minute 09 seconds East, along the west right-of-way line of said F.M. Highway No. 84, a distance of 40.02 feet to a point for corner;
THENCE North 90 degrees 00 minutes 00 seconds West, departing the west right-of-way line of said F.M. Highway No. 84, a distance of 498.77 feet to a point for corner;
THENCE North 00 degrees 00 minutes 00 seconds East, a distance of 40.00 feet to the POINT OF BEGINNING and containing 0.457 acres or 19,923 square feet of land more or less.

NOTES:

The basis of bearings for this survey is the Texas State Coordinate System, North Central Zone 4202, based upon GPS measurements. Distances and areas hereon are surface values. A combined scale factor of 0.99993664 was used for this project.

B005700.291

PAGE 1 OF 1

A plat of even date accompanies this metes and bounds description.

APRIL 23, 2024



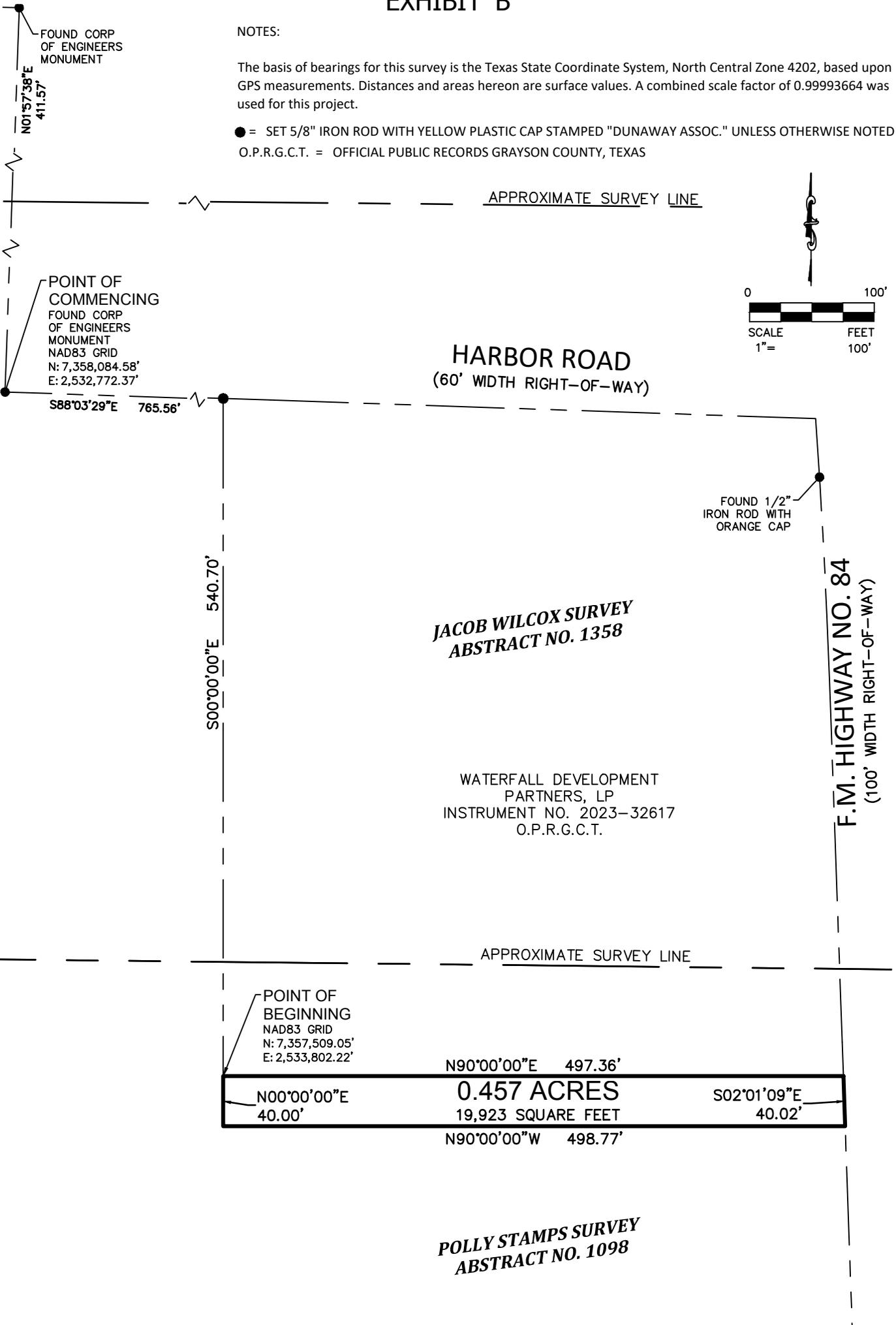
40' ACCESS & UTILITY EASEMENT
0.457 ACRES
LOCATED IN
THE POLLY STAMPS SURVEY, ABSTRACT NO. 1098,
GRAYSON COUNTY, TEXAS

EXHIBIT 'B'

NOTES:

The basis of bearings for this survey is the Texas State Coordinate System, North Central Zone 4202, based upon GPS measurements. Distances and areas hereon are surface values. A combined scale factor of 0.99993664 was used for this project.

- = SET 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "DUNAWAY ASSOC." UNLESS OTHERWISE NOTED
- O.P.R.G.C.T. = OFFICIAL PUBLIC RECORDS GRAYSON COUNTY, TEXAS



PLOTTED BY: Kevin Jungge ON: Monday, May 13, 2024 AT: 9:31 AM FILEPATH: P:\005700\5700\291-Harbor Sub\Survey\Drawings\B005700.291 Harbor Sub Access & Utility Easement TXNC SURFACE.dwg

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PAGE 1 OF 1

A metes and bounds description of even date accompanies this plat.

APRIL 23, 2024

DUNAWAY
 550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
 Tel: 817.335.1121
 TEXAS REGISTERED SURVEYING FIRM NO. 10098100



40' ACCESS & UTILITY EASEMENT
0.457 ACRES
 LOCATED IN
 THE POLLY STAMPS SURVEY, ABSTRACT NO. 1098,
 GRAYSON COUNTY, TEXAS

City Council Meeting Staff Report



Agenda Item

Receive a report, hold a discussion, and take action on entering into a Municipal Advisory Agreement (Contract No. 2025-0024) with Hilltop Securities to provide financial assistance with loans through the Texas Water Development Board, and authorize the Interim City Manager to execute the same.

Staff Contact

Laurie Alsabbagh, Director of Finance
lalsabbagh@denisontx.gov
903-465-2720 EXT 2492

Summary

- In July 2024, the City was awarded financial assistance through the Texas Water Development Board for a ten-million dollar low interest loan with a 51% loan forgiveness option.
- On January 9th and January 16th, publications were posted soliciting proposals and statements of qualifications for financial advisor services to provide assistance with grant or disadvantaged funding through the Texas Water Development Board.
- Proposals were opened and reviewed on February 17, 2025, and a selection was made by a three-member committee.

Staff Recommendation

Staff recommends approval to enter into an agreement with Hilltop Securities.

Recommended Motion

“I move to approve entering into a Municipal Advisory Agreement (Contract No. 2025-0024) with Hilltop Securities for Financial Advisor services to assist with the financing through the Texas Water Development Board and authorize the Interim City Manager to execute the same.”

Background Information and Analysis

The City of Denison was awarded financial assistance through the Texas Water Development Board in July 2024. City staff sought proposals from qualified firms to provide all necessary management and administrative services related to the financing. On January 9th and 16th, 2025, the City posted Request for Proposals (RFP) for Financial Advisor services. A committee of three members of the Accounting team selected the applicant best suited to assist with this funding.

Financial Considerations

Fees for Financial Advisor services will be paid from the loan proceeds.

Prior Board or Council Action

Council approved the publication of the notice of intent for the certificates that will be funded through the Texas Water Development Board.

Alternatives

If Council denies this item, then the City will need to pay for financial advisor services from fund balance rather than through bond proceeds

MUNICIPAL ADVISORY AGREEMENT

This Municipal Advisory Agreement (the “Agreement”) is made and entered into by and between [] (the “Issuer”) and HilltopSecurities Inc. (“HilltopSecurities”), and is dated, and shall be effective as of, the date executed by the Issuer as set forth on the signature page hereof (the “Effective Date”).

WITNESSETH:

WHEREAS, the Issuer will have under consideration from time to time the authorization and issuance of municipal securities, including but not limited to the issuance and sale of evidences of indebtedness and application and funding of grants and or principal forgiveness financing amounts and forms which cannot presently be determined or debt obligations that may currently or in the future be authorized and issued or otherwise created or assumed by the Issuer, in amounts and forms which cannot presently be determined; and

WHEREAS, in connection with the authorization, sale, issuance and delivery of such municipal securities, and application and funding of grants and or principal forgiveness financing, as well as in connection with any matters relating to municipal financial products of the Issuer, the Issuer desires to retain a municipal advisor; and

WHEREAS, the Issuer desires to obtain the professional services of HilltopSecurities as a municipal advisor to advise the Issuer regarding the issuance of municipal securities and any municipal financial products, all as more fully described herein, during the period in which this Agreement shall be effective; and

WHEREAS, HilltopSecurities is willing to provide its professional services and its facilities as a municipal advisor in connection with the Issuer’s issuances of municipal securities and any municipal financial products, all as more fully described herein, during the period in which this Agreement shall be effective.

NOW, THEREFORE, the Issuer and HilltopSecurities, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, do hereby agree as follows:

SECTION I SCOPE OF SERVICES

A. Scope of Services and Discharge of Responsibilities.

1. *Scope of Services.*

(a) HilltopSecurities is engaged by the Issuer as its municipal advisor to provide the services set forth in Appendix A hereto (the “Municipal Advisory Services”). The Municipal Advisory Services, together with any services to be provided by HilltopSecurities as the Issuer’s independent registered municipal advisor (“IRMA”) pursuant to subparagraph B.1 of this Section I, are hereinafter collectively referred to as the “Scope of Services” hereunder. The Scope of Services to be provided by HilltopSecurities may be changed only as provided in paragraph D of this Section I.

(b) If the Issuer engages HilltopSecurities or any of its affiliates, in a capacity other than as municipal advisor, to provide additional services that are not municipal advisory activities (“Non-Municipal Advisor Services”), such engagement for Non-Municipal Advisor Services shall be evidenced by a separate agreement between the Issuer and such party. The parties hereto acknowledge that such Non-Municipal

Advisor Services shall not be governed by this Agreement and are intended to consist of activities not requiring registration as a municipal advisor under the Securities Exchange Act.

(c) The Issuer shall provide written notice to HilltopSecurities of any other municipal advisor engaged by the Issuer, whether in regard to all or any portion of the Municipal Advisory Services or for any other aspects of the issuance of municipal securities or municipal financial products outside the scope of the Municipal Advisory Services, as described in clause (c) of subparagraph B.1 of this Section I.

2. ***Inquiries and Information in Connection with HilltopSecurities' Duties.*** If and to the extent provided in the Scope of Services, HilltopSecurities is called upon to make recommendations to the Issuer or to review recommendations made by others to the Issuer, and in connection therewith to determine whether such recommendations are suitable for the Issuer, in order to fulfill its duties with respect to such recommendations and any associated suitability determinations, HilltopSecurities is required under applicable regulations to make reasonable inquiries of the Issuer as to the relevant facts. Such facts include, at a minimum, information regarding the Issuer's financial situation and needs, objectives, tax status, risk tolerance, liquidity needs, experience with municipal securities transactions or municipal financial products generally or of the type and complexity being recommended, financial capacity to withstand changes in market conditions during the term of the municipal financial product or the period that municipal securities to be issued in the municipal securities transaction are reasonably expected to be outstanding, and any other material information known by HilltopSecurities about the Issuer and the municipal securities transaction or municipal financial product. In addition, HilltopSecurities is required under applicable regulations to use reasonable diligence to know the essential facts about the Issuer and the authority of each person acting on behalf of the Issuer so as to effectively service HilltopSecurities' municipal advisory relationship with the Issuer, to act in accordance with any special directions from the Issuer, to understand the authority of each person acting on behalf of the Issuer, and to comply with applicable laws, regulations and rules.

Accordingly, the Issuer hereby agrees to provide accurate and complete information reasonably designed to permit HilltopSecurities to fulfill its responsibilities in connection with any such recommendations and suitability determinations and to provide to HilltopSecurities reasonable access to relevant documents and personnel in connection with its required investigation to determine that any recommendations are not based on materially inaccurate or incomplete information. The Issuer acknowledges that HilltopSecurities may not be able to make requested recommendations or suitability determinations if it is not provided access to such information and that the Issuer shall be estopped from claiming a violation of HilltopSecurities' fiduciary duty to the Issuer in connection with a recommendation or suitability determination made by HilltopSecurities based on materially inaccurate or incomplete information provided by the Issuer.

3. ***Actions Independent of or Contrary to Advice.*** The parties hereto acknowledge that the Issuer shall not be required to act in accordance with any advice or recommendation provided by HilltopSecurities to the Issuer. Upon providing such advice or recommendation to the Issuer, together with the basis for such advice or recommendation, HilltopSecurities shall have discharged its duties with regard to such advice or recommendation and shall not be liable for any financial or other damages resulting from the Issuer's election not to act in accordance with such advice or recommendation. Furthermore, the Issuer shall be estopped from claiming a violation of HilltopSecurities' fiduciary duty to the Issuer as a result of its election not to act in accordance with any advice or recommendation by HilltopSecurities, including but not limited to any claim that HilltopSecurities should have taken steps, in addition to providing its advice or recommendation together with the basis therefor, to cause the Issuer to follow its advice or recommendation.

4. ***Preparation of Official Statement in Connection with Issuance of Municipal Securities.***

If and to the extent provided in the Scope of Services, HilltopSecurities is called upon to assist the Issuer in the preparation of its official statement in connection with the issuance of municipal securities, the Issuer hereby agrees to provide accurate and complete information to HilltopSecurities reasonably designed to permit HilltopSecurities to fulfill its responsibility to have a reasonable basis for any information HilltopSecurities provides about the Issuer, its financial condition, its operational status and its municipal securities in connection with the preparation of the official statement. While HilltopSecurities may participate in the due diligence process in connection with the preparation of the official statement, if such participation is within the Scope of Services, HilltopSecurities shall not be obligated to undertake any inquiry or investigation in connection with such due diligence beyond any inquiries or investigations otherwise required by this Agreement. Furthermore, HilltopSecurities shall not be responsible for certifying the accuracy or completeness of the official statement, other than with respect to information about HilltopSecurities provided for inclusion in the official statement, if applicable. The Issuer agrees that HilltopSecurities may rely on any information provided to it by the Issuer for purposes of this paragraph.

5. ***Representations and Certifications.*** If and to the extent provided in the Scope of Services, HilltopSecurities is called upon to make representations and certifications with regard to certain aspects of matters pertaining to the Issuer, its municipal securities or municipal financial products arising as part of the Municipal Advisory Services to be provided pursuant to this Agreement, the Issuer hereby agrees to provide accurate and complete information to HilltopSecurities as may be reasonably necessary or otherwise helpful to HilltopSecurities in fulfilling its responsibility to have a reasonable basis for any representations, other than representations by HilltopSecurities regarding itself, made in a certificate signed by HilltopSecurities that may be relied upon by the Issuer, any other party involved in any matter arising as part of the Municipal Advisory Services, or investors in the Issuer's municipal securities. The Issuer agrees that HilltopSecurities may rely on any information provided to it by the Issuer for purposes of this paragraph.

B. Services as Independent Registered Municipal Advisor.

1. ***Designation as IRMA and Scope of Designation.***

(a) Subject to clause (b) of this subparagraph B.1, if the Issuer elects to designate HilltopSecurities, and HilltopSecurities agrees to represent the Issuer, as the Issuer's IRMA for purposes of Securities Exchange Commission ("SEC") Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption") with respect to the Municipal Advisory Services, HilltopSecurities will treat such role as IRMA as within the scope of Municipal Advisory Services. Any reference to HilltopSecurities, its personnel and its role as IRMA in the written representation of the Issuer contemplated under SEC Rule 15Ba1-1(d)(3)(vi)(B) shall be subject to prior approval by HilltopSecurities.

If there are any other aspects of the issuance of municipal securities or municipal financial products outside the scope of the Municipal Advisory Services with respect to which the Issuer seeks to have HilltopSecurities serve as its IRMA, such aspects, which are separate and distinct from Municipal Advisory Services for purposes of this Agreement, shall be included in Appendix A hereto and may be changed only as provided in paragraph D of this Section I. HilltopSecurities' duties as IRMA shall be strictly limited to the provision of advice to the Issuer with regard to third-party recommendations on any aspects of the issuance of municipal securities or municipal financial products outside the scope of the Municipal Advisory Services, subject to subparagraph B.3 of this Section I, and the provision of advice by HilltopSecurities to the Issuer with respect to such matters shall not result in a change in scope of the Municipal Advisory Services. By way of example, if HilltopSecurities serves as municipal advisor for an

issuance of municipal securities within the scope of Municipal Advisory Services, but is asked to review a recommendation made by a third party with respect to a different issuance of municipal securities not within the scope of Municipal Advisory Services, any advice with respect to such review would not, by itself, cause such other issuance to come within the scope of Municipal Advisory Services, and HilltopSecurities would not be obligated to undertake any of the services set forth in Appendix A with regard to such issuance unless the scope of Municipal Advisory Services hereunder is amended to include such issuance.

(b) If the Issuer elects not to designate HilltopSecurities to serve as an IRMA for purposes of the IRMA exemption with respect to the Municipal Advisory Services, or if the Issuer elects to designate HilltopSecurities to serve as IRMA for less than the full range of Municipal Advisory Services, such election shall be set forth in Appendix A.

(c) The Issuer shall provide written notice to HilltopSecurities of any other municipal advisor engaged by the Issuer, whether such other municipal advisor has been designated as an IRMA, and such notice shall include the scope of services of such municipal advisor. If the Issuer has engaged, or has caused HilltopSecurities to engage through subcontract, any other party to serve as municipal advisor to the Issuer with regard to all or any portion of the Municipal Advisory Services ("Joint Municipal Advisory Services"), whether engaged jointly with or separately from HilltopSecurities (a "Co-Municipal Advisor"), the Issuer agrees that such Co-Municipal Advisor shall not be entitled to treat HilltopSecurities as an IRMA with respect to the Joint Municipal Advisory Services. Notwithstanding the preceding sentence, the Issuer may seek to have HilltopSecurities provide advice on any recommendation made by a Co-Municipal Advisor with regard to matters within the scope of Joint Municipal Advisory Services on the same terms as set forth in subparagraph B.3 of this Section I, provided that any such advice provided by HilltopSecurities shall not serve to eliminate or reduce such Co-Municipal Advisor's fiduciary or other duties as municipal advisor to the Issuer.

2. ***HilltopSecurities Not Responsible for Independence from Third Parties.*** Notwithstanding HilltopSecurities' status as an IRMA, HilltopSecurities shall not be responsible for ensuring that it is independent, within the meaning of the IRMA exemption as interpreted by the SEC, from another party wishing to rely on the exemption from the definition of municipal advisor afforded under the IRMA exemption or for otherwise ensuring that any such party not be treated as a municipal advisor for purposes of Section 15B of the Securities Exchange Act or any SEC or Municipal Securities Rulemaking Board ("MSRB") rule thereunder. The Issuer expressly acknowledges that it is the responsibility of such other party to make its own determination of independence and that such other party shall not be entitled to cause HilltopSecurities to make any personnel changes to allow such party to qualify for the IRMA exemption.

3. ***Recommendations Provided by Third Parties Relying on IRMA Exemption.*** The Issuer agrees that, to the extent the Issuer seeks to have HilltopSecurities provide advice with regard to any recommendation made by a third party relying on the IRMA exemption, the Issuer shall provide to HilltopSecurities written direction to provide advice with regard to such third party recommendation as well as any information it has received from such third party. In connection therewith, HilltopSecurities shall be authorized to communicate with such third party as necessary or appropriate in order for HilltopSecurities to have the information it needs to provide informed advice to the Issuer with regard to such recommendation. HilltopSecurities shall provide to the Issuer recommendations it receives directly from any third party but shall not be required to provide advice to the Issuer with regard to any such recommendation unless the Issuer has provided to HilltopSecurities the written direction as described above in this subparagraph B.3.

Except as may be otherwise expressly provided in writing by HilltopSecurities, no recommendation by a third-party (including but not limited to a Co-Municipal Advisor) shall be deemed to be a recommendation by HilltopSecurities, and the failure by HilltopSecurities to specifically address any aspect of a third-party recommendation shall not be viewed as HilltopSecurities having implicitly accepted or approved such aspect of the recommendation or otherwise having adopted the recommendation or any aspect thereof as its own recommendation. Furthermore, the Issuer agrees that, to the extent the Issuer does not seek to have HilltopSecurities provide advice with regard to any recommendation made by a third party relying on the IRMA exemption, HilltopSecurities shall not be required to provide any advice with regard to such recommendation notwithstanding any information it may have received from such third party. HilltopSecurities may rely on the absence of the Issuer's written direction to provide advice with regard to a third party recommendation as indicative that the Issuer does not seek to have HilltopSecurities provide such advice.

C. Limitations on Scope of Engagement.

1. ***Express Limitations.*** The Scope of Services with respect to HilltopSecurities' engagement as municipal advisor shall be solely as provided in paragraphs A and B of this Section I and Appendix A of this Agreement, subject to the express limitations set forth in this paragraph C. The failure of the parties hereto to set out any particular service or responsibility, or any particular type or aspect of the issuance of municipal securities or municipal financial products, within the express limitations in this paragraph C shall not, by its omission, cause such service, responsibility or product to be within the scope of this engagement if not contemplated by the mutual agreement of the parties hereto or if not reasonably viewed as encompassed by the description of the Municipal Advisory Services set forth in this Agreement.

2. ***Limitation as to Matters Within Then-Current Scope of Engagement.*** It is expressly understood that HilltopSecurities serves as municipal advisor to the Issuer only with respect to the matters, and with respect to specific aspects of matters, within the then-current Scope of Services. The Issuer acknowledges that HilltopSecurities is not a municipal advisor to the Issuer with respect to matters expressly excluded from such Scope of Services as set forth in this paragraph C or matters otherwise not within the Scope of Services as set forth in paragraphs A and B of this Section I and Appendix A hereto. Without limiting the generality of the preceding sentence, the parties hereto agree that HilltopSecurities' service as municipal advisor for one issuance of municipal securities would not result in HilltopSecurities being a municipal advisor to the Issuer for any other issuances of municipal securities if such other issuances are not within the Scope of Services. It is expressly understood that HilltopSecurities shall be municipal advisor with respect to a particular issuance of municipal securities or a particular municipal financial product beginning on the earlier of (a) the date on which HilltopSecurities is assigned to serve or is otherwise put on notice by the Issuer that it will serve as municipal advisor for such particular matter or (b) the date on which HilltopSecurities first provides advice to the Issuer with respect to such particular matter, and it is further understood that HilltopSecurities shall not be deemed to be a municipal advisor to the Issuer with respect to any such particular matter prior to such date merely due to the fact that the matter falls within the general description of the Scope of Services.

3. ***Transactions and Services Outside Scope of Engagement.*** To the extent that the Issuer engages in any transaction with HilltopSecurities, or any affiliate of HilltopSecurities, as principal relating to municipal securities (including but not limited to as underwriter for the issuance of municipal securities) or municipal financial products that are not within the Scope of Services and with respect to which HilltopSecurities does not in fact provide advice other than as permitted within the exceptions and exclusions of SEC Rule 15Ba1-1, the Issuer agrees that it would not view HilltopSecurities as serving as its municipal advisor with respect to such transaction or any related issuance of municipal securities or

municipal financial product. In addition, as noted in clause (b) of subparagraph A.1 of this Section I, the Issuer understands that Non-Municipal Advisor Services are outside the scope of this engagement.

4. ***Issuer Consent to Limitation in Scope.*** The Issuer expressly consents to the limitations in scope of the engagement as described in this paragraph C.

D. Change in Scope of Services. The scope of services to be provided by HilltopSecurities, whether within or outside of the scope of the Municipal Advisory Services, may be changed only by written amendment to Appendix A, and the parties hereto agree to amend such appendix promptly to reflect any material changes or additions to the scope of such services, as applicable. Furthermore, the parties hereto agree to amend paragraph C of this Section I to reflect any material changes or additions to the limitations on the overall Scope of Services.

The parties hereto agree that if, on an infrequent or inadvertent basis, HilltopSecurities takes any actions for or on behalf of the Issuer that constitute municipal advisory activities within the meaning of MSRB Rule G-42(f)(iv) but which are not within the Scope of Services under this Agreement, such actions shall not, by themselves, serve to change the Scope of Services under this Agreement without a written amendment as provided in this paragraph. Furthermore, to the extent that any such activities not within the Scope of Services under this Agreement consists of inadvertent advice provided with respect to the issuance of municipal securities or municipal financial products that are not within the Scope of Services under this Agreement, HilltopSecurities may take such action, if any, as it deems appropriate pursuant to Supplementary Material .07 of MSRB Rule G-42 with respect to such inadvertent advice, to maintain the Scope of Services under this Agreement consistent with the intent of the parties hereto.

Amendments to Appendix A may be effected by replacement of the prior version of the appendix with a new version or by the addition of an addendum to such appendix, provided that any such amended appendix shall be dated as of its effective date and shall cause Appendix A, taken together with the provisions of this Section I, to clearly set forth the then-current scope of HilltopSecurities' engagement hereunder and any limitations to such scope.

E. Non-Municipal Advisory Activities Related to Scope of Services. The Scope of Services under this Agreement is intended to encompass activities subject to the provisions of Securities Exchange Act Section 15B and the rules of the SEC and MSRB thereunder relating to municipal advisory activities. However, the Issuer and HilltopSecurities acknowledge that in some cases the range of activities necessary or appropriate to provide the intended services hereunder in a fair, effective and efficient manner for the benefit of the Issuer may involve a combination of actions that consist of municipal advisory activities and actions that may not qualify as municipal advisory activities. Unless otherwise prohibited by Securities Exchange Act Section 15B or any rule of the SEC or MSRB thereunder, the fact that HilltopSecurities serves as municipal advisor to the Issuer in connection with a particular matter shall not prohibit HilltopSecurities from undertaking such necessary or appropriate non-municipal advisory activities in connection therewith, and the fact that HilltopSecurities undertakes such non-municipal advisory activities within the Scope of Services under this Agreement would not, by itself, cause such activities to become municipal advisory activities for purposes Securities Exchange Act Section 15B or any rule of the SEC or MSRB thereunder.

SECTION II TERM AND TERMINATION

A. Term of this Engagement. The term of this Agreement begins on the Effective Date and ends, unless terminated pursuant to paragraph B of this Section II, on the last day of the month in which the fifth anniversary date of the Effective Date shall occur (the "Original Termination Date"). Unless HilltopSecurities or the Issuer shall notify the other party in writing at least thirty (30) days in advance of the Original Termination Date that this Agreement will not be renewed, this Agreement will be automatically renewed on the Original Termination Date for an additional one (1) year period and thereafter will be automatically renewed on each anniversary date of the Original Termination Date for successive one (1) year periods unless HilltopSecurities or the Issuer shall notify the other party in writing at least thirty (30) days in advance of such successive anniversary date.

B. Termination of this Engagement. This Agreement may be terminated with or without cause by the Issuer or HilltopSecurities upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination. In the event of such termination, it is understood and agreed that only the amounts due HilltopSecurities for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.

SECTION III COMPENSATION, EXPENSES, LIABILITY AND OTHER FINANCIAL MATTERS

A. Compensation. The fees due to HilltopSecurities for the Municipal Advisory Services and any other services set forth in Appendix A hereto shall be as provided in **Appendix B** hereto. The Issuer has agreed to the compensation arrangements set forth in Appendix B and believes that they are reasonable and not excessive. If at any time the Issuer becomes concerned that, notwithstanding its initial belief that the compensation arrangements set forth in this Agreement are reasonable, the actual amount of compensation to be paid in accordance with such arrangements for any particular matter during the course of this engagement may potentially become excessive, the Issuer shall immediately notify HilltopSecurities in writing of its concern in that regard.

B. Expenses. HilltopSecurities shall be entitled to reimbursement of expenses incurred in connection with any services provided hereunder as set forth in Appendix B.

C. Third-Party Payments. The Issuer agrees that any request it makes to HilltopSecurities to make payments to any third party on its behalf (other than with any underwriter), whether pursuant to a fee-splitting arrangement or otherwise, shall be in writing and shall set forth the name of the recipient, the amount of payment, and a brief statement of the purpose of such payment. The Issuer agrees that the counter signature by HilltopSecurities of any such written request shall be satisfactory disclosure of such third-party payment or fee-splitting arrangement for purposes of MSRB Rule G-42(e)(i)(D) and shall, in the case of any such arrangements made after the Effective Date, serve as satisfactory written disclosure of any conflict of interest arising from such third-party payment or fee-splitting arrangement for purposes of MSRB Rule G-42(b)(i)(D) and (c)(ii).

D. No Custody of Issuer Funds. This engagement does not contemplate that HilltopSecurities receive deposit of or maintain custody of the Issuer's funds unless otherwise provided in Appendix A hereto.

E. **Limitation on Liability.** In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of HilltopSecurities or any of its associated persons, HilltopSecurities and its associated persons shall have no liability to the Issuer for any act or omission in the course of, or connected with, rendering services hereunder or for any error of judgment, mistake of law, or any loss arising out of any issuance of municipal securities, any municipal financial product or any other investment.

SECTION IV REQUIRED DISCLOSURES

A. **Disclosure of Conflicts of Interest and Information Regarding Legal or Disciplinary Events.** The Issuer hereby acknowledges receipt of, and has read and understands the content of, the Municipal Advisor Disclosure Statement, attached hereto as **Appendix C**, current as of the date of this Agreement, setting forth disclosures by HilltopSecurities of material conflicts of interest (the "Conflict Disclosures"), if any, and of any legal or disciplinary events required to be disclosed pursuant to MSRB Rule G-42(b) and (c)(ii). The Conflict Disclosures also describe how HilltopSecurities addresses or intends to manage or mitigate any disclosed conflicts of interest, as well as the specific type of information regarding, and the date of the last material change, if any, to the legal and disciplinary events required to be disclosed on Forms MA and MA-I filed by HilltopSecurities with the SEC.

B. **Waiver of Disclosed Conflicts of Interest.** By executing this Agreement, the Issuer hereby waives any conflicts of interest disclosed by HilltopSecurities in the Conflict Disclosures as of the date of this Agreement.

C. **Consent to Electronic Delivery of Disclosures.** By executing this Agreement, the Issuer consents, for the full term of this Agreement, to the electronic delivery of the Conflict Disclosures at no cost to the Issuer, in lieu of delivery of hard copy. The Conflict Disclosures may be delivered by email to the Issuer at [____], or at such other email address as the Issuer may hereafter provide in writing to HilltopSecurities.

SECTION V MISCELLANEOUS

A. **Choice of Law.** This Agreement shall be construed and given effect in accordance with the laws of the State of Texas.

B. **Binding Effect; Assignment.** This Agreement shall be binding upon and inure to the benefit of the Issuer and HilltopSecurities, their respective successors and assigns; provided however, neither party hereto may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

C. **Entire Agreement.** This instrument, including all appendices hereto, contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed by all parties hereto, subject to the provisions of paragraph D of Section I hereof.

Signature page follows

HILLTOP SECURITIES INC.

[ISSUER]

By: _____
Marti Shew, Managing Director

By: _____

Name _____

Title: _____

Date: _____

APPENDIX A
MUNICIPAL ADVISORY SERVICES

This Appendix A sets out the scope of the Municipal Advisory Services to be performed by HilltopSecurities pursuant to the Agreement, subject to the limitations in scope set out in paragraph C of Section I of the Agreement, and with the understanding that:

(a) Individual actions taken within this scope shall be consistent with any request or direction provided by an authorized representative of the Issuer or as HilltopSecurities determines to be necessary or appropriate in furtherance of any matter for which it serves as municipal advisor. However, not all listed activities will be appropriate, necessary or applicable to any particular matter subject to this Agreement.

(b) For purposes of this Agreement, an issuance of municipal securities (an "issuance") shall encompass any and all stages in the life of an issuance, from the pre-issuance planning stage to the repayment stage.

I. New Issuances of Municipal Securities. At the direction of or upon the request of the Issuer, HilltopSecurities shall provide advice to the Issuer on any new issuances, including reofferings of outstanding issuances that are treated for purposes of the federal securities laws and/or federal tax laws as new issuances, throughout the term of this Agreement. The activities to be performed by HilltopSecurities may include, depending on the specific circumstances of an issuance and any request or direction of the Issuer, one or more of the following:

Planning for New Issuance

1. ***Survey and Analysis.*** Surveying the financial resources of the Issuer in connection with its capacity to authorize, issue and service the contemplated issuance. This survey would be expected to include an analysis of any existing debt structure as compared with the existing and projected sources of revenues which may be pledged to secure payment of debt service and, where appropriate, would include a study of the trend of the assessed valuation, taxing power and present and future taxing requirements of the Issuer. In the event revenues of existing or projected facilities operated by the Issuer are to be pledged to repayment of the contemplated issuance, the survey would be expected to take into account any outstanding indebtedness payable from such revenues, additional revenues to be available from any proposed rate increases, and additional revenues resulting from improvements to be financed by the contemplated issuance, as projected by consulting engineers engaged by the Issuer.

2. ***Future Financings.*** In connection with the contemplated issuance, considering and analyzing future financing needs as projected by the Issuer's staff and consulting engineers or other experts, if any, engaged by the Issuer.

3. ***Recommendations.*** Making recommendations to the Issuer on the contemplated issuance, including such elements as the date of issue, interest payment dates, schedule of principal maturities, options for prepayment, security provisions, and such other provisions as may be appropriate.

4. ***Market Information.*** Advising the Issuer of HilltopSecurities' view of current bond market conditions, other related forthcoming bond issues and general information (including

applicable economic data) which might normally be expected to influence interest rates or bidding conditions relevant to setting an appropriate date and time for the sale of the issuance.

5. **Elections.** In the event it is necessary to hold an election to authorize the contemplated issuance, assisting in coordinating the assembly of such data as may be required for the preparation of necessary petitions, orders, resolutions, ordinances, notices and certificates in connection with the election, including assistance in the transmission of such data to the Issuer's bond counsel.

6. **Grant Funding.** Assist the Issuer with application for and arrangements for receipt of grant funding. HilltopSecurities agrees to perform the following duties normally performed by financial advisors and all other duties as, in our judgment, may be necessary or advisable: attend pre-application meetings and other meetings related to the project and preparing the application for financial assistance, assist in preparing the application for financial assistance, conduct a survey of financial resources, calculate total debt, calculate debt service reserve fund, review rate covenants, prepare proforma, provide advice on terms and conditions, work with counsel, arrange for rate studies (if necessary), coordinate closings, provide advice on market conditions, continuing disclosure services, review the impact on parity bonds and provide general services under Sections I and II if necessary.

7. **Loan or Principal Forgiveness Financing.** Assist the Issuer with application for and arrangement for receipt of principal forgiveness financing. HilltopSecurities agrees to perform the following duties normally performed by financial advisors and all other duties as, in our judgment, may be necessary or advisable: attend pre-application meetings and other meetings related to the project and preparing the application for financial assistance, assist in preparing the application for financial assistance, conduct a survey of financial resources, calculate total debt, calculate debt service reserve fund, review rate covenants, prepare proforma, provide advice on terms and conditions, work with counsel, arrange for rate studies (if necessary), coordinate closings, provide advice on market conditions, continuing disclosure services, review the impact on parity bonds and provide general services under Sections I and II if necessary.

Debt Management and Financial Implementation for New Issuance

8. **Method of Sale.** Evaluating the particular financing being contemplated, giving consideration to the complexity, market acceptance, rating, size and structure in order to make a recommendation as to an appropriate method of sale, and:

- a. If the issuance is to be sold by a competitive sale:
 - (1) Supervising the sale of the municipal securities;
 - (2) Disseminating information to prospective bidders, organizing such informational meetings as may be necessary, and facilitating prospective bidders' efforts in making timely submission of proper bids;
 - (3) Assisting the staff of the Issuer in coordinating the receipt of bids, the safekeeping of good faith checks and the tabulation and comparison of submitted bids;

(4) Advising the Issuer regarding the best bid and provide advice regarding acceptance or rejection of the bids; and

(5) Obtaining CUSIP numbers on behalf of the Issuer.

b. If the issuance is to be sold by negotiated sale:

(1) Recommending for the Issuer's final approval and acceptance one or more investment banking firms, as sole underwriter or as managers of an underwriting syndicate, for the purpose of negotiating the purchase of the municipal securities;

(2) Cooperating with and assisting any selected sole or managing underwriter and its counsel, as well as any disclosure counsel retained by the Issuer, in connection with the preparation of any preliminary or final official statement or offering memorandum. HilltopSecurities will cooperate with and assist the underwriters in the preparation of a bond purchase contract, an underwriters' agreement and other related documents;

(3) Assisting the staff of the Issuer in the safekeeping of any good faith checks and providing a cost comparison to the then-current market of expenses, interest rates and prices which are proposed by the underwriters;

(4) Advising the Issuer on the fairness of the price offered by the underwriters;

(5) Advising the Issuer in connection with any terms and conditions it may wish to establish with respect to order priorities and other similar matters relating to the underwriting of the new issuance;

(6) If the new issuance will have a retail order period, advising the Issuer on retail eligibility criteria and other features of the retail order period and reviewing information provided by the underwriters to the Issuer in connection with retail orders received; and

(7) At the request of the Issuer, reviewing required disclosures by underwriters to the Issuer relating to their role as underwriter, conflicts of interests, material terms and risks of the issuance, and any other matters, and providing any appropriate advice to the Issuer in connection with such disclosures.

9. ***Offering Documents for Competitive Offerings.*** Coordinating the preparation of the notice of sale and bidding instructions, preliminary official statement (including cooperating with and assisting any disclosure counsel retained by the Issuer), official bid form and such other documents as may be required and submitting all such documents to the Issuer for examination, approval and certification. After such examination, approval and certification, HilltopSecurities shall provide the Issuer with a supply of all such documents sufficient to its needs and distribute sets of the same to prospective bidders for the municipal securities. HilltopSecurities also shall provide copies of the final official statement to the winning bidder purchasing the municipal securities in the MSRB-designated electronic format and in accordance with the notice of sale and bidding instructions promptly after the Issuer approves the final official statement for distribution.

10. ***Credit Ratings.*** Making recommendations to the Issuer on the advisability of obtaining one or more credit ratings for the issuance and, when directed by the Issuer, coordinating the

preparation of such information as may be appropriate for submission to any rating agency. In those cases where the advisability of personal presentation of information to a rating agency may be indicated, HilltopSecurities will arrange for such personal presentations, utilizing such composition of representatives from the Issuer as may be approved or directed by the Issuer.

11. ***Trustee, Paying Agent, Registrar, Professionals and Other Transaction Participants.*** Upon request, providing advice to the Issuer in the selection of a trustee and/or paying agent/registrar, legal, accounting or other professionals, and other transaction participants relating to any issuance, and assisting in the negotiation of agreements pertinent to these services and the fees incident thereto.

12. ***Financial Publications.*** When appropriate, advising financial publications of the forthcoming sale of the municipal securities and providing them with all pertinent information.

13. ***Consultants.*** After consulting with and receiving directions from the Issuer, arranging for such reports and opinions of recognized independent consultants as may be appropriate for the successful marketing of the issuance.

14. ***Auditors.*** In the event formal verification by an independent auditor of any calculations incident to the issuance is required, making arrangements for such services.

15. ***Issuer Meetings.*** Attending meetings of the governing body of the Issuer, its staff, representatives or committees as requested when HilltopSecurities may be of assistance or service and matters within the scope of this engagement are to be discussed.

16. ***Printing.*** To the extent authorized by the Issuer, coordinating all work incident to printing or final production, physical or electronic, of the offering documents.

17. ***Bond Counsel.*** Maintaining liaison with bond counsel in the preparation of all legal documents pertaining to the authorization, sale and issuance of the municipal securities.

18. ***Delivery of the Municipal Securities.*** As soon as a bid for the purchase of a competitive issuance is accepted by the Issuer or the bond purchase contract for a negotiated issuance is signed by the Issuer, coordinating the efforts of all concerned to the end that the municipal securities may be delivered and paid for as expeditiously as possible and assisting the Issuer in the preparation or verification of final closing figures incident to the delivery of the municipal securities.

19. ***Debt Service Schedule; Authorizing Resolution.*** After the closing of the sale and delivery of the issuance, delivering to the Issuer a schedule of annual debt service requirements for the issuance and, in coordination with bond counsel, assuring that the paying agent/registrar and/or trustee has been provided with a copy of the authorizing ordinance, order or resolution.

20. ***Continuing Disclosure.*** Providing advice to the Issuer with regard to its continuing disclosure undertakings for its new issuances and its selection of a dissemination agent under its continuing disclosure undertakings; provided that, upon the mutual agreement of the Issuer and HilltopSecurities, HilltopSecurities may serve as dissemination agent under one or more of the Issuer's continuing disclosure undertakings upon such terms as the parties shall agree, with such service as dissemination agent being expressly excluded from the scope of this Agreement.

II. Baseline Advice on Outstanding Issuances of Municipal Securities. HilltopSecurities shall provide baseline on-going advice to the Issuer on any outstanding issuances throughout the term of this Agreement, which may include, depending on the specific circumstances of such issuance and any request or direction of the Issuer:

1. ***Exercising Calls.*** Providing advice and assistance to the Issuer with regard to exercising any calls of outstanding municipal securities unrelated to a refunding of such securities.
2. ***Refundings and Tender Offers.*** Providing advice to the Issuer with regard to opportunities for refundings of outstanding issuances or to make tender offers for outstanding issuances, whether by means of a new issuance, bank loans, or other funds of the Issuer, but not including serving as advisor in connection with the specific transaction through which such refunding or tender offer is effected. Transaction-based advice in connection with a specific new issuance of bonds to effectuate any such refunding or tender offer would be provided within the scope of Municipal Advisory Services for new issuances described in Section I above. Transaction-based advice in connection with a specific bank loan or other transaction to effectuate any such refunding or tender offer, other than by means of a new issuance of bonds would be provided pursuant to a separate agreement as described in Section IV below.
3. ***Continuing Disclosure.*** Providing advice to the Issuer with regard to continuing disclosure undertakings for outstanding issuances; processes, policies and procedures to comply with continuing disclosure undertakings; and coordination of continuing disclosure obligations arising from different continuing disclosure undertakings for its various issuances. However, the preparation of continuing disclosure documents, other than in the capacity of dissemination agent under a continuing disclosure undertaking, would be provided within the scope of other services described in Section V. below.

III. Particularized Services on Outstanding Issuances of Municipal Securities. HilltopSecurities may provide to the Issuer certain additional advisory or related services in connection with particular outstanding issuances or matters affecting multiple outstanding issuances throughout the term of this Agreement, which may include, depending on the specific circumstances of such issuance and any request or direction of the Issuer:

1. ***Other Post-Sale Services.*** Reviewing the transaction features and documentation of outstanding issuances with legal counsel for the Issuer, bond counsel, auditors and other experts and consultants retained by the Issuer and assisting in developing appropriate responses to legal processes, audit procedures, inquiries, internal reviews and similar matters, or other services related to one or more outstanding issuances as may be agreed to by the Issuer and HilltopSecurities.
2. ***Brokerage of Municipal Escrow Investments.*** At the request of the Issuer, brokering the purchase of municipal escrow investments in connection with a refunding of an outstanding issuance, together with any recommendations by HilltopSecurities (but not by Hilltop Securities Asset Management, LLC as an investment adviser) with respect to such brokerage.

IV. Services as Independent Registered Municipal Advisor (“IRMA”). At the written request of the Issuer, HilltopSecurities shall, as the Issuer’s IRMA, review and provide advice to the Issuer in connection with any recommendations, proposals, ideas or matters suggested or otherwise communicated by a third party to the Issuer with respect to the same aspects of the issuance of municipal securities or municipal financial products that are within the scope of Municipal Advisory Services. There are no aspects

of the issuance of municipal securities or municipal financial products that are outside the scope of Municipal Advisory Services set forth in this Appendix.

V. Other Services Relating to Municipal Securities. HilltopSecurities agrees to make available to the Issuer other services relating to municipal securities, when so requested by the Issuer and subject to the agreement by Issuer and HilltopSecurities regarding the specific requirements with respect to such services, which requirements shall be made part of the scope of Municipal Advisory Services and included in this Appendix as an amendment or addendum, which services may include, without limitation:

1. **Capital Improvement Programs.** Providing advice and assistance in the development of any capital improvement programs of the Issuer.
2. **Long-Range Planning.** Providing advice and assistance in the development of other long-range financing plans of the Issuer.
3. **Refundings and Tender Offers.** Providing advice and assistance in executing a refunding or tender offer of an outstanding issuance other than by means of refunding bonds, such as by means of a bank loan or other funds of the Issuer.
4. **Continuing Disclosure Documents.** Preparing and providing advice with regard to the content of continuing disclosure documents in compliance with the Issuer's continuing disclosure undertakings for its outstanding issuances, other than in the capacity of dissemination agent under a continuing disclosure undertaking.

* * * * *

As provided in paragraph D of Section I of the Agreement, amendments to this Appendix A may be effected by replacement of this Appendix A with a new version hereof or by the addition of an addendum to this Appendix A, and this Appendix A, as it may have been amended, shall be dated and effective as of the most recent of the date set forth in any such amendment or the date set forth in any addendum to this Appendix A.

**APPENDIX B
FORM AND BASIS OF COMPENSATION**

This Appendix B sets out the form and basis of compensation to HilltopSecurities for the Municipal Advisory Services provided under this Agreement as set forth in Appendix A; provided that the compensation arrangements set forth in this Appendix B shall also apply to any additional services hereafter added to the scope of the Municipal Advisory Services, unless otherwise provided in the amendment to the Agreement relating to such change in scope of Municipal Advisory Services as provided in paragraph D of Section I of the Agreement.

I. New Issuances of Municipal Securities. The fees due HilltopSecurities in connection with the Municipal Advisory Services set forth in Section I of Appendix A hereto for each new issuance of municipal securities, will not exceed those contained in our fee schedule as listed below:

\$XX,XXX	Base Fee	
plus \$X.XX per \$1,000	for the first	\$5,000,000 of securities issued/amount of proceeds
plus \$X.XX per \$1,000	for the next	\$5,000,000 of securities issued/amount of proceeds
plus \$X.XX per \$1,000	for the next	\$40,000,000 of securities issued/amount of proceeds
plus \$X.XX per \$1,000	thereafter	

The above charges shall be based on the greater of the municipal securities issued or the amount of proceeds generated.

The above charges shall be multiplied by 1.25 for an issuance of municipal securities for which HilltopSecurities participates in the completion of an application to a federal or state government agency or for the issuance of revenue bonds, refunding bonds or variable rate bonds, reflecting the additional services required.

The fees for Grant Funding and or Principal Forgiveness Financing due HilltopSecurities, separate from fees due to HilltopSecurities for delivery of bonds or other indebtedness, will be based on a flat fee, as listed below, for the portion of the grant funding or principal amount to be forgiven.

Pertaining to receiving total or combined funding, including any portions to be funded through delivery of bonds or loan agreement, in the approximate amounts up to \$XXX,XXX,XXX through the Texas Water Development Board Principal Forgiveness Programs, HilltopSecurities will charge a flat fee for either the Grant Funding and or Principal Forgiveness Financing portions, not to exceed \$XX,XXX.

The payment of charges as set forth in this Section I for new issuances shall be contingent upon the delivery of the new issuance and shall be due at the time that the municipal securities and/or principal forgiveness funds are delivered.

II. Baseline Advice on Outstanding Issuances of Municipal Securities. There shall be no additional fees due HilltopSecurities in connection with the Municipal Advisory Services set forth in Section II of Appendix A hereto, with the understanding that such services are integral to HilltopSecurities' engagement as municipal advisor to the Issuer and HilltopSecurities shall be compensated for such services through and as part of the fees paid for the other services provided by HilltopSecurities hereunder.

III. Particularized Services on Outstanding Issuances of Municipal Securities. In connection with Other Post-Sale Services described in Section III of Appendix A hereto, HilltopSecurities shall provide those services at no additional cost.

In connection with the brokerage of municipal escrow investments described in Section III of Appendix A hereto, HilltopSecurities shall charge a commission that is normal and customary for investments of that type under then-current market conditions and shall disclose such commission to the Issuer so that the Issuer may consider the information in making its investment decision.

IV. Third-Party Recommendations, Proposals, Ideas or Other Matters as IRMA. In connection with its review of and advice on third-party recommendations to Issuers as an IRMA as described in Section IV of Appendix A hereto, HilltopSecurities shall provide those services at no additional cost.

V. Other Services Relating to Municipal Securities. In connection with any services described in Section V of Appendix A hereto requested by the Issuer and agreed to by HilltopSecurities, the fees due with respect to any such services shall be as agreed to by the parties hereto, which terms shall be made part of the compensation provided under this Agreement and shall be included in this Appendix as an amendment or addendum hereto.

VI. Expenses. The Issuer shall be responsible for the following expenses in connection with the Municipal Advisory Services (including any additional services hereafter added to the scope of the Municipal Advisory Services), if and when applicable, whether they are charged to the Issuer directly as expenses or charged to the Issuer by HilltopSecurities as reimbursable expenses: bond counsel fees and expenses, bond printing costs, bond ratings fees and expenses, computer structuring costs, credit enhancement fees and expenses, accountant fees for verifications and related activities in connection with refundings, official statement preparation and printing, paying agent/registrar/trustee fees and expenses, travel expenses, underwriter and underwriter's counsel fees and expenses, and other miscellaneous expenses incurred by HilltopSecurities in the furtherance of any matter for which it serves as municipal advisor, including copy, delivery, phone and other charges normally incurred in connection with engagements of this type.

The Issuer agrees that any expense that it requests that HilltopSecurities pay to any third party on the Issuer's behalf shall be made in writing and shall be in accordance with paragraph C of Section III of the Agreement.

The payment of reimbursable expenses that HilltopSecurities has assumed on behalf of the Issuer shall NOT be contingent upon the delivery of a new issuance of municipal securities or the completion of any other transactions for which such expenses have been assumed and shall be due at the time that services are rendered and payable upon receipt of an invoice therefor submitted by HilltopSecurities, unless otherwise provided for in any amendment or addendum hereto in connection with the compensation arrangements for any services provided under the Agreement for which such amendment or addendum is required.

APPENDIX C
MUNICIPAL ADVISOR DISCLOSURE STATEMENT

This disclosure statement (“Conflict Disclosures”) is provided by **Hilltop Securities Inc.** (“the Firm”) to you (the “Client”) in connection with our current municipal advisory agreement, (“the Agreement”). These Conflict Disclosures provide information regarding conflicts of interest and legal or disciplinary events of the Firm that are required to be disclosed to the Client pursuant to MSRB Rule G-42(b) and (c)(ii).

PART A – Disclosures of Conflicts of Interest

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable.

Material Conflicts of Interest – The Firm makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under the Agreement with the Firm, together with explanations of how the Firm addresses or intends to manage or mitigate each conflict.

General Mitigations – As general mitigations of the Firm’s conflicts, with respect to all of the conflicts disclosed below, the Firm mitigates such conflicts through its adherence to its fiduciary duty to Client, which includes a duty of loyalty to Client in performing all municipal advisory activities for Client. This duty of loyalty obligates the Firm to deal honestly and with the utmost good faith with Client and to act in Client’s best interests without regard to the Firm’s financial or other interests. In addition, because the Firm is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of the Firm is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity, quality of service and strict adherence to its fiduciary duty. Furthermore, the Firm’s municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of the Firm potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

I. Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm’s advisory activities within the Scope of Services outlined in the Agreement. Hilltop Securities Asset Management (HSAM), a SEC-registered affiliate of the Firm, provides post issuance services including arbitrage rebate and treasury management. The Firm’s arbitrage team verifies rebate and yield restrictions on the investments of bond proceeds on behalf of clients in order to meet IRS restrictions. The treasury management division performs portfolio management/advisor services on behalf of public sector clients. The Firm, through affiliate Hilltop Securities Asset Management (HSAM), provides a multi-employer trust tailor-made for public entities which allows them to prefund Other Post-Employment Benefit liabilities. The Firm has a structured products desk that provides advice to help clients mitigate risk through investment management, debt management and commodity price risk management products. These products consist of but are not limited to swaps (interest rate, currency, commodity), options, repos, escrow structuring and other securities. Continuing Disclosure services provided by the Firm work with issuers to assist them in meeting disclosure requirements set forth in SEC rule 15c2-12. Services include but are not limited to ongoing maintenance of issuer compliance, automatic tracking of issuer’s annual filings and public notification of material events. The Firm administers government investment pools. These programs offer governmental entities

investment options for their cash management programs based on the entities specific needs. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

II. PlainsCapital Bank Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm's advisory activities within the Scope of Services outlined in the Agreement. Affiliate, PlainsCapital Bank, provides banking services to municipalities including loans and custody. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

III. Other Municipal Advisor or Underwriting Relationships. The Firm serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of Client. For example, the Firm serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to Client. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, the Firm could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of the Firm to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that the Firm serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair the Firm's ability to fulfill its regulatory duties to Client.

IV. Secondary Market Transactions in Client's Securities. The Firm, in connection with its sales and trading activities, may take a principal position in securities, including securities of Client, and therefore the Firm could have interests in conflict with those of Client with respect to the value of Client's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, the Firm or its affiliates may submit orders for and acquire Client's securities issued in an Issue under the Agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with Client in that it could create the incentive for the Firm to make recommendations to Client that could result in more advantageous pricing of Client's bond in the marketplace. Any such conflict is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by the Firm to Client under this Agreement.

V. Broker-Dealer and Investment Advisory Business. The Firm is dually registered as a broker-dealer and an investment advisor that engages in a broad range of securities-related activities to service its clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which

may include but are not limited to the buying and selling of new issue and outstanding securities and investment advice in connection with such securities, including securities of Client, may be undertaken on behalf of, or as counterparty to, Client, personnel of Client, and current or potential investors in the securities of Client. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of Client, such as when their buying or selling of Client's securities may have an adverse effect on the market for Client's securities, and the interests of such other clients could create the incentive for the Firm to make recommendations to Client that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from the firm effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by the Firm to Client.

VI. Compensation-Based Conflicts. Fees that are based on the size of the issue are contingent upon the delivery of the Issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for the Firm to recommend unnecessary financings or financings that are disadvantageous to Client, or to advise Client to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.

Fees based on a fixed amount are usually based upon an analysis by Client and the Firm of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by the Firm. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the Firm may suffer a loss. Thus, the Firm may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

Hourly fees are calculated with, the aggregate amount equaling the number of hours worked by Firm personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if Client and the Firm do not agree on a reasonable maximum amount at the outset of the engagement, because the Firm does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.

PART B – Disclosures of Information Regarding Legal Events and Disciplinary History

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, the Firm sets out below required disclosures and related information in connection with such disclosures.

I. Material Legal or Disciplinary Event. The Firm discloses the following legal or disciplinary events that may be material to Client's evaluation of the Firm or the integrity of the Firm's management or advisory personnel:

- For related disciplinary actions please refer to the Firm's [BrokerCheck](#) webpage.

- The Firm self-reported violations of SEC Rule 15c2-12: Continuing Disclosure. The Firm settled with the SEC on February 2, 2016. The firm agreed to retain independent consultant and adopt the consultant's finding. Firm paid a fine of \$360,000.
- The Firm settled with the SEC in matters related to violations of MSRB Rules G-23(c), G-17 and SEC rule 15B(c) (1). The Firm disgorged fees of \$120,000 received as financial advisor on the deal, paid prejudgment interest of \$22,400.00 and a penalty of \$50,000.00.
- The Firm entered into a Settlement Agreement with Rhode Island Commerce Corporation. Under the Settlement Agreement, the firm agreed to pay \$16.0 million to settle any and all claims in connection with The Rhode Island Economic Development Corporation Job Creation Guaranty Program Taxable Revenue Bond (38 Studios, LLC Project) Series 2010, including the litigation thereto. The case, filed in 2012, arose out of a failed loan by Rhode Island Economic Development Corporation. The firm's predecessor company, First Southwest Company, LLC, was one of 14 defendants. HilltopSecurities' engagement was limited to advising on the structure, terms, and rating of the underlying bonds. Hilltop settled with no admission of liability or wrongdoing.
- On April 30, 2019, the Firm entered into a Settlement Agreement with Berkeley County School District of Berkeley County, South Carolina. The case, filed in March of 2019, arose in connection with certain bond transactions occurring from 2012 to 2014, for which former employees of Southwest Securities, Inc., a predecessor company, provided financial advisory services. The Firm agreed to disgorge all financial advisory fees related to such bond transactions, which amounted to \$822,966.47, to settle any and all claims, including litigation thereto. Under the Settlement Agreement, the Firm was dismissed from the lawsuit with prejudice, no additional penalty, and with no admission of liability or wrongdoing.
- From July 2011 to October 2015, Hilltop failed to submit required MSRB Rule G-32 information to EMMA in connection with 122 primary offerings of municipal securities for which the Firm served as placement agent. During the period January 2012 to September 2015, the Firm failed to provide MSRB Rule G-17 letters to issuers in connection with 119 of the 122 offerings referenced above. From October 2014 to September 2015, the Firm failed to report on Form MSRB G-37 that it had engaged in municipal securities business as placement agent for 45 of these 122 offerings. This failure was a result of a misunderstanding by one branch office of Southwest Securities. Hilltop discovered these failures during the merger of FirstSouthwest and Southwest Securities and voluntarily reported them to FINRA. The Firm paid a fine of \$100,000 for these self-reported violations.
- In connection with a settlement on July 9, 2021, the U.S. Securities and Exchange Commission found that, between January 2016 and April 2018, the Firm bought municipal bonds for its own account from another broker-dealer and that, on occasion during that time period, the other broker-dealer mischaracterized the Firm's orders when placing them with the lead underwriter. The SEC found that, among other things, the Firm lacked policies and procedures with respect to how stock orders were submitted for new issues bonds to third parties, including the broker-dealer that mischaracterized the Firm's orders. The SEC found violations of MSRB Rules G-27, G-17, and SEC rule 15B(c)(1) and a failure to reasonably supervise within the meaning of Section 15(b)(4)(E) of the Securities Exchange Act of

1934. The Firm was censured and ordered to pay disgorgement of \$206,606, prejudgment interest of \$48,587 and a penalty of \$85,000.

- On August 14, 2024, the Securities and Exchange Commission (“SEC”) entered into a settlement order with Hilltop Securities Inc. (“Hilltop”) to settle an administrative action finding that Hilltop failed to (1) maintain and preserve off-channel communications related to Hilltop’s broker-dealer business, as well as related to recommendations made or proposed to be made and advice given or proposed to be given with respect to Hilltop’s investment advisory business; and (2) reasonably supervise its personnel with a view to preventing or detecting certain of its personnel’s aiding and abetting violations of certain provisions of the federal securities laws. Hilltop admitted to the facts in the settlement order, acknowledged its conduct violated the federal securities laws, and agreed to: (a) a cease-and-desist order, (b) a censure, (c) payment of a civil monetary penalty in the amount of \$1,600,000, and (d) certain undertakings related to the retention of electronic communications.

II. How to Access Form MA and Form MA-I Filings. The Firm’s most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC’s EDGAR system at [Forms MA and MA-I](#). The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by the Firms in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by the Firm on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org/>, and the Firm’s most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov/>. For purposes of accessing such BrokerCheck reports or Form ADV, click previous hyperlinks.

PART C – MSRB Rule G-10 Disclosure

MSRB Rule G-10 covers Investor and Municipal Advisory Client education and protection. This rule requires that municipal advisors make certain disclosures to all municipal advisory clients. This communication is a disclosure only and does not require any action on your part. The disclosures are noted below.

1. Hilltop Securities Inc. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a Municipal Advisor.
2. You can access the website for the Municipal Securities Rulemaking Board at www.msrb.org
3. The Municipal Securities Rulemaking Board has posted a municipal advisory client brochure. A copy of the brochure is attached to the memo. This link will take to you to the electronic version [MA Client Brochure](#)

PART D – Future Supplemental Disclosures

As required by MSRB Rule G-42, this Municipal Advisor Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of the Firm. The Firm will provide Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.

5. PROPOSED CONTRACT TERMS

Below are our typical contract terms for debt obligations to be sold to (and grant funding to be received from) the Texas Water Development Board:

*“Mayor and Members of the City Council
City of Denison, Texas
300 West Main Street
Denison, Texas 75020*

*Re: Request for Financial Assistance from the Texas Water Development Board
for the purpose of financing utility system improvements*

Honorable Mayor and City Council:

This letter is submitted to state our fees and describe the legal services of the undersigned law firm to be performed for the City of Denison, Texas (the “City”) with reference to the City’s request for financial assistance from the Texas Water Development Board (“TWDB”), which financial assistance may include the sale of debt obligations (the “Obligations”) to the TWDB and/or the receipt of grant or principal forgiveness funding (“Principal Forgiveness”, and together with any Obligations, the “Financial Assistance”) by the City from TWDB. We understand that the City has or will submit one or more requests for financial assistance from the TWDB for the purpose of planning, acquiring, designing and constructing, improvements to the City’s water and sewer utility infrastructure (the “Project”).

SCOPE OF ENGAGEMENT

(1) In this engagement, if the Financial Assistance involves the issuance of Obligations, we expect to perform the following duties as bond counsel with respect to the Obligations:

(a) Prepare all resolutions, ordinances, orders and other instruments pursuant to which the Obligations will be authorized, issued, delivered and secured, in cooperation and upon consultation with the City Council, its financial advisors and other consultants of the City.

(b) Attend meetings of the City Council with reference to the authorization and issuance of the Obligations to the extent required or requested.

(c) Cooperate with the City Council and all other interested parties in the sale of the Obligations to the TWDB.

(d) Supervise the execution of the Obligations, their approval by the Attorney General of Texas and registration by the Comptroller of Public Accounts of Texas, and the delivery thereof to the purchaser, the TWDB.

(e) When so delivered, give our objective approving opinion (our “Legal Opinion”) covering the validity of the Obligations and, if applicable, the exemption of

interest thereon from federal income taxes, it being understood that the approving opinion will be fully acceptable nationally in regular commercial investment banking bond marketing channels.

Our Legal Opinion will be delivered by us on the date the Obligations are exchanged for their purchase price (the "Closing"). The City will be entitled to rely on our Legal Opinion.

The Legal Opinion will be based on facts and law existing as of its date. In rendering our Legal Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the City with applicable laws relating to the Obligations. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Obligations and their security. We understand that you will direct members of your staff and other employees of the City to cooperate with us in this regard.

(2) In this engagement, if the Financial Assistance involves the receipt of Principal Forgiveness by the City from the TWDB, we expect to perform the following duties:

(a) Prepare all resolutions, ordinances and other instruments pursuant to which Principal Forgiveness will be authorized, executed and delivered, in cooperation and upon consultation with the City Council, its financial advisors and other consultants of the City.

(b) Review the grant agreement or Principal Forgiveness Agreement and provide comments as necessary or appropriate.

(c) Prepare an escrow agreement and other documentation regarding the escrow of Principal Forgiveness funds and assist the City in engaging a qualified escrow agent.

(d) Coordinate the execution and delivery of various Principal Forgiveness documents and the delivery thereof to the TWDB.

(3) Our duties in this engagement are limited to those expressly set forth above. Unless we are separately engaged in writing to perform other services, our duties do not include any other services, including the following:

(a) Preparing requests for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission.

(b) Drafting state constitutional or legislative amendments.

(c) Pursuing test cases or other litigation.

(d) Making an investigation or expressing any view as to the creditworthiness of the City or the Obligations.

(e) *Representing the City in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations.*

(f) *Except as described in subsection (1)(a) above, assisting in the preparation of, or opining on, a continuing disclosure undertaking pertaining to the Obligations or, after Closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking.*

(g) *After Closing, providing continuing advice to the City or any other party concerning any actions necessary to assure that interest paid on the Obligations will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the Obligations).*

(h) *Addressing any other matter not specifically set forth above that is not required to render our Legal Opinion.*

(i) *Issuing any legal opinion or assurance letter with respect to Principal Forgiveness funding.*

ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter, the City will be our client and an attorney-client relationship will exist between us. We further assume that all other parties in this transaction understand that we represent only the City in this transaction, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for in this letter; the City's execution of this engagement letter will constitute an acknowledgment of those limitations. Our representation of the City will not affect, however, our responsibility to render an objective Legal Opinion.

Our representation of the City and the attorney-client relationship created by this engagement letter will be concluded upon issuance of the Obligations. Nevertheless, when applicable and subsequent to Closing, we will mail the appropriate Internal Revenue Service Form 8038, prepare and distribute to the participants in the transaction a transcript of the proceedings pertaining to the Obligations.

TEXAS GOVERNMENT CODE VERIFICATIONS

As required by Chapters 2271 and 2252, and Section 2274.002 of the Texas Government Code, we hereby verify and certify that the firm, including any of its wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate, (a) does not and will not "boycott Israel" during the term of this Agreement, (b) is not a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code, (c) does not have a practice, policy, guidance, or directive that discriminates against a "firearm entity" or "firearm trade association", (d) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association, and (e) does not and will not boycott "energy companies" during the term of

this Agreement. Any defined terming in this paragraph is as defined in the Texas Government Code, as amended.

CONFLICTS

As you are aware, our firm represents many political subdivisions and investment banking firms, among others, who do business with political subdivisions. Our firm also represents the TWDB in the capacity as bond counsel. It is possible that during the time that we are representing the City, one or more of our present or future clients will have transactions with the City. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Obligations. We do not believe such representation, if it occurs, will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the Obligations and/or Principal Forgiveness so as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Obligations and/or Principal Forgiveness. Execution of this letter will signify the City's consent to our representation of others consistent with the circumstances described in this paragraph.

FIRM NOT A MUNICIPAL ADVISOR

As a consequence of the adoption of Rule 15Ba1-1 pursuant to the Securities Exchange Act of 1934 (the "Municipal Advisor Rule"), which has been promulgated by the Securities and Exchange Commission as a result of the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), we hereby inform the City that we are not a "Municipal Advisor" within the meaning of the Municipal Advisor Rule or the Dodd-Frank Act (collectively, the "MA Rule"). In the course of performing our services as Bond Counsel in this transaction, we may engage in analysis, discussion, negotiation, and advice to the City regarding the legal ramifications of the structure, timing, terms, and other provisions of the financial transaction that culminates with the planned issuance of the Obligations, and such services and advice may be essential to the development of the plan of finance for the issuance of the Obligations. In turn, these services become, among other things, the basis for the transaction's basic legal documents, the preparation and delivery of the official statement or any other disclosure document that describes the material terms and provisions of the transaction, if an offering document is used in the offering of the Obligations, the preparation of the various closing certificates that embody the terms and provisions of this transaction and the preparation and delivery of our Legal Opinion. Moreover, legal advice and services of a traditional legal nature in the area of municipal finance inherently involve a financial advice component; but we hereby advise the City that while we have expertise with respect to the legal aspects relating to the issuance of municipal securities, we are not "financial advisors" or "financial experts" in a manner that would subject us to the provisions of the MA Rule. As Bond Counsel, we provide only legal advice, not purely financial advice that is not inherent in our legal advice to the City. The City should seek the advice of its financial

advisor with respect to the financial aspects of the issuance of the Obligations. By signing this engagement letter, the City acknowledges receipt of this information, and evidences its understanding of the limitations of our role to the City as Bond Counsel with respect to the MA Rule, as discussed in this paragraph.

FEES

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing represented by the Financial Assistance; (ii) the duties we will undertake pursuant to this engagement letter with respect to the Financial Assistance; (iii) the time we anticipate devoting to the financing represented by the Financial Assistance; and (iv) the responsibilities we will assume in connection therewith, our fee for serving in the capacity of bond counsel with respect to the Financial Assistance will be \$

_____ ; provided that there shall be a minimum fee of \$ _____ for each series of Obligations issued. In addition to the foregoing, we will be reimbursed for our out-of-pocket expenses reasonably and necessarily incurred in connection with the Financial Assistance (e.g., electronic research, photocopying, shipping, telecommunication, travel, and other similar expenses), and said fee and expenses will be payable at the time of the initial receipt of such Financial Assistance by the City. Fees for any special services not normally included in the legal services performed by bond counsel will be negotiated between the City and the undersigned. Additionally, the City agrees to reimburse us for the statutory filing fee required to be paid to the Office of the Attorney General with respect to any Obligations, if our firm has advanced such fee on behalf of the City.

We will charge a separate, hourly fee (calculated in ¼-hour increments) for any legal work done in connection with any Principal Forgiveness received by the City from the TWDB. The City shall pay our firm for each hour of work performed with respect to Principal Forgiveness according to the following schedule:

Partners: \$ _____ per hour

Associates: \$ _____ per hour

In addition to such hourly fees, we will be reimbursed for our out-of-pocket expenses reasonably and necessarily incurred in connection with any Principal Forgiveness (e.g., electronic research, photocopying, shipping, telecommunication, travel, and other similar expenses), and said fees and expenses will be payable at the time of the initial delivery of Principal Forgiveness funds to the City; provided, however, that so long as Obligations are actually delivered and our fees and expenses with respect to our services performed as bond counsel to the City are paid as set forth in the first paragraph of this section F., we will not invoice the City for hourly fees in connection with Principal Forgiveness funding.

In the event that the resolution of the TWDB granting the City's request for Financial Assistance provides for 100% Principal Forgiveness funding for the Project ("100%

Principal Forgiveness”), the City may not be able to pay our fees and expenses from such funds. Thus, the City hereby agrees to pay our fees and expenses with respect to 100% Principal Forgiveness from the City’s other revenues.

TERM

The term of this agreement shall begin as of January 1, 2025 and will expire on December 31, 2027. At the expiration of the initial three-year term, this agreement shall continue from month-to-month unless and until terminated by either party or superseded by a new agreement. This agreement shall be terminable at will by either of the parties upon giving the other party ninety (90) days written notice of such termination.

RECORDS

At your request, papers and property furnished by you will be returned promptly upon receipt of payment for outstanding fees and client charges. Our own files, including lawyer work product, pertaining to the transaction will be retained by us. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to dispose of any documents or other materials retained by us after the termination of this engagement.

If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement letter dated and signed by an authorized officer, retaining the original for your files. We look forward to working with you. With best wishes, I am

Very truly yours,

McCall, Parkhurst & Horton L.L.P.”

City Council Meeting Staff Report



Agenda Item

Receive a report, hold a discussion, and take action on entering into a Contract with McCall, Parkhurst & Horton (Contract No. 2025-0025) to provide legal assistance with loans through the Texas Water Development Board, and authorize the Interim City Manager to execute the same.

Staff Contact

Laurie Alsabbagh, Director of Finance
lalsabbagh@denisontx.gov
903-465-2720 EXT 2492

Summary

- In July 2024, the City was awarded financial assistance through the Texas Water Development Board for a ten million dollar low interest loan with a 51% loan forgiveness option.
- On January 9th and January 16th, publications were posted soliciting proposals and statements of qualifications for bond counsel services for assistance and legal opinion regarding the funding.
- Proposals were opened and reviewed on February 17, 2025, and a selection was made by a three-member committee.

Staff Recommendation

Staff recommends approval entering into an agreement with McCall, Parkhurst & Horton.

Recommended Motion

“I move to approve entering into a Contract with McCall, Parkhurst & Horton (Contract No. 2025-0025) to provide Bond Counsel services to assist with financing through the Texas Water Development Board and authorize the Interim City Manager to execute the same.”

Background Information and Analysis

The City of Denison was awarded financial assistance through the Texas Water Development Board in July 2024. City staff sought proposals from qualified firms to provide all necessary management and administrative services related to financing. On January 9th and 16th, 2025, the City posted Request for Proposals (RFP) for Bond Counsel Services. A committee of three members of the Accounting team selected the applicant best suited to assist with this project.

Financial Considerations

Fees for Bond Counsel services will be paid from the loan proceeds.

Prior Board or Council Action

Council approved the publication of the notice of intent for the certificates that will be funded through the Texas Water Development Board.

Alternatives

If Council denies this item, then the City will need to pay for bond counsel services from fund balance rather than through bond proceeds.

City Council Meeting Staff Report



March 03, 2025
Regular Council Meeting

Agenda Item

Receive a report, hold a discussion, and take action on awarding a bid and entering into a contract with SYB Construction Co. Inc. (Contract No. 2025-0026) for on-call pipeline maintenance and repair services for an amount not to exceed \$1,831,525.00 and authorize the Interim City Manager to execute all related documents.

Staff Contact

Ervin Pariera, Assistant Director of Public Works
epariera@cityofdenison.com
903-465-2720 x 2442

Summary

- The proposed bid contract with SYB Construction Co. Inc. will provide on-call pipeline maintenance and repair services for the remainder of FY2025 and all FY2026.
- The proposed maintenance and repair contract services will apply to all water, sewer, and stormwater pipeline infrastructure within City limits.
- The total not to exceed contract price is \$1,831,525.00 and all work authorized through the contract will be within budgetary limitations.

Staff Recommendation

Staff recommend approval of the proposed contract with SYB Construction Co. Inc.

Recommended Motion

“I move to award the bid and enter into a contract with SYB Construction Co. Inc (Contract No. 2025-0026) for on-call pipeline maintenance and repair services for an amount not to exceed \$1,831,525.00 and authorize the Interim City Manager to execute all related documents.”

Background Information and Analysis

Water, sewer, and stormwater pipeline maintenance and repairs are currently being handled by Public Works Utilities division staff. Any work above and beyond staff ability to complete, due to resource limitations or size of scope, is bid and awarded on an individual basis. The scope of the proposed contract would provide an additional resource for staff for on-call pipeline maintenance and repairs that cannot be completed in-house due to resource constraints or when a project is an emergency repair. The contract would allow staff to call on the bid contractor directly to expedite repairs. Each mobilization by the bid contractor will be authorized and approved at the required management level in advance and all work performed will be within budgetary limitations. Scope of the bid contract includes various repair and maintenance services including, but not limited to, water pipelines up to 24” in diameter, sewer stormwater pipelines up to 42” in diameter, sewer manhole repair and rehabilitations, water and sewer tap services, sanitary sewer overflow cleanup, and sewer bypass pumping.

The bid contract was publicly advertised and closed on February 5, 2025, with one viable bid received from SYB Construction Co. Inc. The term of the bid contract is March 2025 through September 2026. The contract total is a not to exceed dollar amount. Payments made to the contractor will be based on the contract pricing for labor, materials, and equipment used to complete individual projects. The City is not obligated to the contractor for the not to exceed amount.

Financial Considerations

Projects completed as part of this contract will be funded within the respective department budgets, including the General Fund and Utility Fund.

Prior Board or Council Action

None.

Alternatives

Council may deny or table the item.

**PIPELINE MAINTENANCE & REPAIR
PROPOSALS**

Opening: February 5, 2025 – 2:00 PM

BIDDER	BID BOND	COI	TOTAL BID
SYB Construction Co., Inc. 421 Compton Irving, TX 75061	✓	✓	\$1,831,525.00

City Council Meeting Staff Report



March 3, 2025

Agenda Item

Receive a report, hold a discussion and take action on an ordinance considering all matters incident and related to the issuance, sale and delivery of “City of Denison, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2025A;” authorizing the issuance of said Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject.

Staff Contact

Laurie Alsabbagh, Finance Director
lalsabbagh@denisontx.gov
903-465-2720 EXT 2492

Summary

- Projects to be covered under this issuance include Water & Sewer improvements, D3 phase II Streetscape, Design costs for Fire Station 1 Remodel and Fire Station 4 Construction, and Repairs to Waterloo Pool.
- Resolution for Publication of Notice of Intent was adopted by Council on November 18, 2024.
- Notices were published in the Herald Democrat newspaper on November 24, 2024 and December 1, 2024, and posted on the City’s website.
- Bond sale was originally scheduled for approval at the City Council meeting on February 17, 2025 but was tabled to a later meeting.

Staff Recommendation

Staff recommends approval of the ordinance.

Recommended Motion

“I move to approve the ordinance authorizing the issuance of the City's Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2025A, approving and authorizing instruments and procedures relating to said Certificates and enacting other provisions relating to the subject.”

Background Information and Analysis

During the FY2025 budget process, staff brought before Council various needed projects including the multi-year capital improvement plan. The City must issue combination tax and revenue certificates of obligation in order to fund these projects. Projects include water & sewer improvements, D3 phase II Streetscape, design costs for Fire Station 1 remodel and Fire Station 4 construction, and repairs to Waterloo pool.

Staff published the required notices on two separate occasions in the Herald Democrat and also posted notice on the City’s website, as required by law. The bond sale was originally scheduled for approval at the City Council meeting on February 17, 2025 but was tabled to a later meeting.

Financial Considerations

Principal amount of Bonds to be issued will not exceed \$53,000,000.

Prior Board or Council Action

On November 18, 2024, Council adopted a resolution directing the publication of notice of intention to issue the combination tax and revenue certificates of obligation.

Alternatives

If the ordinance to issue the Certificates is denied, then projects will be halted and any expenses already incurred will be paid from fund balance of the operating funds.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF DENISON:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The Certificates of Obligation of the City of Denison, Texas (the "Issuer") are hereby authorized to be issued and delivered in the aggregate principal amount of [\$48,865,000], for the purpose of paying all or a portion of the Issuer's contractual obligations incurred in connection with (i) constructing, installing, acquiring and equipping additions, extensions and improvements to the Issuer's waterworks and sewer system, and the acquisition of land and interests in land for such projects; (ii) constructing and improving streets, including sidewalks, landscaping, streetscaping, lighting, drainage, utility line relocations and the acquisition of land and rights-of-way therefor; (iii) acquiring, constructing, renovating, installing and equipping fire stations; (iv) acquiring, constructing, renovating, installing and equipping municipal parks; and (v) legal, fiscal, design and engineering fees in connection with such projects (collectively, the "Projects") and the Certificates of Obligation.

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF CERTIFICATES. Each certificate issued pursuant to this Ordinance shall be designated: "CITY OF DENISON, TEXAS COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATE OF OBLIGATION, SERIES 2025A," and initially there shall be issued, sold, and delivered hereunder one fully registered certificate, without interest coupons, dated the date of delivery, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1 (the "Initial Certificate"), with certificates issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the Initial Certificate being made payable to the Purchaser as described in Section 10 hereof), or to the registered assignee or assignees of said Certificates or any portion or portions thereof (in each case, the "Registered Owner"), and said Certificates shall mature and be payable serially on February 15 in each of the years and in the principal amounts, respectively, and shall bear interest from the dates set forth in the FORM OF CERTIFICATE set forth in Section 4 of this Ordinance to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2026			2036		
2027			2037		
2028			2038		
2029			2039		
2030			2040		
2031			2041		
2032			2042		
2033			2043		
2034			2044		
2035			2045		

The term "Certificates" as used in this Ordinance shall mean and include collectively the certificates of obligation initially issued and delivered pursuant to this Ordinance and all substitute certificates of obligation exchanged therefor, as well as all other substitute certificates of obligation and replacement certificates of obligation issued pursuant hereto, and the term "Certificate" shall mean any of the Certificates.

Section 3. CHARACTERISTICS OF THE CERTIFICATES.

(a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the principal corporate trust office of U.S. Bank Trust Company, National Association, Dallas, Texas, (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Certificate or Certificates. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE set forth in this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

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

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

(c) In General. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the Registered Owners thereof, (ii) may or shall be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 45 days prior to any such redemption date), (iii) may be converted and exchanged for other Certificates, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth in this Ordinance. The Initial Certificate is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange for any Certificate or Certificates issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Certificate, in the form set forth in the FORM OF CERTIFICATE.

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

(e) Authentication. 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 in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Paying Agent/Registrar's Authentication Certificate on all of the Certificates. In lieu of the executed Paying Agent/Registrar's Authentication Certificate described above, the Initial Certificate delivered on the closing date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller or by her duly authorized agent, which certificate shall be evidence that the Initial Certificate has been duly approved by the Attorney General and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller.

(f) Book-Entry-Only System. The Certificates issued in exchange for the Initial Certificate shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and except as

provided in subsection (g) hereof, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Registered Owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

The previous execution and delivery of the Blanket Issuer Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Certificates.

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

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

(i) Cancellation of Initial Certificate. On the closing date, the Initial Certificate, representing the entire principal amount of the Certificates, payable in stated installments to the purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro Tem and City Clerk of the Issuer, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to such purchaser or its designee. Upon payment for the Initial Certificate, the Paying Agent/Registrar shall cancel the Initial Certificate and deliver to DTC on behalf of such purchaser one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all of the Certificates for such maturity. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Certificates in safekeeping for DTC.

(j) Conditional Notice of Redemption. With respect to any optional redemption of the Certificates, unless the prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Issuer shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

Section 4. FORM OF CERTIFICATES. The form of the Certificates, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Comptroller's Registration Certificate to be attached to the Certificates initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

(a) [Form of Certificate]

NO. R-	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF DENISON, TEXAS COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATE OF OBLIGATION SERIES 2025A	PRINCIPAL AMOUNT \$ _____
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Interest Rate	Delivery Date	Maturity Date	CUSIP No.
	March 19, 2025	February 15, ____	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

ON THE MATURITY DATE specified above, the City of Denison, Texas in Grayson County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date specified above at the Interest Rate per annum specified above. Interest is payable on February 15, 2026 and semiannually on each August 15 and February 15 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

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

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Certificate for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the Registered Owner of this Certificate that on or before each principal payment date, interest payment date, and accrued interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Certificate Ordinance, the

amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

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

THIS CERTIFICATE is one of a series of Certificates dated the date of delivery, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of [\$48,865,000] for the purpose of paying all or a portion of the Issuer's contractual obligations incurred in connection with (i) constructing, installing, acquiring and equipping additions, extensions and improvements to the Issuer's waterworks and sewer system, and the acquisition of land and interests in land for such projects; (ii) constructing and improving streets, including sidewalks, landscaping, streetscaping, lighting, drainage, utility line relocations and the acquisition of land and rights-of-way therefor; (iii) acquiring, constructing, renovating, installing and equipping fire stations; (iv) acquiring, constructing, renovating, installing and equipping municipal parks; and (v) legal, fiscal, design and engineering fees in connection with such projects and the Certificates.

ON FEBRUARY 15, 2034, or on any date thereafter, the Certificates of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Certificates, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Certificate may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

[THE CERTIFICATES scheduled to mature on February 15 in the years [20__] and [20__] (the "Term Certificates") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund for the Certificates, on the dates and in the respective principal amounts, set forth in the following schedule:

Term Certificate Maturity: February 15, [20__]		Term Certificate Maturity: February 15, [20__]	
Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount
February 15, 20__	\$	February 15, 20__	\$
February 15, 20__		February 15, 20__	
February 15, 20__		February 15, 20__	
February 15, 20__		February 15, 20__	
February 15, 20__ (maturity)		February 15, 20__ (maturity)	

The principal amount of Term Certificates of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Certificates of the same maturity which, at least 45 days prior to a mandatory redemption date (1) shall have been acquired by the Issuer at

a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.]

AT LEAST 30 days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the Registered Owner of each Certificate to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure of the Registered Owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Certificates or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Certificate Ordinance.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Certificates called for redemption, such notice may state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date or any prerequisite set forth in such notice of redemption. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received or such prerequisites were not met and shall rescind the redemption.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Certificate Ordinance, this Certificate may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Certificates, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The Form of Assignment printed or endorsed on this Certificate may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be

used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Certificate have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest 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 said Issuer, and have been pledged for such payment, within the limit prescribed by law; and that this Certificate is additionally secured by and payable from a limited pledge, not to exceed \$1,000, of the Surplus Revenues of the Issuer's waterworks and sewer system (the "System") remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) which are payable from all or any part of the revenues of the System, all as provided in the Certificate Ordinance.

THE ISSUER HAS RESERVED THE RIGHT to issue, in accordance with law, and in accordance with the Certificate Ordinance, other and additional obligations, and to enter into contracts, payable from ad valorem taxes and/or revenues of the Issuer's System, on a parity with, or with respect to said revenues, superior in lien to, this Certificate.

THE ISSUER HAS RESERVED THE RIGHT to amend the Certificate Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the Registered Owners of a majority in aggregate principal amount of the outstanding Certificates.

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

IN WITNESS WHEREOF, the Issuer has caused this Certificate to be signed with the manual or facsimile signature of the Mayor of the Issuer (or in the Mayor's absence, of the Mayor Pro Tem) and countersigned with the manual or facsimile signature of the City Clerk of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Certificate.

(signature)

(signature)

City Clerk

Mayor

(SEAL)

[INSERT BOND INSURANCE LEGEND, IF ANY]

(b) [Form of Paying Agent/Registrar's Authentication Certificate]

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Certificate is not accompanied by an executed Comptroller's Registration Certificate)

It is hereby certified that this Certificate has been issued under the provisions of the Certificate Ordinance described in the text of this Certificate; and that this Certificate has been issued in conversion or replacement of, or in exchange for, a certificate, certificates, or a portion of a certificate or certificates of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION
Dallas, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

(c) [Form of Assignment]

ASSIGNMENT

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

Please insert Social Security or Taxpayer Identification Number of Transferee

(Please print or typewrite name and address, including zip code, of Transferee.)

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Certificate in every

securities transfer association recognized particular, without alteration or enlargement or signature guarantee program. any change whatsoever.

(d) [Form of Comptroller's Registration Certificate]

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

Witness my signature and seal this

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) [Initial Certificate Insertions]

(i) The Initial Certificate shall be in the form set forth in paragraph (a) of this Section, except that:

A. immediately under the name of the Certificate, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"THE CITY OF DENISON, TEXAS, in Grayson County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years	Principal Installments (\$)	Interest Rates (%)
_____	_____	_____

(Information from Section 2 to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date at the respective Interest Rate per annum specified above. Interest is payable on February 15, 2026, and semiannually on each August 15 and February 15 thereafter to the date of payment of the principal installment specified above; or the date of redemption prior to maturity; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided,

however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full."

C. The Initial Certificate shall be numbered "T-1."

Section 5. INTEREST AND SINKING FUND; SURPLUS REVENUES.

(a) A special Interest and Sinking Fund (the "Interest and Sinking Fund") is hereby created solely for the benefit of the Certificates, and the Interest and Sinking Fund shall be established and maintained by the Issuer at an official depository bank of the Issuer. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the Issuer, and shall be used only for paying the interest on and principal of the Certificates. All ad valorem taxes levied and collected for and on account of the Certificates, together with any accrued interest received upon sale of the Certificates, shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Certificates or interest thereon are outstanding and unpaid, the governing body of the Issuer shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Certificates as such interest becomes due, and to provide and maintain a sinking fund adequate to pay the principal of its Certificates as such principal matures or is scheduled for redemption (but never less than 2% of the original principal amount of the Certificates as a sinking fund each year). Said tax shall be based on the latest approval tax rolls of the Issuer, with full allowance being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the Issuer for each year while any of the Certificates or interest thereon are outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Certificates, as such interest comes due and such principal matures or is scheduled for redemption, are hereby pledged for such payment, within the limit prescribed by law.

(b) The Certificates are additionally secured by a limited pledge, not to exceed \$1,000, of surplus revenues of the Issuer's waterworks and sewer system that remain after the payment of all maintenance and operation expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) which are secured by a lien on all or any part of the net revenues of the Issuer's waterworks and sewer system, constituting "Surplus Revenues". The Issuer shall deposit such Surplus Revenues to the credit of the Interest and Sinking Fund created pursuant to subsection (a) of this Section, to the extent necessary to pay the principal and interest on the Certificates. Notwithstanding the requirements of subsection (a) of this Section, if Surplus Revenues or other lawfully available moneys of the Issuer are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to subsection (a) of this Section may be reduced to the extent and by the amount of the Surplus Revenues or other lawfully available funds then on deposit in the Interest and Sinking Fund.

(c) Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Certificates are outstanding and unpaid, the result of such amendment being that the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the Registered Owners of the Certificates a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas

law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 6. DEFEASANCE OF CERTIFICATES.

(a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged or the limited pledge of Surplus Revenues as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the Issuer will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such Defeased Certificates, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates that is made in conjunction with the payment arrangements specified in Subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the Registered Owners of the Defeased Certificates immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

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

(c) The term " Defeasance Securities" means any securities and obligations now or hereafter authorized by state law that are eligible to discharge obligations such as the Certificates, including (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America., (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the

agency or instrumentality and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

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

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

Section 7. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES.

(a) Replacement Certificates. In the event any outstanding Certificate is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new Certificate of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

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

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

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

(e) Authority for Issuing Replacement Certificates. In accordance with Section 1206.022, Texas Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement Certificate without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such Certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor of the Issuer is hereby authorized to have control of the Initial Certificate and all necessary records and proceedings pertaining to the Initial Certificate pending its delivery and its investigation, examination, and approval by the Attorney General, and its registration by the Comptroller. Upon registration of the Initial Certificate said Comptroller (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificate, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Certificates issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Certificates. In addition, if bond insurance is obtained, the Certificates may bear an appropriate legend as provided by the insurer.

(b) The obligation of the Purchaser to accept delivery of the Certificates is subject to the Purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Certificates to the Purchaser. The engagement of such firm as bond counsel to the Issuer in connection with the issuance, sale and delivery of the Certificates is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Mayor or Mayor Pro Tem, and the Mayor or Mayor Pro Tem is hereby authorized to execute such engagement letter.

Section 9. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

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

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

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

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

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

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

(A) proceeds of the Certificates invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the rules and regulations of the United States Department of the Treasury ("Treasury Regulations"), and

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

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

(8) to refrain from using the proceeds of the Certificates or proceeds of any prior bonds 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 (relating to advance refundings);

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

(10) to assure that the proceeds of the Certificates will be used solely for new money projects.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(9), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Rebate

Fund shall not be subject to the claim of any other person, including without limitation the holders of the Certificates. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. For purposes of the foregoing covenants (a)(1) and (a)(2), the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the United States Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Certificates, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Certificates, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor, the Mayor Pro Tem, the City Manager or the Finance Director of the Issuer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Projects on its books and records in accordance with the requirements of the Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired. The Issuer agrees to obtain the advice of nationally recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Certificates. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

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

(f) Reimbursement. This Ordinance is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

Section 10. SALE OF CERTIFICATES AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES.

(a) The Initial Certificate is hereby sold and shall be delivered to [PURCHASER] (the "Purchaser") for cash for the par value thereof plus accrued interest thereon to date of delivery plus a cash premium of [\$_____]. It is hereby officially found, determined, and declared that the Initial Certificate has been sold at public sale to the bidder offering the lowest interest cost, after receiving sealed bids pursuant to an Official Notice of Sale and Preliminary Official Statement dated [February 24, 2025], prepared and distributed in connection with the sale of the Initial Certificate. It is further officially found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable. Said Official Notice of Sale and Preliminary Official Statement and any addenda, supplement, or amendment thereto have been and are hereby approved by the governing body of the Issuer, and their use in the offer and sale of the Certificates is hereby approved. It is further officially found, determined, and declared that the statements and representations contained in said Official Notice of Sale and Preliminary Official Statement are true and correct in all material respects, to the best knowledge and belief of the governing body of the Issuer. The Initial Certificate shall be registered in the name of [PURCHASER].

(b) The Issuer hereby approves the form and content of the Official Statement relating to the Certificates and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the offer and sale of the Certificates in final form, with such changes therein or additions thereto as the officer approving the same may deem advisable. The distribution and use of the Preliminary Official Statement dated February 24, 2025, prior to the date hereof is hereby ratified and confirmed.

(c) The Mayor and Mayor Pro Tem, the City Manager, the City Clerk and the Finance Director of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other certificates and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Certificates, the sale of the Certificates and the Official Statement. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 11. INTEREST EARNINGS ON CERTIFICATE PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Certificates issued for the Projects shall be used along with other Certificate proceeds for the Projects; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on Certificate proceeds that are required to be rebated to the United States of America pursuant to Section 9 hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 12. CONSTRUCTION FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund to be entitled the "Series 2025A Certificates of Obligation Construction Fund" (the "Construction Fund") for use by the Issuer for payment of all lawful costs associated with the acquisition and construction of the Projects as hereinbefore provided. Upon payment of all such costs, any moneys remaining on deposit

in said fund shall be transferred to the Interest and Sinking fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 5 of this Ordinance.

(b) The Issuer may invest proceeds of the Certificates (including investment earnings thereon) issued for the Projects and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Issuer hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued.

(c) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

Section 13. COMPLIANCE WITH RULE 15c2-12.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"*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) a guarantee of (i) or (ii); provided however, that a "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.

"*MSRB*" means the Municipal Securities Rulemaking Board.

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

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

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in a designated electronic format as prescribed by the MSRB, financial information and operating data (the "Annual Operating Report") with respect to the Issuer of the general type included in the final Official Statement authorized by Section 10 of this Ordinance, being the information described in Exhibit A hereto. The Issuer will additionally provide financial statements of the Issuer ("Financial Statements"), that will be (1) prepared in accordance with the accounting principles described in Exhibit A hereto, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and shall be in substantially the form included in the final Official Statement, and (2) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. The Issuer will update and provide the Annual Operating Report within six months after the end of each fiscal year and the Financial Statements within 12 months of the end of each fiscal year, in each case beginning with the fiscal year ending in and after 2024. The Issuer may provide the Financial Statements earlier, including at the time it provides its Annual Operating Report, but if the audit of such Financial Statements is not completed within 12 months after any such fiscal year end, then the Issuer shall provide unaudited Financial Statements within such 12-month period, and audited Financial Statements for the applicable fiscal year to the MSRB, when and if the audit report on such Financial Statements becomes available. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(ii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

(c) Event Notices.

(i) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates, if such event is material within the meaning of the federal securities laws:

1. Non-payment related defaults;
2. Modifications to rights of holders of the Certificates;
3. Certificate calls;
4. Release, substitution, or sale of property securing repayment of the Certificates;
5. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;
6. Appointment of a successor or additional paying agent or the change of name of a paying agent; and
7. Incurrence of a Financial Obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders.

(ii) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates, without regard to whether such event is considered material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701BTEB) or other material notices or determinations with respect to the tax-exempt status of the Certificates, or other material events affecting the tax-exempt status of the Certificates;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the Issuer, which shall occur as described below; and

10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, any event described in clause (9) of the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, 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 Issuer.

(iii) The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide annual financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) Limitations, Disclaimers, and Amendments.

(i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes the Certificates no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the Registered 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 Issuer 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 Issuer'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 Issuer 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.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED 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 ISSUER, WHETHER NEGLIGENT 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.

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) The provisions of this Section may be amended by the Issuer 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 Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the Registered Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the Registered Owners and beneficial owners of the Certificates. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 14. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Certificates aggregating in principal amount a majority of the aggregate principal amount of then outstanding Certificates that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Certificates, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Certificates so as to:

- (1) Make any change in the maturity of any of the outstanding Certificates;
- (2) Reduce the rate of interest borne by any of the outstanding Certificates;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates;

(4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment; or

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

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to each Registered Owner of the affected Certificates a copy of the proposed amendment. Such notice shall briefly set forth the nature of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least a majority in aggregate principal amount of all of the Certificates then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all holders of such affected Certificates shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Certificate pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the mailing of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Certificate during such period. Such consent may be revoked at any time after six months from the date of the mailing of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of a majority in aggregate principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

For the purposes of establishing ownership of the Certificates, the Issuer shall rely solely upon the registration of the ownership of such Certificates on the Registration Books kept by the Paying Agent/Registrar.

Section 15. DEFAULT AND REMEDIES.

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Certificates, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the Issuer.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Certificates then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Certificate authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or agents of the Issuer or the members of its governing body.

Section 16. APPROPRIATION. To pay the debt service coming due on the Certificates prior to receipt of the taxes levied to pay such debt service, if any, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount, which together with capitalized interest received from the sale of the Certificates, if any, will be sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 17. DISPOSITION OF FUNDS. Of the [\$ _____] in premium received from the sale of the Certificates, the amount of [\$ _____] shall be applied to the costs of issuance; and the remainder shall be deposited into the Construction Fund.

Section 18. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

Section 19. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

(Execution Page Follows)

PASSED, APPROVED AND EFFECTIVE this March 3, 2025.

Mayor, City of Denison, Texas

City Clerk, City of Denison, Texas

(CITY SEAL)

EXHIBIT A

Annual Financial Statements and Operating Data

The following information is referred to in Section 13(b) of this Ordinance:

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

1. Tables 1 through 6, and 8 through 18 in the Official Statement.

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements in Appendix B to the Official Statement.

City Council Meeting Staff Report



March 3, 2025

Agenda Item

Receive a report, hold a discussion and take action on an ordinance considering all matters incident and related to the issuance, sale and delivery of “City of Denison, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2025B;” authorizing the issuance of said Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject.

Staff Contact

Laurie Alsabbagh, Finance Director
lalsabbagh@denisontx.gov
903-465-2720 EXT 2492

Summary

- The City submitted an application to the Texas Water Development Board (TWDB) to secure funding for the City’s lead service line inventory and replacement program in the amount of ten million dollars.
- Application was approved for a low interest loan with 51% loan forgiveness.
- Requesting approval for the issuance of Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2025B, to finance the inventory portion of the lead service line inventory and replacement program.

Staff Recommendation

Staff recommends approval of the ordinance.

Recommended Motion

“I move to table adoption of the ordinance authorizing the issuance of the City's Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2025B, to the City Council meeting scheduled to begin at 6:00 p.m. on March 17,2025, at its regular meeting place at City Hall, 300 W Main, Denison, Texas.”

Background Information and Analysis

On December 4, 2023 Council approved a resolution to move forward with an application for financial assistance in the amount of ten million dollars from the Texas Water Development Board (TWDB) for the Lead Service Line Inventory and Replacement Program. The City’s application was approved for a low interest loan with 51% loan forgiveness. The loan will require the issuance of two series of certificates for the inventory and non-inventory portions of the program. Series 2025B will finance the inventory portion of the program.

Financial Considerations

Financial assistance from TWDB to the City will be in the amount of \$4,306,122, consisting of the City’s Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2025B, in the amount of \$2,110,000, and Principal Forgiveness in the amount of \$2,196,122.

Prior Board or Council Action

Council adopted a resolution directing the publication of notice of intention to issue combination tax and revenue certificates of obligation at their meeting on November 18, 2024.

Alternatives

If Council chooses not to approve the ordinance for the issuance, then the City will not move forward with financial assistance through the TWDB and will need to seek alternate funding to meet the Environmental Protection Agency (EPA) and Texas Commission on Environmental Quality (TCEQ) requirements.

City Council Meeting Staff Report



March 3, 2025

Agenda Item

Receive a report, hold a discussion and take action on an ordinance considering all matters incident and related to the issuance, sale and delivery of “City of Denison, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Series 2025C;” authorizing the issuance of said Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject.

Staff Contact

Laurie Alsabbagh, Finance Director
lalsabbagh@denisontx.gov
903-465-2720 EXT 2492

Summary

- The City submitted an application to the Texas Water Development Board (TWDB) to secure funding for the City’s lead service line inventory and replacement program in the amount of ten million dollars.
- Application was approved for a low interest loan with 51% loan forgiveness.
- Requesting approval for the issuance of Combination Tax and Revenue Certificates of Obligation, Series 2025C, to finance the non-inventory portion of the lead service line inventory and replacement program.

Staff Recommendation

Staff recommends approval of the ordinance.

Recommended Motion

“I move to table adoption of the ordinance authorizing the issuance of the City's Combination Tax and Surplus Revenue Certificates of Obligation, Series 2025C, to the City Council meeting scheduled to begin at 6:00 p.m. on March 17, 2025, at its regular meeting place at City Hall, 300 W Main, Denison, Texas.”

Background Information and Analysis

On December 4, 2023 Council approved a resolution to move forward with an application for financial assistance in the amount of ten million dollars from the Texas Water Development Board (TWDB) for the Lead Service Line Inventory and Replacement Program. The City’s application was approved for a low interest loan with 51% loan forgiveness. The loan will require the issuance of two series of certificates for the inventory and non-inventory portions of the program. Series 2025C will finance the non-inventory portion of the program.

Financial Considerations

Financial assistance from TWDB to the City will be in the amount of \$5,693,878, consisting of the City’s Combination Tax and Surplus Revenue Certificates of Obligation, Series 2025C, in the amount of \$2,790,000, and Principal Forgiveness in the amount of \$2,903,878.

Prior Board or Council Action

Council adopted a resolution directing the publication of notice of intention to issue combination tax and revenue certificates of obligation at their meeting on November 18, 2024.

Alternatives

If Council chooses not to approve the ordinance for the issuance, then the City will not move forward with financial assistance through the TWDB and will need to seek alternate funding to meet the Environmental Protection Agency (EPA) and Texas Commission on Environmental Quality (TCEQ) requirements.